



SUPPLEMENTAL FINANCIAL INFORMATION

| | 2019 | | | | 2020 | | | |
|--|---------------|----------|----------|----------|----------|----------|----------|----------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Reconciliation of Total Operating Revenues to Non-GAAP Total Operating Revenues (1) | (In millions) | | | | | | | |
| Total operating revenues | \$ 340.5 | \$ 278.3 | \$ 240.4 | \$ 249.3 | \$ 362.2 | \$ 316.2 | \$ 291.1 | \$ 284.3 |
| Net revenue adjustments (8) | (14.8) | (13.4) | (11.2) | (10.9) | (15.6) | (16.2) | (11.6) | (9.8) |
| Non-GAAP total operating revenues | \$ 325.7 | \$ 265.0 | \$ 229.2 | \$ 238.4 | \$ 346.5 | \$ 300.0 | \$ 279.4 | \$ 274.5 |

| | 2019 | | | | 2020 | | | |
|---|--------------------------------------|---------|-----------|---------|---------|---------|-----------|-----------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Reconciliation of net income (loss) to non-GAAP net income (1) | (In millions, except per share data) | | | | | | | |
| Net income (loss) | \$ 64.0 | \$ 34.7 | \$ (0.5) | \$ 1.7 | \$ 46.8 | \$ 3.3 | \$ (3.0) | \$ (24.0) |
| Stock-based compensation and related employer payroll taxes (3) | 15.6 | 8.8 | 7.0 | (0.4) | 11.6 | 13.8 | 12.0 | 18.6 |
| Amortization of acquired intangible assets (4) | 8.2 | 8.2 | 8.2 | 8.1 | 7.3 | 7.0 | 6.9 | 6.9 |
| Change in fair value of contingent consideration (4) | - | - | (1.9) | - | - | - | - | - |
| Amortization of deferred financing costs (5) | 1.0 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Impairment charges (5) | 0.1 | 0.0 | 0.0 | 0.5 | - | 1.1 | 0.0 | 20.7 |
| Extraordinary severance and other restructuring expenses (6) | 2.9 | 1.5 | 0.9 | 1.1 | 0.7 | 3.6 | 2.7 | 3.8 |
| Legal settlement expenses (5) | - | - | 0.2 | - | - | - | (0.2) | 1.2 |
| Losses in equity method investments (5) | - | - | - | - | - | 2.9 | 1.6 | 2.0 |
| Realized gain on sale of investment securities (5) | - | - | - | - | - | (5.1) | - | (0.0) |
| Other (income) expense (5) | (0.1) | 0.1 | (0.0) | (0.7) | (0.2) | (0.0) | 0.1 | (0.1) |
| Income tax effect (7) | (9.1) | (5.1) | (3.7) | (3.1) | (5.9) | (3.1) | (6.4) | (11.9) |
| Non-GAAP net income | \$ 82.5 | \$ 48.4 | \$ 10.2 | \$ 7.2 | \$ 60.4 | \$ 23.4 | \$ 13.8 | \$ 17.3 |
| Diluted earnings (loss) per share | | | | | | | | |
| GAAP | \$ 1.17 | \$ 0.64 | \$ (0.01) | \$ 0.03 | \$ 0.87 | \$ 0.06 | \$ (0.06) | \$ (0.45) |
| Non-GAAP | \$ 1.51 | \$ 0.90 | \$ 0.20 | \$ 0.14 | \$ 1.13 | \$ 0.43 | \$ 0.25 | \$ 0.31 |
| Diluted weighted-average shares issued and outstanding | | | | | | | | |
| GAAP | 54.6 | 53.8 | 52.3 | 52.3 | 52.7 | 53.2 | 54.1 | 52.9 |
| Non-GAAP | 54.6 | 53.8 | 52.3 | 52.3 | 53.6 | 54.0 | 54.8 | 55.6 |

| | 2019 | | | | 2020 | | | |
|--|---------------|----------|----------|----------|----------|----------|----------|-----------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Reconciliation of net income (loss) to adjusted EBITDA (1) | (In millions) | | | | | | | |
| Net income (loss) | \$ 64.0 | \$ 34.7 | \$ (0.5) | \$ 1.7 | \$ 46.8 | \$ 3.3 | \$ (3.0) | \$ (24.0) |
| Interest expense, net (2) | 1.5 | 0.1 | 0.1 | 0.1 | 0.0 | 0.4 | 0.0 | 0.0 |
| Income tax expense (benefit) | 15.9 | 9.1 | (1.8) | (2.0) | 12.0 | 3.8 | (1.3) | (9.5) |
| Depreciation and amortization of property, equipment and internal-use software (2) | 10.9 | 12.1 | 12.9 | 13.6 | 13.7 | 14.5 | 14.8 | 15.0 |
| Stock-based compensation and related employer payroll taxes (2)(3) | 15.6 | 8.8 | 7.0 | (0.4) | 11.6 | 13.8 | 12.0 | 18.6 |
| Amortization of acquired intangibles (2)(4) | 8.2 | 8.2 | 8.2 | 8.1 | 7.3 | 7.0 | 6.9 | 6.9 |
| Change in fair value of contingent consideration (2)(4) | - | - | (1.9) | - | - | - | - | - |
| Impairment charges (2)(5) | 0.1 | 0.0 | 0.0 | 0.5 | - | 1.1 | 0.0 | 20.7 |
| Extraordinary severance and other restructuring expenses (2)(6) | 2.9 | 1.5 | 0.9 | 1.1 | 0.7 | 3.6 | 2.7 | 3.8 |
| Losses in equity method investments (2)(5) | - | - | - | - | - | 2.9 | 1.6 | 2.0 |
| Realized gain on sale of investment securities (2)(5) | - | - | - | - | - | (5.1) | - | (0.0) |
| Legal settlement expenses (gain) (2)(5) | - | - | 0.2 | - | - | - | (0.2) | 1.2 |
| Other expense (income) (2)(5) | - | 0.1 | (0.0) | (0.7) | (0.0) | (0.0) | 0.1 | (0.1) |
| Adjusted EBITDA | \$ 119.0 | \$ 74.6 | \$ 25.1 | \$ 21.8 | \$ 92.1 | \$ 45.3 | \$ 33.7 | \$ 34.8 |
| Non-GAAP total operating revenues | \$ 325.7 | \$ 265.0 | \$ 229.2 | \$ 238.4 | \$ 346.5 | \$ 300.0 | \$ 279.4 | \$ 274.5 |
| Adjusted EBITDA/Total operating revenues (adjusted EBITDA margin) | 37% | 28% | 11% | 9.2% | 27% | 15% | 12% | 12.7% |

| | 2019 | | | | 2020 | | | |
|--|---------------|------|------|------|------|------|------|------|
| | Q1 | Q2 | Q3 | 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 | 54.6 | 53.8 | 52.3 | 52.3 | 52.7 | 53.2 | 54.1 | 52.9 |
| Weighted-average unvested restricted shares | - | - | - | - | 0.9 | 0.8 | 0.8 | 0.7 |
| Anti-dilutive shares due to GAAP net loss | - | - | - | - | - | - | - | 2.0 |
| Non-GAAP diluted weighted-average shares issued and outstanding | 54.6 | 53.8 | 52.3 | 52.3 | 53.6 | 54.0 | 54.8 | 55.6 |

| | 2019 | | | | 2020 | | | |
|---|---------------|------|------|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Supplemental Detail on Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding | (In millions) | | | | | | | |
| Total stock outstanding as of period end: | 53.1 | 51.8 | 51.5 | 51.8 | 52.9 | 53.3 | 53.5 | 54.0 |
| Weighting adjustment | (0.1) | 0.8 | 0.1 | (0.2) | (0.1) | (0.2) | (0.1) | (0.4) |
| Dilutive potential shares: | | | | | | | | |
| Stock options | 0.2 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.4 | 0.7 |
| Restricted and performance based restricted stock units | 1.3 | 1.1 | 0.6 | 0.7 | 0.7 | 0.8 | 1.0 | 1.3 |
| Employee stock purchase plan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-GAAP diluted weighted-average shares issued and outstanding | 54.6 | 53.8 | 52.3 | 52.3 | 53.6 | 54.0 | 54.8 | 55.6 |

- (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:

- 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 \$18.6 million and \$(0.4) million for the three months ended December 31, 2020 and 2019, 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 public markets and the financial performance of Green Dot's peers) and is not a key measure of Green Dot's operations;
- 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, impairment charges, severance costs related to extraordinary personnel reductions, certain legal settlement charges, gains or losses from equity method investments, realized gains or losses on the sale of investment securities, 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; and
- securities analysts use adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies.

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.

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 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 non-GAAP financial measures 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 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.
- (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, gains or losses from equity method investments, credit-related impairment and/or realized gains or losses on the sale of investment securities, legal settlement expenses 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, gains and losses from equity method investments and credit-related impairment and/or realized gains and losses on the sale of 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, 2020, Green Dot recorded charges of \$3.8 million and \$10.9 million, respectively, principally related to compensation in connection with transition and employment agreements of certain former executives. Green Dot records charges for severance costs related to extraordinary personnel reductions. Although severance expenses are an ordinary part of its operations, the magnitude and scale of this ongoing reduction in workforce for redundancies is not expected to be repeated. 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 expense as of December 31, 2020.
- (8) Represents commissions and certain processing-related costs associated with Banking as a Service ("BaaS") products and services where Green Dot does not control customer acquisition.
- (9) These amounts represent estimated adjustments for non-operating net interest income, income taxes, depreciation and amortization, employee stock-based compensation and related employer taxes, contingent consideration, impairment charges, severance costs related to extraordinary personnel reductions, earnings and losses from equity method investments, realized gains and losses from investment securities, legal settlement gains and expenses 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).