



Q4 2022 Results

February 23rd, 2023

Safe Harbor Statement

As a reminder, our comments may include forward-looking statements and expectations regarding future results and performance. Please refer to the cautionary language in the earnings release and in Green Dot's filings with the Securities and Exchange Commission, including our most recent Form 10-K and 10-Q, for additional information concerning factors that could cause actual results to differ materially from the forward-looking statements.

During our call and throughout this presentation, we make reference to financial measures that do not conform with generally accepted accounting principles. For the sake of clarity, unless otherwise noted, all numbers discussed today are presented on a non-GAAP basis. Information may be calculated differently than similar non-GAAP data presented by other companies. Quantitative reconciliation of our non-GAAP financial information to the directly comparable GAAP financial information appears in today's press release and at the end of this slide presentation.

Fiscal 2022 Highlights



Finished 2022 with Strong Bottom Line Results

Exceeded initial guidance with modest revenue, strong EPS growth

2022 Non-GAAP Revenue¹
Up +3%

2022 Adjusted EBITDA¹
Up +10%

2022 Non-GAAP EPS¹
Up +17%

New Management Structure to Optimize Performance

New structure focuses on operational excellence and revenue growth

George Gresham appointed CEO

Chris Ruppel appointed Chief Revenue Officer

Teresa Watkins appointed Chief Operations Officer

Jess Unruh appointed CFO

Continuing to Drive Operational Efficiency

Completed first platform conversion with remaining conversions scheduled for 1Q23 and 2Q23

Adjusted EBTIDA and Operating margins up over 100bp for the full year¹

Intently focused on managing expenses. Drove substantial improvement in key areas like risk and customer care

Improving Momentum Key Area and new Business Wins

Signed a major BaaS partner scheduled to be launched late in 2Q23

GO2bank saw strong momentum with revenue up 80% for the year and is now ~45% of the direct channel and ~15% of Consumer Services

Average revenue per active² in Consumer Services was up 15% due to improved customer mix and increased penetration of overdraft

¹ Please see appendix at end of presentation for a reconciliation of GAAP to Non-GAAP Measures

² Measured as the average of the number of accounts that have been active during the last 90 days as of each of the last 4 quarters

Key Q4 2022 Highlights



Strong Bottomline Growth in 4Q22

Delivered solid financial results highlighted by positive revenue growth

Q4 2022 Non-GAAP Revenue¹

Up +5%

Q4 2022 Adjusted EBITDA¹

Up +3%

Q4 2022 Non-GAAP EPS¹

Up 26%

Continuing to Drive Operational Efficiency

Completed first platform conversion with remaining conversions scheduled for 1Q23 and 2Q23

Consumer Services margins up over 400bp in the quarter

Continued to drive efficiency with improvement in key areas such as risk and customer care

Momentum in GO2bank, Green Dot Network Building

GO2bank saw strong revenue growth in the quarter and now accounts for ~45% of the direct channel and ~15% of the Consumer Services segment.

Green Dot Network saw growth of ~10% in 3rd party transactions, which grew every quarter and now account for over 50% of total transactions

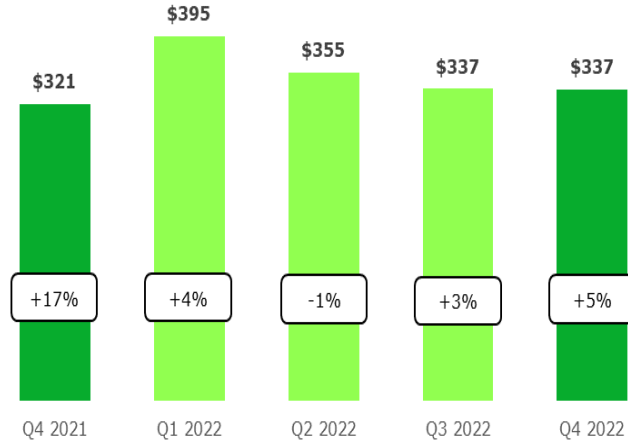
Revenue per active² in the Consumer Services segment was up 15%

¹ Please see appendix at end of presentation for a reconciliation of GAAP to Non-GAAP Measures

² Measured as the number of accounts that have been active in the last 90 days as of quarter end

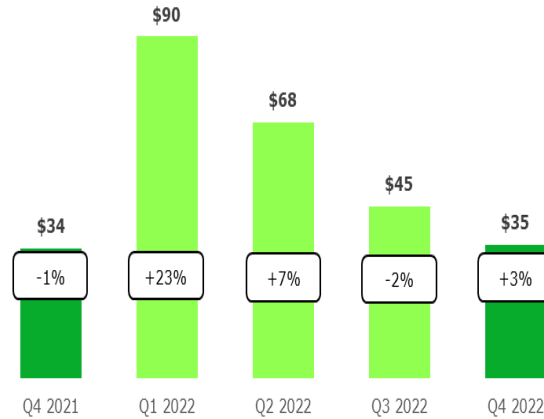
Q4 2022 Results

Non-GAAP Revenue¹



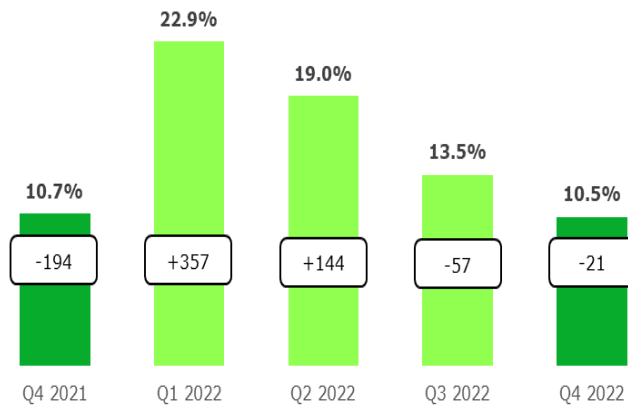
in millions, reflects change versus the prior year

Adjusted EBITDA¹



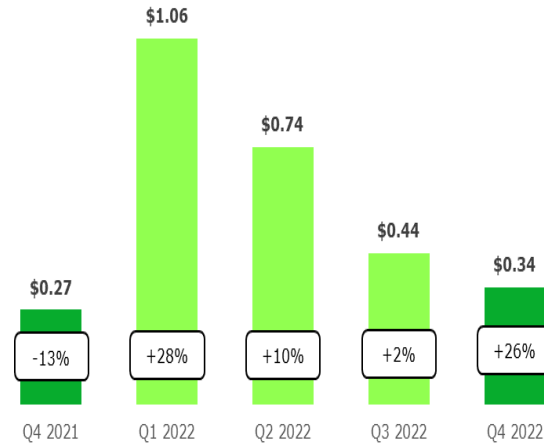
in millions, reflects change versus the prior year

Adjusted EBITDA Margin¹



reflects change in basis points versus the prior year

Non-GAAP EPS¹



reflects change versus the prior year

Non-GAAP Revenue¹ increased 5%

- **Consumer Services** down 12%
- **B2B Services** up 30%
- **Money Movement** down 12%

Adjusted EBITDA¹ up 3%

- **Adjusted EBITDA Margin of 10.5%**, down 21 bps
- **Consumer Services** segment profit down 1%
- **B2B Services** segment profit was flat
- **Money Movement** segment profit up 13%
- **Corporate and Other Expense** saw a slight increase due to ongoing investments in our technology conversion but were generally flat sequentially
- Repurchased 1.1M shares during the quarter

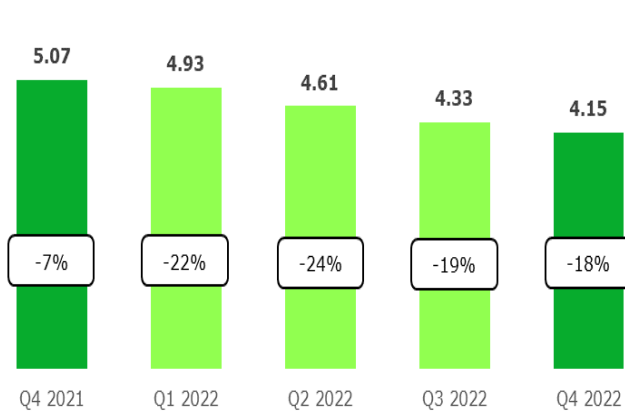
Non-GAAP EPS¹ increased 26%

- **Non-GAAP Effective Tax Rate** down ~700bps from last year

¹ Please see appendix at end of presentation for a reconciliation of GAAP to Non-GAAP Measures

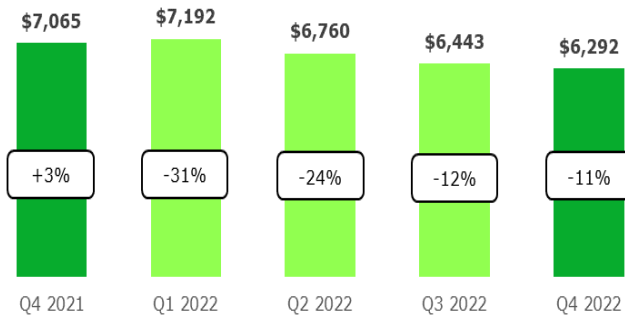
Q4 2022 Key Metrics

Actives¹



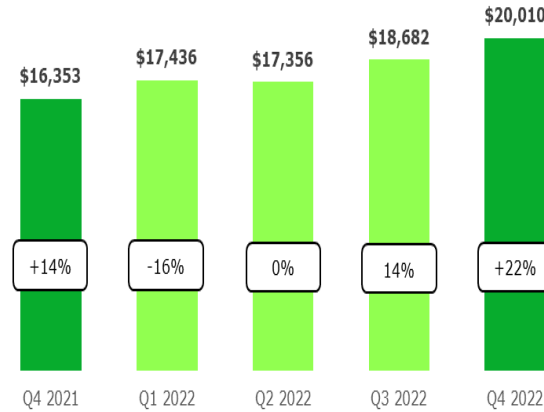
in millions, reflects change versus the prior year

Purchase Volume



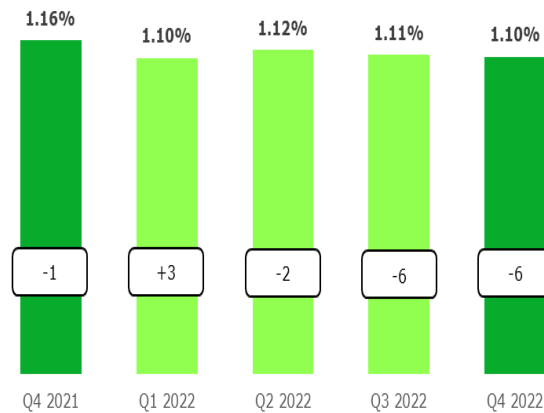
in millions, reflects change versus the prior year

Gross Dollar Volume



in millions, reflects change versus the prior year

Net Interchange Rate²



reflects change in basis points versus the prior year

Actives¹ declined 18%

- **Consumer Services** down 24% as the retail channel continues to face secular headwinds while the direct channel continues to focus on growth of GO2bank while legacy brands decline due to natural attrition
- **Consumer Services Direct Deposit Actives¹** were down 17% but are now just below 27% of total actives¹ and up ~200bp.
- **B2B Services** down 10% as the division still sees the impact of a client deconversion in 1Q22.

Gross Dollar Volume up 22% over last year

- **Consumer Services** down 14%
- **B2B Services** up 45%

Purchase Volume declined 11%

- **Consumer Services** down 13%
- **B2B Services** down 6%

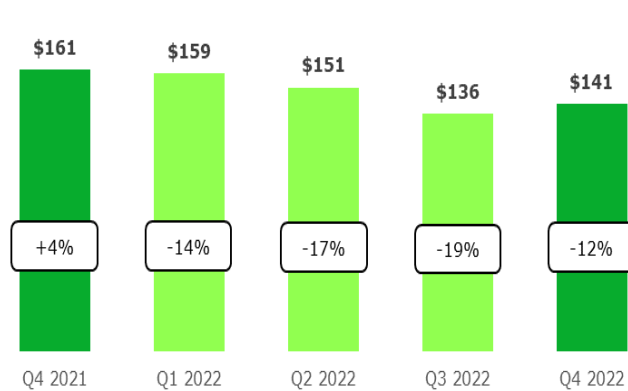
Net Interchange Rate² declined 6 bps due to transaction mix and higher average transaction size

¹ Measured as the number of accounts that have been active in the last 90 days as of quarter end

² Net Interchange Rate equals Interchange revenues divided by Purchase Volume

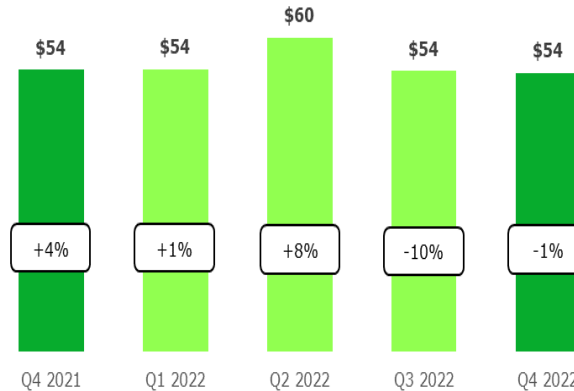
Consumer Services

Segment Revenue



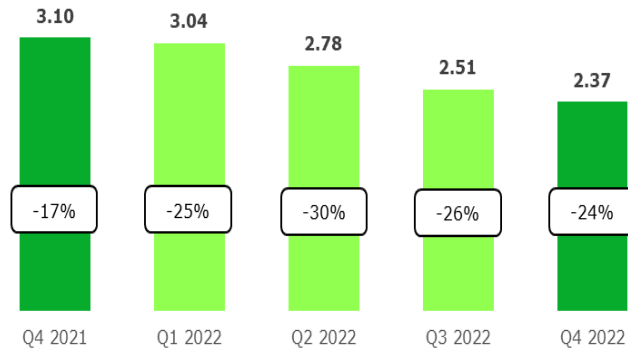
in millions, reflects change versus the prior year

Segment Profit



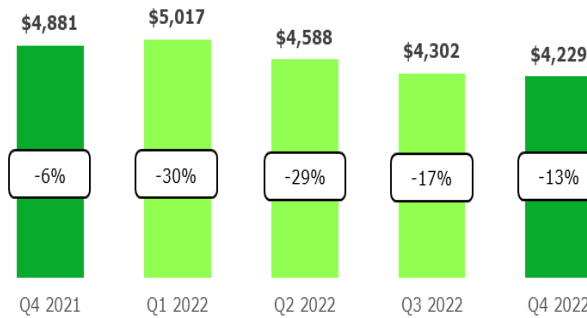
in millions, reflects change versus the prior year

Actives²



in millions, reflects change versus the prior year

Purchase Volume



in millions, reflects change versus the prior year

Segment Revenue declined 12%

- **Declines moderated** as the impact of stimulus was largely gone though headwinds in retail remain while direct channel continues to progress through the transition to only support GO2bank while other brands declined due to attrition
- **GO2bank saw strong growth in the quarter and for the year** and is now ~15% of the consumer segment
- **Revenue per active¹** increased 15% over the prior year, driven by improved mix of consumer accounts and continued adoption of profitable features by our customer base, including **overdraft protection**

Segment Profit decreased ~ 1%

- **Segment Profit Margin** expanded by over 400 bps due to an increase in revenue per active¹ and improved efficiency in areas such as customer care and fraud management.

Actives² declined 24%

- **Direct Deposit Actives² declined 17%** and represent 26.6% of total Actives², up approximately 200 bps

Purchase Volume declined 13%

Gross Dollar Volume declined 14%

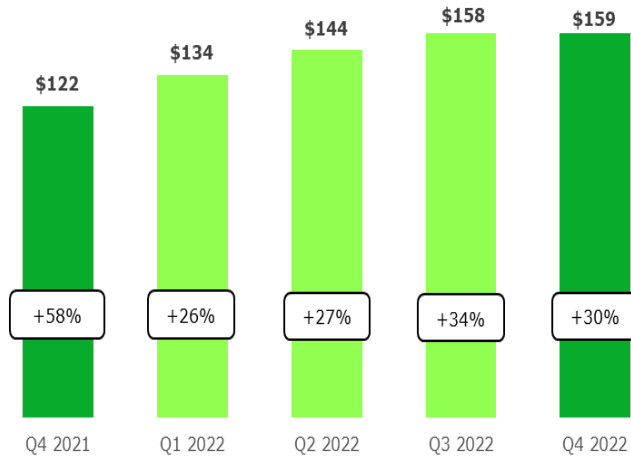
¹ Equals segment revenue divided by the number of accounts that have been active in the last 90 days as of quarter end

² Equals the number of accounts that have been active in the last 90 days as of quarter end

Please see appendix at end of presentation for a reconciliation of segment measures

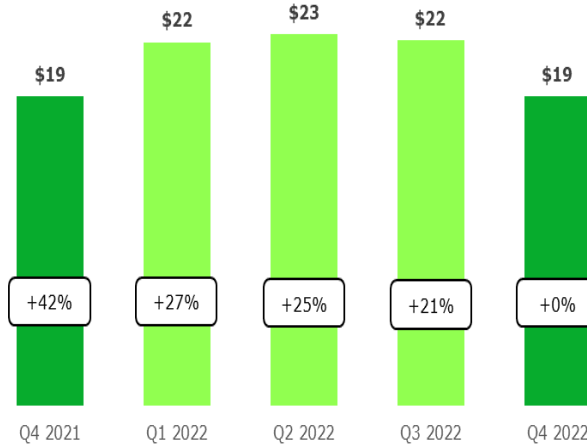
B2B Services

Segment Revenue



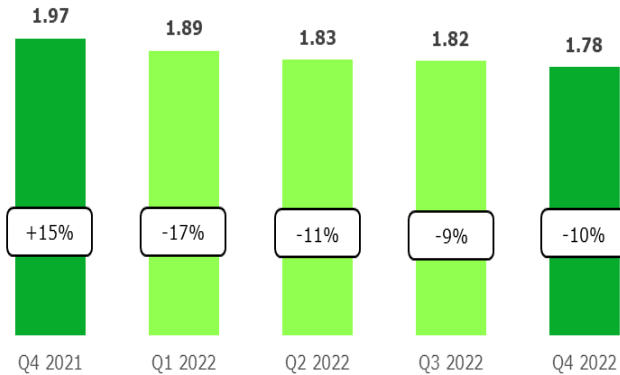
in millions, reflects change versus the prior year

Segment Profit



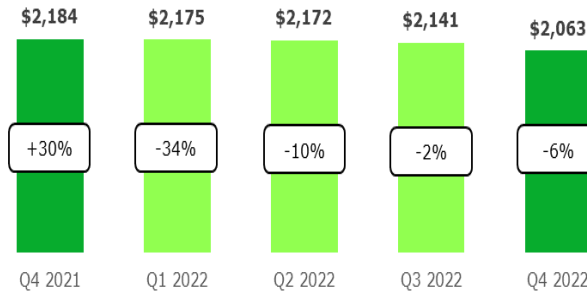
in millions, reflects change versus the prior year

Actives¹



in millions, reflects change versus the prior year

Purchase Volume



in millions, reflects change versus the prior year

Segment Revenue increased 30%

- Strong growth from a key BaaS partner was partially offset by a long-planned roll-off of a BaaS partner in 1Q22
- Absent this de-conversion, performance from our other BaaS partners was largely consistent with the strong results we have reported over the last several quarters
- Rapid! PayCard revenue was up modestly and was impacted by lower interchange rates, due to transaction mix, despite solid growth in volumes and accounts

Segment Profit was flat

- **Segment Profit Margin declined ~370 bps**
- **Margins pressure** driven by growth of a key BaaS partner and pressure on PayCard margins as expenses are still incurred to support solid growth in accounts and volumes despite the moderation in revenue
- **Remaining BaaS business**, excluding key partner, saw stable/increasing margins

Actives¹ declined 10%

- The loss of a BaaS partner in 1Q22 offset growth in the remaining BaaS and PayCard business
- PayCard business saw actives¹ increase upper-single digit

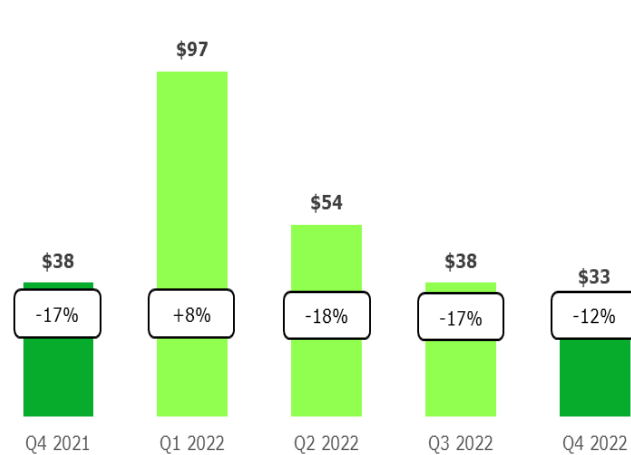
Gross Dollar Volume increased 45%

Purchase Volume declined 6%

¹ Measured as the number of accounts that have been active in the last 90 days as of quarter end
Please see appendix at end of presentation for a reconciliation of segment measures

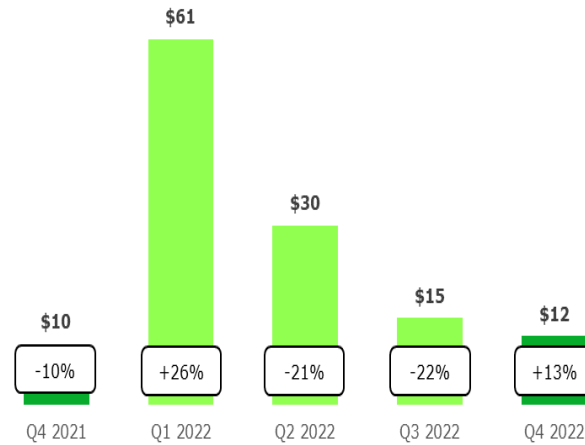
Money Movement Services

Segment Revenue



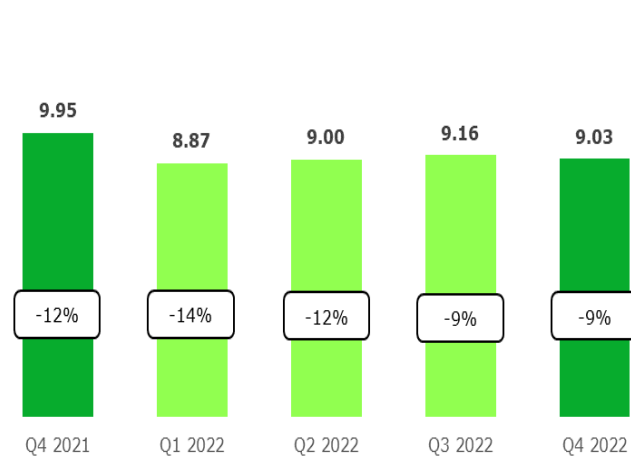
in millions, reflects change versus the prior year

Segment Profit



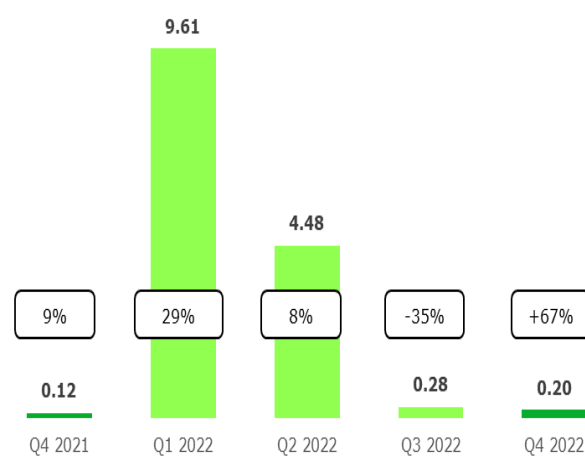
in millions, reflects change versus the prior year

Cash Transfers



in millions, reflects change versus the prior year

Tax Refunds



in millions, reflects change versus the prior year

Segment Revenue declined 12%

- Green Dot Network revenue drove the decline as the decline in actives¹ continues to present a headwind for volumes and revenue

Segment Profit increased 13%

- Segment margin** was up over 700bps as the timing of expenses in the tax business drove much of the increase while Green Dot Network saw margin expansion despite falling revenue

Cash Transfers declined 9%

- The decline in actives¹ remains a headwind for transaction growth but it was partially offset by growth from 3rd party partner volumes
- 3rd party volumes grew in the low double digits as more partners are added to the network and now account for ~50% of total transactions. 3rd party transactions increased sequentially each quarter

Tax Refunds increased 67%

- Off a small base, in the seasonally slow 4th quarter, transactions were up sharply. For the full year they were up 20%

¹ Measured as the number of accounts that have been active in the last 90 days as of quarter end
Please see appendix at end of presentation for a reconciliation of segment measures

2023 Guidance

	Low	High
Non-GAAP Operating Revenue¹	\$1,376.0	\$1,462.0
Adjusted EBITDA¹	\$180.0	\$190.0
Depreciation and amortization ²	\$(57.0)	\$(57.0)
Net interest expense	\$(2.5)	\$(2.5)
Non-GAAP pre-tax income ¹	\$120.5	\$130.5
Tax impact ³	\$(28.3)	\$(30.7)
Non-GAAP net income ¹	\$92.2	\$99.8
Non-GAAP diluted average shares outstanding ¹	52.0	52.0
Non-GAAP diluted EPS¹	\$1.77	\$1.93

in millions, except for Non-GAAP EPS

¹ Please see an appendix at the end of the presentation for a reconciliation of GAAP to Non-GAAP Measures

² Excludes the impact of amortization of acquired intangible assets

³ Assumes a non-GAAP effective tax rate of approximately 23.5% for full year

Appendix: Reportable Segments

Green Dot's segment reporting is based on how its Chief Operating Decision Maker ("CODM") manages its businesses, including resource allocation and performance assessment. Its CODM (who is the Chief Executive Officer) organizes and manages the business primarily on the basis of the channels in which its product and services are offered and uses net revenue and segment profit to assess profitability. Segment profit reflects each segment's net revenue less direct costs, such as sales and marketing expenses, processing expenses, third-party call center support and transaction losses. Green Dot's operations are aggregated amongst three reportable segments: 1) Consumer Services, 2) Business to Business ("B2B") Services and 3) Money Movement Services.

The Corporate and Other segment primarily consists of net interest income, certain other investment income earned by Green Dot's bank, interest profit sharing arrangements with certain BaaS partners (a reduction of revenue), eliminations of inter-segment revenues and expenses, and unallocated corporate expenses, which include Green Dot's fixed expenses, such as salaries, wages and related benefits for its employees, professional services fees, software licenses, telephone and communication costs, rent, utilities, and insurance that are not considered when Green Dot's CODM evaluates segment performance. Non-cash expenses such as stock-based compensation, depreciation and amortization of long-lived assets, impairment charges and other non-recurring expenses that are not considered by Green Dot's CODM when evaluating overall consolidated financial results are excluded from its unallocated corporate expenses. Green Dot does not evaluate performance or allocate resources based on segment asset data, and therefore such information is not presented.

Appendix: Non-GAAP Financial Measures

About Non-GAAP Financial Measures

To supplement Green Dot's consolidated financial statements presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"), Green Dot uses measures of operating results that are adjusted for, among other things, non-operating net interest income and expense; other non-interest investment income earned by its bank; income tax benefit and expense; depreciation and amortization, including amortization of acquired intangibles; certain legal settlement gains and charges; stock-based compensation and related employer payroll taxes; changes in the fair value of contingent consideration; transaction costs from acquisitions; amortization attributable to deferred financing costs; impairment charges; extraordinary severance expenses; earnings or losses from equity method investments; changes in the fair value of loans held for sale; commissions and certain processing-related costs associated with Banking as a Service ("BaaS") products and services where Green Dot does not control customer acquisition; realized gains on investment securities; other charges and income not reflective of ongoing operating results; and income tax effects. This earnings release includes non-GAAP total operating revenues, adjusted EBITDA, non-GAAP net income, and non-GAAP diluted earnings per share. These non-GAAP financial measures are not calculated or presented in accordance with, and are not alternatives or substitutes for, financial measures prepared in accordance with GAAP, and should be read only in conjunction with Green Dot's financial measures prepared in accordance with GAAP. Green Dot's non-GAAP financial measures may be different from similarly-titled non-GAAP financial measures used by other companies. Green Dot believes that the presentation of non-GAAP financial measures provides useful information to management and investors regarding underlying trends in its consolidated financial condition and results of operations. Green Dot's management regularly uses these supplemental non-GAAP financial measures internally to understand, manage and evaluate Green Dot's business and make operating decisions. For additional information regarding Green Dot's use of non-GAAP financial measures and the items excluded by Green Dot from one or more of its historic and projected non-GAAP financial measures, investors are encouraged to review the reconciliations of Green Dot's historic and projected non-GAAP financial measures to the comparable GAAP financial measures, which are included herein, or can be found by clicking on "Financial Information" in the Investor Relations section of Green Dot's website at <http://ir.greendot.com/>.

Appendix: Non-GAAP Financial Measures

Reconciliation of Total Operating Revenues to Non-GAAP Total Operating Revenues (1)

Total operating revenues

Net revenue adjustments (8)

Other income (9)

Non-GAAP total operating revenues

2021	2022
FY	FY
(In millions)	
\$ 1,433.2	\$ 1,449.6
(45.3)	(28.8)
-	2.9
<u>\$ 1,387.9</u>	<u>\$ 1,423.6</u>

Reconciliation of Net Income to Non-GAAP Net Income (1)

Net income

Stock-based compensation and related employer payroll taxes (3)

Amortization of acquired intangible assets (4)

Change in fair value of contingent consideration (4)

Transaction and related acquisition costs (4)

Amortization of deferred financing costs (5)

Impairment charges (5)

Extraordinary severance expenses (6)

Legal settlement expenses (5)

Losses (earnings) in equity method investments (5)

Loss on loans reclassified as held for sale (5)

Realized gain on sale of investment securities (5)

Other (income) expense (5)

Income tax effect (7)

Non-GAAP net income

2021	2022
FY	FY
(In millions)	
\$ 47.5	\$ 64.2
51.6	35.4
27.8	23.5
0.0	0.3
8.8	0.7
0.2	0.1
-	4.3
4.5	3.5
1.1	16.0
(1.6)	15.6
4.4	(2.6)
-	(0.1)
(0.6)	0.8
(20.7)	(21.8)
<u>\$ 123.1</u>	<u>\$ 140.0</u>

Diluted earnings per share

GAAP

Non-GAAP

\$ 0.85	\$ 1.19
\$ 2.21	\$ 2.59

Diluted weighted-average shares issued and outstanding

GAAP

Non-GAAP

55.2	53.9
55.7	54.0

Appendix: Non-GAAP Financial Measures

Reconciliation of Net Income to Adjusted EBITDA (1)

Net income

Interest expense, net (2)

Income tax (benefit) expense

Depreciation and amortization of property, equipment and internal-use software (2)

Stock-based compensation and related employer payroll taxes (2)(3)

Amortization of acquired intangible assets (2)(4)

Change in fair value of contingent consideration (2)(4)

Transaction and related acquisition costs (2)(4)

Impairment charges (2)(5)

Extraordinary severance expenses (2)(6)

Losses (earnings) in equity method investments (2)(5)

Loss on loans reclassified as held for sale (2)(5)

Realized gain on sale of investment securities (2)(5)

Legal settlement expenses (gain) (2)(5)

Other expense (income) (2)(5)

Adjusted EBITDA

Non-GAAP total operating revenues

Adjusted EBITDA/Non-GAAP total operating revenues (adjusted EBITDA margin)

	2021	2022
	FY	FY
	(In millions)	
\$	47.5	\$ 64.2
	0.2	0.3
	16.2	19.7
	57.0	57.1
	51.6	35.4
	27.8	23.5
	0.0	0.3
	8.8	0.7
	-	4.3
	4.5	3.5
	(1.6)	15.6
	4.4	(2.6)
	-	(0.1)
	1.1	16.0
	(0.6)	0.8
\$	<u>217.0</u>	<u>\$ 238.7</u>
\$	<u>1,387.9</u>	<u>\$ 1,423.6</u>
	<u>15.6%</u>	<u>16.8%</u>

Appendix: Non-GAAP Financial Measures

Reconciliation of GAAP to Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding

Diluted weighted-average shares issued and outstanding
 Weighted-average unvested Walmart restricted shares (10)
 Non-GAAP diluted weighted-average shares issued and outstanding

	2021 FY	2022 FY
	(In millions)	
	55.2	53.9
	0.5	0.1
	<u>55.7</u>	<u>54.0</u>

Supplemental Detail on Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding

Total stock outstanding at end of period:
 Weighting adjustment
 Dilutive potential shares:
 Stock options
 Restricted and performance based restricted stock units
 Employee stock purchase plan
 Non-GAAP diluted weighted-average shares issued and outstanding

	2021 FY	2022 FY
	(In millions)	
	54.9	51.7
	(0.3)	1.8
	0.5	0.0
	0.7	0.5
	0.0	0.0
	<u>55.7</u>	<u>54.0</u>

Appendix: Non-GAAP Financial Measures

	2021	2022			
	Q4	Q1	Q2	Q3	Q4
(In millions)					
Reconciliation of Total Operating Revenues to Non-GAAP Total Operating Revenues (1)					
Total operating revenues	\$ 330.8	\$ 400.6	\$ 362.8	\$ 343.7	\$ 342.4
BaaS commission and processing expenses (8)	(9.6)	(6.5)	(8.4)	(7.3)	(6.6)
Other income (9)	-	0.6	0.8	0.8	0.8
Non-GAAP total operating revenues	<u>\$ 321.2</u>	<u>\$ 394.7</u>	<u>\$ 355.1</u>	<u>\$ 337.2</u>	<u>\$ 336.6</u>

	2021	2022			
	Q4	Q1	Q2	Q3	Q4
(In millions, except per share data)					
Reconciliation of Net Income (Loss) to Non-GAAP Net Income (1)					
Net income (loss)	\$ (10.5)	\$ 38.6	\$ 15.0	\$ 4.7	\$ 5.9
Stock-based compensation and related employer payroll taxes (3)	14.4	15.2	5.8	10.9	3.6
Amortization of acquired intangible assets (4)	6.9	6.5	5.7	5.7	5.7
Change in fair value of contingent consideration (4)	0.0	0.3	-	-	-
Transaction and related acquisition costs (4)	7.0	0.4	0.3	(0.0)	0.0
Amortization of deferred financing costs (5)	0.0	0.0	0.0	0.0	0.0
Impairment charges (5)	-	2.3	1.9	-	0.1
Extraordinary severance expenses (6)	0.6	0.1	0.4	0.0	2.9
Legal settlement expenses (gain) (5)	(1.2)	(0.4)	13.9	2.9	(0.3)
Losses (earnings) in equity method investments (5)	(0.3)	1.7	4.9	5.2	3.8
Change in fair value of loans held for sale (2)(5)	4.4	(0.6)	(0.2)	(0.2)	(1.7)
Realized gain on sale of investment securities (5)	-	-	-	-	(0.1)
Other (income) expense, net (5)	0.0	0.2	0.3	0.0	0.3
Income tax effect (7)	(6.3)	(5.8)	(7.7)	(5.9)	(2.4)
Non-GAAP net income	<u>\$ 15.2</u>	<u>\$ 58.6</u>	<u>\$ 40.4</u>	<u>\$ 23.3</u>	<u>\$ 17.7</u>

Diluted earnings (loss) per share					
GAAP	\$ (0.19)	\$ 0.70	\$ 0.27	\$ 0.09	\$ 0.11
Non-GAAP	\$ 0.27	\$ 1.06	\$ 0.74	\$ 0.44	\$ 0.34

Diluted weighted-average shares issued and outstanding					
GAAP	54.4	55.2	54.4	53.4	52.3
Non-GAAP	55.9	55.5	54.6	53.5	52.3

Appendix: Non-GAAP Financial Measures

	2021	2022			
	Q4	Q1	Q2	Q3	Q4
Reconciliation of Net Income (Loss) to Adjusted EBITDA (1)					
	(In millions)				
Net income (loss)	\$ (10.5)	\$ 38.6	\$ 15.0	\$ 4.7	\$ 5.9
Interest expense, net (2)	0.0	0.1	0.0	0.0	0.1
Income tax (benefit) expense	(1.7)	12.1	4.9	1.8	0.9
Depreciation and amortization of property, equipment and internal-use software (2)	14.6	13.8	14.6	14.5	14.2
Stock-based compensation and related employer payroll taxes (2)(3)	14.4	15.2	5.8	10.9	3.6
Amortization of acquired intangible assets (2)(4)	6.9	6.5	5.7	5.7	5.7
Change in fair value of contingent consideration (2)(4)	0.0	0.3	-	-	-
Transaction and related acquisition costs (2)(4)	7.0	0.4	0.3	(0.0)	0.0
Impairment charges (2)(5)	-	2.3	1.9	-	0.1
Extraordinary severance expenses (2)(6)	0.6	0.1	0.4	0.0	2.9
Losses (earnings) in equity method investments (2)(5)	(0.3)	1.7	4.9	5.2	3.8
Change in fair value of loans held for sale (2)(5)	4.4	(0.6)	(0.2)	(0.2)	(1.7)
Realized gain on sale of investment securities (2)(5)	-	-	-	-	(0.1)
Legal settlement expenses (gain) (2)(5)	(1.2)	(0.4)	13.9	2.9	(0.3)
Other expense (income), net (2)(5)	0.0	0.2	0.3	0.0	0.3
Adjusted EBITDA	\$ 34.4	\$ 90.3	\$ 67.5	\$ 45.5	\$ 35.4
Non-GAAP total operating revenues	\$ 321.2	\$ 394.7	\$ 355.1	\$ 337.2	\$ 336.6
Adjusted EBITDA/Non-GAAP total operating revenues (adjusted EBITDA margin)	10.7%	22.9%	19.0%	13.5%	10.5%

Appendix: Non-GAAP Financial Measures

	2021	2022			
	Q4	Q1	Q2	Q3	Q4
Reconciliation of GAAP to Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding					
	(In millions)				
Diluted weighted-average shares issued and outstanding	54.4	55.2	54.4	53.4	52.3
Weighted-average unvested Walmart restricted shares (10)	0.4	0.3	0.2	0.1	0.0
Anti-dilutive shares due to GAAP net loss	1.1	-	-	-	-
Non-GAAP diluted weighted-average shares issued and outstanding	<u>55.9</u>	<u>55.5</u>	<u>54.6</u>	<u>53.5</u>	<u>52.3</u>
	2021	2022			
	Q4	Q1	Q2	Q3	Q4
Supplemental Detail on Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding					
	(In millions)				
Total stock outstanding at end of period:	54.9	54.3	53.7	52.5	51.7
Weighting adjustment	(0.1)	0.5	0.4	0.7	0.3
Dilutive potential shares:					
Stock options	0.4	0.2	0.1	0.0	0.0
Restricted and performance based restricted stock units	0.7	0.5	0.3	0.3	0.4
Employee stock purchase plan	0.0	0.0	0.0	0.0	0.0
Non-GAAP diluted weighted-average shares issued and outstanding	<u>55.9</u>	<u>55.5</u>	<u>54.6</u>	<u>53.5</u>	<u>52.3</u>

Appendix: Non-GAAP Financial Measures

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Total Operating Revenues

Total operating revenues
Adjustments (8)(9)
Non-GAAP total operating revenues

FY 2023	
Range	
Low	High
(In millions)	
\$ 1,383	\$ 1,469
(7)	(7)
<u>\$ 1,376</u>	<u>\$ 1,462</u>

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Net Income

Net income
Adjustments (11)
Adjusted EBITDA

Non-GAAP total operating revenues
Adjusted EBITDA / Non-GAAP total operating revenues (Adjusted EBITDA margin)

FY 2023	
Range	
Low	High
(In millions)	
\$ 24.0	\$ 31.6
156.0	158.4
<u>\$ 180.0</u>	<u>\$ 190.0</u>
<u>\$ 1,462</u>	<u>\$ 1,376</u>
<u>12.3%</u>	<u>13.8%</u>

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Net Income and GAAP Diluted Weighted-Average Shares Issued and Outstanding

Net income
Adjustments (11)
Non-GAAP net income

Diluted earnings per share

GAAP
Non-GAAP

Diluted weighted-average shares issued and outstanding

GAAP

FY 2023	
Range	
Low	High
In millions, except per share data	
\$ 24.0	\$ 31.6
68.2	68.2
<u>\$ 92.2</u>	<u>\$ 99.8</u>
\$ 0.46	\$ 0.61
\$ 1.77	\$ 1.93
52.0	52.0

Appendix: Non-GAAP Financial Measures

- 1) To supplement Green Dot's consolidated financial statements presented in accordance with GAAP, Green Dot uses measures of operating results that are adjusted to exclude various, primarily non-cash, expenses and charges. These financial measures are not calculated or presented in accordance with GAAP and should not be considered as alternatives to or substitutes for operating revenues, operating income, net income or any other measure of financial performance calculated and presented in accordance with GAAP. These financial measures may not be comparable to similarly-titled measures of other organizations because other organizations may not calculate their measures in the same manner as Green Dot does. These financial measures are adjusted to eliminate the impact of items that Green Dot does not consider indicative of its core operating performance. You are encouraged to evaluate these adjustments and the reasons Green Dot considers them appropriate.

Green Dot believes that the non-GAAP financial measures it presents are useful to investors in evaluating Green Dot's operating performance for the following reasons:

- adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to items, such as non-operating net interest income and expense, income tax benefit and expense, depreciation and amortization, stock-based compensation and related employer payroll taxes, changes in the fair value of contingent consideration, transaction costs, impairment charges, extraordinary severance expenses, certain legal settlement charges, earnings or losses from equity method investments, changes in the fair value of loans held for sale, and other charges and income that can vary substantially from company to company depending upon their respective financing structures and accounting policies, the book values of their assets, their capital structures and the methods by which their assets were acquired;
- securities analysts use adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies; and
- Green Dot records stock-based compensation from period to period, and recorded stock-based compensation expenses and related employer payroll taxes, net of forfeitures, of approximately \$3.6 million and \$14.4 million for the three months ended December 31, 2022 and 2021, respectively. By comparing Green Dot's adjusted EBITDA, non-GAAP net income and non-GAAP diluted earnings per share in different historical periods, investors can evaluate Green Dot's operating results without the additional variations caused by stock-based compensation expense and related employer payroll taxes, which may not be comparable from period to period due to changes in the fair market value of Green Dot's Class A common stock (which is influenced by external factors like the volatility of the public markets and the financial performance of Green Dot's peers) and is not a key measure of Green Dot's operations.

Green Dot's management uses the non-GAAP financial measures:

- as measures of operating performance, because they exclude the impact of items not directly resulting from Green Dot's core operations;
- for planning purposes, including the preparation of Green Dot's annual operating budget;
- to allocate resources to enhance the financial performance of Green Dot's business;
- to evaluate the effectiveness of Green Dot's business strategies;
- to establish metrics for variable compensation; and
- in communications with Green Dot's board of directors concerning Green Dot's financial performance.

Appendix: Non-GAAP Financial Measures

Green Dot understands that, although adjusted EBITDA and other non-GAAP financial measures are frequently used by investors and securities analysts in their evaluations of companies, these measures have limitations as an analytical tool, and you should not consider them in isolation or as substitutes for an analysis of Green Dot's results of operations as reported under GAAP. Some of these limitations are:

- that these measures do not reflect Green Dot's capital expenditures or future requirements for capital expenditures or other contractual commitments;
 - that these measures do not reflect changes in, or cash requirements for, Green Dot's working capital needs;
 - that these measures do not reflect non-operating interest expense or interest income;
 - that these measures do not reflect cash requirements for income taxes;
 - that, although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for these replacements; and
 - that other companies in Green Dot's industry may calculate these measures differently than Green Dot does, limiting their usefulness as comparative measures.
- 2) Green Dot does not include any income tax impact of the associated non-GAAP adjustment to adjusted EBITDA, as the case may be, because each of these adjustments to the non-GAAP financial measure is provided before income tax expense.
- 3) This expense consists primarily of expenses for restricted stock units (including performance-based restricted stock units), performance-based stock options and related employer payroll taxes. Stock-based compensation expense is not comparable from period to period due to changes in the fair market value of Green Dot's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of Green Dot's peers) and is not a key measure of Green Dot's operations. Green Dot excludes stock-based compensation expense from its non-GAAP financial measures primarily because it consists of non-cash expenses that Green Dot does not believe are reflective of ongoing operating results. Green Dot also believes that it is not useful to investors to understand the impact of stock-based compensation to its results of operations. Further, the related employer payroll taxes are dependent upon volatility in Green Dot's stock price, as well as the timing and size of option exercises and vesting of restricted stock units, over which Green Dot has limited to no control. This expense is included as a component of compensation and benefits expenses on Green Dot's consolidated statements of operations.
- 4) Green Dot excludes certain income and expenses that are the result of acquisitions. These acquisition-related adjustments include items such as transaction costs, the amortization of acquired intangible assets, changes in the fair value of contingent consideration, settlements of contingencies established at time of acquisition and other acquisition related charges, such as integration charges and professional and legal fees, which result in Green Dot recording expenses or fair value adjustments in its GAAP financial statements. Green Dot analyzes the performance of its operations without regard to these adjustments. In determining whether any acquisition-related adjustment is appropriate, Green Dot takes into consideration, among other things, how such adjustments would or would not aid in the understanding of the performance of its operations. These items are included as a component of other general and administrative expenses on Green Dot's consolidated statements of operations, as applicable for the periods presented.

Appendix: Non-GAAP Financial Measures

- 5) Green Dot excludes certain income and expenses that are not reflective of ongoing operating results. It is difficult to estimate the amount or timing of these items in advance. Although these events are reflected in Green Dot's GAAP financial statements, Green Dot excludes them in its non-GAAP financial measures because Green Dot believes these items may limit the comparability of ongoing operations with prior and future periods. These adjustments include items such as amortization attributable to deferred financing costs, impairment charges related to long-lived assets, earnings or losses from equity method investments, legal settlements, changes in the fair value of loans held for sale, realized gains on investment securities and other income and expenses, as applicable for the periods presented. In determining whether any such adjustment is appropriate, Green Dot takes into consideration, among other things, how such adjustments would or would not aid in the understanding of the performance of its operations. Each of these adjustments, except for amortization of deferred financing costs, earnings and losses from equity method investments, fair value changes on loans held for sale, and realized gains on investment securities, which are all included below operating income, are included within other general and administrative expenses on Green Dot's consolidated statements of operations.
- 6) During the three and twelve months ended December 31, 2022, Green Dot recorded charges of \$2.9 million and \$3.5 million, respectively, related to extraordinary severance expenses, which were paid out in connection with the transition and employment agreements of certain former executives, reductions in force and other extraordinary involuntary terminations of employment. Although severance expenses may arise throughout the fiscal year, Green Dot believes the nature of these extraordinary costs are not indicative of its core operating performance. This expense is included as a component of compensation and benefits expenses on Green Dot's consolidated statements of operations.
- 7) Represents the tax effect for the related non-GAAP measure adjustments using Green Dot's year to date non-GAAP effective tax rate. It also excludes both the impact of excess tax benefits related to stock-based compensation and the IRC §162(m) limitation that applies to performance-based restricted stock units and stock options expense as of December 31, 2022.
- 8) Represents commissions and certain processing-related costs associated with BaaS products and services where Green Dot does not control customer acquisition. This adjustment is netted against Green Dot's B2B Services revenues when evaluating segment performance.
- 9) Represents other non-interest investment income earned by Green Dot Bank. This amount is included along with operating interest income in Green Dot's Corporate and Other segment since the yield earned on these investments are generated on a recurring basis and earned similarly to its investment securities available for sale.
- 10) Represents the weighted average of the unvested balance of restricted shares issued to Walmart in January 2020. Walmart is entitled to voting rights and participate in any dividends paid on the unvested balance and therefore, the shares are included in the computation of non-GAAP diluted earnings per share.
- 11) These amounts represent estimated adjustments for items such as non-operating net interest income, income taxes, depreciation and amortization, employee stock-based compensation and related employer taxes, earnings and losses from equity method investments, and other income and expenses. Employee stock-based compensation expense includes assumptions about the future fair value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers).