

Risk Factors Comparison 2025-02-26 to 2024-02-28 Form: 10-K

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

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 Financial 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 growth and our past growth rates may not be indicative of future growth rates. If we fail to manage growth effectively, our business and financial results may be adversely affected.
- Future net revenue growth depends on our ability to attract new customers and retain existing customers in a cost-effective manner.
- We participate in markets that are competitive and continuously evolving, and, if we do not compete successfully, our business, results of operations, financial condition, and future prospects may be 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.
- We have a history of net losses and we may not be able to achieve or sustain profitability.
- Our results may fluctuate significantly and may not fully reflect the underlying performance of our business, making it difficult to accurately forecast future results. If we fail to meet the expectations of financial analysts or investors, our stock price and the value of your investment could decline.
- We rely 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 our credit platform ~~is~~ **or other credit programs are inaccurate or does, do** not perform as intended, **or lack sufficient capacity to meet demand**, 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 our involvement or the outcome of such litigation, disputes, actions, or investigations.
- **Our business is subject to regulation and oversight in a variety of areas, directly and indirectly through our relationships with customers, 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.**
- 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 affected.
- 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 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, **2024. The decrease in net revenue was primarily driven by the August 2023 Block Amendment which allowed for reduced pricing and impacted the revenue presentation for the Cash App program as fees owed to Issuing Banks and Card Networks related to the Cash App primary Card Network volume are recorded as a reduction to the revenue earned from the Cash App program within Net revenue effective as of July 1, 2023. In prior periods, these costs were included within Costs of revenue.** Our total net revenue was \$ **507.0 million**, \$ 676.2 million, **and** \$ 748.2 million, ~~and~~ \$ 517.2 million for the years ended December 31, **2024**, 2023, **and** 2022, ~~and~~ 2021, respectively, a decrease of **(25 % and a decrease of 10)%** ~~and an increase of 45%~~ from the prior years, respectively. 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 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;
- maintain the security and reliability of our platform;
- adjust for the impact of the anticipated accounting treatment of our customer agreements and the risk that such accounting treatment may be subject to further changes or 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.

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. Our TPV was \$ **291.1 billion**, \$ 222.3 billion,

and \$ 166.3 billion, and \$ 111.1 billion for the years ended December 31, 2024, 2023, and 2022, and 2021, respectively, an increase of 31 % and 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 the price of our Class A common stock would be adversely affected. Our growth has placed, 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 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. If we fail to manage our growth effectively, our business and financial results may be adversely affected. If we are unable to attract new customers, retain existing customers on favorable terms, and grow and develop those relationships, and expand our platform in a way that serves the needs of these customers to drive increased processing volumes, our business, results of operations, financial condition, and future prospects would be adversely affected. If we fail, there are a number of factors that affect our ability to attract new customers and retain existing customers, many of which are outside of our control and are difficult to predict, including customers in new use cases, but not limited to industry verticals, and geographies, and to expand our platform in a way that serves the needs of these customers, and to onboard them quickly, then we may not be able to continue to grow our net revenue. Our While historically our customers generally have not been subject to any material minimum volume commitments under their contracts and have not had material contractual obligations to continue using our platform, products, or services, we increasingly require contractual obligations related to exclusivity and preferred provider status related to our products and services. Accordingly, our legacy customers that do not have these contractual obligations 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 we seek to achieve. 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. 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. 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, 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. We participate in markets that are competitive and continuously evolving, and, if we do not compete successfully, our business, results of operations, and financial condition, and future prospects may be adversely affected. We operate in a highly competitive and dynamic industry and we 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. We face competition along several dimensions, including providers with legacy technology platforms, such as Fidelity National Information Services (FIS), Fiserv, and Global Payments (TSYS); 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 and customer service. 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 resources. Such competitors 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. 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, 2024, 2023, and 2022, and 2021, Block accounted for 47 %, 68 %, and 71 %, and 69 % of our net revenue, respectively. The net revenue from Block decreased over the second half of 2023 and through 2024 as a percentage of our total net revenue, due to the terms of the August 2023 Block Amendment coupled with growth in other customers. 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 has, and is expected to continue to, reduce reported net revenue period-over-period comparisons through the 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 concentration of a large percentage of our net revenue with a limited number of customers exposes us disproportionately to any of those customers choosing to stop using our platform or using our platform in a reduced capacity, reducing their processing volume with us, or renegotiating, terminating, or failing to renew 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 have incurred significant net losses since our inception, **including except for the year ended December 31, 2024. For the year ended December 31, 2024, we had net income of \$ 27.3 million, which was primarily due to the forfeiture of the Executive Chairman Long-Term Incentive Award. We had** net losses of \$ 223.0 million, ~~and \$ 184.8 million, and \$ 163.9 million~~ for the years ended December 31, 2023, ~~and 2022, and 2021~~, respectively. As of December 31, ~~2023-2024~~ and December 31, ~~2022-2023~~, our accumulated deficit was approximately \$ **797.9 million and \$ 825.2 million** and \$ 602.2 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 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 public company, we have incurred, and we will continue to incur, additional significant legal, insurance, accounting, and other expenses that we did not incur as a private company. From time to time, we may 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 forecast future results. If our results fail to meet the expectations of financial analysts or investors, our stock price and the value of your investment could decline. Our results of operations for a given period may not fully reflect the underlying performance of our business and ~~may~~ fluctuate as a result of a number of factors, many of which are outside of our control and ~~are~~ ~~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 your investment could decline. Forecasting our future results of operations ~~is~~ ~~can be~~ challenging because of such fluctuations and because our net revenue depends in part on our customers' end users. **Additionally, forecasting our performance can be impacted by a number of factors that are difficult to predict or control including, but not limited to, customer renewals, volume migration, and performance of new customers. As customers scale and become more sophisticated, they may seek to diversify, which could impact our renewal economics and our share of the processing volume. New customer performance is difficult to predict as there is a large spectrum of potential outcomes from very successful, hypergrowth customers to customers that never launch, and these outcomes are largely out of our control.** 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 **have in the past and** ~~may~~ **in the future** be unable to prepare accurate internal financial forecasts, and our results of operations in future reporting periods **has and** ~~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 rely on our relationships with Issuing Banks and Card Networks to provide certain services ~~for~~ **in connection with** our platform, products, 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~~ **Issuing Banks and Card Networks**. If we are unable to maintain the quality of these relationships or fail to comply with our **related** contractual requirements ~~with these financial institutions~~, our business would be adversely affected. A significant portion of our payment transactions are settled through a small number of Issuing Banks. For the years ended December 31, **2024, 2023, and 2022, and 2021** **70 %, 76 %, and 82 %, and 90 %**, 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 other Issuing Banks ~~that with which~~ we currently contract ~~with~~. Switching processing volume to another Issuing Bank would take time and could result in additional costs **or loss of revenue or customers**, which may adversely affect our business. We also have agreements 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 or new contracts related to our volume incentive arrangements with Card Networks could result in incentive payments that are recorded in a current period and based on volume processed in a prior period. We currently include Card Network fees in the pricing arrangements with the majority of our ~~MxM~~ customers **who engage us to arrange their use of one of more of the Card Networks**. If ~~our~~ ~~these~~ customers were to manage the relationship with the Card Networks directly, our reported net revenue may decrease. 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 which has the effect of reducing reported net revenue. We intend to **continue** ~~expand~~ **expanding** and ~~deepen~~ **deepening** our relationships with Issuing Banks and Card Networks, ~~and diversifying~~ **Diversifying** these contractual relationships and operations ~~may increase~~ **increases** the complexity of our operations and **has lead and** ~~may also~~ **continue to** lead to increased costs. 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 platform, impose additional costs or requirements on us, or give preferential treatment to competitive services, including their own. If we are unsuccessful in establishing, renegotiating, or maintaining relationships with Issuing Banks ~~and or~~ Card Networks, our business may be adversely affected. Performance issues, 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. Any significant disruption, 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 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. 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. 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, **vendors**, Card Networks, Issuing Banks, or other ~~third partners- parties or vendors~~, or other claims, regulatory fines, or proceedings. It could also damage ours and our customers' businesses and, in turn, hurt our brand and reputation. The performance ~~and~~, availability, **and connectivity** of the data centers ~~and~~, cloud- based solutions, **and other third parties** that provide computing and storage infrastructure for our platform ~~is are~~ 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 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, 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. Therefore, any performance issue, systems failure, outage, or interruption in the availability of our platform would adversely affect our business, and could subject us to financial penalties and liabilities. Any real or perceived improper or unauthorized use of, disclosure of, or access to our or our customers' and ~~other third partners- parties~~' confidential, proprietary, or sensitive data, including by cyberattacks, security breaches or 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 sensitive information pertaining to our business, employees, customers, and customers' end users. The confidentiality, integrity, and availability of such information residing on or processed using our systems is important to our business. While we have an internal security program, the success of such program will be impacted by new and existing vulnerabilities, 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 processing of sensitive data, and these vendors face similar security threats to the confidentiality, security, and integrity of their systems and the data they process for us. Unauthorized parties have attempted and will continue to attempt to gain access to our platform, systems, or facilities, and those of our customers, ~~partners, and~~ **vendors**, **and other third parties with which we do business** using a variety of methods such as **cloud account takeover attacks, software lifecycle compromise**, denial- of- service attacks, phishing attacks and other forms of social engineering, and ransomware and other malicious code. **We have incorporated and may continue to incorporate artificial intelligence ("AI") solutions and features (including AI solutions utilizing generative AI) into our platform and other aspects of our business and operations. The use of AI solutions and features in our business may increase or create additional cybersecurity risks, including risks of security breaches, data leaks, and other incidents. Also, due to political uncertainty and military actions associated with geopolitical tensions, we and the third parties we work with are vulnerable to heightened risks of security breaches and incidents.** 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 ours~~ and our ~~customers employees~~' data **and the data of third parties with which we work**, have a significant impact on our reputation as a trusted brand, and expose us to legal risk and potential liability, and costs associated with remediation. Further, if there is a breach ~~of impacting~~ payment card information that 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 of their costs and expenses, in addition to the potential for fines, penalties, and other liabilities. While we believe that none of the incidents that we have identified to date have materially impacted us, we cannot be certain that the security measures we have in place to detect and address security breaches, incidents, and other disruptions and protect sensitive data will be sufficient to counter the risks and threats facing us, our customers, and our vendors. 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 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 the perception of inadequate security may damage our reputation and negatively impact our ability to gain new customers and retain 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, 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 to increased security risks, and expose us to risks of data or financial loss and associated disruptions to our business operations. In addition, any inability to track and manage hardware and software assets across our remote workforce could lead to loss of intellectual property, a security breach or incident, and unauthorized access to our systems and applications, potentially adversely affecting our business and financial condition. While we maintain cybersecurity insurance, our insurance may be insufficient to cover all liabilities incurred by a cybersecurity breach or incident. We cannot be certain that our insurance coverage will be adequate for 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 claim exceeds available insurance coverage or if the conditions of our insurance policies change, our 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. **In fiscal 2023, we acquired Power Finance in the first quarter of 2023-2024, we announced new technologies, including portfolio migration, UX Toolkit, and the development of Marqeta Flex** released our credit card issuing platform publicly in October 2023. Net revenue growth attributed to credit card issuing **these new technologies** is dependent on increasing the number of existing customers or new customers who use our credit card issuing platform and these capabilities. **We have limited experience administering our credit card issuing platform, and failure to scale these technologies, platform due to our limited experience or a competitive market, or failure to bring Marqeta Flex to market could adversely affect our business and financial results. We may introduce other new products, technologies, or business opportunities in the future.** Our failure to accurately predict the demand or growth of new products and, technologies, or businesses could have a material and adverse effect on our business, results of operations, financial condition, and future prospects. New products and, technologies, and businesses are inherently risky, due to, among other things, risks associated with: the product or, technology, or business 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 **related to new products and technologies**, 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 businesses 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, technologies, or businesses. **We acquired Power Finance in the first quarter of 2023 and released our credit card issuing capabilities 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 due to our limited experience or a competitive market could adversely affect our business and financial results.** The success of our credit platform issuing capabilities and other credit programs also depends on our ability to effectively manage related risks for us and our Issuing Banks. While the Issuing Banks or other third parties we work with bear the credit risk, **in some cases** they rely on our credit decisioning engine and managed services to underwrite and service / or to otherwise support the management of credit card programs in accordance with their credit policies. **Our current and future efforts and the efforts of our Issuing Banks and other partners to expand the capacity of our Issuing Banks and mitigate risk to our credit issuing capabilities and other credit programs may not be successful.** Numerous factors, many of which are outside of our control, can adversely affect the evaluation of credit risk. The information we use in **our processing credit platform transactions** 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 Banks partners** or our ability to offer **support** 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 Issuing Banks have failed to comply with applicable laws and regulations, we and / or our bank partners Issuing Banks may be subject to litigation or regulatory investigations or other proceedings, we and / or our bank partner Issuing Banks 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. The Issuing Banks face the risk that our customers' cardholders will default on their payment obligations, creating the risk of potential charge- offs. While we are not contractually obligated to pay for any credit- related delinquencies or charge- offs, we have in the past and may in the future make payments to our Issuing Banks in association with our relationship with them, regardless of whether we were compelled to under law or 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. If we fail to anticipate, adapt to, or keep pace with new technologies and develop new services and capabilities for our platform, our business and future growth could be 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 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. We must also keep pace with changing legal and regulatory regimes that affect our platform, products, services, and business. 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, and other third parties 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 successful in developing modifications, enhancements, and improvements, in bringing them to market quickly or cost- effectively, or at modifying our platform to remain compliant with applicable legal and regulatory requirements. Our business could also be harmed if we experience unintended consequences with the enhancements we provide or use. **Issues relating to our use of AI technologies, including generative and agentic AI, combined with an uncertain legal and regulatory environment, could materially and adversely affect our business, financial condition, and results of operations. We have incorporated and may continue to incorporate AI solutions and features into our platform or other offerings, and otherwise within our business, and these solutions and features may become more important to our operations or to our future growth over time. There can be no assurance that we will realize the desired or anticipated benefits from AI and we may fail to properly develop, implement or market our AI solutions and features or to do so in a cost- effective manner. Additionally, we may fail to offer the AI solutions and features that our customers and potential customers expect or adopt. Our competitors or other third parties may incorporate AI into their products, offerings, and solutions more quickly or more successfully than we do, which could impair our ability to compete effectively, and adversely affect our results of operations. Additionally, our AI solutions and features may expose us to additional claims, demands, and proceedings by private parties and regulatory authorities and subject us to legal liability as well as brand and reputational harm. For example, if AI models used in our products or other offerings are incorrectly designed, the data we use to train them is incomplete or inadequate, the outputs (including any analysis or recommendations) are or are deemed to be inaccurate or discriminatory, or we do not have sufficient rights to use the data on which our models rely, the performance of our AI solutions and features, as well as our reputation, could suffer or we could incur liability through the violation of contractual or regulatory obligations. The legal, regulatory, and policy environments around AI are evolving rapidly. For example, the EU AI Act, which achieved approval by the European Council on February 2, 2024, and the European Parliament on March 13, 2024, will impose obligations on providers and users of AI technologies. Additionally, several U. S. states have proposed, and in certain cases have enacted, legislation imposing obligations in connection with the development or use of, or otherwise regulating, AI technologies. U. S. and state- specific regulatory bodies have also issued advisories on the use of AI technologies and will likely step up their oversight and enforcement of these technologies. Other countries also are contemplating laws regulating AI and machine learning technologies. We may become subject to new legal and other obligations in connection with our use of AI, which could require us to make significant changes to our policies and practices, necessitating expenditure of significant time, expense, and other resources.** We may continue to expand operations internationally where we have limited operating experience and may be subject to increased business, economic, and regulatory risks that could adversely impact our operations and financial results. We have offices in the United States, Poland, and the United Kingdom ("U. 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 or no experience in marketing, selling, employing personnel, and deploying our platform, products, and services. Managing international operations requires us to comply with new regulatory frameworks, additional regulatory hurdles, and implement additional resources and controls. 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: • 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; • conforming our platform with applicable business customs and languages; • increased costs and difficulty in protecting intellectual property and sensitive data, including compliance with data residency requirements or commitments; • 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 managing foreign operations; • increased travel, infrastructure, and legal and compliance costs; • difficulties in recruiting and retaining qualified personnel; • 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 laws and regulations, **and industry standards, and related penalties or fines for non-compliance**; • Interchange Fee regulation in foreign jurisdictions; • exchange rate risk and global market volatility; • potential restrictions on repatriation of earnings; • management of tax consequences; and • political, social, and / or economic 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 our platform. We **contract with Issuing Banks to** 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, including with respect to pre-funding, **ACH processing errors or delays**, and chargeback requests as well as human or processing error. If transactions or settlement reconciliations are not performed timely or ~~are inaccurate~~ **accurately** due to human or **other** processing error, we could incur losses. While customers deposit a certain amount of pre-funding into bank accounts at our Issuing Banks, depending on the model of the card program and the timing of funding and transactions, some transactions may be authorized in an amount that exceeds the pre-funding in the customer's account. 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 may be liable to the Issuing Bank to settle the transaction, including fraudulent or disputed 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. Additionally, **if the Issuing Banks we work with do not receive and submit ACH return files from us on time to the Federal Reserve Bank, the originating depository financial institution that sent the original ACH payment is not required to return the funds to the customer account at the Issuing Bank. We have in the past and may in the future be responsible for delays or errors in processing ACH return files, in which case we bear responsibility for the funds that should have been returned to the customer account and may suffer financial losses. In addition**, 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 **transactions exceeding customer pre-funding and** the improper processing of **ACH files and** chargeback requests. The costs we incur related to 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~~ **Issuing Banks and other counterparties**, which may cause us to be in breach of our obligations. The techniques used to perpetrate fraud ~~on our customers and our platform~~ are continually evolving, 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 or card account numbers. 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, harm to our business, or increasing costs related to remediation or more rigorous compliance obligations. Fraudulent activity could also result in the imposition of regulatory sanctions, including significant monetary fines, or other operating losses, all of which could have a material adverse effect on our business, results of operations, and financial condition. Failure to attract and retain key personnel, including senior management and other highly skilled employees, could adversely affect our business. Our future success depends on our ability to identify, hire, develop, motivate, and 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. 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 needs, and at an appropriate cost. Our labor expenses may increase as a result of a shortage in the supply of qualified personnel. **A number of our employees are foreign nationals who rely on work authorization provided to them by the U. S. federal government. In recent years, the United States has increased the level of scrutiny in work authorization immigration status. We may experience additional complications hiring and retaining qualified personnel who rely on such immigration status to lawfully work with our Company, as compliance with new or changing U. S. immigration and labor laws could restrain our ability to retain and attract qualified personnel. In addition, job** we anticipate potential impacts to foreign national employees' ability to travel for either business or personal reasons due to longer vetting times at the U. S. border for all individuals entering the United States. We also anticipate potential impacts to foreign national employees' ability to obtain new or renewed visas abroad, which are required in most circumstances to re-enter the United States. These processes could cause delays in **employees' ability to return to work in the event of travel. Job** candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the value of our equity awards ~~continues to declines~~ **decline or does not improve**, 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 in our executive management team may also disrupt our business. 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 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. 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, Despite having \$ 1.1 billion in cash and highly liquid short-term investments on our balance sheet**, we may seek additional funds to develop new products and enhance our platform and existing products, expand our operations, 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 **Restricted Stock Units (“RSUs”) and Performance-based Restricted Stock Units (“PSUs”) as well as to effect share repurchases. See the section titled “Risk Factors — Risks Relating to Ownership of Our Class A Common Stock — 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” for additional information regarding our share repurchase programs**. Accordingly, we may need to engage in equity or debt financings to 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 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 inflation or rising interest rates, could adversely affect the availability, diversity, cost, and terms of funding arrangements. In addition, actual events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transactional counterparties, or other companies in the financial services industry or the financial services industry generally, 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 \$ 250,000 per depositor per insured bank, and we currently have cash deposited in certain financial institutions in excess of 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 in investment-grade securities. If such investments are not diversified or are concentrated at an “at-risk” institution, we may experience losses and may not be able to liquidate such investments. 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. Strategic transactions, including acquisitions, investments, partnerships, and collaborations, could fail to achieve strategic objectives, divert the attention of management, disrupt our ongoing operations, dilute stockholder value, and may adversely affect our business and financial results. We may be unable to successfully integrate any acquired businesses and technology. We have in the past and may in the future acquire or invest in businesses, products, or technologies that we believe could complement our platform, products, and services, expand our geographic reach or customer base, or otherwise offer growth opportunities. For example, we acquired Power Finance Inc. in February 2023 **and we intend to complete the acquisition of the TransactPay business of Neptune International Ltd in 2025**. The identification, pursuit, evaluation, and negotiation of potential strategic transactions 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 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. Moreover, the anticipated benefits, growth, or synergies of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities. If we invest in companies that do not succeed, our investments may lose all or some of their value, which could result in us recording impairment charges reflected in our results of operations. In the ordinary course of business, we have been, are currently, and in the future may be, involved in litigation or disputes. We have also received and may in the future receive, inquiries, warrants, subpoenas, and other requests for information in connection with government investigations. Such claims, disputes, lawsuits, proceedings, and investigations could involve matters relating to employment, wage and hour, commercial, antitrust, securities, the duties of officers or directors, regulatory compliance, and other matters. The number and significance of litigation, regulatory, and government or legal investigation matters and disputes

has increased and may **continue to** 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~~ **other counterparties** 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~~ **other counterparties** face. Further, our liability insurance may not cover all potential claims made against us or third parties or be sufficient to cover us for all liability that may be imposed. A claim brought against us or third parties that is uninsured or under- insured could 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, could harm our reputation regardless of the outcome, and might seriously harm our business, overall financial condition, and operating results. We cannot assure you that any actual or potential litigation, claims, 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 provide certain products and services, and their failure to perform those services or comply with legal or regulatory requirements could adversely affect our business and financial results. We depend on services from various third- party vendors to provide our products and services. Any disruptions in these services, including as a result of actions outside of our control, ~~would~~ **could** significantly impact the continued performance of our platform. We conduct vendor due diligence 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 data or intellectual property, fails to meet contractual requirements (including compliance with applicable laws and regulations), suffers a cyberattack, security breach or incident, or other system outage or interruption, or terminates its contract with us, we could be subject to claims from customers ~~and or~~ other third parties or regulatory enforcement actions, and such incidents may also put information we process at risk which could in turn adversely affect our business, reputation, financial condition, or results of operations. 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 adversely affect our business and we may incur additional costs to resolve the issue. Indemnity provisions in various agreements potentially expose us to substantial liability and risk of loss. Our agreements with Issuing ~~Bank~~ **Banks partners and**, **Card Networks**, customers **, vendors, lessors, and other third parties** include indemnification provisions under which we agree to indemnify them for losses or 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 from intellectual property infringement claims made by third parties. Some of these agreements provide for uncapped liability for indemnification claims and some indemnity provisions survive termination or expiration of the applicable agreement. In some cases, we have in the past and could continue to be exposed to liability or indemnification claims from our customers **, Card Networks**, or ~~partners~~ **Issuing Banks** in connection with the services we provide. Large payments to ~~partners or~~ customers **, Card Networks, or Issuing Banks** could harm our business, results of operations, and financial condition. Any dispute with a ~~partner or~~ customer **, Card Network, or Issuing Bank** with respect to these obligations could have adverse effects on our relationship with that ~~counterparty partner or customer~~ and other existing or prospective ~~partners and~~ customers **, Card Networks, or Issuing Banks**, 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 generally accepted accounting principles (“ GAAP ”) requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial 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. ~~Significant Assumptions~~ **assumptions** and estimates used in preparing our Consolidated Financial Statements include **, but are not limited to, those -- the related to revenue recognition, accounting for fair value and useful lives of assets acquired and liabilities assumed through business combinations , the estimation of contingent liabilities, the fair value of equity awards and warrants, share- based compensation , the estimation of variable consideration in contracts with customers, the reserve for contract contingencies and processing errors, the estimation of network incentives, and valuation of income taxes. In addition, we have been and may continue to be involved in various lawsuits, claims, and proceedings that arise in the ordinary course of business. We record a liability for these when we believe it is probable that we have incurred a loss, and that we can reasonably estimate the loss. We regularly evaluate current information to determine whether we should adjust a recorded liability or record a new one. If a loss is reasonably possible and the loss or range of loss can be reasonably estimated, we disclose the possible loss in the accompanying notes to the Consolidated Financial Statements. Judgment is required to determine both the probability and the estimated amount**. 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~~ **We, our customers, our vendors, and other third parties we do** 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. While we currently operate our business in an effort to ensure our business itself is not subject to the same level of regulation **or licensing** as the Issuing Banks and Card Networks that we **partner contract** with, Issuing Banks and Card Networks operate in a highly regulated environment, and there is a risk that those regulations could become **directly** applicable to or **directly** impact us. **We have structured our business in a manner reasonably designed to comply with applicable laws and regulations, including, but not limited to, applicable laws relating to money laundering, sanctions, consumer protection, and money transmission services; however, it is possible that a relevant regulator may disagree, which could expose us to penalties and / or censure. If a relevant regulator disagreed with our analysis of, and compliance with, applicable laws, we may be required to seek licenses, authorizations, or approvals from those regulators, which may be dependent on us meeting certain capital and other requirements, and may subject us to additional regulation and oversight, all of which could significantly increase our operating costs.** As a program manager, we are responsible for aligning compliance with Issuing Bank requirements and Card Network rules, and we help create **regulatory compliant** card programs for our customers **designed to comply with applicable legal and regulatory requirements**. In some cases, we have in the past and could continue to be exposed to liability or indemnification claims from our customers or **other third parties** in connection with the services we provide. We are directly, and indirectly through our contractual relationships with customers, Issuing Banks, and Card Networks, subject to regulation in areas which may include **, but are not limited to,** 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, consumer protection, AML, and escheatment, **and as well as** compliance with **industry standards, such as** PCI DSS. As our business and platform continue to develop and expand, we **may continue to** become subject to additional laws, rules, regulations, and industry standards, including possible additional examination and supervision, in the United States and internationally. **For example, in Canada, the Retail Payment Activities Act (the “RPAA”) will subject payment service providers (“PSPs”), including a Marqeta subsidiary, to supervision by the Bank of Canada. One of our subsidiaries submitted an application for registration under the RPAA in November 2024, and we and other PSPs must establish, implement, and maintain a risk management and incident response framework that complies with the RPAA by September 8, 2025.** **New or changing laws expanded regulation or changes in interpretation or enforcement of existing regulations may have** could require us to incur significant expenses and **an devote significant management attention** **adverse effect on our business, results of operations, and financial condition due to ensure increased compliance costs and new restrictions affecting** could also prompt our Issuing Banks to alter their **the offering of** dealings with us in ways that may have adverse consequences for our **business platform, products and services**. We may not be able to respond quickly or effectively to, 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. **For example, regulatory scrutiny over banks that sponsor financial technology programs increased in fiscal 2024, and the heightened regulatory environment contributed to the Issuing Banks we work with focusing more on maintaining existing programs than launching new programs with us. As a result, we launched fewer programs than projected in fiscal 2024, adversely affecting our results of operations and business.** In addition, we may become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, or criminal or civil **complaints or** 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, we may also be subject to direct or indirect supervision and examination by various authorities. The CFPB, for example, has indicated it has dormant authority to examine certain companies whose services may pose risk to consumers, which may include our company. **The CFPB has Board of Governors of the Federal Reserve System, the FDIC, and the Office of the Comptroller of the Currency (the “Federal Banking Agencies”) have also issued a growing number of enforcement actions in connection with partnerships between banks and financial technology companies in recent years. The Federal Banking Agencies have also published interagency guidance on third party for banks to develop and implement risk management practices for these arrangements,** which **clarifies supervisory** places additional vendor compliance oversight expectations for **certain companies operating in banks to oversee the third parties with whom** **the they partner** financial services industry. **As With respect to payment activities, including card issuing, the Federal Banking Agencies have indicated that they may further clarify their supervisory expectations. Accordingly, as a program manager for Issuing Banks,** we may be viewed as overseeing **are subject to the Issuing Banks’ risk management standards for third - party relationships on behalf of** **in accordance with supervisory guidance and examination by the Federal Banking Agencies.** **Should we our - or the Issuing Banks and with whom we work be unable to satisfy these standards,** **as such we may have to discontinue certain programs or relationships or be unable to onboard new customers or products to the Issuing Banks, and** **it is also** possible that regulators could hold us **or our customers** responsible for actual or perceived deficiencies in **connection with** our oversight and control of third party relationships. **New or our arrangements with Issuing Banks,** **expanded regulation or changes in interpretation or enforcement of existing regulations may have an and** **adverse effect on our business, results of operations, and financial condition due,** **and results of operations may be adversely affected. New or changing laws or regulations could require us to incur significant expenses and devote significant management attention to ensure compliance and could also prompt our Issuing Banks to alter their dealings with us in ways that may have adverse consequences for our business. In addition, increased compliance costs supervisory scrutiny has in the past**

contributed to, and may in the future contribute to, the Issuing Banks with whom we currently have relationships reassessing the details of their arrangement with us and may deter new restrictions affecting the offering of Issuing Banks from establishing a relationship with us ~~our~~ or platform, products and services have other adverse impacts upon our business. 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 **United States** ~~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. 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~~ **governance**, and our actual or perceived failure to comply with such obligations, could adversely affect our business and financial results. **As we operate and expand our business, we process and manage a significant amount of personal data that increasingly subjects us to global laws and regulations governing the collection, use, disclosure, and other processing of that information and security measures with regard to that information.** 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 data**. 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 (**as amended, including by the California Privacy Rights Act, the “CCPA”**), ~~as amended and supplemented by the California Privacy Rights Act~~, which imposes significant restrictions on the collection, processing, and disclosure of personal **information data**, 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. **We** ~~In Europe, we are~~ **also** subject to **U. S. federal legislation such as the Gramm- Leach- Bliley Act and regulatory oversight in this area, including by the CFPB which has shown an increased interest in the governance of personal data.** **As we continue to operate and expand internationally, we are also subject to, and will continue to be subject to, international privacy laws including but not limited to the EU’ s General Data Protection Regulation (“GDPR”)**, which extends the scope of ~~E. U. K. GDPR, and local privacy and data protection~~ **legislation in EU member states, as well as law laws within Canada, including the Personal Information Protection and Electronic Documents Act and local provincial legislation. In addition, other global laws, rules, and regulations related to all companies processing data of individuals within the E-governance may impact our current and future operations.** ~~U. This includes, regardless of the company for example, regulations relating to cybersecurity, such as Europe’ s location Digital Operational Resilience Act, U. S. federal and state- specific~~ **requires companies to meet stringent requirements regarding the handling of personal data broker legislation.** ~~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~~ **advisory opinions pertaining** elsewhere also impose limitations on international transfers of personal data. We continue to monitor and assess evolving regulatory guidance and other ~~the developments- development~~ **development** 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 **use of AI** 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 **relating to privacy and data governance** 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. **As a result, these requirements may require us to modify our policies and practices and may otherwise adversely affect our business.** **While we continue to monitor and assess the evolving regulatory landscape in the context of our business and our products and services, this area is rapidly evolving and may be subject to uncertainty as well as varying interpretations of relevant requirements. Although** we have incurred and expect to continue to incur substantial expense in complying with **certain** new and evolving privacy and data **protection governance** laws and frameworks, we may not be successful in our efforts to achieve **and maintain** compliance. **Additionally, our interpretation and applications of relevant requirements may be inconsistent with the interpretation and application of these requirements by relevant authorities and regulatory bodies.** If we fail or are alleged to have failed to comply with **any of** 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 ~~, or~~ **significant changes in to** our policies and business operations, such as modifying products and services ~~, or~~ our data processing practices or policies, or otherwise restricting our operations, which we may be unable to complete ~~on in~~ a commercially reasonable ~~basis~~ **manner** or at all, and our potential liability in connection with **our actual or alleged** 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. **We may from time to time make representations regarding our practices and controls related to privacy, our processing of personal data, and related matters, such as our security measures including but not limited to within our public-facing privacy notices. We may at times fail, or be alleged to have failed, to comply with these representations. Any actual or alleged failure to comply with these representations, or any such representations being, or alleged to be, deceptive or misrepresentative, may result in regulatory investigations, enforcement actions, and other proceedings, civil litigation, claims, and demands, and fines and other penalties and liabilities, all of which may result in additional cost and liability to us, damage our reputation, and adversely affect our business.** A portion of our net revenue is derived from Interchange Fees and changes in Interchange Fees or Interchange Fee regulation could adversely affect our business, results of operations, and financial condition. A portion of our net revenue is derived from Interchange Fees and the amount of Interchange Fees we earn is highly dependent on the interchange rates that the Card Networks set and adjust. Interchange Fees and assessments are subject to change from time to time by the Card Networks and due to government regulation. Interchange Fees ~~are~~ **have historically been, and continue to be,** the subject of intense legal and regulatory scrutiny and competitive pressures in the electronic payments industry **in the United States and internationally**. For example, **in the United States**, the Durbin Amendment 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 Fee restrictions in the Durbin Amendment are able to access higher interchange rates **on debit and prepaid card transactions**. As a result, to maximize our Interchange Fees **in the United States**, we generally only contract with Issuing Banks that are subject to this exemption from the Durbin Amendment when we provide ~~MxM~~ services for debit and prepaid card programs. **While these Issuing Banks are currently exempt from the limitations on debit and prepaid card Interchange Fees, and we expect them to continue to be exempt, we can offer no assurance or guarantee that they will remain exempt, and various events outside our control may cause these Issuing Banks to become subject to the interchange fee limits under the Durbin Amendment. In addition, new laws or regulations related to interchange fees may be enacted. For example, Illinois passed the Interchange Fee Prohibition Act (“IFPA”), which prohibits the collection of debit and credit card interchange fees in Illinois for the portion of a card transaction that is attributable to sales taxes, excise taxes and gratuities if the merchant informs the acquiring bank of the amount of these taxes and gratuities. The IFPA is expected to be effective on July 1, 2025, pending ongoing litigation. While any potential reduction in our revenue from the new law in Illinois is not expected to be material, if any additional legislation regulating also exists Interchange Fees is enacted in other countries where jurisdictions, then the portion of our customers’ net revenue derived from Interchange Fees may be adversely affected. Further, complying with a patchwork of state laws governing Interchange Fees may create compliance burdens for our Issuing Banks and use us, which may 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, and results of operations.** Changes to the rules or practices set by Card Networks or our failure to comply with their rules and practices could adversely affect our business. 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 our 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 additional 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~~ **If we fail to comply with such Card Network rules, we** could also be fined and our registrations or certifications could be suspended or terminated which could limit our ability to process transactions and could have a material adverse effect on our business and results of operations. We are subject to anti-money laundering, anti-bribery and corruption (“AB & C”), sanctions, and similar laws, and non-compliance with such laws and regulations can subject us to criminal penalties or significant fines, adversely affect our business and reputation, or have other adverse consequences for us. We can be held liable under AML, AB & C, sanctions, 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 comply with applicable AML, AB & C, and sanctions laws and regulations, we cannot **guarantee** ~~assure you~~ that our programs and controls will be effective in ensuring compliance and that none of our third-party intermediaries or employees, representatives, contractors, partners, and 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 / or fines or penalties by governmental agencies, which would have a material adverse effect on our business, results of operations, and financial condition. 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. 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. 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, and, in extreme cases, the incarceration of responsible employees. Changes in applicable export or economic sanctions regulations, 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 in the introduction and deployment of our platform and existing or future products and services in international markets, or, in some cases, prevent or decrease the use of our platform and existing or future products or provision of existing or future services in certain countries or with 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. 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 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.~~ **While management deems See Part II, Item 9A "Controls and Procedures" for additional information about these material weaknesses remediated as of the date of the filing of this Annual Report on Form 10-K, and no further material weaknesses in our disclosure controls or controls over financial reporting were identified in 2024, we could identify additional material weaknesses in the future.** The process of designing and implementing effective internal controls and disclosure controls is a continuous effort. 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 our controls and systems do not perform as expected, we may experience ~~additional material weaknesses or we may be unable to remediate the existing~~ material weaknesses. In addition, testing and maintaining internal controls and disclosure controls may divert management's attention from other matters that are important to our business. Any failure to implement and maintain effective internal control over financial reporting 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 become subject to investigations by Nasdaq, the SEC, or other regulatory authorities, which could require additional financial and management resources, and we may not be able to remain listed on Nasdaq. Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect our results of operations. **A change We prepare our consolidated financial statements in conformity with GAAP. These principles are subject to interpretation by the Financial Accounting Standards Board ("FASB"), the SEC, and various bodies formed to interpret and create appropriate accounting principles and guidance. Any new or amended** accounting standards or practices may have a significant effect on our results of operations or financial condition and may **impact** 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. Changes in tax laws or regulations could have a material adverse effect on our business, results of operations, and financial conditions. **We** The rules addressing taxation are **subject to income** constantly under review by the legislature, the Internal Revenue Service, the U. S. Department of the Treasury, and state, local, and non-U. S. tax **taxes** 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 ~~the~~ **expenses United States and numerous foreign jurisdictions.** **Our** 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 of 2022 created an **and international** excise tax of 1% on stock repurchases from publicly traded US corporations, among other changes, which has resulted and is expected to continue to result in increased tax liabilities **are dependent upon** for us. In addition, the **location** Organization for Economic Cooperation and Development (the "OECD") has proposed enacting a global minimum tax rate of **earnings among** at least 15% for multinationals with global revenue exceeding certain thresholds, known as "Pillar Two," and many countries have adopted or intended to adopt these **different jurisdictions** proposals. We are currently evaluating the impact on our 2024 annual effective tax rate as we wait for additional guidance from the OECD and 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. **Additionally,** 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 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 additional jurisdictions with increasingly complex tax laws, the application of which can be uncertain, and which could increase the amount of taxes we pay, potentially adversely affecting our liquidity and 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 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, which may have an adverse effect on our business, results of operations, and financial condition. 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 (“ 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 (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 have experienced ownership changes since inception and believe that our existing NOLs and other tax attributes, including R & D credit carryforward, will be subject to such limitation. In addition, the amount of NOLs and other tax attributes that we are permitted to deduct may be subject to limitations and our NOLs and other tax attributes may expire before they are fully utilized. Our NOLs and other tax attributes may also be subject to limitations under state law. **There is** **For example, recently enacted California legislation limits the use of state NOLs for tax years beginning on or after January 1, 2024, and before January 1, 2027. As** a risk that due to result of this or other 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.

Risks Relating to Intellectual Property If we fail to adequately protect our intellectual property rights, our business could be adversely affected and we could incur additional expenses to protect our rights. 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 patents and trademarks may be contested, circumvented, or found unenforceable or invalid, and we may not be able to prevent third parties from infringing, diluting, 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 technologies 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, and other confidential information to maintain our competitive position. Although we enter into confidentiality agreements with our employees, service providers, and other actual or potential strategic business partners, these agreements may not be effective in controlling access to and distribution of our platform, or certain other aspects of our trade secrets, proprietary technology, and other confidential information. 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. Our use of open source software could adversely affect our ability to sell our products. Our platform incorporates open source software, and we expect to continue to incorporate open source software in our products and platform in the future. There have been claims challenging the use of open source software against companies that incorporate it into their products. If it is alleged that we have not complied with an open source license, we could incur significant legal expenses defending against such allegation. If we fail to comply with an open source license, we may be required to offer our products that 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 re- engineer our products or platform or to discontinue offering our products. These events 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. Although we seek to comply with the statutory, regulatory, and judicial frameworks and the terms and conditions of statutory licenses, we cannot assure you that we are not infringing or

violating any third- party intellectual property rights, or that we will not do so in the future. The costs of litigation 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 required to stop using such intellectual property or other proprietary rights and pay damages, which could adversely affect our business. Even if such claims were not valid, defending them could be expensive and distract our management team. We have agreed to defend, indemnify, and hold harmless certain of our customers and other ~~partners-counterparties~~ from damages and costs arising from the infringement or claimed infringement by our products of third- party intellectual property rights. The scope of these indemnity obligations varies. Even if we are not a party to any litigation between a customer ~~or other counterparty~~ and a third party relating to ~~alleged~~ infringement ~~by in relation to~~ our 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 may continue to be highly volatile and could be subject to wide fluctuations. This 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, 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. Securities litigation can 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 ~~52.46~~ ~~4.23~~ % of the voting power of our capital stock as of December 31, ~~2023~~ ~~2024~~ . 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 ~~IPO 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 stockholder. Transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, which has had and will continue to have the effect 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 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 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 under our stock incentive plan. 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~~ ~~2024~~ , we had ~~36.14~~ ~~670.962~~ ~~638.000~~ 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, as well as ~~38.33~~ ~~177.806~~ ~~072.000~~ total shares of Class A or Class B common stock subject to RSU awards. ~~We have also granted the Executive Chairman Long-Term Performance Award to our Executive Chairman and former Chief Executive Officer, which vests upon the satisfaction of a service condition and the achievement of certain stock price goals. If the Executive Chairman Long-Term Performance Award vests and is exercised, your ownership will be diluted. See Note 11 “ Stock Incentive Plans ” to our Consolidated Financial Statements for more information about the Executive Chairman Long-Term Performance Award.~~ Any Class A common stock or securities convertible into shares of our Class A common stock that we issue from time to time 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 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 securities convertible into our Class A common stock. 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 of our board of directors, our chief executive 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 (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 (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”). **Repurchases under the 2023 Share Repurchase Program were completed as of March 31, 2024. In May 2024, our board of directors approved another \$ 200 million share repurchase program for shares of our Class A common stock (the “2024 Share Repurchase Program”), and in February 2025, our board of directors approved an additional \$ 300 million share repurchase program for shares of our Class A common stock (the “2025 Share Repurchase Program,” and, together with the 2024 Share Repurchase Program, the “Active Share Repurchase Programs”).** The actual timing, manner, number, and value of shares repurchased under the **Active Share Repurchase program Programs** 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 ~~Active share~~ ~~Share repurchase~~ ~~Repurchase program~~ ~~Programs~~ 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~~ ~~programs~~. The ~~Active share~~ ~~Share repurchase~~ ~~Repurchase program~~ ~~Programs~~ has ~~have~~ no set expiration date. We intend to make all repurchases in compliance with applicable regulatory guidelines and to administer the ~~plan~~ ~~plans~~ 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~~ ~~vendors~~, and ~~vendors~~ ~~other counterparties~~ 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~~ ~~principle executive offices~~ 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. 42-44