**Risk Factors Comparison 2024-02-23 to 2023-02-28 Form: 10-K**

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The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition, results of operations and cash flows could suffer. The risks and uncertainties discussed below also include forward- looking statements and our actual results may differ materially from those discussed in these forward- looking statements. ~~RISK FACTOR SUMMARY~~ **Risk Factor Summary** Investment in our securities involves risk. Below is a summary of what we believe to be the principal risks facing our business. You should carefully review and consider this summary along with the risks described more fully in **this** Item 1A, " Risk Factors " of Part I of this Annual Report and other information included in this Annual Report. The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. If any of the following risks occurs, our business, financial condition, and results of operations and future growth prospects could be materially and adversely affected, and the actual outcomes of matters as to which forward- looking statements are made in this report could be materially different from those anticipated in such forward- looking statements. **Our Business and Industry** • A ~~significant portion of~~ **reduction in the demand for** ~~our~~ - **or supply** ~~revenues are related to the amount~~ of gasoline and **/ or** diesel fuel ~~purchased by or through our customers and from our fuel retailer partners~~ , ~~and, as a result, a reduction in the demand for or supply of gasoline or diesel fuel and other vehicle products and services, whether due to an increase in usage of alternative fuel vehicles or otherwise~~ and / or volatility in **such** fuel prices, could have a material adverse effect on our business, financial condition, and operating results. • A decline in general economic conditions, ~~including any potential recession~~ and **in particular** ~~the strength and sustainability of any subsequent recovery~~ , ~~may lead to~~ a ~~decrease~~ **decline** in **demand for fuel, travel related** ~~overall spending in the economy and on the~~ services **or health care services** ~~that we provide, which~~ could ~~substantially~~ **significantly** affect our business, **operating results,** ~~both in the U. S.~~ and ~~internationally~~ **financial condition** . • We process transactions through the Mastercard and Visa networks through the financial services of WEX issuers and other third party licensed institutions. If any of these licensed institutions stop or are unable to provide these services to us, we would need to find other appropriate institutions to provide such services. ~~In addition, if we fail to comply with the applicable requirements of Mastercard or Visa, they could seek to fine us, suspend us or terminate our license with them.~~ • Unpredictable **or catastrophic** events **may adversely affect** ~~, including events such as pandemics and public health crises like the COVID- 19 pandemic, political unrest, war, and the like could interrupt our operations by causing disruptions in global markets, economic conditions, fuel supply or~~ **our ability to conduct business** ~~demand, travel and tourism, and the use of health care services~~ . • We have experienced and ~~could continue to~~ **may in the future** experience substantial credit and fraud losses and other adverse effects ~~if we fail to adequately assess and monitor credit risks posed by our counterparties or if there continues to be fraudulent use of our payment cards or systems~~ . • **Changes in** ~~A substantial portion of our~~ - **or limits on** ~~revenue is generated by network processing fees charged to merchants, known as~~ interchange fees **could decrease our revenue. • Bank failures or other similar events could adversely affect our and our customers' liquidity and financial performance. • Increasing scrutiny and changing expectations from investors** , **customers and our employees with respect to our ESG practices may negatively affect our business,** ~~results~~ - **result in additional costs or expose us to new or additional risks** .• Our failure to adapt to technological and industry changes and effectively implement new technology and products could materially affect our competitive position and our business ~~,financial condition~~ **.• We may not realize or sustain the expected benefits from our cost** and **organizational** ~~operating~~ **operational** ~~results~~ **efficiencies initiatives** .• We operate in a highly competitive business environment ~~.Such competition could have a material adverse effect on the fees we receive,our revenues and margins,and our ability to gain,maintain,or expand customer relationships,all on favorable terms~~ .• Our ability to attract,motivate,and retain qualified employees is critical to our success ~~and the failure to do so may materially adversely affect our performance~~ .• We may not be able to successfully execute on ~~the portion~~ **acquisitions as part** of our growth **strategy.• We are subject to risks** associated with ~~transactions processed using our payment systems. Any limitation, reduction or~~ **our** ~~elimination of these fees, whether by regulation~~ **strategic minority equity investments. • We are exposed to risks associated with** ~~or~~ **our** ~~by private actions~~ **operations outside of the U. S. • Fluctuations in foreign currency exchange rates have affected and could continue to affect** ~~or~~ **our** ~~otherwise~~ **financial results. • As a non- bank custodian of HSA assets, WEX Inc.' s failure to adequately place and safeguard our custodial assets, or the failure of any of our depository partners** , could have a material adverse effect on our business , financial condition and operating results....... could continue to affect our financial results . • We have incurred, and may incur in the future, impairment charges on goodwill or other intangible assets. • ~~We regularly experience cyberattacks~~ **The Company is,** and **may** ~~expect they will continue~~ in the future **become, involved in various claims, investigations, and legal proceedings** . ~~We may not be able~~ **PART I • If we fail** to adequately protect our **IP** ~~information systems~~ , **our competitive position** ~~including the data we collect, which~~ could **be impaired** ~~subject us to liability and damage our reputation~~ . ~~Our efforts to implement robust security measures and comply with applicable data privacy laws are costly and time- consuming and they may not provide absolute security against cyberattacks or unauthorized access. •~~ WEX Bank **•** ~~operates under an industrial loan charter (ILC), which we believe provides us access to lower cost funds than many of our competitors, thus helping us to offer competitive products.~~ The loss or suspension of WEX Bank' s **ILC** ~~industrial loan charter~~ , changes in applicable regulatory requirements, or an increase in the number or type of institutions eligible for an ILC could be disruptive to ~~certain of~~ our operations, increase costs, and increase competition. • WEX Bank is subject to extensive supervision and regulation that could restrict our activities and impose financial requirements or limitations on the conduct of our business and limit our ability to generate income. • ~~We are~~ **Conditions in the economy or other markets may have a negative impact on WEX Bank' s ability to attract deposits. • WEX Bank' s cost of capital has increased and may continue to increase. • WEX Bank is** subject to **funding** ~~anti- money laundering laws and regulations, which create additional compliance costs and~~ risks **associated with its reliance on brokered deposits** . • ~~Existing and new laws and regulations and enforcement activities could negatively impact our business and~~ **If WEX Bank fails to meet certain criteria, WEX Inc. may become subject to** the **Bank Holding Company Act. • WEX Bank' s results may be affected by** ~~markets~~ - **market** ~~we presently operate~~ **fluctuations and significant changes** in **the value of financial instruments** ~~or could limit our expansion opportunities~~ . **Our Indebtedness** • We currently have a substantial amount of indebtedness and may incur additional indebtedness, which could affect our flexibility in managing our business and could materially and adversely affect our ability to meet our ~~debt service~~ obligations. • Fluctuations in interest rates could materially affect the interest expense ~~on~~ **incurred under** our Amended and Restated Credit Agreement and any other ~~contingent payment~~ **payments subject to variable interest rates** . • ~~WEX Bank is subject~~ **We may want or need** to ~~regulatory capital requirements~~ **refinance a significant amount of indebtedness or otherwise require additional financings, but we cannot guarantee** that **we will be able** ~~have in the past, and may in the future, require us~~ to ~~make capital contributions to WEX Bank~~ **refinance or obtain additional financing on favorable terms or at all. Regulation • Existing and new laws and regulations and enforcement activities, could negatively impact** ~~or~~ **our** ~~that may restrict WEX Bank' s ability~~ **business, limit our expansion opportunities and significantly impact our results of operations and financial condition. • Laws or regulations developed in one jurisdiction or for one product could result in new laws or regulations in other jurisdictions or for other products. • Changes in our tax rates, the adoption of new legislation or exposure** to ~~make cash available to WEX Inc~~ **additional tax liabilities could affect our results** . • As a non- bank custodian ~~,~~ WEX Inc. is subject to regulation and ~~non compliance~~ **noncompliance** could render it unable to maintain its ~~non- bank custodian~~ status ~~, thus affecting our ability to earn revenues from certain custodial assets~~ . • ~~Legislation~~ **Evolution** and ~~regulation~~ **expansion** of **our** ~~, and private~~ business ~~actions related~~ **may subject us** to **additional regulatory requirements and other risks** , ~~greenhouse gases, such as~~ **for which failure to comply or adapt could harm our operating results. • Our increased presence in foreign jurisdictions increases the possibility of foreign** ~~laws~~ - **law violations. Our Dependence on Technology • We regularly experience cyberattacks** and ~~actions spurring~~ **expect they will continue in the future and we may not be able to adequately protect our information systems. • We are subject to privacy and data protection regulations, and compliance with these regulations could impose significant burdens. Failure to comply could have** a **negative** ~~movement toward alternative fuel vehicles, could materially~~ impact **on** our business. • If the technologies we use ~~in operating our business and interacting with our customers fail,~~ are unavailable, or do not operate to expectations, or we fail to successfully implement technology ~~strategies and capabilities in connection with our outsourcing arrangements~~ , our business and results of operations could be adversely impacted. • **Our business is dependent on electronic communications networks managed by third parties. • We use AI in our business, and challenges with properly managing its use could result in harm. Ownership of Our Common Stock • The failure to maintain effective systems of internal control over financial reporting and disclosure controls and procedures could result in the inability to accurately report our financial results. •** Provisions in our charter documents, Delaware law ~~,~~ **and** applicable banking law ~~and the Convertible Notes (as defined below)~~ may delay or prevent our acquisition by a third party ~~. • The issuance by us~~ **, and could adversely impact the market price** of **our** ~~additional shares of~~ common stock ~~or equity- linked securities, including in connection with conversions of our outstanding Convertible Notes, may cause dilution to our stockholders~~ . Risks Relating to Our Business and Industry A significant portion of our revenue is generated by the purchase and sale of gasoline and diesel fuel by or through our customers and from our fuel retailer partners, and, as a result, a reduction in the demand for or supply of gasoline and / or diesel fuel and / or volatility in such fuel prices could have a material adverse effect on our business, financial condition, and operating results. Our **Mobility** ~~Fleet Solutions~~ segment is our largest segment by total revenue and our customers and fuel retailer partners in this segment primarily purchase or sell gasoline or diesel fuel. Accordingly, a substantial amount of our Company' s total revenue is generated through the purchase and / or sale of fuel, making our revenues in this segment subject to the demand for and supply of fuel and historically volatile fuel prices. A substantial portion of our **Mobility** ~~Fleet Solutions~~ segment total revenues, particularly in our North American Fleet business, result from fees paid to us by fuel providers based on a negotiated percentage of the purchase price of fuel purchased by our customers. We currently do not utilize fuel hedging derivatives, and therefore, these revenues are currently exposed to the full impact of fuel price declines and our net income is exposed to fuel price volatility. Therefore, extended declines in the price of fuel, as well as declines in the amount of fuel purchased by our customers or sold by our fuel retailer partners would have a material adverse effect on our total revenues and therefore our business, financial condition, and operating results. Fuel price volatility is influenced by many factors, all of which are beyond our control. These factors include, but are not limited to: • domestic and foreign supply and demand for oil and gas, and market expectations regarding such supply and demand; • **the demand for trucking and freight hauling services; •** investor speculation in commodities; • actions by major oil exporting nations, including members of the Organization of Petroleum Exporting Countries, and the ability of the same to maintain oil price and production controls; • level of domestic and foreign oil production; • advances in oil production technologies; • excess, or alternatively, lack of adequate, infrastructure; • geo- political conditions, including revolution, insurgency, environmental activism, terrorism, or war, such as, the ongoing ~~conflict~~ **conflicts** between Russia and Ukraine **and Israel and Hamas** ; • oil refinery capacity and utilization rates; • weather, including climate change and natural disasters; • the value of the U. S. dollar (or other relevant currencies) versus other major currencies; • unexpected events such as global pandemics like the COVID- 19 pandemic; • general local, regional, or worldwide economic conditions; **• taxes and tariffs;** and • governmental regulations ~~, taxes~~ and ~~tariffs~~ **legislation, including those pertaining to greenhouse gases (" GHG ") and fuel efficiency standards** . Some of these factors can vary by region and may change quickly, adding to market volatility, while others may have longer- term effects. The long- term effects of these and other factors on prices for fuel could be substantial. For example, although we cannot predict ~~its~~ **the** duration or severity of impact, the ongoing ~~war between Russia~~ **conflicts in Europe** and ~~Ukraine~~ **the Middle East** , **and** the resulting sanctions ~~imposed on Russia by the U. S.~~ and **military actions** ~~the European Union, and the decrease in natural gas exports from Russia~~ have significantly impacted and will likely continue to impact **volatility in** worldwide fuel prices, ~~particularly in Europe,~~ and we cannot predict the ultimate impact of ~~the~~ **these** ~~war~~ **conflicts** on fuel prices. Our revenue is also dependent, in part, on the late fees that our customers pay on past due balances. As a result, a decrease in the price of fuel may lead to a decline in the amount of late fees we earn from customers who fail to pay us timely. Alternatively, an increase in the price of fuel could lead to higher amounts of receivables or payables we fund, thereby increasing the risk of, and our exposure to, a failure to pay by our counterparty, as well as an increase in the amount of fraudulent activity. See **Part I –** Item 1A ~~-~~ **–** Risk Factors ~~- “~~ **– "** We have experienced and ~~could continue to~~ **may in the future** experience substantial credit and fraud losses and other adverse effects if we fail to adequately assess and monitor credit risks posed by our counterparties or if there continues to be fraudulent use of our payment cards or systems. ~~”~~ **"** In addition to its impact on the price of fuel, the market demand for and supply of fuel and other vehicle products and services may affect the number of transactions or the volume of fuel sold. Fewer gallons sold equates to a lower total purchase price of fuel on which our negotiated percentage revenue is determined. Our revenues, particularly in the over- the- road business, are also dependent, in part, on a flat fee derived from each fuel purchase transaction. Accordingly, in a soft fuel demand environment, which could be caused by a number of factors **beyond our control** , including higher prices ~~and domestic and global~~ **, general local, regional, or worldwide** economic conditions **, public health crises, decreased demand for trucking and freight hauling services and governmental regulations and legislation, including those pertaining to GHG and fuel efficiency standards** , fewer transactions occur, resulting in less revenue to us ~~. The factors that affect the demand for and supply of fuel are beyond our control and include general local, regional, or worldwide economic conditions, the demand for trucking and freight hauling services, fuel prices, the implementation of fuel efficiency standards, and legislation and regulation of greenhouse gases~~ . Credit and other standards set by us can also limit demand for the purchase of fuel using our products. In addition, there is a trend toward the development by vehicle manufacturers, and adoption by our ~~fleet~~ **Mobility** customers and others, of vehicles with greater fuel efficiency or alternative fuel sources, such as electric, hydrogen, or natural gas powered vehicles, including hybrid vehicles. The continued adoption of alternative fuel and hybrid vehicles by our customers or others, an increase in the speed at which such adoption occurs, or any material increase in the use of alternative fuel vehicles in heavier duty vehicle fleets, such as over- the- road truck fleets, would lead to less gasoline or diesel fuels being sold and affect our financial performance. This trend could have a material adverse effect on our financial performance if we are unable to develop products and introduce them to the market to replace any decrease in revenue caused by any resulting decrease in the sale of gasoline or diesel fuels. For further information on any trend toward alternative fuel and hybrid vehicles and how legislation and regulation of **GHG** ~~greenhouse gases~~ could affect our business, see **Part I –** Item 1A ~~-~~ **–** Risk Factors ~~- “~~ **– "** Our failure to adapt to technological and industry changes and effectively implement new technology and products could materially affect our competitive position and our business. ~~”~~ **"** and Item 1A ~~-~~ **–** Risk Factors ~~- “~~ **– "** Legislation and regulation of, and private business actions related to **the reduction of** ~~, greenhouse gases (“~~ GHG **emissions** ~~”) and related divestment and other efforts~~ could adversely affect our business. ~~”~~ **"** On the supply side, disruptions to supply caused by factors such as geopolitical issues, war (such as the ~~war~~ **wars** ~~between Russia~~ **in Europe** and ~~Ukraine~~ **the Middle East** ), weather, environmental considerations, infrastructure, labor shortages, or economic conditions could also affect the amount of fuel purchased by our customers. To the extent that our customers require, or have access to, less fuel, the resulting decline in purchase volume or transactions could reduce our revenues, or any growth in our revenues, and have a material adverse effect on our business, financial condition and operating results. Finally, revenue from our European fleet business is primarily derived from transactions in which our revenue is tied to the difference between the negotiated price of the fuel from the supplier and the price charged to the fleet customer. The merchant' s cost of fuel and the amount we charge to our fleet customer for fuel are dependent on several factors including, among others, the factors described herein affecting fuel prices. We experience fuel price related revenue contraction when the merchant' s cost of fuel increases at a faster rate than the fuel price we charge to our ~~fleet~~ **mobility** customers, or the fuel price we charge to our ~~fleet~~ **mobility** customers decreases at a faster rate than the merchant' s cost of fuel. If the foregoing scenarios exist or persist we would generate less revenue, which could have a material adverse effect on our business, financial condition, and operating results. A decline in general economic conditions, including any potential recession, and in particular, a decline in demand for fuel, travel related services or health care services, and other business related products and services that we provide, adversely affects our business, operating results, and financial condition. Our business and operating results are materially affected by general conditions in the economy, both in the U. S. and internationally. We generate a substantial part of our revenue based on the volume of purchases and other transactions we process and our business generally depends heavily upon the overall level of spending. Demand for our services has in the past been, and may in the future be, **at least partially** correlated with general economic conditions and the amount of business activity in the regional economies in which we operate, particularly in the U. S., Europe, **and** the United Kingdom ~~, Asia, Australia, and New Zealand~~ . Unfavorable changes in economic conditions, which are typically beyond our control and include declining consumer confidence, increasing unemployment, a restructured or reduced workforce and business patterns, inflation, recession, changes in the political climate, war (including the ~~war~~ **wars** ~~between Russia~~ **in Europe** and ~~Ukraine~~ **the Middle East** ) or other changes, are generally characterized by reduced commercial activity and may lead to a reduction or plateau in spending by those whose spending directly or indirectly contributes to our revenues, resulting in reduced or stagnant demand for, or use of, our products and services, including fuel, travel related services, health care services, CDH accounts, accounts payables services, and other business related products and services by our customers or partners and our customers' or partners' customers. In addition, if the

U. S. or global economy enters a recession, we may experience a decline in demand for our services and may have to decrease our pricing, all of which could have a material adverse impact on our financial results. The severity and length of time that any downturn in economic and financial market conditions may persist, as well as the timing, strength and sustainability of any recovery from such downturn, are typically unknown and are beyond our control. As a result, a sustained decline in general economic conditions in the U. S. or internationally could have a material adverse effect on our business, financial condition, and operating results **. We process transactions through the Mastercard and Visa networks through the financial services of WEX issuers and other third party licensed institutions. If any of these licensed institutions stop or are unable to provide these services to us, we would need to find other appropriate institutions to provide such services. In addition, if we fail to comply with the applicable requirements of Mastercard or Visa, they could seek to fine us, suspend us or terminate our license with them** . A significant source of our revenue comes from processing transactions through the Mastercard and Visa networks. Licensing with Mastercard and Visa is achieved through multiple WEX owned issuers and third party financial institutions. If these licensed entities should stop providing, or are otherwise unable to provide, services for any reason, or, in the case of a third party, provide services on materially less favorable terms, we would need to find other providers of those services. Mastercard and Visa routinely update and modify their requirements. Changes in the requirements may make it significantly more expensive for us to maintain compliance with the conditions of a license. In addition we have agreed to deliver a certain percentage of our transaction volume in certain of our business areas to certain networks. If we do not comply with a network' s requirements, as the case may be, we could face additional costs, license suspensions or termination. Any suspension of relevant licenses could limit or eliminate our ability to provide Mastercard or Visa payment services, which would materially affect our operations and revenues. Further, regulatory changes or non- compliance of an issuer with regulatory requirements, could impair or require us to stop providing Mastercard or Visa payment services in the applicable jurisdictions. If we are unable to find a replacement provider, we may no longer be able to provide such payment processing services to our customers, which would materially affect our operations and have a material adverse effect on our business, financial condition and operating results. Unpredictable **or catastrophic** events in the locations in which we or our customers operate, or elsewhere, including events such as the COVID- 19 pandemic, may adversely affect our ability to conduct business and could impact our financial condition and operating results. Unpredictable events, including events such as pandemics and public health crises like the COVID- 19 pandemic, political unrest, war, including the **ongoing** ~~war~~ **wars** ~~between Russia~~ **in Europe** and ~~Ukraine~~ **the Middle East** , terrorist attacks, power or technological failures, natural disasters or catastrophes (such as wildfires or hurricanes) and severe weather, including conditions arising from climate change, could interrupt our operations by causing disruptions in global markets, economic conditions, fuel supply or demand, travel and tourism, and the use of health care services. Such events, including ~~, most recently,~~ the **ongoing** ~~war~~ **wars** in **Europe and** the ~~Ukraine~~ **Middle East** and the COVID- 19 pandemic, have triggered and could also trigger in the future, large- scale technology failures, delays, or security lapses as well as increased volatility or significant disruption of global financial markets. Such events, if continuing or significant, could affect our revenues, including by reducing the demand for our products and services, by limiting our ability to provide our services or by resulting in security or other issues to our technology systems and the information contained therein. As a result, such events could negatively impact our business, financial condition, and operating results, potentially materially. **We** ~~Finally, we~~ believe the COVID- 19 pandemic has, in many respects, resulted in transformational change in business and consumer behavior, as well as the implementation by authorities and businesses around the world of numerous measures aimed at containing the virus, at various times, such as travel bans and restrictions, quarantines, shelter in place orders, business shutdowns, vaccination requirements, and mask mandates, among others. Even now that restrictions relating to the COVID- 19 pandemic have substantially subsided within the regions in which we operate, we may continue to experience impacts to our business as a result of the virus' s global economic impact and its ~~potential~~ **lasting** ~~effect~~ **effects** on the ways people and businesses conduct themselves, including fluctuations in demand for worldwide travel **, impacts to the supply chain** , workforce effects (such as difficulty recruiting, training, motivating and developing employees due to evolving health and safety requirements and protocols, changing worker expectations and talent marketplace variability regarding flexible work models), the availability of credit, impacts on our liquidity, continued governmental restrictions in certain geographies, and continued volatility in fuel demand and prices. The foregoing and any other continued effects on our business as a result of the COVID- 19 pandemic and its aftermath could substantially impact our business, results of operations, financial condition, cash flows and our ability to service our indebtedness and generally heighten the risks in certain of the other risk factors described herein. We are subject to credit risks posed by our counterparties, many of which are small- to mid- sized businesses. Because we often fund a counterparty' s entire receivable or payable, as the case may be, while our revenue is generated from only a small percentage of that amount, our risk of loss is amplified by a counterparty' s failure to pay. Although we use various ~~formulas and~~ models **and techniques** to screen potential counterparties and establish appropriate credit limits, these ~~formulas and~~ models **and techniques** cannot eliminate all potential credit risks and may not prevent us from approving applications that are fraudulently completed and submitted. Moreover, businesses that are good credit risks at the time of application may deteriorate over time and we may fail to detect such changes. In addition, in order to grow our business we may institute changes to our policies on the types and profiles of businesses to which we extend credit, which could also have an adverse impact on our credit losses. As an example, from time to time, such as during the recent supply chain slowdown, the freight industry experiences cycles that attract smaller, independent truckers to the market with lesser credit profiles. As the cycle of freight economics normalizes, **a portion of** these smaller, independent truckers ~~may~~ **are** not ~~be~~ able to pay back the credit we ~~have extended~~ -- **extend** them, leading to increases in payment defaults. Further, in times of economic slowdown, the number of our counterparties who default on payments owed to us increases. Additionally, inflationary market conditions and rising interest rates have increased, and may continue to increase, the notional amount of receivables or payables we fund as well as our counterparty' s ability to pay. ~~Also, with~~ **With** respect to certain transactions with our counterparties, we bear, contractually or otherwise, the risk of substantial losses due to fraudulent use of our payment cards or payment systems. We also face risk of losses as a result of fraudulent acts of employees, merchants, or contractors. Our insurance coverage may be insufficient or limited and may not protect against those losses. Additionally, criminals use sophisticated illegal activities to target us, including " skimming ", counterfeit cards and accounts, and identity theft. A single, significant incident or a series of incidents of fraud or theft could lead to, among other things, increased overall levels of fraud; direct financial losses as a result of fraudulent activity; reputational harm; decreased desirability of our services; greater regulation; increased compliance costs; the imposition of regulatory sanctions; or significant monetary fines. ~~During 2022, as the price of gasoline and diesel fuel increased and remained at elevated levels, those commodities became even more attractive targets for criminal and other enterprises, thus increasing our exposure to, and the notional amount of, fraud losses.~~ Accordingly, if material fraud, as described above or otherwise, occurs or continues to occur, the result could be a material adverse effect on our business, financial condition and operating results. In ~~the~~ **prior** ~~year~~ **years** ~~ended December 31, 2022, due to certain factors, including those described above,~~ we incurred material credit and fraud losses, particularly in our **Mobility** ~~Fleet Solutions~~ segment ~~, which increased substantially from 2021 to 2022. Although we have implemented numerous strategies to reduce the impact of credit loss~~ and ~~fraud,~~ there can be no guarantee that ~~these~~ -- **the** strategies **we have implemented to reduce the impact of credit loss and fraud** will **continue to** be successful to reduce the effect of credit loss and fraud on our business. Moreover, if our strategies do not **continue to** work as intended, the Company may limit revenue and earnings growth. Accordingly, ~~a failure~~ **if we fail** to adequately manage our credit risks, ~~or~~ if economic conditions affect the businesses of our counterparties or of their customers, ~~credit defaults could increase~~ or if we experience material fraud losses our provision for credit losses on the statement of operations could **increase** ~~be significantly higher~~ , ~~all of~~ which could have a material adverse effect on our business, financial condition and operating results ~~. Changes in or limits on interchange fees could decrease our revenue~~ . A substantial portion of our revenue is generated by network processing fees charged to merchants, known as interchange fees, associated with transactions processed using our payment systems, including those using Mastercard or Visa branded cards or using the Mastercard or Visa system. Interchange fee amounts associated with these payment methods are affected by a number of factors, including regulatory limits in certain of the markets in which we operate and fee or program changes imposed or allowed by our third- party partners, including Mastercard and Visa. In addition, interchange fees are continually the subject of intense legal, regulatory, and legislative scrutiny and competitive pressures in the markets in which we operate, any of which could result in interchange fees being limited, lowered, or eliminated altogether in any given jurisdiction in the future. Future changes may further restrict or otherwise impact the way we do business or limit our ability to charge certain fees to customers. Moreover, temporary or permanent decreases in, limitations on or elimination of the interchange fees associated with our card or virtual payment transactions, could have a material adverse effect on our business, financial condition, and operating results. On July 1, 2022, WEX Bank became subject to the caps on debit card interchange fees set forth in the Durbin Amendment to the Dodd- Frank Act. Although, at present, the applicability of the Durbin Amendment to any prepaid or debit card products we have is minimal, the Durbin Amendment' s interchange fee caps may limit the growth prospects, viability or profitability of any such existing products or any such products we may want to develop in the future. **Bank failures or other events affecting financial institutions could adversely affect our and our customers' liquidity and financial performance. In early 2023, concerns arose with respect to the financial condition of a number of banking organizations in the United States and abroad, in particular those with exposure to certain types of depositors and large portfolios of debt investment securities. The FDIC took control and was appointed receiver of Silicon Valley Bank and Signature Bank on March 10, 2023 and March 12, 2023, respectively. While we did not and do not have any direct exposure to SVB or Signature Bank, we regularly maintain domestic cash deposits in FDIC insured banks, which exceed the FDIC insurance limits. We also maintain cash deposits in foreign banks where we operate, some of which are not insured or are only partially insured by the FDIC or other similar agencies. In addition, our investment portfolio includes investments in securities of certain banking and financial organizations. If banks and financial institutions where we maintain cash balances, cash equivalents, or financial investments enter receivership or become insolvent, or concerns or rumors about such events occur, our ability to access our cash, the value of our investment in such institutions and / or our liquidity and financial performance may be adversely impacted. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U. S. or applicable foreign government, or that any bank or financial institution with which we do business will be able to obtain needed liquidity in the event of a failure or liquidity crisis. Our customers, including those that are banks, may be similarly adversely affected by any bank failure or other event affecting financial institutions. Any resulting adverse effects to our customers' liquidity or financial performance could reduce the demand for our services or affect our allowance for expected credit losses and collectability of accounts receivable. A significant change in the liquidity or financial position, including a credit rating downgrade, of our customers could cause unfavorable trends in receivable collections and cash flows and additional allowances for anticipated losses may be required. These additional allowances could materially affect our future financial results.** Increasing scrutiny and changing expectations from investors, customers and our employees with respect to our environmental, social and governance ~~(ESG)~~ practices may negatively affect our business and result in the decline of gasoline or diesel fuel use, result in additional costs or expose us to new or additional risks. There have been efforts in recent years aimed at the investment community, including investment advisors, sovereign wealth funds, public pension funds, universities and other groups, promoting the divestment of equities issued by companies connected to fossil fuels as well as to pressure lenders and other financial services companies to limit or curtail activities with companies similarly connected. If these efforts are successful, and if our business is deemed to be sufficiently tied to the use of fossil fuels by such communities, our ability to access capital markets may be limited and our stock price may be negatively impacted. Furthermore, institutional, individual, and other investors, proxy advisory services, regulatory authorities, consumers and other stakeholders continue to focus on sustainability practices with regard to the oil and gas industry, including practices related to ~~greenhouse~~

~~gases (~~ GHG ~~)~~ **emissions** and climate change. As we ~~look to~~ respond to evolving standards for identifying, measuring, and reporting **environmental, social and governance ("** ESG **")** metrics, our efforts may result in a significant increase in costs and may nevertheless not meet investor or other stakeholder expectations and evolving standards or regulatory requirements, which may negatively impact our financial results, our **stock price, our** reputation, our ability to attract or retain employees, our attractiveness as a service provider, investment, or business partner, or expose us to government enforcement actions, private litigation, and **investor scrutiny** ~~actions by stockholders or stakeholders. An increasing percentage of the investment community considers sustainability factors in making investment decisions, and an increasing number of entities consider sustainability factors in awarding business. If we are unable to appropriately address the concerns of these stakeholders, we may lose customers, partners, or merchants, our stock price may be negatively impacted, our reputation may be negatively affected, and it may be more difficult for us to effectively compete~~ . WEX is a global commerce platform, and as such we must constantly adapt and respond to the technological advances offered by our competitors, the requirements of our partners, customers, and potential partners, regulatory requirements and evolving industry standards and trends, such as the expected integration of EVs into mixed fleets. Our ability to attract new customers, increase net revenue from existing customers and create new, or replace existing, sources of revenue as ~~trends~~ **technologies** such as ~~EV~~ **EVs** develop, will depend in significant part on our ability to adapt to industry standards, anticipate trends and the magnitude at which such trends affect the market, 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. If we are unable to provide enhancements and new products, develop new capabilities that achieve market acceptance, innovate quickly enough to keep pace with rapid technological developments, or experience unintended consequences with enhancements we provide, our competitive position and our business, financial condition, and operating results could be adversely affected. **Furthermore, failing to retire legacy systems or modernize our platforms as planned could impact the stability and reliability of our products, impacting customer experience.** In addition, customers may not adopt enhancements or new products we introduce or may not use them as intended. We may not be successful in developing modifications, enhancements, and improvements, in bringing them to market quickly or cost- effectively in response to market demands, or at modifying our platform to remain compliant with applicable legal and regulatory requirements **.** The expansion of our platform, technological capabilities and service offerings also carry risks, including cost overruns, delays in delivery, and performance problems **, all of which could materially affect our competitive position and our business** . We may not realize or sustain the expected benefits from our cost and organizational operational efficiencies initiatives, and these efforts could have a material adverse effect on our business, financial condition, and operating results. We have been and will be undertaking certain cost and organizational operational efficiencies, which are designed to streamline our organization, improve internal collaboration models, processes and automation, and enhance customer experiences, while supporting our productivity and business results. Our expectation is to capture $ 100 million in run rate ~~operating~~ cost ~~efficiencies~~ **savings** by the end of 2024. We expect to reinvest a portion of these ~~efficiencies~~ **cost savings** in **our** ~~further growth and optimization opportunities across the~~ business **to enhance our capabilities, including digital products, technology and risk management capabilities** . However, if we do not successfully manage and execute these initiatives, or if they are inadequate or ineffective, we may fail to meet our financial goals and achieve anticipated benefits, improvements may be delayed, not sustained or not realized and our business, operations and competitive position could be adversely affected. Even if we are able to achieve our anticipated run rate of efficiencies we may be unsuccessful in our attempts to reinvest them or we may not achieve the desired results. These initiatives, or our failure to successfully manage them, could result in unintended consequences or unforeseen costs, including distraction of our management and employees, attrition, inability to attract or retain key personnel, and reduced employee productivity, which could adversely affect our business, financial condition and operating results. We operate in a highly competitive business environment. Such competition could adversely affect the fees we receive, our revenues and margins, and our ability to gain, maintain, or expand customer relationships, all on favorable terms. We face and expect to continue to face competition in each of our segments from multiple companies offering or seeking to offer competing capabilities and services. Historically, we have been able to provide customers with a wide spectrum of services and capabilities and, therefore, we have not considered price to be the exclusive or even the primary basis on which we compete. As our competitors have continued to develop their service offerings, it has become increasingly more challenging for us to compete solely on the basis of superior capabilities, technology, customer integration or service and price has become an increasingly important decision factor for our customers. In some areas of our business **,** we have been forced to respond to competitive pressures by reducing our fees and our margins. ~~We~~ **Accordingly, the competitive landscape in which we operate could affect our revenues and margins and** have **a material** ~~seen erosion of our historical profit margins as we encourage existing strategic relationships to sign long- term contracts. If these trends continue and if competition intensifies, our profitability may be adversely~~ -- **adverse** ~~impacted~~ **effect on our business, financial condition, and operating results** . Our services are currently focused on the ~~fleet~~ **mobility** , travel, corporate payments, and ~~health~~ **benefits** businesses. Some of our competitors are larger than we are and have successfully garnered significant share in these businesses. To the extent that our competitors are regarded as leaders in specific businesses, they may have an advantage over us as we attempt to further penetrate these businesses. We also face increased competition in our efforts to enter into new customer agreements or strategic relationships, renew or maintain existing agreements or relationships on similar or favorable terms, and grow volumes under existing relationships on favorable terms. For example, the termination of agreements with major oil companies, fuel retailers, and truck stop merchants, would reduce the number of locations where our payment processing services are accepted. As a result, we could lose our competitive advantage and our operating results could be adversely affected. While we regularly monitor these relationships, there can be no guarantee that we will be able to maintain them in the future. In addition, we are also subject to risks as a result of changes in business habits of our vendors and customers as they adjust to the competitive marketplace. Because many of our standing arrangements and agreements with customers or other partners contain no minimum purchase, sale or volume obligations and may be terminable by either party upon no or relatively short notice, customers or other partners may not be required to use the services that we provide to a specific degree or at all, even though we are under contract with them. Accordingly, we are subject to significant risks associated with the loss or change in the business habits and financial condition of these key constituencies as they consider changes in the market or different or less expensive services from competitors or otherwise. ~~As set forth above~~ **Our ability to attract** , **motivate, and retain qualified employees is critical to our success and** the ~~competitive landscape in which we operate could~~ **failure to do so may materially adversely** affect our **performance** ~~revenues and margins and have a material adverse effect on our business, financial condition, and operating results~~ . We believe our employees, including our executive leadership team, are our most important resource. The market for workers and leaders of all skill levels in the workplace today, but especially in fintech, technology and other specialized areas, and in the geographic areas in which our operations are centralized, is intensely competitive. We may be unable to attract highly qualified and diverse employees as we grow, retain the individuals we employ, or **adapt to** ~~, as the workplace undergoes~~ a **remote working environment** ~~structural shift largely due to the pandemic, to attract other highly qualified and diverse employees~~ , particularly if we do not offer employment terms, benefits and conditions that are competitive with the rest of the labor market. Failure to attract, hire, develop, motivate, and retain highly qualified and diverse employee talent; to meet our goals related to fostering **a diverse, equitable** ~~an~~ **and** inclusive **business** ~~and diverse~~ culture; to make successful hires to fill our leadership ranks and other positions; to maintain a corporate culture that fosters innovation ~~,~~ **and** collaboration ~~and inclusion~~ ; or to design and successfully implement flexible work models that meet the expectations of today' s employees and prospective employees, could disrupt our **business,** operations **and performance** and adversely affect our ~~business~~ **performance** and **ability to create stakeholder value. We may not be able to successfully execute on acquisitions as part of our growth strategy and may encounter difficulties realizing the anticipated benefits of acquisitions we have completed** ~~our~~ - **or** ~~future success~~ **may undertake** . We have been an active acquirer of assets and businesses, and, as part of our growth strategy, we expect to **continue to** seek ~~to continue to acquire~~ **out growth through the acquisition of** businesses, commercial account portfolios and other assets in the future. We have substantially expanded our overall business, operating segments, customer base, headcount and operations through acquisitions. Our future growth and profitability depend, in part, upon our continued successful expansion within the business segments in which we currently operate and others that we may identify in the future. As part of our strategy to expand, we look for acquisition and investment opportunities and partnerships with other businesses that will allow us to increase our market penetration, technological capabilities, product offerings and distribution capabilities. Any or all of the following risks could adversely affect our growth strategy, including that: • we may not be able to identify suitable acquisition or investment candidates or acquire additional assets or businesses on favorable terms; • we may compete with others to acquire assets or businesses or make certain investments, which competition may increase, and any level of competition could result in decreased availability or increased prices for acquisition candidates; • we may compete with others for select acquisitions or investments and our competition may consist of larger, better- funded organizations with more resources and easier access to capital; • we may experience difficulty in anticipating the timing and availability of acquisition or investment candidates; • we may not be able to obtain the necessary funding, on favorable terms or at all, to finance any of our potential acquisitions; and • we may not be able to generate cash necessary to execute our acquisition or investment strategy. ~~We may never realize the anticipated benefits of acquisitions we have completed or may undertake, and we may encounter difficulties in trying to integrate such acquisitions and incur significant expenses or charges as a result of an acquisition. The acquisition and integration of a business involves a number of risks and may result in unforeseen operating difficulties in assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired business. In evaluating and determining the purchase price for a prospective acquisition, we estimate, among other things, the future revenues and profits from that acquisition based largely on historical financial performance as well as any synergies that we believe we may benefit from as a result of the acquisition.~~ Following an acquisition, we may not operate the acquired business as successfully as it was previously operated ~~,~~ **.** ~~or~~ **For instance, we** ~~adequately address all of the risks uncovered during the due diligence process. We~~ may ~~also~~ experience some attrition in the number of clients serviced by the acquired business, causing us to not achieve the forecasted revenues and profits from an acquisition or to not achieve the level of synergies that we anticipated when entering into an acquisition. Moreover, our due diligence review may not adequately uncover all of the contingent, undisclosed, or previously unknown liabilities or risks we may incur as a consequence of the acquisition, exposing us to potentially significant, unanticipated costs, as well as potential impairment charges. An acquisition may also subject us to additional regulatory burdens that may significantly affect our business in unanticipated and negative ways. Further, an acquisition may require us to incur other charges, such as severance expenses, restructuring charges or change of control payments, and substantial debt or other liabilities ~~, which may affect our financial condition~~ . An acquisition may also cause adverse tax consequences or substantial depreciation and amortization or deferred compensation charges, may include substantial contingent consideration payments or other compensation that could reduce our earnings during the quarter in which incurred, or may not generate sufficient financial return to offset acquisition costs. These expenses, charges or payments ~~, as well as the initial costs of integrating the personnel and facilities of an acquired business with those of our existing operations,~~ may adversely affect our operating results. In addition, the process of integrating and operating any acquired business, technology, service or product requires significant ~~management attention and~~ resources **,** and integration may take longer than desired. If we fail to timely or effectively integrate an acquired business, its **employees, its** technology or other assets, this failure may lead to us not achieving certain or all of the desired benefits of the acquisition or may otherwise expose us to any shortcomings or risks of the acquired business, ~~its technology systems or assets~~ prior to their integration into our established systems. Thus, the integration may divert significant management attention from our ongoing business operations and could lead to a disruption of our ongoing business or inconsistencies in our services, standards, controls, procedures and policies, any of which could affect our ability to achieve the anticipated benefits of an acquisition or otherwise adversely affect our business and financial results. We are **subject to risks associated with our strategic minority equity**

**investments, including a loss of all or part of our invested capital, which could adversely affect our results of operations or fail to enhance stockholder value. We have begun to make minority investments in the equity securities of third parties in connection with our strategic initiatives. These investments are inherently risky because the companies are typically early- stage and markets for their technologies or products may never materialize to the levels we expect. Further, we may not realize the anticipated commercial benefits of such investments. In addition, such investments are non- marketable and illiquid at the time of our initial investment, and the financial success and appreciation of our investment may be dependent on a liquidity event, such as a public offering, acquisition or other favorable market event. If the companies in which we invest experience financial distress and are unable to raise additional financing, we could lose all or part of our investment. Furthermore, we may be unable to direct or influence management, operational decisions, compliance and other policies of such companies, which could result in additional financial and reputation risks. Additionally, other investors in these entities may have business goals and interests that are not aligned with ours, or may exercise their rights in a manner in which we do not approve. These circumstances could lead to delayed decisions or disputes and litigation with those other investors, all of which could have an impact on our reputation, business, financial condition and results of operations. If these entities seek additional financing, such financing or other transactions may result in further dilution of our ownership stakes and such transactions may occur at lower valuations than the investment transactions through which we acquired such interests, which could significantly decrease the fair values of our investments in those entities. We are** exposed to risks associated with operations outside of the United States, which could harm both our U. S. and international operations. In addition to our operations in the United States, we conduct operations and use contractors and vendors internationally in many foreign countries. In addition, we are subject to risks from operating internationally, some of which we may not typically encounter in the United States, including: • fluctuation in foreign currencies; • changes in the relations between the United States and foreign countries **, including those** ~~; • actions of foreign or United States governmental authorities~~ affecting trade and foreign investment; • increased expense due to the introduction of our corporate policies and controls in our international operations; • increased expense related to localization of our products and services, including language translation and creation of localized agreements; • increased infrastructure costs, burdens and complexities with respect to legal, tax, accounting and information technology laws, matters, and treaties; • interpretation and application of local laws and regulations, including, among others, those impacting anti- money laundering, bribery, financial transaction reporting, privacy, licensing, and positive balance or prepaid cards; • enforceability of intellectual property and contract rights; • potentially adverse tax consequences due to, but not limited to, the value added tax systems, the repatriation of cash, and any adverse consequences from changes in tax rates and changes or interpretations of tax laws; • competitive pressure on products and services from companies based outside the U. S. that can leverage lower costs of operations; • ~~terrorist attacks and security concerns in general; •~~ increased expense to comply with U. S. laws that apply to foreign operations, including the FCPA and OFAC regulations; • political, social, and economic instability and war **, including as a result of terrorist attacks and security concerns** ; and • local labor conditions and regulations. Our investments, businesses, or operations (including through third parties) outside the United States may not produce desired levels of revenue or costs may be disrupted or affected by one or more of the factors listed above. Any further expansion of our international operations could impose substantial burdens on our resources, divert management' s attention from U. S. operations and otherwise harm our business **. Fluctuations in foreign currency exchange rates have affected and could continue to affect our financial results** . We earn revenues, pay expenses, own assets and incur liabilities in countries using currencies other than the U. S. dollar. Such currencies (which currently number over 20 actively) include, but are not limited to, the Australian dollar, the Canadian dollar, the Euro, British Pound sterling, the Singapore dollar, and the New Zealand dollar. Because our consolidated financial statements are presented in U. S. dollars, we must translate revenues, income and expenses, as well as assets and liabilities, into U. S. dollars at exchange rates in effect during or at the end of each reporting period. Realized and unrealized gains and losses on foreign currency transactions as well as the re- measurement of our cash, receivable and payable balances that are denominated in foreign currencies, are recorded directly in the consolidated statements of operation. Therefore, increases or decreases in the value of the U. S. dollar against other major currencies that we use to conduct our business have in the past and will continue to affect our revenues, net income and the value of balance sheet items denominated in those currencies. Volatility in foreign currency exchange rates, particularly fluctuations in the U. S. dollar against other currencies, could have a material adverse effect on our business, financial condition, and operating results. As a non- bank custodian of HSA assets, WEX Inc.' s failure to adequately place and safeguard our custodial assets, or the failure of any of our depository partners, which include WEX Bank, could have a material adverse effect on our business. As a non- bank custodian, WEX Inc. relies on various federally insured depository partners, including WEX Bank, to hold custodial cash assets. If any material adverse event were to affect one or more of these depository partners, including a significant decline in financial condition, a decline in the quality of service, loss of deposits, inability to comply with applicable banking and financial services regulatory requirements, systems failure, or its inability to return principal or pay interest thereon, our business, financial condition, or results of operations could be materially and adversely affected. In addition, if WEX Inc. were required to change depository partners, we could not accurately predict the success of such change or that the terms of our agreements with such new depository partners would be on equal or better terms as the agreements we have with our current depository partners. **We have incurred, and may incur in the future, impairment charges on goodwill or other intangible assets.** Our goodwill resides in multiple reporting units ~~. The~~ **and the** profitability of **these** individual reporting units may suffer periodically from downturns in customer demand ~~, the high level of competition existing within our~~ - **or** ~~industry, the~~ **other** ~~level of overall~~ economic ~~activity and other~~ factors. **These** ~~Individual~~ **individual** reporting units may be ~~relatively~~ more **greatly** impacted by these factors than the Company as a whole ~~. As a result~~ , **given** ~~demand for~~ the **different market sectors and geographies in** ~~services of one or more of the reporting units could decline,~~ which **we operate** ~~could adversely affect our operations and cash flow, and could result in an impairment of goodwill~~ . ~~Our~~ **If**

**we determine that the fair values of our** reporting units are ~~tested annually during the fourth fiscal quarter of each year, or on an interim basis if impairment indicators exist in order to determine whether their carrying value exceeds their fair value. In addition, our definite- lived intangible assets are tested for impairment if an event occurs or circumstances change that would indicate the carrying value may not be recoverable. If we determine the fair value of the reporting units is~~ less than their **respective** carrying ~~value~~ **values** ~~as a result of the annual or interim goodwill tests~~, or the carrying ~~value~~ **values** of our **other** ~~definite- lived~~ intangible ~~asset~~ **assets** ~~exceeds~~ - **exceed** the undiscounted cash flows generated from the use of ~~the~~ **such** ~~asset~~ **assets** , ~~an~~ **a non- cash** impairment loss may be recognized ~~. Any~~ **and any** such write- down ~~would~~ **could** adversely affect our results of operations. For example, during the third quarter of 2022, we recognized an impairment charge of $ 136. 5 million to our **Mobility** ~~Fleet Solutions~~ segment. While ~~our annual goodwill impairment test performed as of October 1, 2022 identified no further impairments and~~ we currently believe that the fair values of our reporting units exceed their respective carrying values and that our goodwill will contribute indefinitely to the cash flows of the Company, unforeseen events, changes in circumstances and market conditions **,** and differences in ~~estimates~~ **estimated** ~~of~~ future cash flows could adversely affect the fair value of our assets and could result in future impairment charges. In addition, while we believe that the expected future cash flows ~~to the Company~~ resulting from the use of our **other** ~~definite- lived~~ intangible assets exceeds the carrying value of such assets, material changes in business strategy, customer attrition in excess of expectations, or technological obsolescence could result in impairment losses and / or an acceleration of amortization expense. The Company is, and may in the future become, involved in various claims, investigations, and legal proceedings, some of which could have a material adverse effect on our business, financial condition or results of operations. The Company is subject to legal proceedings and claims in the ordinary course of business and may become involved in legal proceedings that could be material. These proceedings may include, without limitation, commercial or contractual disputes, personal injury claims, stockholder claims, and employment matters. Such proceedings and claims could have a material adverse impact on our financial statements. Legal proceedings are inherently uncertain and there is no guarantee that we will be successful in defending ourselves in any such proceedings, or that our assessment of the materiality of these matters and the likely outcome or potential losses and established reserves will be consistent with the ultimate outcome of such matters. The types of claims made in such proceedings may include claims for compensatory damages, punitive and consequential damages, specific performance and / or other injunctive or declaratory relief. We may incur significant expenses in defending ourselves in any proceedings and may be required to pay damage awards or settlements or become subject to equitable remedies that adversely affect our operations and financial statements. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. Responding to litigation, claims, proceedings, inquiries, and investigations, even those that ~~are ultimately non- meritorious~~ **we believe we have substantial defenses against** , requires us to incur significant expense and devote significant resources, and may generate adverse publicity that damages our reputation, resulting in an adverse impact on our business, financial condition, and operating results. If we fail to adequately protect our **intellectual property and other** proprietary rights, our competitive position could be impaired and we may lose valuable assets, generate reduced net revenue, and incur costly litigation to protect our rights. Our success depends ~~,~~ in part ~~,~~ upon protecting our **intellectual property and other** proprietary information and technology. We rely on a combination of patents, copyrights, trademarks, service marks, trade secret laws, and contractual restrictions to establish and protect our **intellectual property and other** proprietary rights. The steps we take to protect **these rights** ~~our intellectual property~~ , however, may be inadequate. Our currently issued **and pending or future** patents and trademarks ~~and any patents or trademarks that may be issued in the future with respect to pending or future applications~~ may not provide sufficiently broad protection, or they may not prove to be enforceable in actions against alleged infringers. We will not be able to protect our intellectual property **and other proprietary information and technology** if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our global commerce platform, or certain aspects of our platform, and use information that we regard as proprietary to create products that compete with our platform. Some license provisions protecting against unauthorized use, copying, transfer, and disclosure of our platform, or certain aspects of our platform, may be unenforceable under the laws of certain jurisdictions and foreign countries. Risks Related to WEX Bank The loss or suspension of WEX Bank' s industrial loan **company** charter or changes in applicable regulatory requirements could be disruptive to certain of our operations, increase costs and increase competition. WEX Bank is a Utah industrial bank that operates under an industrial loan **company (" ILC ")** charter ~~(ILC)~~ . WEX Bank is also an FDIC- insured depository institution. Deposits issued by WEX Bank are currently used to support and fund substantially all of the U. S. and Canadian operations in our **Mobility** ~~Fleet Solutions~~ segment and a substantial portion of the global operations of our ~~Travel and~~ Corporate ~~Solutions~~ **Payments** segment. WEX Bank' s ILC **charter** enables it to issue certificates of deposit, accept money market deposits and borrow on federal funds lines of credit from other banks, which we believe provides us access to lower cost funds than many of our competitors, thus helping us to offer competitive products to our customers. WEX Bank operates under a uniform set of state lending laws, and its operations are subject to extensive state and federal regulation. WEX Bank' s primary regulators are the ~~Utah DFI~~ **UDFI** and the FDIC; however WEX Inc. is not currently subject to the ~~federal~~ **Federal** Bank Holding Company Act due to WEX Bank' s status as an industrial bank. Continued licensing and federal deposit insurance are subject to ongoing satisfaction of compliance and safety and soundness requirements. Adverse changes to its ILC **charter** could impact WEX Bank' s ability to operate and / or attract funds or limit our ability to provide competitive offerings to our customers. If **ILC** ~~industrial loan~~ charters were eliminated or if changes to such charters limited or effectively prohibited us from operating as we currently operate, without our operations being " grandfathered ", we would either need to outsource our credit support activities or perform these activities ourselves, which would subject us to the credit laws of each individual state in which we conduct business. In addition, WEX Inc. might then become subject to or affected by the Bank Holding Company Act. Furthermore, we could not be a Mastercard and / or Visa issuer and would have to work with another financial institution to issue the product or otherwise sell the portfolio. Any such changes would be disruptive to our operations and could result in significant incremental costs and reduce or eliminate any perceived or actual competitive advantage, resulting in a material adverse effect on our business, financial condition and operating results. In addition, changes in the bank regulatory environment, including the implementation of new or varying measures or interpretations by the State of Utah or the federal government, may significantly affect or restrict the manner in which we conduct business in the future, could subject us to greater regulatory oversight requirements or could create a default under our Amended and Restated Credit Agreement. WEX Bank is subject to extensive **supervision and regulation that could restrict our activities and impose financial requirements or limitations on the conduct of our business and limit our ability to generate income. WEX Bank is subject to extensive** federal and state regulation and supervision, including that of the FDIC ~~, the CFPB,~~ and the ~~Utah DFI~~ **UDFI . See Part I – Item 1 – Business – " Regulation and Supervision " above for examples of such regulations applicable to WEX Bank** . Banking regulations are primarily intended to protect depositors, depositors' funds, federal deposit insurance funds and the banking system as a whole, not shareholders ~~or noteholders~~ . These regulations affect our payment operations, capital structure, investment practices, dividend policy, and growth, among other things. Failure to comply with laws, regulations or policies could result in sanctions by regulatory agencies, consent orders with regulatory agencies, damages, civil money penalties or reputational damage, or other written orders, any of which could have a material adverse effect on our business, financial condition and operating results. While we have policies and procedures designed to prevent any such violations, there can be no assurance that such violations will not occur. For example, ~~WEX Bank is working to resolve matters with the FDIC and the UDFI, including with respect to~~ a consent order issued by the FDIC and the UDFI **on May 6, 2022** (the " ~~Consent~~ **2022** Order ") ~~on May 6~~ , ~~2022. The Consent Order requires~~ **required** WEX Bank to strengthen its Bank Secrecy Act / anti- money laundering compliance program and to address related matters, including with respect to controls. The **2022 Order was terminated by the UDFI and the FDIC on November 8, 2023 and November 21, 2023, respectively, after we adequately satisfied the requirements of the 2022 Order. WEX Bank is also subject to a consent order issued by the FDIC on September 20, 2023 (the " 2023 Order "), which requires WEX Bank to make certain improvements, which include corrections of certain issues identified in the 2023 Order and general enhancements to WEX Bank' s compliance management program. The** terms of the ~~Consent~~ **2023** Order will remain in effect and be enforceable until they are modified, terminated, suspended or set aside by the FDIC ~~and the UDFI~~ . **For additional information with respect** ~~The matters identified are not expected~~ to ~~have a material adverse effect on our~~ **the 2022 Order and the 2023 Order please see Part II – Item 7 – Management' s Discussion and Analysis of Financial Condition and** ~~results~~ **Results** of ~~operations~~ **Operations - Regulatory Matters** ~~, financial condition or cash flows~~ . The U. S. Congress, federal regulatory agencies and state legislatures and regulatory agencies frequently revise banking and securities laws, regulations and policies. We cannot predict whether, or in what form, any other proposed regulations or statutes will be adopted or the extent to which our business may be affected by any new regulation or statute. Such changes could subject our business to additional costs, limit the types of financial services and products we may offer and increase the ability of non- banks to offer competing services and products, among other things. Volatility or adverse conditions in the economy or credit or other financial markets may have a negative impact on WEX Bank' s ability to attract and retain deposits. Volatility or adverse conditions in the economy or credit or other financial markets may limit WEX Bank' s ability to attract and retain deposits at a time when it would like or need to do so. In addition, a significant credit rating downgrade, material capital market disruptions, significant reductions to or withdrawals of HSA cash assets, or significant withdrawals by depositors at WEX Bank, among other things, could impact our ability to maintain adequate liquidity and impact our ability to provide competitive offerings to our customers. Further, any such limitation on the availability of deposits to WEX Bank could have an impact on our ability to fund our customers' purchases, which could have a material adverse effect on our business, financial condition, and operating results. In an environment of increasing interest rates and changes in the deposit market, WEX Bank' s cost of capital has increased and may continue to increase. WEX Bank uses collectively brokered and non- brokered deposits, including certificates of deposit and interest- bearing money- market deposits, in addition to custodial HSA cash assets to finance its operations, which primarily involves financing payments on behalf of our customers. Certificates of deposit carry fixed interest rates from issuance to maturity, which vary and are relatively short term in duration. The interest- bearing money market deposits are issued at both fixed and variable rates. Upon maturity, the deposits will likely be replaced by issuing new deposits to the extent that they are needed. In ~~the~~ rising interest rate ~~environment~~ **environments , including those experienced recently** , WEX Bank has not been able to replace maturing deposits with deposits that carry the same or lower interest rates. Therefore, rising interest rates would result in reduced net income to the extent that certificates of deposit and interest- bearing money market deposits mature and are replaced with deposits that carry higher interest rates and we are otherwise unable to, or decide not to, increase the fees we otherwise receive under contracts or find or use alternative cost effective sources of funds, such as HSA cash depository assets. Rising interest rates could also therefore limit our ability to offer competitive product offerings to our customers. ~~In addition, the interest that WEX Bank pays on HSA cash assets could increase if interest rates rise, thereby affecting our revenues from being a depository institution with respect to these funds. WEX Bank is subject to funding risks associated with its reliance on brokered deposits.~~ As of December 31, ~~2022~~ **2023** , the most recent FDIC exam report categorized WEX Bank as " well capitalized " under the regulatory framework for prompt corrective action. Under applicable regulations, however, if WEX Bank were to be no longer categorized as " well capitalized " under such framework, it would not be able to finance its operations through the acceptance of brokered deposits without the approval of the FDIC and / or could be subject to rate cap on the deposits. WEX Bank' s inability to accept brokered deposits, or a loss of a significant amount of its brokered deposits, could adversely affect its liquidity and therefore its ability to support and fund the Company' s operations **that** it currently supports and funds. Additionally, such circumstances could require WEX Bank to raise deposit rates in an attempt to attract new deposits, or to obtain funds through other sources at higher rates, which would affect the Company' s ability to offer competitive products to our customers in our segments served by WEX Bank and would have a material adverse effect on our business, financial condition, and operating results. WEX Bank is subject to regulatory requirements that have in the past, and may in the future, require us to make capital contributions to WEX Bank or that may restrict WEX Bank' s ability to make cash available to WEX Inc. WEX Bank is subject to a number of regulatory requirements and, among other requirements, must maintain minimum amounts of regulatory capital. If WEX Bank does not meet these regulatory requirements, including the capital requirements, its regulators have broad discretion to institute a number of corrective actions that could have a direct material effect on our financial condition. WEX Bank, as an institution insured by the FDIC, must maintain certain capital ratios, paid- in capital minimums and adequate allowances for loan losses. Under the Dodd- Frank Act, we are also required to serve as a source of financial strength for WEX Bank. If WEX Bank were to fail to meet any of the capital requirements to which it is subject, or if required under Dodd- Frank' s source of strength requirements, we may be forced to provide WEX Bank with additional capital, which could impair our ability to service our indebtedness or may not be permitted under the terms of our Amended and Restated Credit Agreement. For example, in 2022, due to the unprecedented pace at which fuel prices increased, WEX Inc. provided WEX Bank with additional equity in order for WEX Bank to maintain its minimum required amounts of regulatory capital. Moreover, substantially all of the transactions of, and therefore the revenues derived from, the U. S. and Canadian operations of our **Mobility** ~~Fleet Solutions~~ segment and the global operations of our ~~Travel and~~ Corporate ~~Solutions~~ **Payments** segment flow through WEX Bank. Due to the applicable regulatory regime, WEX Bank is limited in the ways it can transfer its cash or other assets to WEX Inc. One of the primary methods by which funds are transferred to WEX Inc. is through the payment of a dividend by WEX Bank to us. The other primary method is through ~~the~~ **a** Master Service Agreement **between WEX Bank and WEX Inc** . ~~For~~ **, which establishes the parameters of services between them with respect to the operation of the following: (i)** a ~~more detailed discussion of~~ **fleet card business for regional fleets; (ii) a fleet card business for** the **over** ~~Master Service Agreement, see Part I~~ - **the** ~~Item 1. Business~~ - ~~Regulation- United States- Restrictions on Intercompany Borrowings~~ **road freight carrier fleets; (iii) a corporate payments business;** and ~~Transactions~~ **(iv) a factoring business (collectively, the " Programs "), with certain of these Programs funded by WEX Bank and others funded by WEX Inc. WEX Bank and WEX Inc. each receive monthly compensation for their respective services to the Programs funded by the other party** . However, WEX Bank is subject to various regulatory requirements relating to the payment of dividends, including requirements to maintain capital above regulatory minimums **,** and other payments. Further, a banking regulator may determine that the payment of dividends or other payments, including payments under the Master Service Agreement, would be inappropriate and could impose other conditions on the payment of dividends or such other payments or even prohibit their payment. Accordingly, WEX Bank may be unable to make any, or may only be able to make limited amounts, of its cash or other assets available to us, which could affect our ability to service our indebtedness, make acquisitions, enhance product offerings, or fund corporate needs, among other things, any of which could have a material adverse effect on our business, financial condition, and operating results. For a further discussion of certain regulatory matters affecting WEX Bank' s ability to make cash available to WEX Inc., see, Part I ~~-~~ **–** Item 1 ~~.~~ **–** Business ~~-~~ **–** Regulation **and Supervision –** ~~- United States-~~ General Regulation, Supervision and Examination of WEX Bank; Restrictions on Intercompany Borrowings and Transactions; and Restrictions on Dividends. If WEX Bank fails to meet certain criteria, WEX Inc. may become subject to regulation under the Bank Holding Company Act, which could force us to divest WEX Bank or become a Bank Holding Company or cease all of our non- banking activities, which could have an adverse effect on our revenue and business or could create a default under our Amended and Restated Credit Agreement. WEX Bank currently meets the criteria for exemption of an industrial bank from the definition of " bank " under the Bank Holding Company Act. The elimination of this exemption, the effects of any potential or pending legislation which could affect the exemption in general or as it applies to or affects WEX Bank, or WEX Bank' s failure to qualify for this exemption in the future, could cause us to become subject to regulation under the Bank Holding Company Act or have other negative impacts. This, in turn, could result in WEX Inc.' s need to divest WEX Bank or become a Bank Holding Company and to possibly cease certain non- banking activities that may be impermissible for a Bank Holding Company and could create a default under our Amended and Restated Credit Agreement. Alternatively, if we were to become a Bank Holding Company this could have other adverse effects including an increase to our compliance costs, or making WEX Inc **.** a less attractive investment. Failure to qualify for or the elimination of this exemption or the effects of any legislation affecting industrial banks could thus have an adverse effect on our revenue and business. For additional information of how the loss of our status as an industrial bank could affect our business, please see **Part I –** Item 1A ~~-~~ **–** Risk Factors ~~-~~ **–** " The loss or suspension of WEX Bank' s industrial loan **company** charter or changes in applicable regulatory requirements could be disruptive to certain of our operations, increase costs and increase competition. " We are subject to limitations on transactions with WEX Bank, which may limit our ability to engage in transactions with and obtain credit from it. Sections 23A and 23B of the FRA and the implementing regulations limit the extent to which we can borrow or otherwise obtain credit from or engage in other " covered transactions " with WEX Bank. " Covered transactions " include loans or extensions of credit, purchases of or investments in securities, purchases of assets, including assets subject to an agreement to repurchase, acceptance of securities as collateral for a loan or extension of credit, or the issuance of a guarantee, acceptance, or letter of credit. Although the applicable rules do not serve as an outright ban on engaging in " covered transactions, " they do limit the amount of covered transactions WEX Bank may have with any one affiliate and with all affiliates in the aggregate. The applicable rules also require that we engage in such transactions with WEX Bank only on terms and under circumstances that are substantially the same, or at least as favorable to WEX Bank, as those prevailing at the time for comparable transactions with nonaffiliated companies. Furthermore, with certain exceptions, each loan or extension of credit by WEX Bank to the Company or its other affiliates must be secured by collateral with a market value ranging from 100 percent to 130 percent of the amount of the loan or extension of credit, depending on the type of collateral. Accordingly, WEX Bank may be unable to provide credit or engage in transactions with us, including transactions intended to help us service our indebtedness. WEX Bank' s results may be materially and adversely affected by market fluctuations and significant changes in the value of financial instruments. In addition to the risk that we fail to adequately assess and monitor credit risks posed by our counterparties and the risk that volatility or adverse conditions in the economy or credit or other financial markets may negatively impact us, the value of WEX Bank' s investment of custodial cash assets in securities and other financial instruments can be materially affected by market **and interest rate** fluctuations, which could affect our business, financial position or results of operations. Market volatility, including, but not limited to interest rate volatility, illiquid market conditions and other disruptions in the financial markets may make it extremely difficult to value certain financial instruments. Subsequent valuation of financial instruments in future periods, in light of factors then prevailing, may result in significant changes in the value of these instruments. Any of these factors could cause a decline in the value of WEX Bank' s financial instruments, which may have an adverse effect on WEX Bank' s business, financial ~~conditions~~ - **condition** , results of operations, cost of capital, capital requirements, and ability to fund **a** customer' s withdrawal of depository assets. In addition, at the time of any future disposition of these financial instruments, the price that WEX Bank ultimately realizes will depend on the demand and liquidity in the market at that time and may be materially lower than ~~their~~ current fair value. WEX Bank' s risk management and monitoring processes, including its stress testing framework, seek to quantify and control WEX Bank' s exposure to more extreme market moves. However, WEX Bank' s risk management strategies may not be effective, and we could incur significant losses, if extreme market events were to occur. Risks Related to our Indebtedness **We currently have a substantial amount of indebtedness and may incur additional indebtedness, which could affect our flexibility in managing our business and could materially and adversely affect our ability to meet our debt service obligations.** At December 31, ~~2022~~ **2023** , we had approximately $ ~~2~~ **3** , ~~724~~ **868** . ~~8~~ **6** million of debt outstanding, net of unamortized debt issuance costs and debt discount ~~, including $ 202. 6 million in current liabilities~~ . Such ~~amounts~~ - **amount** outstanding ~~include~~ **includes** obligations under (i ~~) our Convertible Notes, (ii~~ ) our Amended and Restated Credit Agreement, which consists of a tranche A term loan facility, a tranche B term loan facility, and a secured revolving credit facility, and ( ~~iii~~ - **ii** ) ~~our~~ securitized and participation debt **and borrowed federal funds** . In addition to our outstanding debt, as of December 31, ~~2022~~ **2023** , we had outstanding letters of credit ~~of $ 31. 1 million~~ issued under our Amended and Restated Credit Agreement. We have additional indebtedness in the form of deposits held by WEX Bank and other liabilities outstanding. Our substantial indebtedness currently outstanding, or as may become outstanding if we incur additional indebtedness, and the terms and conditions of such indebtedness, could, among other things: • lead to difficulty in our ability to generate enough cash flow to satisfy our indebtedness obligations under our credit facilities, and if we fail to satisfy these indebtedness obligations, an event of default could result; • require us to dedicate a substantial portion of our cash flow to repaying our indebtedness, thus reducing the amount of funds available to execute on our corporate strategy, to fund working capital or capital expenditures or for other general corporate purposes; • limit our ability to borrow additional funds necessary for working capital, capital expenditures or other general corporate purposes; • increase our vulnerability to adverse general economic or industry conditions; • place us at a competitive disadvantage relative to our competitors that have less indebtedness or better access to capital, by, for example, limiting our ability to enter into new markets, upgrade our assets or pursue acquisitions or other business opportunities; and • limit our flexibility in planning for, or reacting to changes in, our business. We may also incur substantial additional indebtedness in the future. **In addition** ~~The Convertible Notes were issued in July 2020, and consist of $ 310. 0 million in initial aggregate principal amount in notes~~ to ~~an affiliate of Warburg Pincus LLC (together with its affiliated entities, " Warburg Pincus ") in a private placement. Under the terms of the Convertible Notes, we may elect to satisfy our bi- annual interest payment obligations through the payment of interest in cash or by increasing the principal amount of the Convertible Notes by an amount equal to any interest we elect to satisfy in kind. As a result, the outstanding principal amount of the Convertible Notes may increase over time. Although, as of the date of this filing, the Company has met its interest payment obligations through the payment of cash, there can be no assurance we will continue to do so in the future. Finally, we had $ 898. 9 million of~~ available borrowing capacity remaining under the ~~revolving~~ **Revolving** ~~credit facility of the Amended and Restated~~ Credit ~~Agreement~~ **Facility** as of December 31, ~~2022~~ **2023** ~~. We~~ **, we** are also permitted under our credit facilities to incur additional indebtedness, subject to specified limitations, including compliance with covenants contained in our Amended and Restated Credit Agreement. If new debt is incurred under any circumstance, the associated risks faced by the Company, such as those set forth above, could intensify ~~. Furthermore, the Convertible Notes are convertible by their holders at any time prior to maturity, or earlier redemption or repurchase, based upon an initial conversion price of $ 200 per share of the Company' s common stock. We may settle conversions of Convertible Notes, at our election, in cash, shares of our common stock, or a combination of cash and shares of common stock. If we are unable, or it is undesirable, due to market or other conditions, to issue shares of common stock to satisfy a conversion request, then we will be required to settle the conversion in cash, which could reduce our cash position to a point that would materially adversely affect our business, operations, and financial condition~~ . Moreover, if we are unable to meet any of our principal, interest, or other payment or settlement obligations under any of our debt agreements, we could be forced to restructure or refinance our obligations, seek additional equity financing or sell assets, which we may not be able to do on satisfactory terms or at all. Our default on any of our debt agreements could have a material adverse effect on our business, financial condition and results of operations. In addition, the Amended and Restated Credit Agreement requires that we meet certain financial covenants, including a ~~consolidated~~ **Consolidated** EBITDA to consolidated interest charge coverage ratio and a consolidated leverage ratio, as described in **Part II –** Item 8 ~~,~~ **–** Note 16, Financing and Other Debt. The Amended and Restated Credit Agreement also contains various affirmative and negative covenants that, subject to certain customary exceptions, restrict our ability to, among other things, create liens over our property, incur additional indebtedness, enter into sale and lease- back transactions, make loans, advances or other investments, make non- ordinary course asset sales, declare or pay dividends or make other distributions with respect to equity interests, change the nature of our business, enter into certain agreements which restrict our ability to pay dividends or other distributions or create liens on our property, transact business with affiliates and / or merge or consolidate with any other person. Our ability to comply with these provisions may be affected by events beyond our control, including prevailing economic, financial, and industry conditions. Failure to comply with the financial covenants or any other non- financial or restrictive covenants in our Amended and Restated Credit Agreement, for any reason, could create a default. Upon a default, our lenders could accelerate the indebtedness under the facilities (except only the requisite lenders under the revolving credit facility and the tranche A term loan facility may accelerate the revolving credit facility due to a breach of the financial covenants), foreclose against their collateral or seek other remedies, which could ~~trigger a default under the Convertible Notes and would~~ jeopardize our ability to continue our current operations ~~. The Convertible Notes also contain customary negative and affirmative covenants, including, without limitation, certain covenants placing certain limitations on our ability to incur additional debt, and events of default that if breached could allow the requisite noteholders to accelerate the maturity of the Convertible Notes, and to exercise their rights and remedies under the Convertible Notes, and could also trigger a cross- default under the Amended and Restated Credit Agreement~~ . Because a significant portion of our debt under the Amended and Restated Credit Agreement bears interest at variable rates, increases in interest rates could materially increase our interest expense. ~~Under our Amended and Restated Credit Agreement, we had $ 2. 3 billion of indebtedness outstanding at December 31, 2022, of which approximately 33 percent was at variable interest rates for which we had not entered into interest rate swap agreements to fix the future interest payments and reduce interest rate volatility. An increase in interest rates would increase the cost of borrowing under that portion of our Amended and Restated Credit Agreement. As of December 31, 2022, outstanding interest rate swap contracts are intended to fix the future interest payments associated with $ 1. 6 billion of the $ 2. 3 billion of outstanding borrowings under the Amended and Restated Credit Agreement. However, these swap agreements expire at various points prior to the maturity of the Amended and Restated Credit Agreement. If we are able to enter into new swap agreements, such agreements might fix a portion of our interest payments at a rate higher than the expired swaps. Moreover, any swaps we enter into may not effectively mitigate the risk of increasing interest rates. Our Amended and Restated Credit Agreement uses LIBOR as a reference rate for our term loans and revolving credit facility, such that the interest due pursuant to such loans may be calculated using LIBOR (subject to a stated minimum value). On July 17, 2017, the United Kingdom' s Financial Conduct Authority (the " FCA "), which regulates LIBOR, announced that it intended to stop encouraging or compelling banks to submit rates for the calibration of LIBOR by the end of 2021. After December 31, 2021, the ICE Benchmark Administration, the administrator of LIBOR, with the support of the United States Federal Reserve and the FCA, ceased publication of LIBOR for the one week and two month LIBOR tenors, and on June 30, 2023, will cease publishing LIBOR for all other LIBOR tenors, including the LIBOR tenors that we use. LIBOR' s phaseout could cause LIBOR to perform differently than in the past or cease to exist. In June 2017, the Alternative Reference Rates Committee selected the Secured Overnight Financing Rate (" SOFR "), a new index calculated by reference to short- term repurchase agreements backed by Treasury securities, as its preferred replacement for U. S. dollar LIBOR. At this time, it appears that SOFR will attain broad market acceptance as a replacement for LIBOR; however, there may be segments of the market that may opt to utilize other alternative reference rates as various industry organizations are evaluating alternatives to SOFR. As such, the future of LIBOR and the potential alternatives continue to be uncertain. If LIBOR is no longer available after June 2023 or if lenders incur increased costs due to the phase- out of LIBOR or changes in law, we may suffer from potential increases in interest rate costs on our floating debt rate and our hedging arrangements may not perform as expected. The Company continues to take steps to identify and assess the potential impact of the prospective cessation of LIBOR publication. Some of the Company' s financial instruments have been moved to reference rates other than LIBOR. However, as of December 31, 2022, approximately $ 1. 6 billion in notional value of our swap agreements and the approximately $ 2. 3 billion outstanding under our Amended and Restated Credit Agreement use LIBOR tenors for which publication ceases in June 2023. To address the transition away from LIBOR, our Amended and Restated Credit Agreement, which was executed in 2021, as well as the affected swap agreements, contain provisions that provide for the transition of the reference rate from LIBOR to SOFR under certain circumstances. We anticipate seeking an amendment to our Amended and Restated Credit Agreement, the variable rate loans thereunder, and / or our swap agreements prior to June 30, 2023 to more fully effectuate the shift to SOFR, including a potential credit spread adjustment, which may have the adverse effects set forth above.~~ In addition, the purchase agreement by which WEX Inc. purchased certain contractual rights to serve as custodian or sub- custodian to certain HSAs from HealthcareBank includes ~~certain potential~~ additional consideration payable annually that is calculated on a quarterly basis and is contingent, and based, upon any future increases in the Federal Funds rate. Due to **significant** ~~the recent~~ increases in the Federal Funds rate ~~and assuming no further changes to the Federal Funds rate as of December 31, 2022, however~~ , the Company expects that it will incur the ~~full $ 225 million~~ **maximum remaining contingent consideration payable under the arrangement** . ~~If~~ **A significant decrease in** the Federal Funds rate **prior to the expiration of the contingency period could result in** ~~decreases below certain rates between December 31, 2022 and December 31, 2030,~~ the Company **incurring** ~~may incur~~ less than the full **contingency amount,** ~~$ 225 million;~~ however, the Company is currently unable to determine or predict whether such decreases will occur. For more information, see **Part II –** Item 7 ~~.~~ **–** Management' s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources ~~. We may want or need to refinance a significant amount of indebtedness or otherwise require additional financings, but we cannot guarantee that we will be able to refinance or obtain additional financing on favorable terms or at all~~ . We may elect or need to refinance certain of our indebtedness to react to changing economic and business conditions, or for other reasons, even if not required to do so by the terms of such indebtedness. Moreover, we may need, or want, to raise substantial additional financing to replace maturing debt, or to fund working capital, capital expenditures, acquisitions or other general corporate requirements. Our ability to arrange additional financing or refinancing will depend on, among other factors, our financial position and performance, as well as prevailing market conditions and other factors beyond our control. In addition, our access to lenders in the future is also dependent on, among other things, market conditions, which are variable and potentially volatile, and which could result in increased costs for obtaining and servicing our indebtedness. Accordingly, there can be no assurance that we will be able to obtain additional financing or refinancing on terms acceptable to us or at all, which could have a material adverse effect on us. Risks Related to Regulation

**Existing and new laws and regulations and enforcement activities, including those related to a wide variety of consumer protection laws, such as under the Dodd- Frank Act, Federal Trade Commission Act and state legislation, could negatively impact our business and the markets in which we presently operate, limit our expansion opportunities and significantly impact our results of operations and financial condition.** Our operations are subject to substantial regulation both domestically and internationally. In addition, there are often new regulatory efforts, which could result in significant constraints and may impact our operations. These existing and emerging laws and regulations can make the expansion or operations of our business very difficult and negatively impact our revenue or increase our compliance costs . Failure to comply with applicable laws...... our ability to expand to new markets . We also conduct business with other highly regulated businesses such as banks, payment card issuers, and health insurance providers. These industries are subject to significant potential new regulations, laws, or reforms that could negatively affect these businesses, their ability to maintain or expand their products and services, and the costs associated with doing so. Any such developments could also negatively impact our business and operations. **If the exemption** ~~Our business is subject~~ to **the definition of " bank " for industrial banks under the Bank Holding Company Act were eliminated without any grandfathering or accommodations for existing institutions, we could be required to become** a **bank holding company** ~~wide variety of laws, rules, regulations and government policies under the Dodd- Frank Act,~~ which ~~may have a significant impact on~~ **could prompt us to either cease certain activities** ~~our~~ - **or divest WEX Bank** ~~business, results of operations and financial condition~~ . The ~~Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010, or the~~ Dodd- Frank Act, generally resulted in increased government regulation and supervision of our business, including in the regulation of derivatives, capital market activities, consumer finances and certain requirements relating to executive compensation. In particular, the Dodd- Frank Act established federal oversight and regulation of the over- the-counter derivatives market and entities that participate in that market. Derivatives regulations have added costs to our business, and any additional requirements, such as future registration requirements or increased regulation of derivative contracts, may add additional costs or may require us to change any fuel price, currency and interest rate hedging practices we may then use to comply with new regulatory requirements. Additionally, we are required to pay to the lenders under the Amended and Restated Credit Agreement, any increased costs associated with the Dodd- Frank Act and other changes in laws, rules or regulations, subject to the terms of the Amended and Restated Credit Agreement. The Dodd- Frank Act also created the CFPB to regulate the offering of consumer financial products or services under the federal consumer financial laws ~~. The CFPB assumed rulemaking authority under the existing federal consumer financial protection laws~~ , **including** ~~and enforces those laws against and examines certain non- depository institutions and insured depository institutions with total assets greater than $ 10 billion and their affiliates. In addition, the CFPB was granted general authority to prevent covered persons or service providers from committing or engaging in unfair, deceptive or abusive acts or practices under federal law in connection with any transaction with a consumer for a consumer financial product or service, or the offering of a consumer financial product or service. The CFPB is also engaged in~~ rulemaking and regulation of the payments industry, in particular with respect to prepaid cards. The extensive nature of **consumer finance** ~~these types of~~ regulations and the implementation dates for any such additional rulemaking may result in additional compliance obligations and expense for our business and our customers. The CFPB also has broad rulemaking authority for a wide range of consumer protection laws, which it has exercised as described in Item 1 under the heading " Regulation **and Supervision –** ~~- United States- The Dodd- Frank Act,~~ Consumer ~~Financial~~ Protection ~~Bureau, Federal Trade Commission Act, and Unfair or Deceptive Acts or Practices and Unfair, Deceptive or Abusive Acts or Practices Laws~~ . " It is unclear what future regulatory changes may be promulgated by the CFPB and what effect, if any, such changes would have on our business and operations. ~~As required under the Dodd- Frank Act, the Government Accountability Office issued its study on the implications of any elimination of the exemption to the definition of " bank " for industrial banks under the Bank Holding Company Act. The study did not make a recommendation regarding the elimination of this exemption. However, if this exemption were eliminated without any grandfathering or accommodations for existing institutions, we could be required to become a bank holding company which could prompt us to either cease certain activities or divest WEX Bank.~~ WEX Inc. and its U. S. subsidiaries are also subject to the Federal Trade Commission Act and similar state laws and regulations, which prohibit unfair or deceptive acts or practices in or affecting commerce. The Federal Trade Commission Act applies to all businesses operating in the United States, and WEX Bank is subject to FDIC jurisdiction as it relates to the Federal Trade Commission Act. **.Failure to comply with applicable laws or regulations may result** , **among other things,** ~~which include corrections of certain issues identified~~ in the **suspension** ~~2023 Order and general enhancements to WEX Bank' s compliance management program.For~~ - **or revocation** ~~additional information regarding the 2023 Order please see Part II – Item 7 – Management' s Discussion and Analysis~~ of ~~Financial Condition and Results~~ **licenses or registrations,the limitation,suspension or termination** of ~~Operations- Regulatory Matters~~ **services,and / or the imposition of civil and criminal penalties,including fines** .Among the regulations that impact us or could impact us are those governing:interchange rates,interest rate and fee restrictions,credit access and disclosure requirements,collection and pricing requirements,compliance obligations,data security and data breach requirements,identity theft avoidance programs,health care mandates,the cost and scope of public and private health insurance coverage,and anti- money laundering compliance programs.We also often must obtain permission from government regulators to conduct business in new locations or in connection with the transfer of licenses for businesses that we acquire.Changes to these regulations,including expansion of consumer- oriented regulation to ~~B2B~~ **business- to- business** transactions,could materially adversely affect our operations,financial condition and results of operations and could further increase our compliance costs and limit our ability to expand **to new markets** Compliance with anti- money laundering **, counter- terrorism and sanctions** laws and regulations creates additional compliance costs and reputational risk. The applicable laws and regulations in the various jurisdictions in which WEX operates impose significant anti- money laundering compliance and due diligence obligations on the local entities, including WEX Bank, WEX Payments, **OFEL** ~~Inc.~~ , ~~Optal Financial Europe Limited,~~ and **OFL** ~~Optal Financial Limited~~ , as well as our other regulated subsidiaries. We must verify the identity of customers, monitor and report unusual or suspicious account activity, as well as transactions involving amounts in excess of prescribed limits, and refrain from transacting with designated persons or in designated regions, in each case as required by the applicable laws and regulations (such as the Bank Secrecy Act and regulations of the United States Treasury Department and the Internal Revenue Service regulations in the United States, and the Money Laundering and Terrorist Financing Regulations 2019 in the U. K). For example, WEX Bank ~~has~~ entered into the ~~Consent~~ **2022** Order with the FDIC and the UDFI, which ~~requires~~ **required** WEX Bank to strengthen its Bank Secrecy Act / anti- money laundering compliance program and to address related matters, including with respect to controls. **The 2022 Order was terminated by the UDFI and the FDIC on November 8, 2023 and November 21, 2023, respectively.** For additional information with respect to the ~~Consent~~ **2022** Order ~~and other matters the Bank has with the FDIC and the UDFI~~ please see **Part II –** Item ~~1A~~ **7. Management' s Discussion and Analysis of Financial Condition and Results of Operations** - ~~Risk Factors~~ **Regulatory Matters. We are also subject to certain economic and trade sanctions programs that are administered by OFAC, which prohibit or restrict transactions to or from or dealings with specified countries, their governments, and in certain circumstances, their nationals, and with individuals and entities that are specially designated nationals of those countries, narcotics traffickers, and terrorists or terrorist organizations. Similar anti** - **money laundering** ~~" WEX Bank is subject to extensive supervision~~ and **counter- terrorist** ~~regulation that could restrict our activities and impose financial~~ **financing** ~~requirements or limitations on~~ **and proceeds of crime laws apply to movements of currency and payments through electronic transactions and to dealings with persons specified in lists maintained by the country equivalent to OFAC lists in several** ~~the~~ **other countries** ~~conduct of our business~~ and ~~limit our ability~~ **require specific data retention obligations** to ~~generate income~~ **be observed by intermediaries in the payment process** . ~~"~~ Financial regulators have issued various implementing regulations and have made enforcement a high priority. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with all of the relevant laws or regulations, could result in the imposition of fines or penalties **, severe criminal or civil sanctions** and other serious legal and reputational consequences, including restrictions on regulated subsidiaries' ability to take on new business, which may impact our business, financial condition, and operating results. ~~Laws~~ **In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which** ~~or~~ **our operations might be subject or the manner in which existing laws and** regulations **might be administered** ~~developed in one jurisdiction or for~~ - **or interpreted** ~~one product could result in new laws or regulations in other jurisdictions or for other products~~ . Regulators often monitor other approaches to the governance of the payment industry. As a result, a law or regulation enacted in one jurisdiction could result in similar developments in another. In addition, ~~law~~ **laws** and ~~regulation~~ **regulations** involving one product could influence the extension of regulations to other product offerings. The expansion of certain regulations could negatively impact our business in other geographies or for other products. Rules and regulations concerning interchange and business operations regulations, for example, may differ from country to country, which adds complexity and expense to our operations. These varying and increasingly complex regulations could limit our ability to globalize our products and could significantly and adversely affect our business, financial condition and operating results. Regulations and industry standards intended to protect or limit access to personal information could adversely affect our ability to effectively provide our services, impose significant compliance burdens, and expose us to liability for security incidents involving personal information. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet have recently come under increased public scrutiny. Governmental bodies in the United States and abroad have adopted, or are considering the adoption of, laws and regulations restricting the transfer of, and requiring safeguarding of, personal information. For example, in the United States, all financial institutions must undertake certain steps to ensure the privacy and security of consumer financial information. In April 2022, a final rule jointly issued by several U. S. federal banking regulators became effective that requires banking organizations to notify their primary federal regulators within 36 hours of certain computer security incidents. The ~~California Consumer Privacy Act, or~~ CCPA, imposes additional restrictions on the collection, processing and disclosure of personal information. The Virginia Consumer Data Protection Act became effective on January 1, 2023, ~~and~~ **the** Colorado ~~,~~ **and** Connecticut ~~and Utah have adopted their own comprehensive~~ privacy laws **on July 1** , ~~all of which~~ **2023, and Utah' s new law on December 31, 2023. Florida, Montana, Oregon and Texas have also adopted privacy laws becoming effective in 2024, with Delaware, Iowa and a few other states already passing similar legislation that** will ~~take~~ **become** ~~effect~~ **effective** in ~~2023~~ **2025** . ~~Several other~~ **Even more** states are considering privacy legislation. In Europe and the United Kingdom, the ~~General Data Protection Regulation (commonly referred to as~~ GDPR ~~)~~ **and the UK GDPR** also ~~requires~~ - **require** additional privacy protections and applies to all companies processing data of EU **/ UK** residents, regardless of the company' s location . In connection with providing services to...... in our ability to obtain new clients . If more restrictive privacy laws or rules are adopted by authorities in the future on the federal or state level, our compliance costs may increase, our opportunities for growth may be curtailed by our compliance capabilities or reputational harm and our potential liability for security and data privacy breaches may increase, all of which could have a material adverse effect on our business, financial condition and operating results. **Additionally,in connection** ~~arrangements require periodic audits by independent companies regarding our compliance~~ with **providing services** ~~industry standards such as payment card industry standards and also allow for similar audits regarding best practices established by regulatory guidelines.The compliance standards relate~~ to our ~~infrastructure~~ **clients,we are required by regulations** and ~~operational procedures designed~~ **arrangements with payment networks and certain clients** to ~~safeguard~~ **provide assurances regarding** the confidentiality and security of personal information ~~received from our customers~~ **and other confidential data.Pursuant to these arrangements,we are subject to periodic audits regarding payment card industry standards** .Our ability to maintain compliance with these standards and satisfy these audits will affect our ability to attract and maintain business in the future.If we fail to comply with these ~~regulations~~ **standards** ,we could be exposed to suits for breach of contract or to governmental enforcement proceedings.In addition,our client relationships and reputation could be harmed **.** Changes in our tax rates, the adoption of new U. S. or international tax legislation or exposure to additional tax liabilities could affect our future results. We are subject to taxes in the U. S. and numerous foreign jurisdictions. Significant judgment is required in determining our global provision for income taxes, deferred tax assets or liabilities and in evaluating our tax positions on a worldwide basis. ~~Our~~ **Forecasting our** future effective tax rates **is complex, subject to uncertainty and** could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Changes in tax laws and regulations, as well as changes and conflicts in related interpretations and other tax guidance, could materially impact our tax receivables and liabilities and our deferred tax assets and deferred tax liabilities. Any of these changes could have a material adverse effect on our profitability. The **2017** Tax ~~Cuts and Jobs~~ Act ~~of 2017~~, CARES Act of 2020, and the Inflation Reduction Act of 2022 significantly changed the U. S. Internal Revenue Code, including taxation of U. S. corporations, by, among other things, reducing the federal corporate income tax rate, limiting interest deductions, altering the expensing of capital expenditures, imposing a 1 percent excise tax on share repurchases and enacting a new corporate alternative minimum tax. We are also subject to the examination of our income tax returns by the Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance that the outcomes from these examinations will not materially adversely affect our financial condition and operating results. We urge our stockholders to consult with their legal and tax advisors with respect to ~~this~~ **such** legislation and the potential tax consequences of investing in or holding our common stock. As a non- bank custodian WEX Inc. is subject to regulation and noncompliance could render it unable to maintain its non- bank custodian status. ~~As of December 31, 2022,~~ WEX Inc. is ~~the~~ **a** passive non- bank custodian, under designation by the U. S. Department of the Treasury, of ~~approximately $ 4. 5 billion in~~ HSA assets, **a portion** ~~approximately $ 1. 1 billion~~ of which ~~were~~ **are** in investment funds for individual HSA holders at a third- party brokerage firm, and **the remaining portion** ~~approximately $ 3. 45 billion~~ of which ~~were~~ **are** in cash and have been placed with various depository institutions. As a non- bank custodian, WEX Inc. is required to comply with the provisions of **the** Treasury Regulations ~~Section 1. 408- 2 (e) (the " Treasury Regulations ")~~, including the net worth and administration of fiduciary duties requirements, among other requirements. If WEX Inc. should fail to comply with the Treasury Regulations, including the net worth and administration of fiduciary duties requirements, such failure would materially and adversely affect its ability to maintain its current custodial accounts and to grow by adding additional custodial accounts, and it could result in the institution of procedures for the revocation of its authorization to operate as a non- bank custodian, any or all of which could materially adversely affect our business, financial condition, or results of operations. Additionally, revocation of WEX Inc.' s status as a non- bank custodian would affect our ability to earn revenues from certain custodial assets, which could have a material adverse effect on our business, financial condition and operating results. ~~Evolution~~ **The healthcare regulatory** and ~~expansion of~~ **political framework is uncertain and evolving, and we cannot predict the effect that further healthcare reform and other changes in government programs may have on** our business **, results of operations or financial condition. The products that WEX Health' s software and payment solutions support are subject to various state and federal laws, including the Health Care Reform laws, which have been subject to persistent political pressure to be modified or repealed. As a result, the U. S. healthcare laws and regulations are evolving and** may ~~subject us~~ **change significantly in the future. For example, the 2017 Tax Act repealed certain provisions of Health Care Reform, including reducing** to **zero the tax penalty for individuals who decline to obtain Health Care Reform- compliant healthcare coverage and there could be** additional ~~regulatory requirements~~ **challenges to Health Care Reform that may result in additional changes in the future. Such challenges and changes may lead to uncertainty and unpredictability in the U. S. health care market, which may materially affect the availability and cost of health coverage, the viability of health care providers and health benefit plans, and the proportion of persons in the U. S. who have health insurance, the distribution between privately funded and government funded health insurance, and the future demand for, and profitability of, the offerings of our health- related business under our current business model, which could adversely affect our business. The full impact of Health Care Reform** and other ~~risks~~ **changes in the healthcare industry and in healthcare spending is unknown** , ~~for which failure~~ **and therefore, we are unable** to ~~comply~~ **predict what effect healthcare reform measures will have on** ~~or~~ **our business** ~~adapt could harm our operating results~~. The evolution and expansion of our business may subject us to additional risks and regulatory requirements, including laws governing money transmission and payment processing services. These requirements vary throughout the markets in which we operate, and have increased over time as the geographic scope and complexity of our payments product services have expanded. While we maintain a compliance program focused on applicable laws and regulations throughout the payments industry, there is no guarantee that we will not be subject to fines, criminal and civil lawsuits or other regulatory enforcement actions in one or more jurisdictions, or be required to adjust business practices to accommodate future regulatory requirements. In order to maintain flexibility in the growth and expansion of our payments operations, we have registered as a money service business with FinCEN and have obtained money transmitter licenses (or their equivalents) in most states and expect to continue the license application process in additional jurisdictions throughout the United States as needed to accommodate new product development. **Additionally, we have obtained necessary licenses required for business in certain non- U. S. jurisdictions where we provide payment services, including but not limited to the European Union, Ireland, the United Kingdom, Singapore and Australia. Evaluation of our compliance efforts, as well as the questions of whether and to what extent our products and services are considered money transmission, are matters of regulatory interpretation and could change over time.** Our efforts to acquire and maintain these licenses could result in significant management time, effort, and cost, and may still not guarantee compliance **or our ability to maintain such licenses** given the constant state of change in these regulatory frameworks. Accordingly, costs ~~associated with~~ **and operational disruptions resulting from** changes in compliance requirements, regulatory audits, enforcement actions, reputational harm, **revocation of licenses** or other regulatory limits on our ability to grow our payment processing business could adversely affect our financial results **. For a further discussion of laws**

**and regulations governing our money transmission operations, see, Part I- Item 1 – Business- Regulation and Supervision- Money Transmission and Payment Instrument Licensing Regulations** . Our increased presence in foreign jurisdictions increases the possibility of foreign law violations or violation of the FCPA and the United Kingdom' s Bribery Act 2010. We are subject to the FCPA and the ~~United Kingdom' s Bribery Act 2010 ("~~UKBA ~~")~~, as we own subsidiaries organized under UK law, which serve as holding companies for other subsidiaries. The FCPA generally prohibits U. S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. The UKBA is broader in its reach and prohibits bribery in purely commercial contexts in addition to bribery of government officials, and it does not allow certain exceptions that are permitted by the FCPA. Other countries in which we operate or have operated, including Brazil, and other countries where we intend to operate, also have anti- corruption laws, which we are, have been or will be subject to. Our employees and agents interact with government officials on our behalf, including as necessary to obtain licenses and other regulatory approvals necessary to operate our business. We also have a number of contracts with third- parties that are owned or controlled by foreign governments. These interactions and contracts create a risk of unauthorized payments or offers of payments by one of our employees or agents that could be in violation of the FCPA, UKBA or other similar laws, and we could be held liable for such unauthorized actions taken by our employees or agents. In recent years, there have been significant regulatory reviews and actions taken by the United States and other regulators related to anti- bribery laws, and the trend appears to be applying greater scrutiny around payments to, and relationships with, foreign entities and individuals, and companies' controls and procedures related to compliance with anti- bribery laws. Although we have policies and procedures designed to ensure that we, our employees, agents and intermediaries comply with the FCPA and UKBA, such policies or procedures may not work effectively all of the time or protect us against liability for actions taken by our employees, agents and intermediaries with respect to our business or any businesses that we may acquire. In the event that we believe, or have reason to believe, that our employees, agents or intermediaries have or may have violated applicable anti- corruption laws, we may be required to investigate or have a third party investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Our continued operation and expansion outside the United States could increase the risk of such violations in the future. Violations of the FCPA, the UKBA or similar laws and regulations, can result in significant expenses, require implementation of new and additional controls and procedures, divert management attention, and otherwise have a negative impact on us. Any determination that we have violated the FCPA, UKBA or laws of any other jurisdiction can subject us to, among other things, penalties and legal expenses that could harm our reputation and have a material adverse effect on our financial condition and results of operations. The possibility of violations of the FCPA, UKBA or other similar laws or regulations may increase as we expand globally and into countries with recognized corruption problems. **In light** ~~We are aware~~ of the increasing focus of local, state, regional, national and international regulatory bodies on GHG emissions and climate change issues ~~. Legislation to regulate GHG emissions has periodically been introduced in the U. S. Congress~~ , ~~and~~ there has been a wide- ranging policy debate, both in the U. S. and internationally, regarding the ~~impact of these gases and possible means for their~~ regulation **of GHG emissions** . The Biden Administration has made climate change and the limitation of GHG emissions one of its initial and primary objectives. For example, in January 2021, U. S. President Biden signed **an** ~~a number of~~ executive ~~orders~~ **order** ~~with respect to GHGs, including one~~ recommitting the United States to the Paris Agreement, pursuant to which nearly 200 nations have committed to reduce global emissions. ~~Several states and geographic regions in the U. S. have adopted legislation and regulations to reduce emissions of GHGs.~~ Additional legislation or regulation **promulgated** by ~~these~~ states ~~and~~ **, geographic** regions, the U. S. Environmental Protection Agency, and / or any international agreements to which the U. S. may become a party, that control or limit GHG emissions or otherwise seek to address climate change could adversely affect our partners' and our merchants' operations. Finally, private businesses, including vehicle manufacturers, are increasingly taking proactive steps to control or limit GHG emissions, including by producing and / or purchasing ~~and using for their businesses~~ vehicles that operate fully using alternative fuels or hybrid **EVs** ~~electric vehicles~~ . Many auto and truck manufacturers have announced plans to electrify large portions of their fleet over the next decade and the trend toward use of hybrid **EVs** ~~electric vehicles~~ continues to grow. Because our business is currently heavily reliant on the level of transactions involving gasoline and diesel fuels, existing or future laws or regulations or business actions related to GHGs and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on our business if any of the same serve to reduce demand for gasoline and diesel fuels and we do not or are unable to develop products or relationships to adapt to such potential events. For further information on how the increase in usage of alternative fuels in vehicles affects our business, please see **Part I –** Item 1A ~~-~~ **–** Risk Factors ~~-~~ **–** " A significant portion of our revenue is generated by the purchase and sale of gasoline and diesel fuel by or through our customers and from our fuel retailer partners, and, as a result, a reduction in the demand for or supply of gasoline and / or diesel fuel and / or volatility in such fuel prices could have a material adverse effect on our business, financial condition, and operating results. " Risks Related to our Dependence on Technology We regularly experience cyberattacks and expect they will continue in the future. We may not be able to adequately protect our information systems, including the data we collect, which could subject us to **, among other things,** liability and damage **to** our reputation. Our efforts to implement robust security measures and comply with applicable data ~~privacy~~ **protection** laws are costly and time- consuming and they cannot provide absolute security against cyberattacks, security breaches or unauthorized access. Increased global cybersecurity vulnerabilities and threats and more sophisticated and targeted cyber- related attacks pose an ongoing risk to the security of our information systems and networks. We regularly experience cyberattacks and expect they will continue in the future. We have not experienced a material loss from such an attack to date but could suffer such a loss in the future. We collect and store sensitive data about **individuals** ~~third parties~~ , including **health and** healthcare related information, **financial information (e. g.,** bank account information ~~,~~ and **payment card** ~~spending data. We are expected to keep this~~ information ~~in~~ **), government identification documents** ~~our~~ **or** ~~confidence~~ **numbers (e** . **g.,** ~~The information we collect often includes~~ social security numbers and tax identification numbers **)** ~~. As a result of applicable laws~~ ,

~~we~~ **information regarding protected categories and spending data. We** are required to take commercially reasonable measures to prevent and mitigate the impact of cyberattacks, as well as the unauthorized access, acquisition, release and use of personal information ~~, such as social security numbers~~ . **In** ~~While social security numbers and tax identification numbers constitute only a part of the data we keep, in~~ the event of a security breach **,** we are required to determine the types of information compromised and determine corrective actions and next steps under applicable laws, which requires us to expend capital and other resources to address the security breach and protect against future breaches. In addition, as outsourcing, specialization of functions, third- party digital services and technology innovation within the payments industry increase (including with respect to mobile technologies, tokenization, big data and cloud storage solutions), more third parties are involved in processing card transactions ~~and~~ **. Accordingly,** there is a risk that the confidentiality, integrity, privacy and / or security of data held by, or accessible to, third parties, including merchants that accept our cards, payment processors and our business partners, may be materially compromised, which could lead to unauthorized transactions on our cards and costs associated with responding to such an incident. In addition, high profile data breaches could change consumer behaviors, impact our ability to access data to make product offers and credit decisions, result in legislation and additional regulatory requirements, and result in increases in our compliance and monitoring costs. The techniques used in attempts to obtain unauthorized, improper or illegal access to our systems, our data or our customers' data, to degrade service, or to sabotage our systems are constantly evolving, are difficult to detect quickly, and may not be recognized until after a successful penetration of our information security systems. Cyber threats include, but are not limited to: malicious software; destructive malware; ransomware; attempts to gain unauthorized access to systems or data; disruption to operations or critical systems; denial of service attacks; unauthorized release of confidential, personal or otherwise protected information (ours or that of our employees, customers or partners); corruption or encryption of data, networks or systems; harm to individuals; and loss of assets. Unauthorized parties attempt to gain access **, and in some instances have gained access,** to our systems or facilities through various means, including, among others, targeting our systems or facilities or our third- party vendors or customers, or attempting to fraudulently induce our employees, partners, customers or others into disclosing user names, passwords, payment card information, or other sensitive information, which may in turn be used to access our information technology systems. Certain efforts may be state- sponsored and supported by significant financial and technological resources, making them even more difficult to detect **, prevent and mitigate** . Our security measures may also be breached due to employee error, malfeasance, system errors or vulnerabilities, or other irregularities. We have developed robust systems and processes that are designed to protect our data and customer data and to prevent data loss and other security breaches, and we will continue to expend significant additional resources to bolster these protections. However, these security measures cannot provide absolute security and may be insufficient, circumvented or become obsolete. Any actual or perceived breach of our security could interrupt our operations; result in our systems or services being unavailable; result in platform, information and network shutdowns; result in improper disclosure of data; materially harm our reputation and brand; result in significant legal and financial exposure; lead to loss of customer confidence in, or decreased use of, our products and services; and, adversely affect our business and results of operations. Any breaches of network or data security at our partners, some of whom maintain information about our customers, or breaches of our customers' systems could have similar effects. In addition, our **third party partners,** customers **or vendors** could have vulnerabilities on their own computer systems that are entirely unrelated to our systems, but could mistakenly attribute their own vulnerabilities to us. While we take commercially appropriate steps to safeguard data used by and contained on the systems of our partners, customers and vendors, we cannot control all access to those systems and they are therefore subject to the risk of cyberattacks and fraud. **We are subject to U. S. and international privacy and data protection regulations, including financial privacy regulations, which impose requirements concerning the protection of data, and compliance with these regulations could impose significant compliance burdens and failure to comply with such regulations could result in penalties, cause harm to our reputation and have a negative impact on our business. The regulatory framework for privacy and data protection in the U. S. and worldwide is currently in flux and is likely to remain so for the foreseeable future. Comprehensive state privacy laws in the U. S., including the CCPA, the Virginia Consumer Data Protection Act, the Colorado Privacy Act, the Connecticut Data Privacy Act and Utah Consumer Privacy Act, as well as those soon coming into effect, such as in Delaware, Florida, Iowa, Montana, Oregon and Texas, each require covered businesses to maintain data security programs, as well as to provide specific disclosures of our data use to residents of such states and maintain systems that enable us to receive and respond to requests from such state residents concerning their personal data, including requests to delete, correct, or obtain access to such data. If we are found to have violated any of these requirements, we may be subject to civil penalties and, in some cases, private litigation.** Under the ~~Financial Services Modernization Act of 1999, also referred to as the Gramm- Leach- Bliley Act or~~ GLBA, and some **U. S.** state laws, ~~we and~~ WEX Bank ~~are~~ **is** required to maintain a comprehensive written information security program that includes administrative, technical and physical safeguards relating to consumer information. This requirement generally does not extend to information about companies or about individuals who obtain financial products or services for business, commercial, or agricultural purposes. The GLBA also requires ~~us and~~ WEX Bank to provide initial and annual privacy notices to customers that describe in general terms our information sharing practices. If ~~we or~~ WEX Bank ~~intend~~ **intends** to share nonpublic personal information about consumers with affiliates and / or nonaffiliated third parties, ~~we and~~ WEX Bank must provide customers with a notice and a reasonable period of time for each customer to " opt out " of any such disclosure **. The GLBA also regulates certain activities of WEX Inc., with respect to privacy and information security practices** . In addition to U. S. federal privacy laws with which we must comply, states also have adopted statutes, regulations and other measures, such as the CCPA, governing the collection and distribution of personal information. In some cases, these state measures exempt certain data regulated by federal law, but with respect to certain other categories of personal information we and WEX Bank must monitor and seek to comply with individual state privacy laws in the conduct of our businesses. When we handle protected health information, regulations issued under ~~Health Insurance Portability and Accountability Act of 1996, or~~ HIPAA, and ~~the Health Information Technology for Economic and Clinical Health Act, or~~ HITECH ~~Act~~, our contracts with our customers, and supplemental state laws require us to implement privacy and data security measures and to comply with breach notification requirements. We may be subject to contractual damages and civil or criminal penalties if we are found to violate these privacy, security and breach notification requirements. An amendment to the HITECH Act enacted in January 2021 ~~require~~ **requires** consideration of a company' s implementation of recognized security standards in assessing administrative fines and penalties under the HIPAA security standards. This action potentially heightens enforcement risks if we fail to adequately implement the recognized security standards, while mitigating such risks if the recognized measures are successfully implemented. Our efforts to comply with existing and future ~~health~~ **privacy** and financial data **protection** laws and regulations, both in the U. S. and abroad, are costly and time- consuming. In addition, any cybersecurity incident, any incident involving our handling of protected and sensitive information, failure to comply with applicable breach notification and reporting requirements, or any violation of international, federal or state privacy laws could consume significant financial and managerial resources, expose us to liability in excess of any applicable insurance policies, litigation, regulatory scrutiny, and / or cause damage to our reputation, which may discourage customers from using, renewing, or expanding their use of our services or cause us to be in breach of our contracts with them. We may also be required to expend significant resources to implement additional data protection measures or to modify the features and functionality of our system offerings in a way that is less attractive to customers **. If the technologies we use in operating our business and interacting with our customers fail, are unavailable, or do not operate to expectations, or we fail to successfully implement technology strategies and capabilities in connection with our third- party technology arrangements, our business and results of operations could be adversely impacted** . We utilize a combination of proprietary and third- party technologies, including third- party owned and operated " cloud " technologies or third- party managed technology platforms, data- centers, and processing systems, to conduct our business and interact with our customers, partners and suppliers, among others. This includes technology that we have developed, have contracted with others to develop, have outsourced to a single provider to operate or have obtained through third- parties by way of service agreements. As we have increased the number of platforms as well as the size of our networks and information systems, our reliance on these technologies has become increasingly important to our operating activities. The potential negative impact that a platform, network or information system shutdown may have on our operating activities has increased. To the extent that our proprietary technology or a third- party provider' s technology does not work as agreed to or as expected, or if we experience outages or unavailability resulting from ours or our third- party providers' operations and the services provided, our ability to efficiently and effectively deliver services could be adversely impacted and our business and results of operations could be adversely affected. Shutdowns may be caused by a number of sources, many of which are beyond our control, including, without limitation: cyberattacks, unexpected catastrophic events such as natural disasters or acts of terrorism, software or hardware defects, network ~~environmental~~ disruptions such as computer viruses or hacking, theft or vandalism of equipment, **employee error** and / or actions or events caused by or related to third party vendors. Any failure by our customers or partners to access the technology that we develop internally could have an adverse effect on our business, results of operations and financial condition **. In addition, we and our customers could suffer harm if valuable business data or employee, customer and other proprietary information processed by such technology were corrupted, lost or accessed or misappropriated by third parties due to a security failure in our systems or those of our suppliers or service providers. Any such failure or breach could require significant expenditures to remediate, severely damage our reputation and our relationships with customers, including an obligation to notify individuals, regulatory authorities, the media and other stakeholders in connection with any such failure or breach, result in unwanted media attention and lost sales and expose us to risks of litigation and liability** . Although we make substantial investments in technology, there is no guarantee that it will function as intended once it is placed into operation. Our technology infrastructure, such as our **cloud services,** backup and recovery procedures, **or** active system monitoring ~~, or secure storage facility for backup media~~ may not function as intended and may negatively impact WEX' s business. We may conclude that certain technologies should be retired, that existing platforms should be consolidated, or that we should change our technology strategies, and we may be required to impair or accelerate depreciation on certain assets. Any of these potential changes or failures in our technology strategies may also divert management' s attention and have a material adverse effect on our business, financial condition and operating results. Our business is dependent on ~~technology systems and~~ electronic communications networks managed by third parties, which could result in our inability to prevent service disruptions. Our ability to process and authorize transactions electronically depends on our ability to electronically communicate with our third party providers through point- of- sale devices and electronic networks that are owned and operated by third parties. The electronic communications networks upon which we depend are often subject to disruptions of various magnitudes and durations. Any severe disruption of one or more of these networks could impair our ability to authorize transactions or collect information about such transactions, which, in turn, could harm our reputation for dependable service and adversely affect our results of operations. In addition, our ability to collect enhanced data relating to our customers' purchases may be limited by the use of older point- of- sale devices by certain providers. To the extent that these providers within our network are slow to adopt advanced point- of- sale devices, we may not be able to offer the latest services and capabilities that our customers demand. **We use artificial intelligence in our business, and challenges with properly managing its use could result in harm to our brand, reputation, business or customers, and adversely affect our results of operations. We use artificial intelligence (" AI ") solutions including machine learning and generative AI tools that collect, aggregate and analyze data to assist in the development of our platform, offerings, services, products and in the use of internal tools that support our business. These applications may become increasingly important in our operations over time. This emerging technology presents a number of risks inherent in its use, including risks related to cybersecurity and data privacy. Additionally, AI algorithms are based on machine learning and**

**predictive analytics, which can create accuracy issues, unintended biases and discriminatory outcomes that could harm our brand, reputation, business or customers. Additionally, no assurance can be made that the usage of AI will assist us in being more efficient. Further, our competitors or other third parties may incorporate AI into their business, services and products more rapidly or more successfully than us, which could hinder our ability to compete effectively and adversely affect our results of operations. Implementing the use of AI successfully, ethically and as intended, will require significant resources, including having the technical complexity and expertise required to develop, test and maintain our platform, offerings, services and products. In addition, the use of AI may increase cybersecurity risks and operational and technological risks. The technologies underlying AI and their use cases are rapidly developing, and it is not possible to predict all of the legal, operational or technological risks related to the use of AI. For example, we expect that there will continue to be new laws or regulations concerning the development and use of AI, such as the expected to be enacted European Union Artificial Intelligence Act and the U. S. issued Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence and associated guidelines. Moreover, how AI is used is the subject of evolving review by various U. S. regulatory agencies, including the SEC and the U. S. Federal Trade Commission. It is possible that governments may also seek to regulate, limit, or block the use of AI in our products and services or otherwise impose other restrictions that may hinder the usability or effectiveness of our products and services.** Risks Relating to Ownership of Our Common Stock The failure to maintain effective systems of internal control over financial reporting and disclosure controls and procedures could result in the inability to accurately report our financial results or prevent material misstatement due to fraud, which could cause current and potential shareholders to lose confidence in our financial reporting, adversely affect the trading price of our securities, harm our operating results, trigger a default under the Amended and Restated Credit Agreement or result in regulatory proceedings against us. Effective internal control over financial reporting and disclosure controls and procedures are necessary for us to provide reliable financial reports and effectively prevent fraud and operate successfully as a public company. The failure to develop or maintain effective internal control over financial reporting and disclosure controls and procedures could harm our reputation or operating results, or cause us to fail to meet our reporting obligations, or trigger a default under the Amended and Restated Credit Agreement. Our financial reporting and disclosure controls and procedures are reliant, in part, on information we receive from disparate internal financial reporting systems and third parties that supply information to us regarding transactions that we process. In addition, because our strategy includes pursuing growth through acquisitions of other businesses, which are at different levels of maturity and which may have underdeveloped financial reporting systems and processes, we depend on disparate financial systems to process, summarize and report financial transactions. To the extent these systems do not properly transmit information to our financial ledgers, we could fail to properly summarize and report financial results. As we expand our business operations domestically and internationally, and as we implement new accounting standards promulgated by the FASB, we will need to maintain effective internal control over financial reporting and disclosure controls and procedures. If we are unable to do so, our external auditors could issue a qualified opinion on the effectiveness of our internal control over financial reporting. Ineffective internal control over financial reporting and disclosure controls and procedures could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our securities or affect our ability to access the capital markets and could result in regulatory proceedings against us by, among others, the SEC. Material weaknesses in internal control over financial reporting have in the past and could in the future lead to deficiencies in the preparation of financial statements. Deficiencies in the preparation of financial statements, could lead to litigation or regulatory investigations or proceedings against us. For example, in late 2021 we settled an investigation by the SEC with respect to the revision of WEX' s financial statements noted in its Annual Report on Form 10- K / A for the year ended December 31, 2018, due to issues involving WEX' s formal Brazil subsidiary. The defense of any such claims may cause the diversion of management' s attention and resources, and we may be required to pay damages if any such claims or proceedings are not resolved in our favor. Any litigation or regulatory investigations or proceeding, even if resolved in our favor, could cause us to incur significant legal and other expenses. Such events could also affect our ability to raise capital to fund future business initiatives. Provisions in our charter documents, Delaware law ~~,~~ **and** applicable banking laws ~~and the Convertible Notes~~ may delay or prevent our acquisition by a third party **, and could adversely impact the market price of our common stock** . Our certificate of incorporation and by-laws contain several provisions that may make it more difficult for a third party to acquire control of us without the approval of our board of directors. These provisions include, among other things, a classified board of directors (which will be fully declassified commencing with the 2024 annual meeting of stockholders), the prohibition of stockholder action by written consent, advance notice requirements for raising business or making nominations at meetings of stockholders and " blank check " preferred stock. ~~In addition, under the indenture governing the Convertible Notes, upon the occurrence of a " fundamental change " (as defined in the indenture, and which includes, among other things, certain change of control transactions with respect to the Company), holders may require the Company to repurchase all or a portion of their Convertible Notes at a repurchase price equal to the sum of (i) 105 percent of then accreted principal amount of the Convertible Notes to be repurchased, plus accrued interest and (ii) the sum of the present values of the scheduled remaining payments of interest had such Convertible Notes remained outstanding through maturity.~~ These provisions may make it more difficult or expensive for a third party to acquire a majority of our outstanding voting common stock or change control of our board of directors. We also are subject to certain provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which could delay, deter or prevent us from entering into an acquisition. These provisions may also delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that might otherwise result in our stockholders receiving a premium over the market price for their common stock. Under the Change in Bank Control Act of 1978, as amended (" CIBC Act ") ~~,~~ **and** the FDIC' s regulations thereunder, ~~and similar Utah banking laws,~~ any person, either individually or acting through or in concert with one or more other persons, must provide notice to, and effectively receive prior approval from, the FDIC ~~and the~~

~~Utah DFI~~ before acquiring " control " of us. Under the CIBC Act, control is ~~conclusively~~ -- **conclusive** ~~presumed~~ if, among other things, a person or company acquires 25 percent or more of any class of our voting stock. A rebuttable presumption of control arises if a person or company acquires 10 percent or more of any class of **our** voting stock ~~and is subject to several specified " control factors " as set forth in the applicable regulations~~. Under the Utah Financial Institutions Act **(" UFIA "), no person may acquire direct or indirect " control " of a depository institution without first receiving the formal written approval of the UDFI' s commissioner. Under the UFIA** , control is defined ~~as~~ **to include having** the power to vote ~~20~~ **25** percent or more of any class of our voting securities ~~by an individual~~ **. A rebuttable presumption of control arises if a person has the power, directly** or **indirectly, or through or in concert with one or more persons,** to vote more than 10 percent **but less than 25 percent** of any class of our voting securities **. Any person seeking to rebut a presumption of control is required to do so** by **submitting** ~~a person other than~~ an **application to** ~~individual. No entity may acquire direct or indirect control of more than 10 percent of any class of our voting securities, or vote such amount of shares, without first receiving~~ the ~~formal written approval of Utah DFI~~ **UDFI** ' s commissioner. Investors are responsible for ensuring that they do not, directly or indirectly, acquire shares of our common stock in excess of the amount which can be acquired without regulatory approval. In practice, the process for obtaining such approval is complicated and time- consuming, often taking longer than six months, and a proposed acquisition may be disapproved for a variety of factors, including, but not limited to, antitrust concerns, financial condition and managerial competence of the applicant, and failure of the applicant to furnish all required information. Finally, our certificate of incorporation requires that if any stockholder fails to provide us with satisfactory evidence that any required approvals have been obtained, we may, or will if required by state or federal regulators, restrict such stockholder' s ability to vote such shares with respect to any matter subject to a vote of our stockholders. Collectively, these provisions could delay or prevent a third party from acquiring us, despite the possible benefit to our stockholders, or otherwise adversely affect the market price of our common stock. Further, as a result of these requirements, certain existing and potential stockholders may choose not to invest in our stock at all or invest further in our stock. This could limit the number of potential investors and impact our ability to attract further funds. ~~To the extent that we issue additional shares of common stock or equity- linked securities, the ownership interests of our stockholders may be diluted. In July 2020, we issued $ 310. 0 million in initial aggregate principal amount of the Convertible Notes and $ 90. 0 million of our common stock to Warburg Pincus in a private placement. The Convertible Notes are convertible by the holders at any time prior to maturity, or earlier redemption or repurchase, based upon an initial conversion price of $ 200 per share of common stock. We may settle conversions of the Convertible Notes, at our election, in cash, shares of our common stock, or a combination of cash and shares of our common stock. The number of shares issuable upon conversion of the Convertible Notes is subject to increase, including as a result of our ability to elect to satisfy interest obligations under the Convertible Notes by increasing the principal amount of the Convertible Notes rather than paying cash interest and as a result of adjustments to the conversion price under the Convertible Notes in connection with certain events. The conversion price is subject to adjustments customary for convertible debt securities and is also subject to a weighted average adjustment in the event of issuances of equity and equity linked securities by the Company at prices below the then applicable conversion price for the Convertible Notes or the then market price of the Company' s common stock, subject to certain exceptions, including exceptions for underwritten offerings, Rule 144A offerings, private placements at discounts not exceeding a specified amount, issuances as acquisition consideration and equity compensation related issuances. To the extent we issue shares of our common stock in satisfaction of our conversion obligations under the Convertible Notes, our stockholders will experience dilution. Our ability to settle conversions of Convertible Notes in cash may be limited, including as a result of our available cash resources at the time of any conversions and as a result of restrictions in our then existing debt agreements on our ability to satisfy conversions in cash (for example, pursuant to restricted payment covenants similar to those contained in our existing debt agreements). In addition to potential dilution that may result from the issuance of shares of common stock pursuant to the terms of the Convertible Notes, our stockholders may also experience additional dilution as a result of other future issuances by us of common stock or equity- linked securities, whether issued in financing transactions, in connection with acquisitions, pursuant to equity compensation plans or otherwise. Pursuant to the purchase agreement entered into with Warburg Pincus in connection with the issuance of the Convertible Notes, we provided Warburg Pincus with certain contractual preemptive rights allowing it to maintain its proportionate equity interest on an as- converted basis, subject to certain exceptions, in connection with certain future issuances by us of common stock or other equity- linked securities. The sale or other dispositions of significant amounts of our outstanding common stock into the public market in the future, or the perception that sales or other dispositions could occur, could adversely impact the market price of our common stock. In connection with our July 2020 private placement with Warburg Pincus, we filed a registration statement registering under the Securities Act of 1933, as amended, the Convertible Notes and the shares of common stock issued in the private placement and issuable pursuant to conversions of the Convertible Notes. The purchase agreement for the Convertible Notes generally does not, at present, restrict Warburg Pincus from transferring the Convertible Notes or shares of common stock issued in the private placement or upon conversion of the Convertible Notes, subject to certain limitations on transfers to certain categories of transferees. The sale or other dispositions of a substantial number of our shares by Warburg Pincus or other holders of our common stock or the Convertible Notes, or the market perception that such sales or other dispositions may occur, could have an adverse impact on the price of our common stock.~~