UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 001-40465

Marqeta, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**27-4306690**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
180 Grand Avenue, 6th Floor, Oakland, California	**94612**
(Address of principal executive offices)	(Zip Code)

(877) 962-7738
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.0001 par value per share	**MQ**	**The Nasdaq Stock Market LLC (Nasdaq Global Select Market)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 3, 2024, there were 463,882,609 shares of the registrant's Class A common stock, par value $0.0001 per share, outstanding and 54,229,499 shares of the registrant's Class B common stock, par value $0.0001 per share, outstanding.

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Note About Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws, which are statements that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "shall," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- *uncertainties related to U.S. and global economies and the effect on our business, results of operations, and financial condition;*
- *our future financial performance, including our net revenue, costs of revenue, gross profit, and operating expenses and our ability to achieve future profitability;*
- *the anticipated accounting treatment of our customer agreements and the risk that such accounting treatment may be subject to further changes or developments;*
- *our ability to scale new products and services, such as our credit card platform;*
- *our ability to effectively manage or sustain our growth and expand our operations;*
- *our ability to enhance our platform and services and develop and expand our capabilities;*
- *our ability to further attract, retain, diversify, and expand our customer base;*
- *our ability to maintain our relationships with Issuing Banks and Card Networks;*
- *our strategies, plans, objectives, and goals;*
- *our plans to expand internationally;*
- *our ability to compete in existing and new markets and offerings;*
- *our estimated market opportunity;*
- *economic and industry trends, projected growth, or trend analysis;*
- *the impact of political, social, and/or economic instability or military conflict;*
- *our ability to develop and protect our brand;*
- *our ability to comply with laws and regulations;*
- *our ability to successfully defend litigation brought against us;*
- *our ability to attract and retain qualified employees and key personnel;*
- *our ability to repurchase shares under authorized share repurchase programs and receive expected financial benefits; and*
- *our ability to maintain effective disclosure controls and internal controls over financial reporting, including our ability to remediate the material weaknesses in our internal control over financial reporting.*

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q. You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, results of operations, financial condition, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q and in our most recently filed Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “2023 Annual Report”). Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. Unless otherwise indicated or unless the context requires otherwise, all references in this document to “Marqeta”, the “Company”, the “Registrant,” “we”, “us”, “our”, or similar references are to Marqeta, Inc. Capitalized terms used and not defined above are defined elsewhere within this Quarterly Report on Form 10-Q.

PART I - Financial Information

Item 1. Financial Statements

Marqeta, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)
(unaudited)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 970,357	$ 980,972
Restricted cash	8,500	8,500
Short-term investments	228,324	268,724
Accounts receivable, net	23,422	19,540
Settlements receivable, net	36,511	29,922
Network incentives receivable	54,223	53,807
Prepaid expenses and other current assets	26,830	27,233
Total current assets	1,348,167	1,388,698
Operating lease right-of-use assets, net	5,814	6,488
Property and equipment, net	28,138	18,764
Intangible assets, net	34,167	35,631
Goodwill	123,523	123,523
Other assets	18,552	16,587
Total assets	$ 1,558,361	$ 1,589,691
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 916	$ 1,420
Revenue share payable	189,864	173,645
Accrued expenses and other current liabilities	147,802	161,514
Total current liabilities	338,582	336,579
Operating lease liabilities, net of current portion	4,080	5,126
Other liabilities	5,034	4,591
Total liabilities	347,696	346,296
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 100,000,000 and 100,000,000 shares authorized, no shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	—	—
Common stock, $0.0001 par value: 1,500,000,000 and 1,500,000,000 Class A shares authorized, 463,779,567 and 465,985,131 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively. 600,000,000 and 600,000,000 Class B shares authorized, 54,229,499 and 54,357,844 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	52	52
Additional paid-in capital	2,072,692	2,067,776
Accumulated other comprehensive income	(824)	762
Accumulated deficit	(861,255)	(825,195)
Total stockholders' equity	1,210,665	1,243,395
Total liabilities and stockholders' equity	$ 1,558,361	$ 1,589,691

See accompanying notes to Condensed Consolidated Financial Statements.

Marqeta, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2024	2023
Net revenue	$ 117,968	$ 217,343
Costs of revenue	33,807	128,179
Gross profit	84,161	89,164
Operating expenses:		
Compensation and benefits	108,111	147,759
Technology	13,118	14,590
Professional services	3,870	5,437
Occupancy	1,094	1,154
Depreciation and amortization	3,537	1,980
Marketing and advertising	378	441
Other operating expenses	3,905	5,236
Total operating expenses	134,013	176,597
Loss from operations	(49,852)	(87,433)
Other income, net	13,926	11,672
Loss before income tax expense	(35,926)	(75,761)
Income tax expense (benefit)	134	(6,960)
Net loss	$ (36,060)	$ (68,801)
Other comprehensive income (loss), net of taxes:		
Change in foreign currency translation adjustment	(112)	19
Net change in unrealized (loss) gain on short-term investments	(1,474)	4,035
Net other comprehensive (loss) income	(1,586)	4,054
Comprehensive loss	$ (37,646)	$ (64,747)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.07)	$ (0.13)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	517,987,361	539,744,130

See accompanying notes to Condensed Consolidated Financial Statements.

Marqeta, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total Stockholder's Equity
	Shares	Amount				
Balance as of December 31, 2023	520,342,975	$ 52	$ 2,067,776	$ 762	$ (825,195)	$ 1,243,395
Issuance of common stock upon exercise of options	97,809	—	49	—	—	49
Issuance of common stock upon net settlement of restricted stock units	2,806,175	—	(10,917)	—	—	(10,917)
Vesting of common stock warrants	—	—	2,100	—	—	2,100
Share-based compensation	—	—	46,514	—	—	46,514
Repurchase and retirement of common stock, including excise tax	(5,237,893)	—	(32,830)	—	—	(32,830)
Change in accumulated other comprehensive income (loss)	—	—	—	(1,586)	—	(1,586)
Net loss	—	—	—	—	(36,060)	(36,060)
Balance as of March 31, 2024	518,009,066	$ 52	$ 2,072,692	$ (824)	$ (861,255)	$ 1,210,665

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2022	541,364,099	$ 53	$ 2,082,373	$ (7,237)	$ (602,233)	$ 1,472,956
Issuance of common stock upon exercise of options	803,333	—	1,051	—	—	1,051
Issuance of common stock upon net settlement of restricted stock units	1,469,996	—	(3,746)	—	—	(3,746)
Vesting of common stock warrants	—	—	2,102	—	—	2,102
Share-based compensation	—	—	47,027	—	—	47,027
Repurchase and retirement of common stock, including excise tax	(3,205,808)	—	(20,993)		—	(20,993)
Change in accumulated other comprehensive income (loss)	—	—	—	4,054	—	4,054
Net loss	—	—	—	—	(68,801)	(68,801)
Balance as of March 31, 2023	540,431,620	$ 53	$ 2,107,814	$ (3,183)	$ (671,034)	$ 1,433,650

Marqeta, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net loss	$ (36,060)	$ (68,801)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,537	1,980
Share-based compensation expense	44,434	45,999
Non-cash postcombination compensation expense	—	32,430
Non-cash operating leases expense	674	607
Amortization of premium (accretion of discount) on short-term investments	(978)	(975)
Other	181	209
Changes in operating assets and liabilities:		
Accounts receivable	(4,271)	1,554
Settlements receivable	(6,589)	6,768
Network incentives receivable	(416)	(16,702)
Prepaid expenses and other assets	538	7,203
Accounts payable	115	224
Revenue share payable	16,219	4,674
Accrued expenses and other liabilities	(16,020)	(24,907)
Operating lease liabilities	(938)	(809)
Net cash provided by (used in) operating activities	426	(10,546)
Cash flows from investing activities:		
Purchases of property and equipment	(1,191)	(577)
Capitalization of internal-use software	(5,307)	(3,032)
Business combination, net of cash acquired	—	(131,914)
Purchases of short-term investments	—	(70,807)
Maturities of short-term investments	40,000	108,000
Net cash provided by (used in) investing activities	33,502	(98,330)
Cash flows from financing activities:		
Proceeds from exercise of stock options, including early exercised stock options, net of repurchase of early exercised unvested options	49	1,016
Taxes paid related to net share settlement of restricted stock units	(10,917)	(3,746)
Repurchase of common stock	(33,675)	(21,826)
Net cash used in financing activities	(44,543)	(24,556)
Net decrease in cash, cash equivalents, and restricted cash	(10,615)	(133,432)
Cash, cash equivalents, and restricted cash- Beginning of period	989,472	1,191,646
Cash, cash equivalents, and restricted cash - End of period	$ 978,857	$ 1,058,214

See accompanying notes to Condensed Consolidated Financial Statements.

Marqeta, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2024	2023
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	$ 970,357	$ 1,050,414
Restricted cash	8,500	7,800
Total cash, cash equivalents, and restricted cash	$ 978,857	$ 1,058,214
Supplemental disclosures of non-cash investing and financing activities:		
Purchase of property and equipment accrued and not yet paid	$ 2,982	$ 134
Share-based compensation capitalized to internal-use software	$ 2,080	$ 1,028
Repurchase of common stock, including excise tax, accrued and not yet paid	$ 146	$ 232

See accompanying notes to Condensed Consolidated Financial Statements.

1. Business Overview and Basis of Presentation

Marqeta, Inc. ("the Company") creates digital payment technology for innovation leaders. The Company's modern card issuing platform empowers its customers to create customized and innovative payment card programs, giving them the configurability and flexibility to build better payment experiences.

The Company provides all of its customers issuer processor services and for most of its customers it also acts as a card program manager. The Company primarily earns revenue from processing card transactions for its customers.

The Company was incorporated in the state of Delaware in 2010 and is headquartered in Oakland, California, with offices in the United States, United Kingdom and legal entities in Australia, Brazil, Canada, Poland, and Singapore as of March 31, 2024.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and the applicable rules and regulations of the Securities and Exchange Commission, ("SEC"), for interim reporting. Certain information and note disclosures included in the Company's annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The Condensed Consolidated Balance Sheet as of December 31, 2023 has been derived from the Company's audited consolidated financial statements, which are included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 28, 2024. The accompanying Condensed Consolidated Financial Statements should be read in conjunction with the Company's consolidated financial statements and notes thereto included in the Annual Report on Form 10-K.

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. In the opinion of management, the accompanying Condensed Consolidated Financial Statements reflect all adjustments of a normal, recurring nature considered necessary for a fair presentation of the Company's consolidated financial position, results of operations, comprehensive loss, and cash flows for the interim periods presented. The interim results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024, or for any other future annual or interim period.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make various estimates and assumptions relating to reported amounts of assets and liabilities, disclosure of contingent liabilities, and reported amounts of revenue and expenses. Significant estimates and assumptions include, but are not limited to, the fair value and useful lives of assets acquired and liabilities assumed through business combinations, the estimation of contingent liabilities, the fair value of equity awards and warrants, share-based compensation, the estimation of variable consideration in contracts with customers, the reserve for contract contingencies and processing errors, and valuation of income taxes. Actual results could differ materially from these estimates.

Business Risks and Uncertainties

The Company has incurred net losses since its inception. For the three months ended March 31, 2024, the Company incurred net losses of $36.1 million and had an accumulated deficit of $861.3 million as of March 31, 2024. The Company expects to incur net losses from operations for the foreseeable future as it incurs costs and expenses related to creating new products for customers, acquiring new customers, developing its brand, expanding into new geographies and developing the existing platform infrastructure. The Company believes that its cash and cash equivalents of $970.4 million and short-term investments of $228.3 million as of March 31, 2024 are sufficient to fund its operations through at least the next twelve months from the issuance of these financial statements.

2. Summary of Significant Accounting Policies

Segment Information

The Company operates as a single operating segment and reporting unit. The Company's chief operating decision maker is its Chief Executive Officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, allocating resources, and evaluating the Company's financial performance.

For the three months ended March 31, 2024 and 2023, net revenue outside of the United States, based on the billing address of the customer, was 8% and 3%, respectively. As of March 31, 2024 and December 31, 2023, long-lived assets located outside of the United States were not material.

Restricted Cash

Restricted cash consists of deposits with Issuing Banks to provide the Issuing Bank collateral in the event that customers' funds are not deposited at the Issuing Banks in time to settle customers' transactions with the Card Networks. Restricted cash also includes cash used to secure a letter of credit for the Company's lease of its office headquarters in Oakland, California. “Issuing Banks” are financial institutions that issue payment cards (credit, debit, or prepaid) either on their own behalf or on behalf of a business. “Card Networks” are networks that provide the infrastructure for settlement and card payment information flows.

There have been no material changes to our significant accounting policies from our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”), which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. The Company is currently evaluating the potential impact of adopting this new guidance on the condensed consolidated financial statements and related disclosures.

3. Revenue

Disaggregation of Revenue

The following table provides information about disaggregated revenue from customers:

	Three Months Ended March 31,	
	2024	2023
Platform services revenue, net	$ 113,935	$ 210,333
Other services revenue	4,033	7,010
Total net revenue	$ 117,968	$ 217,343

Contract Balances

The following table provides information about contract assets and deferred revenue:

Contract balance	Balance sheet line reference	March 31, 2024	December 31, 2023
Contract assets - current	Prepaid expenses and other current assets	$ 1,239	$ 1,461
Contract assets - non-current	Other assets	9,113	9,397
Total contract assets		$ 10,352	$ 10,858
Deferred revenue - current	Accrued expenses and other current liabilities	$ 11,570	$ 11,829
Deferred revenue - non-current	Other liabilities	3,661	4,071
Total deferred revenue		$ 15,231	$ 15,900

Net revenue recognized during the three months ended March 31, 2024 and 2023 that was included in the deferred revenue balances at the beginning of the respective periods was $2.6 million and $4.6 million, respectively.

Remaining Performance Obligations

The Company has performance obligations associated with commitments in customer contracts for future stand-ready obligations to process transactions throughout the contractual term. As of March 31, 2024, the aggregate amount of the transaction price allocated to our remaining performance obligations was $58.3 million. The Company expects to recognize approximately 61% within two years and the remaining 39% over the next three to five years.

4. Intangible Assets, net

Intangible assets consisted of the following as of the dates presented:

	March 31, 2024	December 31, 2023
Developed technology	$ 41,000	$ 41,000
Accumulated amortization	(6,833)	(5,369)
	$ 34,167	$ 35,631

The amortization period for developed technology intangible assets is 7 years. Amortization expense for developed technology was $1.5 million and $1.0 million for three months ended March 31, 2024 and 2023, respectively.

Expected future amortization expense for intangible assets was as follows as of March 31, 2024:

Remainder of 2024	$ 4,393
2025	5,857
2026	5,857
2027	5,857
2028	5,857
Thereafter	6,345
Total expected future amortization expense for intangible assets	$ 34,167

5. Short-term Investments

The Company's short-term investments are accounted for as securities available-for-sale and are classified within current assets in the Condensed Consolidated Balance Sheets as the Company may sell these securities at any time for use in its operations, even prior to maturity.

The amortized cost, unrealized gain (loss), and estimated fair value of the Company's short-term investments consisted of the following:

	March 31, 2024			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Short-term Investments				
U.S. treasury securities	$ 215,265	$ 17	$ (368)	$ 214,914
Asset-backed securities	10,440	—	(15)	10,425
Corporate debt securities	2,989	—	(4)	2,985
Total short-term investments	$ 228,694	$ 17	$ (387)	$ 228,324

	December 31, 2023			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Short-term investments				
U.S. treasury securities	$ 239,297	$ 970	$ (11)	$ 240,256
U.S. agency securities	15,000	—	(7)	14,993
Asset-backed securities	10,438	62	—	10,500
Corporate debt securities	2,981	—	(6)	2,975
Total short-term investments	$ 267,716	$ 1,032	$ (24)	$ 268,724

The Company had twenty-nine and four separate short-term investments in unrealized loss positions as of March 31, 2024 and December 31, 2023, respectively. The Company does not intend to sell any short-term investments that have unrealized losses as of March 31, 2024, and it is not more likely than not that the Company will be required to sell such securities before any anticipated recovery of the entire amortized cost basis.

There were no realized gains or losses from short-term investments that were reclassified out of accumulated other comprehensive income for the three months ended March 31, 2024 and 2023, respectively. For short-term investments that have unrealized losses, the Company evaluated whether (i) the Company has the intention to sell any of these investments, (ii) it is not more likely than not that the Company will be required to sell any of these available-for-sale debt securities before recovery of the entire amortized cost basis and (iii) the decline in the fair value of the investment is due to credit or non-credit related factors. Based on this evaluation, the Company determined that for its short-term investments, there were no material credit or non-credit related impairments as of March 31, 2024.

The following table summarizes the stated maturities of the Company's short-term investments:

	March 31, 2024		December 31, 2023	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due within one year	$ 72,508	$ 72,482	$ 90,438	$ 90,533
Due after one year through four years	156,186	155,842	177,278	178,191
Total	$ 228,694	$ 228,324	$ 267,716	$ 268,724

6. Fair Value Measurements

The following tables present the fair value hierarchy for assets and liabilities measured at fair value:

	March 31, 2024			
	Level 1	Level 2	Level 3	Total Fair Value
Cash equivalents				
Money market funds	$ 569,476	$ —	$ —	$ 569,476
U.S. treasury bills	188,406	—	—	188,406
Commercial paper	—	35,355	—	35,355
Corporate debt securities	—	24,621	—	24,621
Certificate of deposit	—	21,153	—	21,153
Short-term investments				
U.S. treasury securities	214,914	—	—	214,914
Asset-backed securities	—	10,425	—	10,425
Corporate debt securities	—	2,985	—	2,985
Total assets	$ 972,796	$ 94,539	$ —	$ 1,067,335

	December 31, 2023			
	Level 1	Level 2	Level 3	Total Fair Value
Cash equivalents				
Money market funds	$ 627,983	$ —	$ —	$ 627,983
U.S. treasury bills	230,602	—	—	230,602
Short-term investments				
U.S. treasury securities	240,256	—	—	240,256
U.S. agency securities	—	14,993	—	14,993
Asset-backed securities	—	10,500	—	10,500
Corporate debt securities	—	2,975	—	2,975
Total assets	$ 1,098,841	$ 28,468	$ —	$ 1,127,309

The Company classifies money market funds, U.S. treasury bills, commercial paper, certificates of deposit, U.S. treasury securities, U.S. agency securities, asset-backed securities, and corporate debt securities within Level 1 or Level 2 of the fair value hierarchy because the Company values these investments using quoted market prices or alternative pricing sources and models utilizing market observable inputs.

There were no transfers of financial instruments between the fair value hierarchy levels during the three months ended March 31, 2024 and the year ended December 31, 2023.

7. Certain Balance Sheet Components

Property and Equipment, net

Property and equipment consisted of the following:

	March 31, 2024	December 31, 2023
Leasehold improvements	$ 8,110	$ 8,110
Computer equipment	9,038	8,885
Furniture and fixtures	2,524	2,597
Internally developed and purchased software	30,583	19,324
	50,255	38,916
Accumulated depreciation and amortization	(22,117)	(20,152)
Property and equipment, net	$ 28,138	$ 18,764

Depreciation and amortization expense related to property and equipment was $2.1 million and $1.0 million for the three months ended March 31, 2024 and 2023, respectively.

The Company capitalized $7.5 million and $4.1 million as internal-use software development costs during the three months ended March 31, 2024, and 2023, respectively.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2024	December 31, 2023
Accrued costs of revenue	$ 78,558	$ 73,645
Accrued compensation and benefits	19,262	42,095
Deferred revenue	11,570	11,829
Due to issuing banks	7,892	7,892
Accrued tax liabilities	4,943	4,929
Accrued professional services	4,128	4,559
Operating lease liabilities, current portion	4,016	3,908
Reserve for contract contingencies and processing errors	3,861	3,754
Other accrued liabilities	13,572	8,903
Accrued expenses and other current liabilities	$ 147,802	$ 161,514

8. Commitments and Contingencies

Letters of Credit

In connection with the lease for its corporate headquarters office space, the Company is required to provide the landlord a letter of credit in the amount of $1.5 million. The Company has secured this letter of credit by depositing $1.5 million with the issuing financial institution, which deposit is classified as Restricted cash in the Condensed Consolidated Balance Sheets.

Legal Contingencies

From time to time in the normal course of business, the Company may be subject to various legal matters such as threatened or pending claims or proceedings. As of March 31, 2024 and December 31, 2023, there were no legal contingency matters, either individually or in aggregate, that would have a material adverse effect on the Company’s financial position, results of operations, or cash flows. Given the unpredictable nature of legal proceedings, the Company bases its assessment on the information available at the time.

As additional information becomes available, the Company reassesses the potential liability and may revise the estimate.

Settlement of Payment Transactions

Customers deposit a certain amount of pre-funding into accounts maintained at Issuing Banks to settle their payment transactions. Such pre-funding amounts may only be used to settle customers' payment transactions and are not considered assets of the Company. As such, the funds held in customers' accounts at Issuing Banks are not reflected on the Company's Condensed Consolidated Balance Sheets. If a customer fails to deposit sufficient funds to settle a transaction, the Company is liable to the Issuing Bank to settle the transaction and would therefore incur losses if such amounts cannot be subsequently recovered from the customer.

Indemnifications

In the ordinary course of business, the Company enters into agreements of varying scope and terms pursuant to which it agrees to indemnify customers, Card Networks, Issuing Banks, vendors, lessors, and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by the Company or from intellectual property infringement claims made by third parties. With respect to Issuing Banks, the Company has received requests for indemnification from time to time and may indemnify the Issuing Bank for losses the Issuing Bank may incur for non-compliance with applicable law and regulation, if those losses resulted from the Company's failure to perform under its program agreement with the Issuing Bank.

In addition, the Company has entered into indemnification agreements with its directors and certain officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers, or employees. No demands have been made upon the Company to provide indemnification under such agreements and there are no claims that the Company is aware of that could have a material effect on its Condensed Consolidated Financial Statements.

The Company also includes service level commitments to its customers, warranting certain levels of performance and permitting those customers to receive credits in the event the Company fails to meet the levels specified.

9. Stock Incentive Plans

During the first quarter of 2024, the Company granted performance-based restricted stock units ("PSUs") to certain employees of the Company based on an initial target number. The final number of PSUs that may vest and settle depend upon the Company's performance against pre-established performance metrics over a predefined performance period. PSUs granted under the 2021 Stock Option and Incentive Plan vest over three years and have a one year performance period with cliff vesting following the completion of the performance period, subject to the compensation committee's approval of the level of achievement against the pre-established performance targets. Over the performance period, the number of PSUs that may be issued and the related stock-based compensation expense that is recognized is adjusted upward or downward based upon the probability of achieving the approved performance targets against the performance metrics. Depending on the probability of achieving the pre-established performance targets, the number of PSUs issued could range from 0% to 200% of the target amount.

The following table presents the share-based compensation expense recognized within the following line items in the Condensed Consolidated Statement of Operations and Comprehensive Loss and Condensed

Consolidated Balance Sheet in the periods presented:

	Three Months Ended March 31,	
	2024	2023
Restricted stock units	$ 24,163	$ 24,792
Stock options	6,611	7,483
Executive Chairman Long-Term Performance Award	13,121	13,121
Performance restricted stock units	240	—
Employee Stock Purchase Plan	299	603
Share-based compensation recorded within Compensation and benefits	44,434	45,999
Property and equipment (capitalized internal-use software)	2,080	1,028
Total share-based compensation expense	$ 46,514	$ 47,027

Unrecognized compensation costs by award type:

	Unrecognized compensation costs	Weighted-average recognition period (in years)
Restricted stock units, inclusive of PSUs	$ 281,344	2.4
Stock options	36,645	1.8
Executive Chairman Long-Term Performance Award	50,662	1.8
Total	$ 368,651	

10. Stockholders' Equity Transactions

Share Repurchase Program

On May 8, 2023, the Company's board of directors authorized a share repurchase program of up to $200 million of the Company's Class A common stock (the "2023 Share Repurchase Program"). Under the 2023 Share Repurchase Program, the Company is authorized to repurchase shares through open market purchases, in privately negotiated transactions or by other means, in accordance with applicable federal securities laws, including through trading plans under Rule 10b5-1 of the Exchange Act. The number of shares repurchased and the timing of purchases are based on general business and market conditions, and other factors, including legal requirements. The 2023 Share Repurchase Program had no set expiration date.

During the three months ended March 31, 2024, the Company repurchased and subsequently retired 5.2 million shares for $32.8 million under the 2023 Share Repurchase Program, for an average price of $6.27. Repurchases under the 2023 Share Repurchase Program were completed as of March 31, 2024.

11. Net Loss Per Share Attributable to Common Stockholders

The Company calculated basic and diluted net loss per share attributable to common stockholders as follows:

	Three Months Ended March 31,	
	2024	2023
Numerator		
Net loss attributable to Class A and Class B common stockholders	$ (36,060)	$ (68,801)
Denominator		
Weighted-average shares used in computing net loss per share attributable to Class A and Class B common stockholders, basic and diluted	517,987,361	539,744,130
Net loss per share attributable to Class A and Class B common stockholders, basic and diluted	$ (0.07)	$ (0.13)

Basic net loss per share is the same as diluted net loss per share because the Company reported a net loss for the three months ended March 31, 2024 and 2023.

The rights, including the liquidation and dividend rights, of the holders of Class A common stock and Class B common stock are identical, except with respect to voting. As the liquidation and dividend rights are identical for Class A common stock and Class B common stock, the undistributed earnings are allocated on a proportionate basis and the resulting loss per share will, therefore, be the same for both Class A common stock and Class B common stock on an individual or combined basis.

Potentially dilutive securities that were excluded from the computation of diluted net loss per share because including them would have had an anti-dilutive effect were as follows:

	As of March 31,	
	2024	2023
Warrants to purchase Class B common stock	1,900,000	1,900,000
Stock options outstanding, including early exercise of options	36,202,829	41,244,226
Unvested RSUs outstanding	46,724,459	54,904,606
Shares committed under the ESPP	348,391	558,867
Total	85,175,679	98,607,699

12. Income Tax

The Company recorded an income tax provision of $0.1 million and a benefit of $7.0 million for the three months ended March 31, 2024 and 2023, respectively. The income tax provision for the three months ended March 31, 2024 was primarily attributable to income tax expenses in profitable foreign jurisdictions. The income tax benefit for the three months ended March 31, 2023 was primarily attributable to a $7.2 million partial valuation allowance release due to the acquisition of Power Finance Inc., offset by $0.2 million of income tax expenses resulting from profitable foreign operations.

The Company is subject to income tax audits in the U.S. and foreign jurisdictions. We record liabilities related to uncertain tax positions and believe that we have provided adequate reserves for income tax uncertainties in all open tax years.

13. Concentration Risks and Significant Customers

Financial instruments that potentially expose the Company to concentration of credit risk consist of cash and cash equivalents, short-term investments, and accounts receivable. Cash on deposit with financial institutions may exceed federally insured limits. Cash and cash equivalents as of March 31, 2024 and December 31, 2023 include $757.9 million and $628.0 million, respectively, of investments managed by two financial institutions, which invest primarily in securities issued by the U.S. Government or U.S. Government agencies.

As of March 31, 2024, short-term investments were $228.3 million, and there was no concentration of securities of the same issuer with an aggregate fair value greater than 5% of the total balance, except for U.S. Treasuries and U.S. agency securities, which amounted to $214.9 million, or 94% of the short-term investments. As of March 31, 2024, all debt securities within the Company's portfolio are investment grade.

As of December 31, 2023, short-term investments were $268.7 million, and there was no concentration of securities of the same issuer with an aggregate fair value greater than 5% of the total balance, except for U.S. Treasuries and U.S. agency securities, which amounted to $255.2 million, or 95% of the short-term investments. As of December 31, 2023, all debt securities within the Company's portfolio are investment grade.

A significant portion of the Company's payment transactions are settled through one Issuing Bank, Sutton Bank. For the three months ended March 31, 2024 and 2023, 74% and 80% of Total Processing Volume, which is the total dollar amount of payments processed through the Company's platform, net of returns and chargebacks, was settled through Sutton Bank, respectively.

A significant portion of the Company's revenue is derived from one customer. For the three months ended March 31, 2024 and 2023, this customer accounted for 49% and 76% of the Company's net revenue, respectively. As of March 31, 2024, two other customers accounted for 16% and 10% of the Company's accounts receivable balance.

14. Subsequent Events

Board Leadership Transition

On May 6, 2024, Jason Gardner informed the board of directors and the Company agreed that Mr. Gardner would step down from his position as Executive Chairman, effective June 13, 2024 (or, if later, the date of the Company's 2024 Annual Meeting of Stockholders, the "Transition Date"). Mr. Gardner will continue to serve as a non-employee director on the board of directors.

In connection with Mr. Gardner's departure, the Company and Mr. Gardner have entered into a Transition Agreement, pursuant to which, among other things, (i) Mr. Gardner will continue to perform his normal duties as Executive Chairman until the Transition Date and (ii) the Company agrees to continue to nominate Mr. Gardner for election to the board of directors at each annual meeting of the Company's stockholders at which Mr. Gardner's term as a director expires, as long as he continues to hold at least 20% voting power of the Company and continues to satisfy the other criteria set forth in the Transition Agreement.

As a result of Mr. Gardner's election to step down as Executive Chairman, the Executive Chairman Long-Term Performance Award will be forfeited by its terms, effective as of the Transition Date. The forfeiture is expected to result in a one-time reversal of share-based compensation expenses of $157.8 million in the second quarter of 2024.

On May 6, 2024, the Board appointed Jud Linville as independent Chairman of the board of directors effective as of the Transition Date.

Share Conversion

On May 6, 2024, Mr. Gardner elected to voluntarily convert 17.7 million outstanding shares of Class B common stock into shares of Class A common stock on a one-for-one basis, effective immediately, pursuant to Article IV.D.3(a) of the Company's Amended and Restated Certificate of Incorporation. The Class B common stock is substantially the same as the Class A common stock except Class B common stock has ten votes per share whereas Class A common stock has one vote per share. As a result of the voluntary conversions, Mr. Gardner will beneficially own effective voting power of approximately 40% as of May 6, 2024.

Share Repurchase Program

On May 6, 2024, the Company's board of directors unanimously authorized the repurchase of up to $200 million of the Company's Class A common stock. Under the repurchase program, the Company is authorized to repurchase shares through open market purchases, in privately negotiated transactions or by other means, in accordance with applicable federal securities laws, including through trading plans under Rule 10b5-1 of the Exchange Act. The number of shares repurchased and the timing of purchases will be based on general business and market conditions, and other factors, including legal requirements. The share repurchase program has no set expiration date and may be canceled or suspended at any time without notice.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our Condensed Consolidated Financial Statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q and in our 2023 Annual Report. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. As discussed in the section titled "Note About Forward Looking Statements", our actual results may differ materially from those discussed in these forward-looking statements as a result of various factors, including those set forth under the section titled "Risk Factors" in this Quarterly Report on Form 10-Q and in our 2023 Annual Report.

Overview

Marqeta's mission is modernizing financial services by making the entire payment experience native and delightful. Marqeta's modern platform empowers our customers to create customized and innovative payment card programs with configurability and flexibility. Marqeta's open APIs provide instant access to highly scalable, cloud-based payment infrastructure that enables customers to embed the payments experience into apps or websites for a personalized user experience. Customers can launch and manage their own card programs, issue cards, and authorize and settle payment transactions quickly using our platform. We also deliver robust card program management, allowing our customers to embed Marqeta in their offering without having to build certain complex compliance elements or customer support services.

Marqeta's innovative products are developed with deep domain expertise and a customer-first mindset to launch, scale, and manage card programs. Marqeta provides all of its customers with issuer processor services, and for most of its customers it also acts as a card program manager. Depending on a customer's desired level of control and responsibility, Marqeta can work with companies in a range of different configurations:

- Managed By Marqeta: With Managed By Marqeta ("MxM"), Marqeta provides an Issuing Bank partner to act as the Bank Identification Number ("BIN") sponsor for the customer's card program, manages the customer's card program on behalf of the Issuing Bank, and provides a full range of services including configuring many of the critical resources required by a customer's production environment. In addition to providing the customer access to the Marqeta dashboard via our APIs, Marqeta also manages a number of the primary tasks related to launching a card program, such as defining and managing the program with the Card Networks and Issuing Bank, operating the program and managing certain profitability components, and managing compliance with applicable regulations, the Issuing Bank, and Card Network rules. Also available to our MxM customers are a variety of managed services, including dispute management, fraud scoring, card fulfillment, and cardholder support services.
- Powered By Marqeta: With Powered By Marqeta ("PxM"), Marqeta also provides customers access to the Marqeta dashboard via our APIs, provides payment processing, and assists with certain configuration elements that enable the customer to use the platform independently. Unlike under our MxM card programs, our PxM customers are responsible for other elements of the card program, including defining and managing the program with the Card Networks and Issuing Bank as well as managing compliance with applicable regulations, the Issuing Bank, and Card Network rules.

Given the modularity of the Marqeta platform, certain customers can also opt to incorporate elements of MxM into their PxM card program to create a custom Powered By Plus solution.

Impact of Macroeconomic Factors

We are unable to predict the impact macroeconomic factors, including various geopolitical conflicts, ongoing supply chain shortages, higher inflation and interest rates, and uncertainty in global economic conditions will have on our processing volumes, and on our future results of operations. A deterioration in macroeconomic conditions could increase the risk of lower consumer spending, consumer and merchant bankruptcy, insolvency, business failure, higher credit losses, foreign currency fluctuations, or other business interruption, which may adversely impact our business. We continue to monitor these situations and may take actions that alter our operations and business practices as may be required by federal, state, or local authorities or that we determine are in the best interests of our customers, vendors, and employees. See the section titled "Risk Factors" in this Quarterly Report on Form 10-Q and in our 2023 Annual Report for further discussion of the possible impact of these macroeconomic factors on our business.

Key Operating Metric and Non-GAAP Financial Measures

We review a number of operating and financial metrics, including the key operating metric set forth below, to help us evaluate our business and growth trends, establish budgets, evaluate the effectiveness of our investments, and assess operational efficiencies. In addition to the results determined in accordance with GAAP, the following table sets forth a key operating metric and non-GAAP financial measures that we consider useful in evaluating our operating performance.

	Three Months Ended March 31,	
	2024	2023
Total Processing Volume (TPV) (in millions)	$ 66,666	$ 50,020
Net revenue (in thousands)	$ 117,968	$ 217,343
Gross profit (in thousands)	$ 84,161	$ 89,164
Gross margin	71 %	41 %
Net loss (in thousands)	$ (36,060)	$ (68,801)
Net loss margin	(31)%	(32)%
Total operating expenses (in thousands)	$ 134,013	$ 176,597
Non-GAAP Measures:		
Adjusted EBITDA (in thousands)	$ 9,228	$ (4,346)
Adjusted EBITDA margin	8 %	(2)%
Non-GAAP operating expenses (in thousands)	$ 74,933	$ 93,510

Total Processing Volume ("TPV") - TPV represents the total dollar amount of payments processed through our platform, net of returns and chargebacks. We believe that TPV is a key operating metric and a principal indicator of the market adoption of our platform, growth of our brand, growth of our customers' businesses and scale of our business.

Adjusted EBITDA - Adjusted EBITDA is a non-GAAP financial measure that is calculated as net income (loss) adjusted to exclude depreciation and amortization; share-based compensation expense; payroll tax related to share-based compensation; restructuring charges; acquisition related expenses which consist of due diligence costs, transaction costs and integration costs related to potential or successful acquisitions and cash and non-cash postcombination compensation expenses; income tax expense (benefit); and other income (expense) net, which consists of interest income from our short-term investments, realized foreign currency gains and losses, our share of equity method investments' profit or loss, impairment of equity method investments or other financial instruments, and gain from sale of equity method investments. We believe that Adjusted EBITDA is an important measure of operating performance because it allows management and our board of directors to evaluate and compare our core operating results, including our operating efficiencies, from period to period. Additionally, we utilize Adjusted EBITDA as an input into our calculation of our annual employee bonus plans. See the section below titled "Use of Non-GAAP Financial Measures" for a discussion of the use of non-GAAP measures and a reconciliation of net loss to Adjusted EBITDA.

Adjusted EBITDA Margin - Adjusted EBITDA Margin is a non-GAAP financial measure that is calculated as Adjusted EBITDA divided by net revenue. This measure is used by management and our board of directors to evaluate our operating efficiency. See the section below titled "Use of Non-GAAP Financial Measures" for a discussion of the use of non-GAAP measures and a reconciliation of net loss to Adjusted EBITDA Margin.

Non-GAAP operating expenses - Non-GAAP operating expenses is a non-GAAP financial measure that is calculated as total operating expenses adjusted to exclude depreciation and amortization; share-based compensation expense; payroll tax related to share-based compensation; restructuring charges; and acquisition-related expenses which consists of due diligence costs, transaction cost and integration costs related to potential or successful acquisitions, and cash and non-cash postcombination compensation expenses. We believe that non-GAAP operating expenses is an important measure of operating performance because it allows management and our board of directors to evaluate and compare our core operating results, including our operating efficiencies, from period to period. See the section below titled

"Use of Non-GAAP Financial Measures" for a discussion of the use of non-GAAP measures and a reconciliation of total operation expenses to non-GAAP operating expenses.

Components of Results of Operations

Net Revenue

We have two components of net revenue: platform services revenue, net and other services revenue.

Platform services revenue, net. Platform services revenue includes Interchange Fees, net of Revenue Share and other service-level payments to customers, and Card Network and Issuing Bank costs for certain customer arrangements where the Company is an agent in the delivery of services to the customer. Platform services revenue also includes processing and other fees. "Interchange Fees" are transaction-based and volume-based fees set by a Card Network and paid by a merchant bank to the Issuing Bank that issued the payment card used to purchase goods or services from a merchant. The Company earns Interchange Fees on card transactions we process for our customers and are based on a percentage of the transaction amount plus a fixed amount per transaction. Interchange Fees are recognized when the associated transactions are settled.

"Revenue Share" payments are incentives to our customers to increase their processing volumes on our platform. Revenue Share is generally computed as a percentage of the Interchange Fees earned or processing volume and is paid to our MxM customers monthly. Revenue Share payments are recorded as a reduction to net revenue. Generally, as customers' processing volumes increase, the rates at which we share revenue increase.

Processing and other fees are priced as either a percentage of processing volume or on a fee per transaction basis and are earned when payment cards are used at automated teller machines or to make cross-border purchases. Minimum processing fees, where customers' processing volumes fall below certain thresholds, are also included in processing and other fees.

We recognize revenue when the promised services are complete, and our performance obligations are satisfied. Platform services are considered complete when we have authorized the transaction, validated that the transaction has no errors, and accepted and posted the data to our records.

Other services revenue. Other services revenue primarily consists of revenue earned for card fulfillment services. Card fulfillment fees are generally billed to customers upon ordering card inventory and recognized as revenue when the cards are shipped to the customers.

Costs of Revenue

Costs of revenue consist of Card Network fees, Issuing Bank fees, and card fulfillment costs for customer arrangements where the Company is the principal in providing services to the customer and excludes depreciation and amortization, which is reported separately within the Consolidated Statements of Operations and Comprehensive Loss. Card Network fees are equal to a specified percentage of processing volume or a fixed amount per transaction routed through the respective Card Network. Issuing Bank fees compensate our Issuing Banks for issuing cards to our customers and sponsoring our card programs with the Card Networks and are typically equal to a specified percentage of processing volume or a fixed amount per transaction. Card fulfillment costs include physical cards, packaging, and other fulfillment costs.

We have separate marketing and incentive arrangements with Card Networks that provide us with monetary incentives for establishing customer card programs with, and routing volume through, the respective Card Network. The amount of the incentives is generally determined based on a percentage of the processing volume or the number of transactions routed over the Card Network. We record these incentives as a reduction of Card Network fees in customer arrangements where the Company is the principal. Generally, as processing volumes increase, we earn a higher rate of monetary incentives from these arrangements, subject to attaining certain volume thresholds during an annual measurement period. For certain incentive arrangements with an annual measurement period, the one-year period may not align with our fiscal year. Additionally, unusual fluctuations in Card Network fees can occur in the quarter in which volume thresholds are attained as higher incentive rates are applied to volumes over the entire measurement periods, which can span six or twelve months.

Operating Expenses

Compensation and Benefits. Compensation and benefits consist primarily of salaries, employee benefits, severance and other termination benefits, incentive compensation, contractors' cost, and share-based compensation.

Technology. Technology consists primarily of third-party hosting fees, software licenses, and hardware purchases below our capitalization threshold, and support and maintenance costs.

Professional Services. Professional services consist primarily of consulting, legal, audit, and recruiting fees.

Occupancy. Occupancy consists primarily of rent expense, repairs, maintenance, and other building related costs.

Depreciation and Amortization. Depreciation and amortization consist primarily of depreciation of our fixed assets and amortization of capitalized Internal-use software and developed technology intangible assets.

Marketing and Advertising. Marketing and advertising consist primarily of costs of general marketing and promotional activities.

Other Operating Expenses. Other operating expenses consist primarily of insurance costs, indemnification costs, travel-related expenses, indirect state and local taxes, and other general office expenses.

Other Income (Expense), net

Other income (expense), net consists primarily of interest income from our short-term investments and cash deposits, gain from sale of equity method investments, impairment of equity method investments or other financial instruments, equity method investment share of loss, and realized foreign currency gains and losses.

Income Tax Expense (Benefit)

Income tax expense consists of U.S. federal and state income taxes, and income taxes related to certain foreign jurisdictions. We maintain a full valuation allowance against our U.S. federal and state net deferred tax assets as we have concluded that it is not more likely than not that we will realize our net deferred tax assets.

Results of Operations

The following table sets forth our results of operations for the periods presented:

(dollars in thousands)	Three Months Ended March 31, 2024	2023
Net revenue	$ 117,968	$ 217,343
Costs of revenue	33,807	128,179
Gross profit	84,161	89,164
Operating expenses:		
Compensation and benefits	108,111	147,759
Technology	13,118	14,590
Professional services	3,870	5,437
Occupancy	1,094	1,154
Depreciation and amortization	3,537	1,980
Marketing and advertising	378	441
Other operating expenses	3,905	5,236
Total operating expenses	134,013	176,597
Loss from operations	(49,852)	(87,433)
Other income, net	13,926	11,672
Loss before income tax expense	(35,926)	(75,761)
Income tax expense (benefit)	134	(6,960)
Net loss	$ (36,060)	$ (68,801)

Comparison of the Three Months Ended March 31, 2024 and 2023

Net Revenue

(dollars in thousands)	Three Months Ended March 31, 2024	2023	$ Change	% Change
Net revenue:				
Total platform services, net	$ 113,935	$ 210,333	$ (96,398)	(46)%
Other services	4,033	7,010	(2,977)	(42)%
Total net revenue	$ 117,968	$ 217,343	$ (99,375)	(46)%
Total Processing Volume (TPV) (in millions)	$ 66,666	$ 50,020	$ 16,646	33 %

Total net revenue decreased by $99.4 million, or 46%, for the three months ended March 31, 2024 compared to the same period in 2023, of which a decrease of $106.9 million was attributable to our largest customer, Block, Inc. The decrease in net revenue was primarily driven by the amendment to the Block agreement in August 2023 (the “August 2023 Block Amendment”) which allowed for reduced pricing and impacted the revenue presentation for the Cash App Program as fees owed to Issuing Banks and Card Networks related to the Cash App primary Card Network volume are recorded as a reduction to the revenue earned from the Cash App program within Net revenue effective as of July 1, 2023. In prior periods, these costs were included within Costs of revenue. The impact of these fees for the three months ended March 31, 2024 was a $125.6 million reduction to Net revenue, negatively impacting the growth rate by 58 ppts. These decreases in net revenue were partially offset by increased TPV from Block’s programs. Revenue from other customers increased $7.6 million, primarily driven by a 41% increase in TPV partially offset by the impact of contract renewals and unfavorable changes in the mix of our card programs, particularly the growth of our PxM offering.

Other services revenue decreased $3.0 million, or 42%, in the three months ended March 31, 2024 compared to the same period in 2023 due to a one-time card fulfillment order which occurred in the prior year.

The increase in TPV was driven by growth across all our major verticals, particularly financial services, with PxM customers outperforming MxM customers. The growth in TPV for our top five customers, as determined by their individual processing volume in each respective period, was 28% in the three months ended March 31, 2024 compared to the same period in 2023, while TPV from all other customers, as a group, grew by 64% in the three months ended March 31, 2024 compared to the same period in 2023. Note that the top five customers may differ between the two periods.

Costs of Revenue and Gross Margin

(dollars in thousands)	Three Months Ended March 31, 2024	2023	$ Change	% Change
Costs of revenue:				
Card Network fees, net	$ 27,244	$ 116,633	$ (89,389)	(77)%
Issuing Bank fees	3,009	7,280	(4,271)	(59)%
Other	3,554	4,266	(712)	(17)%
Total costs of revenue	$ 33,807	$ 128,179	$ (94,372)	(74)%
Gross profit	$ 84,161	$ 89,164	$ (5,003)	(6)%
Gross margin	71 %	41 %		

Costs of revenue decreased by $94.4 million, or 74%, for the three months ended March 31, 2024 compared to the same period in 2023, of which a decrease of $96.2 million was attributable to Block, primarily due to the revenue presentation change for our fees owed to Issuing Banks and Card Networks related to the Cash App primary Card Network volume which are now reflected within Net revenue as a result of the August 2023 Block Amendment. Such decreases were partially offset by increased costs resulting from the 33% increase in TPV.

As a result of the decreases in net revenue and costs of revenue discussed above, our gross profit decreased by $5.0 million, or 6%, in the three months ended March 31, 2024 compared to the same period in 2023, and our gross margin increased by 30 percentage points in the three months ended March 31, 2024 compared to the same period in 2023.

Operating Expenses

(dollars in thousands)	Three Months Ended March 31, 2024	2023	$ Change	% Change
Operating expenses:				
Salaries, bonus, benefits and payroll taxes	63,677	101,760	$ (38,083)	(37)%
Share-based compensation	44,434	45,999	$ (1,565)	(3)%
Total compensation and benefits	108,111	147,759	$ (39,648)	(27)%
Percentage of net revenue	*92 %*	*68 %*		
Technology	13,118	14,590	(1,472)	(10)%
Percentage of net revenue	*11 %*	*7 %*		
Professional services	3,870	5,437	(1,567)	(29)%
Percentage of net revenue	*3 %*	*3 %*		
Occupancy	1,094	1,154	(60)	(5)%
Percentage of net revenue	*1 %*	*1 %*		
Depreciation and amortization	3,537	1,980	1,557	79 %
Percentage of net revenue	*3 %*	*1 %*		
Marketing and advertising	378	441	$ (63)	(14)%
Percentage of net revenue	*— %*	*— %*		
Other operating expenses	3,905	5,236	(1,331)	(25)%
Percentage of net revenue	*3 %*	*2 %*		
Total operating expenses	$ 134,013	$ 176,597	$ (42,584)	
Percentage of net revenue	114%	81%		

Salaries, bonus, benefits, and payroll taxes decreased by $38.1 million, or 37%, for the three months ended March 31, 2024 compared to the same period in 2023. The decrease was driven by lower postcombination compensation costs to former employees of Power Finance, a decrease in wages, bonus, and benefits as result of lower headcount due to the restructuring that occurred in the second quarter of 2023 and an increase in salaries, bonus, and benefits costs capitalized for internal-use software development.

Share-based compensation decreased by $1.6 million in the three months ended March 31, 2024 compared to the same period in 2023 mainly due to lower headcount as a result of the restructuring that occurred in the prior year paired with higher share-based compensation costs capitalized for internal-use software development.

Technology expenses decreased by $1.5 million, or 10% for the three months ended March 31, 2024 compared to the same period in 2023. The decrease was primarily due to decreased hosting and other technology costs as we more efficiently manage our systems and costs.

Professional services expenses decreased by $1.6 million, or 29%, for the three months ended March 31, 2024 compared to the same period in 2023. The decrease was primarily due to reduced consulting fees.

Occupancy expense remained relatively flat for the three months ended March 31, 2024 compared to the same period in 2023.

Depreciation and amortization expense increased by $1.6 million, or 79%, for the three months ended March 31, 2024 compared to the same period in 2023. The increase was primarily due an increase in the amortization of internally developed software and in the amortization of developed technology intangible assets originating from the Power Finance acquisition.

Marketing and advertising expenses remained relatively flat for the three months ended March 31, 2024 compared to the same period in 2023.

Other operating expenses decreased by $1.3 million, or 25% for the three months ended March 31, 2024 compared to the same period in 2023. The decrease was primarily due to continued cost optimization initiatives impacting the current year.

Other Income, net

	Three Months Ended March 31,			
(dollars in thousands)	2024	2023	$ Change	% Change
Other income, net	$ 13,926	$ 11,672	$ 2,254	19 %
Percentage of net revenue	12 %	5 %		

Other income, net increased by $2.3 million, or 19%, for the three months ended March 31, 2024 compared to the same period in 2023. The increase was primarily due to an increase in interest income earned on our short-term investments portfolio in the first quarter of 2024.

Income Tax Benefit

Income tax benefit decreased by $7.1 million for the three months ended March 31, 2024 compared to the same period in 2023 primarily attributable to a $7.2 million partial valuation allowance release due to the acquisition of Power Finance Inc., offset by $0.2 million of income tax expenses resulting from profitable foreign operations in 2023.

Customer Concentration

We generated 49% and 76% of our net revenue from our largest customer, Block, during the three months ended March 31, 2024 and 2023, respectively.

Use of Non-GAAP Financial Measures

Our non-GAAP measures have limitations as analytical tools and you should not consider them in isolation. These non-GAAP measures should not be viewed as a substitute for, or superior to, measures prepared in accordance with GAAP. In evaluating these non-GAAP measures, you should be aware that in the future we will incur expenses similar to the adjustments in the presentation of our non-GAAP measures set forth under “Key Operating Metric and Non-GAAP Financial Measures”. There are a number of limitations related to the use of these non-GAAP measures versus their most directly comparable GAAP measures, including the following:

- other companies, including companies in our industry, may calculate adjusted EBITDA and non-GAAP operating expenses differently than how we calculate this measure or not at all; this reduces its usefulness as a comparative measure;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditures; and
- adjusted EBITDA does not reflect the effect of income taxes that may represent a reduction in cash available to us.

We encourage investors to review the related GAAP financial measures and the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures.

A reconciliation of net loss to adjusted EBITDA and GAAP operating expenses to non-GAAP operating expenses for the periods presented is as follows:

	Three Months Ended March 31,	
(dollars in thousands)	2024	2023
Net revenue	$ 117,968	$ 217,343
Net loss	$ (36,060)	$ (68,801)
Net loss margin	(31)%	(32)%
Total operating expenses	$ 134,013	$ 176,597
Net loss	$ (36,060)	$ (68,801)
Depreciation and amortization expense	3,537	1,980
Share-based compensation expense	44,434	45,999
Payroll tax expense related to share-based compensation	1,165	640
Acquisition-related expenses [(1)]	9,944	34,468
Other income, net	(13,926)	(11,672)
Income tax expense (benefit)	134	(6,960)
Adjusted EBITDA	$ 9,228	$ (4,346)
Adjusted EBITDA Margin	8 %	(2)%
Total operating expenses	$ 134,013	$ 176,597
Depreciation and amortization expense	(3,537)	(1,980)
Share-based compensation expense	(44,434)	(45,999)
Payroll tax expense related to share-based compensation	(1,165)	(640)
Acquisition-related expenses [(1)]	(9,944)	(34,468)
Non-GAAP operating expenses	$ 74,933	$ 93,510

(1) Acquisition-related expenses, which include transaction costs, integration costs and cash and non-cash postcombination compensation expense, have been excluded from adjusted EBITDA as such expenses are not reflective of our ongoing core operations and are not representative of the ongoing costs necessary to operate our business; instead, these are costs specifically associated with a discrete transaction.

Liquidity and Capital Resources

As of March 31, 2024, our principal sources of liquidity included cash, cash equivalents, and short-term investments totaling $1.2 billion, with such amounts held for working capital purposes. Our cash equivalents and short-term investments were comprised primarily of bank deposits, money market funds, U.S. treasury bills, U.S. treasury securities, U.S. agency securities, asset-backed securities, and corporate debt securities. We have generated significant operating losses as reflected in our accumulated deficit. We expect to continue to incur operating losses for the foreseeable future.

On May 8, 2023, our board of directors authorized a share repurchase program (the “2023 Share Repurchase Program”) of up to $200 million of our Class A common stock. Under the 2023 Share Repurchase Program, we are authorized to repurchase shares through open market purchases, in privately negotiated transactions or by other means, in accordance with applicable federal securities laws, including through trading plans under Rule 10b5-1 of the Exchange Act. The 2023 Share Repurchase Program has no set expiration date; however the program was exhausted during the first quarter of 2024.

On February 3, 2023, we acquired all outstanding stock of Power Finance Inc. (“Power Finance”). As part of the terms of the acquisition, we entered into postcombination cash compensation arrangements with certain key acquired employees whereby we shall pay them $85.1 million of cash over a weighted average 2.2 year service period following the acquisition date (subject to forfeiture upon termination). As of March 31, 2024, $44.1 million of the postcombination cash compensation arrangements remained outstanding.

We believe our existing cash and cash equivalents, and our short-term investments will be sufficient to meet our working capital and capital expenditure needs for more than the next 12 months. As of the date of filing this Quarterly Report on Form 10-Q, we have access to and control over all our cash, cash equivalents and short-term investments, except amounts held as restricted cash. Our future capital requirements will depend on many factors, including our planned continuing investment in product development, platform infrastructure, share repurchases, and global expansion. We will use our cash for a variety of needs, including for ongoing investments in our business, potential strategic acquisitions, capital expenditures and investment in our infrastructure, including our non-cancellable purchase commitments with cloud-computing service providers and certain Issuing Banks.

As of March 31, 2024, we had $8.5 million in restricted cash which included a deposit held at an Issuing Bank to provide the Issuing Bank collateral in the event that our customers' funds are not deposited at the Issuing Bank in time to settle our customers' transactions with the Card Networks. Restricted cash also includes cash held at a bank to secure our payments under a lease agreement for our office space.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Net cash provided by (used in) operating activities	$ 426	$ (10,546)
Net cash provided by (used in) investing activities	33,502	(98,330)
Net cash used in financing activities	(44,543)	(24,556)
Net decrease in cash, cash equivalents, and restricted cash	$ (10,615)	$ (133,432)

Operating Activities

Our largest source of cash provided by our operating activities is our net revenue. Our primary uses of cash in our operating activities are for Card Network and Issuing Bank fees, and employee-related compensation. The timing of settlement of certain operating liabilities, including Revenue Share payments, bonus payments and prepayments made to cloud-computing service providers, can affect the amounts reported as Net cash provided by and used in operating activities on the Condensed Consolidated Statement of Cash Flows.

Net cash provided by operating activities was $0.4 million in the three months ended March 31, 2024 compared to net cash used in the same period in 2023 of $10.5 million. The increase in net cash provided by operating activities is due mainly to lower loss from operations and the timing of payments for costs of our services and operating expenses, partially offset by decreased non-cash expenses.

Investing Activities

Net cash provided by investing activities consists primarily of maturities and sales of our investments in short-term investments. Net cash used in investing activities consists primarily of purchases of short-term investments, purchases of property and equipment, capitalization of internal-use software and cash consideration for business combinations.

Net cash provided by investing activities in the three months ended March 31, 2024 was $33.5 million compared to net cash used in the same period in 2023 of $98.3 million. The increase in net cash provided by investing activities is primarily due to the Power Finance acquisition which occurred in 2023, partially offset by an increase in the capitalization of internal-use software.

Financing Activities

Net cash used in financing activities consists primarily of proceeds from the issuance of our equity securities. Net cash used in financing activities consists primarily of net payments related to share-based compensation activities and the share repurchase programs.

Net cash used in financing activities in the three months ended March 31, 2024 was $44.5 million compared to net cash used in the same period in 2023 of $24.6 million. The increase in net cash used in financing activities is primarily due to increased payments to repurchase shares under the 2023 Share Repurchase Program and share-based compensation activity.

Obligations and Other Commitments

There were no material changes in our obligations and other commitments from those disclosed in our 2023 Annual Report.

For additional information about our contractual obligations and other commitments, see Note 8 “Commitments and Contingencies” to our condensed consolidated financial statements.

Critical Accounting Policies and Estimates

Our Condensed Consolidated Financial Statements are prepared in accordance with GAAP. The preparation of these Condensed Consolidated Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting estimates as compared to the critical accounting estimates described in “Management's Discussion and Analysis of Financial Condition and Results of Operations” set forth in our 2023 Annual Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We have operations within the United States and globally, and we are exposed to market risks in the ordinary course of our business. Information relating to quantitative and qualitative disclosures about these market risks is described below.

Interest Rate Risk

We had cash, cash equivalents, and short-term investments totaling $1.2 billion as of March 31, 2024. Such amounts included cash deposits, money market funds, U.S. treasury bills, U.S. treasury securities, U.S, agency securities, commercial paper, certificate of deposits, and corporate debt securities. The fair value of our cash, cash equivalents, and short-term investments would not be significantly affected by either an increase or decrease in interest rates due to the short-term maturities of the majority of these instruments. Because we classify our short-term investments as “available-for-sale”, no gains or losses are recognized in the Condensed Consolidated Statement of Operations and Comprehensive Loss due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are due to credit losses. We have the ability to hold all short-term investments until their maturities. A hypothetical 100 basis point increase or decrease in interest rates would not have a material effect on our financial results or financial condition.

Foreign Currency Exchange Risk

Most of our sales and operating expenses are denominated in U.S. dollars, and therefore our results of operations are not currently subject to significant foreign currency risk. As of March 31, 2024, a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have had a material impact on our Condensed Consolidated Financial Statements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on such evaluation, our management has concluded our disclosure controls and procedures were not effective at a reasonable assurance level as of March 31, 2024, due to the material weaknesses in internal control over financial reporting described below.

Material Weaknesses

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In the period ended March 31, 2023, management identified a material weakness related to the accounting for our acquisition of Power Finance (the "Business Combination Material Weakness"), including a lack of sufficient precision in the performance of reviews supporting the purchase price allocation accounting, and a lack of timely oversight over third-party specialists and the reports they produced to support the accounting for the Power Finance acquisition. The material weakness resulted in an error related to the allocation of merger consideration between purchase consideration and post-combination expense that was not detected on a timely basis. The error was corrected by management in the Condensed Consolidated Financial Statements as of and for the three months ended March 31, 2023.

For the period ended December 31, 2023, management identified a material weakness related to information technology general controls ("ITGCs") (the "ITGC Material Weakness" and together with the Business Combination Material Weakness, the "2023 Material Weaknesses") in user access over certain information technology ("IT") systems that support the Company's revenue and related financial reporting processes. As a result, the related process-level IT dependent manual controls, certain change management controls, and automated application controls for certain key IT systems were also deemed ineffective for the period ended March 31, 2024.

The 2023 Material Weaknesses did not result in any material misstatements in our previously issued financial statements, nor in the financial statements included in this Quarterly Report on Form 10-Q.

Management's Plan to Remediate the Material Weaknesses

Our management is committed to maintaining a strong internal control environment. As it relates to the Business Combination Material Weakness, we have and will continue to take actions to enhance the design of our business combination controls with the level of precision required to operate them in an effective manner. We will continue to enhance our management review control activities, including the review of inputs, assumptions and reports produced by third-party specialists supporting the purchase price allocation accounting and the application of technical accounting principles.

To remediate the ITGC Material Weakness, we are enhancing the design of our ITGCs over the IT systems that support the Company's revenue and related financial reporting processes, including, (i) developing and implementing additional training and awareness addressing ITGCs and policies, including educating control owners concerning the principles and requirements of each control, with a focus on user access; (ii) increasing the extent of oversight and verification checks included in operation of user access controls and processes; (iii) deploying additional tools to support administration of user access; and (iv) enhancing quarterly management reporting on the remediation measures to the audit committee of the board of directors. Although we intend to complete the remediation process as promptly as possible, we will not be able to fully remediate the ITGC Material Weakness until these steps have been completed and the controls are operating effectively.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the first quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. We are continuing the remediation efforts described above.

Limitations on Effectiveness of Controls and Procedures

The effectiveness of any internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, no matter how well designed and operated, can only provide reasonable, not absolute assurance that its objectives will be met. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

PART II - Other Information

Item 1. Legal Proceedings

From time to time, we may be subject to legal proceedings and claims arising in the ordinary course of business. The following matter was resolved during the quarter ended March 31, 2024 and is no longer pending against the Company:

On August 24, 2023, a putative class action and shareholder derivative lawsuit was filed in the case captioned Stephanie Smith v. Jason Gardner, et al. (Case No. 2023-0872-MTZ) in the Court of Chancery for the State of Delaware against each of the members of our board of directors and naming Marqeta as a nominal defendant. The complaint alleged that the individual defendants breached fiduciary duties in approving the 2023 Share Repurchase Program by failing to implement measures to prevent Marqeta founder Jason Gardner from acquiring control of the Company or to ensure that unaffiliated stockholders receive a control premium. The plaintiff sought damages and injunctive relief in the case, among other relief.

On February 24, 2024 the parties entered into a Standstill and Release Agreement (the “Standstill Agreement”) in which (i) the plaintiff agreed to file a stipulation of dismissal of the lawsuit, (ii) Mr. Gardner agreed not to take unilateral, affirmative action to increase his voting power above 49.99% of the total voting power of the Company’s outstanding stock for the period of time between and including February 24, 2024 and September 11, 2024, and (iii) the parties agreed to releases and related provisions. The stipulation of dismissal received court approval. The summary of the Standstill Agreement is qualified in its entirety by reference to the full text, which is filed as Exhibit 99.1 to our 2023 Annual Report and is incorporated herein by reference.

In connection with the dismissal of the case, the Court retained jurisdiction solely for the purpose of adjudicating the anticipated application by Plaintiff’s counsel for an award of attorneys’ fees and reimbursement of expenses to Plaintiff’s counsel. The Company subsequently agreed to pay $425,000.00 to Plaintiff’s counsel, on behalf of all defendants, in full satisfaction of the claim for attorneys’ fees and expenses in the lawsuit (the “Mootness Fee”). In making this decision, the Company considered various factors, including the cost and uncertainties of litigation. The Defendants deny any wrongdoing.

On March 25, 2024, the Court entered an order directing that the case be closed, subject to Marqeta filing an affidavit with the Court confirming that notice of the agreement to pay the Mootness Fee was provided. The Company filed a Current Report on Form 8-K providing such notice on March 26, 2024. In entering the order, the Court was not asked to review, and did not pass judgment on, the payment of the Mootness Fee or its reasonableness. Pursuant to the Court’s order, the case was closed on the Court’s docket on March 28, 2024.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, our business, financial condition, results of operations, cash flows, future prospects, and the trading price of our Class A common stock can be affected by a number of factors, whether currently known or unknown, including but not limited to those described in Part I, Item 1A of our 2023 Annual Report under the heading "Risk Factors," which are incorporated herein by reference, any one or more of which could, directly or indirectly, materially and adversely affect our business, financial condition, results of operations, cash flows, future prospects, and the trading price of our Class A common stock, or cause them to vary materially from past or anticipated future results. There have been no material changes to our risk factors since the 2023 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

None.

Purchase of Equity Securities

The following table contains information relating to the repurchases of our Class A common stock made by us in the three months ended March 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [1]
January 1 - 31, 2024	2,573,351	$ 6.09	2,573,351	$ 16,568,932
February 1 - 29, 2024	2,590,017	$ 6.22	2,590,017	$ 465,667
March 1 - 31, 2024	74,525	$ 6.25	74,525	$ —
Total	5,237,893		5,237,893	

[1] On May 8, 2023, our board of directors authorized a share repurchase program of up to $200 million of our Class A common stock beginning May 11, 2023. Under the repurchase program, we are authorized to repurchase shares through open market purchases, in privately negotiated transactions or by other means, in accordance with applicable federal securities laws, including through trading plans under Rule 10b5-1 of the Exchange Act. The share repurchase program has no set expiration date; however, the program was exhausted during the first quarter of 2024.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(c) During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f) of the Exchange Act, adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed herewith or incorporated by reference herein:

Exhibit No.	Description	Incorporated by Reference			
		Form	File No.	Exhibit No.	Filing Date
10.1*	Seventh Amendment to the Amended and Restated Prepaid Card Program Manager Agreement by and between the Registrant and Sutton Bank, dated April 4, 2024.				
10.2*†	Addendum to the Amended and Restated Prepaid Card Program Manager Agreement by and between the Registrant and Sutton Bank, dated January 19, 2024.				
10.3*#	Offer Letters between the Registrant and Todd Pollak, dated November 4, 2022 and January 26, 2023.				
10.4*#	Offer Letter between the Registrant and Crystal Sumner, dated January 6, 2023.				
31.1*	Certification of the Principal Executive Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of the Principal Financial Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1**	Certification of the Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2**	Certification of the Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	Inline XBRL Instance Document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).				
†	Certain confidential information contained in this exhibit has been omitted because it is both (i) not material and (ii) is the type that the Registrant treats as private or confidential.				
#	Indicates management contract or compensatory plan, contract, or agreement.				
*	Filed herewith.				
**	Furnished herewith. The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the SEC and are not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.				

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MARQETA, INC.

Date: May 7, 2024	**By:**	/s/ Simon Khalaf
	Name:	Simon Khalaf
	Title:	Chief Executive Officer (Principal Executive Officer)
Date: May 7, 2024	**By:**	/s/ Michael (Mike) Milotich
	Name:	Michael (Mike) Milotich
	Title:	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

SEVENTH AMENDMENT TO
THE PREPAID CARD PROGRAM MANAGER AGREEMENT

This Seventh Amendment to the Amended and Restated Prepaid Card Program Manager Agreement (this "Seventh Amendment") is effective as of April 3, 2024 (the "Seventh Amendment Effective Date"), by and between Sutton Bank ("Sutton Bank") and Marqeta, Inc. ("Manager" or "Processor", each of Bank and Manager a "Party" and collectively, the "Parties").

WHEREAS, the Parties executed and delivered that certain Amended and Restated Prepaid Card Program Manager Agreement, dated as of April 1, 2016, as amended from time-to-time (collectively, the "Agreement");

WHEREAS, the Parties wish to amend the Agreement in the manner set forth herein; and

NOW THEREFORE, in consideration of the mutual covenants, agreements and promises contained herein, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto for themselves and their successors and assigns do hereby agree, represent and warrant as follows:

1. Definitions. Capitalized terms used in this Seventh Amendment but not defined herein shall have the meaning(s) ascribed to them in the Agreement.

2. Amendment to Section 6.2(A) of the Agreement. The following sentence is hereby added at the end of Section 6.2(A): "The provision by Processor of Processing Services under this Agreement is subject to the Sutton Bank Processing Procedures and service levels attached hereto as Exhibit E and incorporated herein by reference."

3. Amendment Adding Exhibit E to the Agreement. The Agreement is hereby amended to add Exhibit E to the Agreement (attached hereto as Attachment 1 and incorporated herein by reference) following Exhibit D.

4. Conflict. In the event of any conflict between the terms of the Agreement and this Seventh Amendment, this Seventh Amendment shall control.

5. Effect of Seventh Amendment. All provisions of the Agreement shall remain in full force and effect. After this Seventh Amendment becomes effective, all references in the Agreement referring to the Agreement shall be deemed to be references to the Agreement as amended by this Seventh Amendment. This Seventh Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Agreement other than as set forth herein. For the avoidance of doubt, this Seventh Amendment (including the subject matter herein) may not be amended, modified or changed in any way except by written instrument executed by an authorized representative of each Party.

6. Miscellaneous. This Seventh Amendment shall be governed by and construed and enforced in accordance with the internal laws of the State of Ohio without regard to its conflict of laws principles. This Seventh Amendment may be executed by facsimile and in counterparts, each of which shall be deemed an original, and all of which when taken together shall be deemed one and the same instrument. The Agreement, as amended hereby sets forth the entire

agreement of the Parties with respect to the subject matter hereof and thereof, supersedes any and all prior contemporaneous agreements or understandings, whether written or oral, between the Parties with respect to such subject matter. This Seventh Amendment shall inure the benefit of and be binding upon the Parties and each of their respective successors and assigns. Section headings used in this Seventh Amendment are included herein for convenience of reference only and will not constitute a part of this Seventh Amendment for any other purpose.

IN WITNESS WHEREOF, the Parties have executed this Seventh Amendment as of the date first above set forth.

Sutton Bank	Marqeta, Inc.
By: /s/ Darryl Clukey	By: /s/ Jonny Davis
Name: Darryl Clukey	Name: Jonny Davis
Title: Chief Payments Officer	Title: VP, Key Accounts

<u>Attachment 1</u>

EXHIBIT E

Sutton Bank Processing Procedures and Service Levels

3

CERTAIN CONFIDENTIAL INFORMATION, MARKED BY [***], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE (I) IT IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THE INFORMATION AS PRIVATE AND CONFIDENTIAL.

Exhibit 10.2

ADDENDUM TO THE AMENDED AND RESTATED PREPAID CARD PROGRAM MANAGER AGREEMENT

This Addendum to the Amended and Restated Prepaid Card Program Manager Agreement (the "Addendum") is entered into this 19th day of January, 2024 (the "Addendum Effective Date") by and between Marqeta, Inc., a Delaware corporation whose principal office is located at 180 Grand Avenue, 6th Floor, Oakland, CA 94612 ("Manager") and Sutton Bank, an Ohio chartered bank corporation ("Sutton Bank" or "Issuer"). Each of Manager and Sutton Bank may be referred to herein individually as a "Party" and collectively as the "Parties."

Whereas, the Parties have entered into an Amended and Restated Prepaid Card Program Manager Agreement, dated as of April 1, 2016, as amended from time-to-time (collectively, the "Agreement"), whereby Manager manages one or more Programs as a service provider of Sutton Bank;

Whereas, in relation to the Programs, Sutton Bank has entered into certain agreements with Mobile Wallet Service Providers (as identified in Exhibit A), pursuant to which Sutton Bank has agreed to provision Cards issued under the Program into digital wallets accepting payment network tokens (the "Mobile Wallet Agreement(s)");

Whereas, Manager acts as Sutton Bank's representative for the performance of certain reporting and other obligations to Sutton Bank under the Agreement, as amended hereby; and

Whereas, Manager and Sutton Bank desire to further amend the Agreement on the terms set forth in this Addendum with respect to additional reporting and other obligations of Manager as specifically set forth herein;

NOW THEREFORE, in consideration of the mutual obligations in this Addendum and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties to this Addendum agree as follows:

1. Mobile Wallet Additional Reporting Obligations. Manager will comply, and will ensure that its Third Party Service Providers comply, as applicable, with the additional reporting and other obligations of Sutton Bank and the Mobile Wallet Service Providers relating to the Program as set forth in Exhibit A, (the "Mobile Wallet Reporting Obligations"), which is attached hereto and incorporated herein by this reference. Any Mobile Wallet Reporting Obligations that a Third Party Service Provider, including without limitation, any Processor, fails to comply with for any reason shall be solely the responsibility of Manager. For purposes of clarity, as between Client, any Third Party Service Provider, and Sutton Bank, the information contained in such reports shall be owned exclusively by Sutton Bank and Sutton Bank shall have all necessary rights, powers and privileges with respect thereto. For purposes of clarity, such report information shall also constitute Sutton Bank's "Confidential Information," and must be treated as such by Client and any applicable Third Party Service Provider. For the avoidance of doubt, Sutton Bank will provision Cards issued under the Program into digital wallets accepting payment network tokens of mobile wallet service providers.

2. Payment. For the avoidance of doubt, Manager *** Sutton Bank for participation in the *** Payment Platform (as defined in Schedule 1 to Exhibit A), including without limitation, *** and ***, each for the purchase of goods and services made using Provisioned Cards (as defined in Schedule 1 to Exhibit A) through an Enabled Device (as defined in Schedule 1 to Exhibit A) in the *** Payment Platform (***).

3. General. All other terms and conditions of the Agreement, as amended by this Addendum, shall remain in full force and effect. Capitalized terms used but not defined herein shall have the meaning(s) ascribed to them in the Agreement. In the event of any conflict between this Addendum and the terms and conditions of the Agreement, the terms and conditions of this Addendum shall prevail as related to the subject matter herein. This Addendum may be

executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Execution and delivery of this Addendum by exchange of facsimile copies bearing the facsimile signature of a party hereto or electronic email attachments bearing the facsimile or electronic signature of a Party hereto shall constitute a valid and binding execution and delivery of this Addendum by such Party in the same manner as an ink-signed origin.

Signature Page Follows

CERTAIN CONFIDENTIAL INFORMATION, MARKED BY [***], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE (I) IT IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THE INFORMATION AS PRIVATE AND CONFIDENTIAL.

IN WITNESS WHEREOF, this Addendum is executed by the Parties' authorized officers or representatives as of the Addendum Effective Date.

SUTTON BANK	MARQETA, INC.
By: /s/ J. Anthony Gorrell	**By:** /s/ Chris Marconi
Name: J. Anthony Gorrell	**Name:** Chris Marconi
Title: CEO	**Title:** Director, Product Management

CERTAIN CONFIDENTIAL INFORMATION, MARKED BY [***], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE (I) IT IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THE INFORMATION AS PRIVATE AND CONFIDENTIAL.

EXHIBIT A

MOBILE WALLET REPORTING OBLIGATIONS

SCHEDULE 1 TO EXHIBIT A

*** PAYMENT PLATFORM PROGRAM MANAGER TERMS AND CONDITIONS

Exhibit 10.3

November 3, 2022 Todd Pollak
***
***
Re: Offer Letter Dear Todd,
Marqeta, Inc. (the “Company”) is delighted to extend to you this offer to join our team. These are incredibly exciting times at Marqeta and we look forward to having you be part of our future success! The terms of this offer are outlined below.

Position. You will perform the duties of SVP & GM, Americas reporting to me. You will be based in our Oakland, CA office. This offer is for a full-time, exempt position and we estimate that your start date will be on or about December 19, 2022 (the date you actually commence employment with the Company will be the “Start Date”). It is the intention of the Company that you will commence employment as the Chief Revenue Officer of Marqeta within one year from the date of your Start Date.

2. **Compensation**.

- Salary. You will be paid an annual base salary of $400,000.00 payable semi-monthly in accordance with the Company’s normal payroll process. Your annual base salary is contingent on your reporting location. If your reporting location changes, your salary may be subject to adjustment to the appropriate location differential.

- Your total annual On-Target Earnings (OTE) is composed of your (i) total annual base salary and (ii) variable compensation, consisting of an individual sales-based variable annual performance target of $400,000.00. Your variable compensation will be subject to your eligibility to participate in and satisfaction of the terms of your applicable compensation plan (the “Sales Plan”). The amount you may earn in base salary plus variable compensation is limited to 2x annual OTE. You will be provided a copy of the Sales Plan and your targets and quotas upon the start of your employment.

  During your first twelve months of employment, you will be eligible for a monthly Sales Ramp payment, equivalent to 1/12th of your variable compensation, less any earned variable compensation due for that month.

Your compensation is subject to all normal payroll deductions and required withholdings.

Restricted Stock Units. It will be recommended to the Company’s Board of Directors (or committee thereof) that you be granted Restricted Stock Units (RSUs) with an estimated value of $5,000,000.00 (“Value”), where the Value shall be converted into a number of RSUs by dividing the value by the average closing market price of one share of the Company’s Class A common stock for the twenty (20) consecutive trading day period ending on the last trading day prior to the Grant Date, rounded down to the nearest whole share. RSU grants are typically granted on the 15th day of the month following your start date. Each RSU represents one share of the Company’s Class A common stock. The RSUs will be subject to the terms and conditions applicable to restricted stock units granted under the Company’s 2021 Stock Option and Incentive Plan (the “Plan”) and the applicable restricted stock unit award agreement. The RSUs will vest over approximately four years as follows provided you remain in continuous service through the applicable vesting date: (i) the first 25% of the RSUs will vest on the one-year anniversary of the vesting commencement date and (ii) an additional 1/16th of the RSUs will vest each quarterly vesting date thereafter. The vesting commencement date for RSUs will be the quarterly vest date immediately preceding your Start Date if your Start Date occurs during the first 45 days of an applicable quarter and the subsequent quarterly vest date if your start date occurs after the 45th day of the quarter. For these purposes, each quarter will start on the quarterly vesting date and each of March 1, June 1, September 1, and December 1 will count as day zero (that is, counting will start at zero, not one). “Vesting date” means March 1, June 1, September 1, and December 1.

Stock Options. It will be recommended to the Company’s Board of Directors (or committee thereof) that you be granted an option to purchase shares of the Company’s Class A common stock, with an estimated value of $5,000,000.00 (“Value”). The Value shall be converted into a number of shares of the Company’s Class A Common Stock by dividing the Value by the fair value calculated by the Company under ASC Topic 718, rounded down to the nearest whole share. The exercise price per share for the option shall be equal to the closing price of a share of Class A common stock on the date of the grant (or the day immediately preceding the grant date for which a closing price is reported). The shares subject to the option shall vest as follows provided you remain in continuous service through the applicable vesting date: twenty-five percent (25%) of the shares subject to the option shall vest on the one year anniversary of your Start Date and the remaining shares subject to the option shall vest in equal monthly installments over the three years thereafter. The provisions of your stock option grant shall otherwise be subject to the provisions of the Company's standard form of Stock Option Agreement and the Plan.

Separation After Sale Event. In the event your employment with the Company is either (i) terminated by the Company without Cause or (ii) you resign from such employment for Good Reason (as defined below), in either case within three (3) months before or twelve (12) months after the consummation of a Sale Event (as defined in the Plan), then subject to you delivering to the Company or its successor a fully executed and effective general release of claims in favor of the Company and its successor that becomes effective and irrevocable within sixty (60) days of the date of your termination or resignation (as applicable), then 100% of the shares subject to your outstanding equity awards, including the RSUs described above, will vest as of the date of such termination (or the Sale Event, if later).

For purposes of this letter agreement, "Good Reason" means that you have complied with the "Good Reason Process" following the occurrence of any of the following events:

(i) a material diminution in your title, responsibilities, authority, or duties;
(ii) a material diminution in your base salary, except for across the board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or
(iii) a change in geographic location of more than 50 miles at which you provide services to the Company (or its successor).

For these purposes, "Good Reason Process" means that (i) you reasonably determine in good faith that a "Good Reason" condition has occurred; (ii) you notify the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) you cooperate in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition, (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) you terminate your employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason will be deemed not to have occurred.

"Cause" as used in this Paragraph 5, means the following: (1) felony fraud that directly results in adverse harm to the company and which results in a conviction; or (2) material failure by you to carry out or comply with any lawful and reasonable directive of the Board or the CEO that is consistent with the terms of this Agreement, but only after Company has notified you of the noncompliance and provided you with 30 days to cure said material failure.

Benefits in the Event of Separation or Failure to Promote.

As previously stated, it is the Company's intention that you assume the role of Chief Revenue Officer within one year of your commencement date with the Company. If within one year of your Start Date the Company has not provided you with the job title of Chief Revenue Officer and the job duties and responsibilities associated with that position, and you resign your employment as a result of the Company's failure to offer you the role of Chief Revenue Officer within 90 days of receiving actual or constructive notice that the role will not be offered, then: (i) 100% of the new hire RSUs (Restricted Stock Units 3) subject to vest in the following twelve months will immediately vest; and (ii) 100% of the new hire Stock Options (Stock Options 4) subject to vest in the following twelve months will immediately vest. This acceleration of equity is subject to you delivering to the Company a fully executed and effective general release of claims in favor of the Company that becomes effective and irrevocable within sixty (60) days of the date of your termination or resignation (as applicable).

If your employment is terminated without Cause prior to the latter of the thirteenth month anniversary of your Start Date or the six-month anniversary of your promotion to Chief Revenue Officer, then Company will accelerate the vesting of your equity grants such that: (i) 100% of the RSUs (Restricted Stock Units (3)) subject to vest in the twelve months from your termination date will vest immediately upon your termination; and (ii) 100% of the Stock Options (Stock Options (4)) subject to vest in the twelve months from your termination date will vest immediately upon your termination. This acceleration of equity is subject to you delivering to the Company a fully executed and effective general release of claims in favor of the Company that becomes effective and irrevocable within sixty (60) days of the date of your termination or resignation (as applicable).

“Cause” as used in this Paragraph 6, means the following: (1) felony fraud that directly results in adverse harm to the company and which results in a conviction; or (2) material failure by you to carry out or comply with any lawful and reasonable directive of the Board or the CEO that is consistent with the terms of this Agreement, but only after Company has notified you of the noncompliance and provided you with 30 days to cure said material failure.

The protections provided to you in this Paragraph 6 will supersede all other agreements entered into contemporaneously or subsequently with respect to the subject matter herein and will survive indefinitely unless and until the protections contained herein expire on their own terms or another agreement is executed by you and the Company which specifically acknowledges and extinguishes these rights.

Benefits. You will be eligible to participate in the Company’s standard benefit plans, including, but not limited to, time off, medical, dental, vision and disability insurance coverages. The Company reserves the right to modify at its sole discretion the compensation and benefits plans, as it deems necessary. Your benefits are effective the 1st of the month following or coincident with your start date.

Expenses. You will be entitled to reimbursement for all reasonable and necessary business- related expenses incurred in connection with the performance of your duties hereunder in accordance with the Company’s expense reimbursement policies and procedures.

At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement. To enable the Company to safeguard its proprietary and confidential information, it is a condition of hire that you sign prior to your start date the At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement, which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company, and non-disclosure of proprietary information. The At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement will be sent to you prior to your start date.

We also ask that, if you have not already done so, you disclose to the Company any and all agreements relating to your prior employment that may affect your eligibility to be employed by the Company or limit the manner in which you may be employed. It is the Company's understanding that any such agreements will not prevent you from performing the duties of your position and you represent that such is the case. Moreover, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting, or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company. Similarly, you agree not to bring any third party confidential information to the Company, including that of your former employer, and that in performing your duties for the Company you will not in any way utilize any such information.

At-Will Employment. Your employment at the Company is “at-will.” You may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company. Likewise, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice. As required by law, this offer is subject to satisfactory proof of your right to work in the United States. As an exempt salaried employee, you will be expected to work additional hours as required by the nature of your work assignments.

Background Check and Right to Work. This offer is contingent upon a successful employment verification and background check. The Company reserves the right to rescind its offer of employment before your Start Date based upon information received in the background verification.

For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated.

Complete Offer and Agreement. This letter, together with your At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement, forms the complete and exclusive statement of your employment agreement with the Company. The employment terms in this letter supersede any other agreements or promises made to you by anyone, whether oral or written. Changes to the terms of your employment can be made only in writing and signed by you and an authorized executive of the Company, although it is understood that the Company may, from time to time, in its sole discretion, adjust the salaries, incentive compensation and benefits paid to you and other employees, as well as job titles, locations, duties, responsibilities, assignments and reporting relationships as needed.

Acceptance. This offer will remain open until November 10, 2022. To indicate your acceptance, please sign and date this letter. If you accept our offer, we would like you to start on or before December 19, 2022, or such later date as Marqeta completes and reviews the background check.

Todd, I expect you will make a significant contribution to our success and will enjoy a meaningful career here at Marqeta. We very much look forward to your favorable reply.

Sincerely, Marqeta, Inc.
/s/ Simon Khalaf

Simon Khalaf
Chief Revenue Officer

Accepted:

/s/ Todd Pollak   November 4, 2022

Todd Pollak

January 26, 2023

Dear Todd,

Congratulations! I'm thrilled to confirm your new role to Chief Revenue Officer. The details of the new position are below:

Position: Chief Revenue Officer Department: Go to Market

Effective Date: January 31, 2023

Additional Restricted Stock Units Value: $1.25 million. Grant date will be February 15, 2023. Vesting commencement date is March 1, 2023. One-third of the shares subject to the grant will vest on March 1, 2024. The remaining shares will vest in equal 1/12th installments on each Quarterly Vesting Date (March 1, June 1, September 1, and December 1) over the next two years.

Additional Stock Options Value: $1.25 million. Grant date will be February 15, 2023. Vesting commencement date is March 1, 2023. One-third of the shares subject to the grant will vest on March 1, 2024. The remaining shares will vest in equal 1/36th monthly installments on the 15th of the month over the next two years.

There are no other changes to your compensation package. Annual base pay, variable compensation, and sales ramp payment remain the same. All other benefits, terms, and conditions of your employment with Marqeta, including your at-will status, remain the same. I look forward to the remarkable contributions you will continue to make.

Congratulations and thank you for being a part of our success!

Sincerely,

Marqeta, Inc.

/s/ Jason Gardner

Jason Gardner

Chairman and CEO

Accepted

/s/ Todd Pollak

I have read and understand the terms outlined in this letter.

January 26, 2023

Exhibit 10.4

January 3, 2023

Crystal Sumner
***
***

Re: Offer Letter

Dear Crystal,

Marqeta, Inc. (the "Company") is delighted to extend to you this offer to join our team. These are incredibly exciting times at Marqeta and we look forward to having you be part of our future success! The terms of this offer are outlined below.

1. Position. You will perform the duties of Chief Legal Officer reporting to me. You will be based remotely. This offer is for a full-time, exempt position and we estimate that your start date will be on or about February 13, 2023 (the date you actually commence employment with the Company will be the "Start Date").

2. Compensation.

- Salary. You will be paid an annual base salary of $440,000.00 payable semi-monthly in accordance with the Company's normal payroll process. Your annual base salary is contingent on your reporting location. If your reporting location changes, your salary may be subject to adjustment to the appropriate location differential.

- Performance Bonus. You are also eligible to receive an annual bonus with a target of 75% of your base salary. Following the end of each calendar year, the Company, in its discretion, will determine to what extent you will be paid a bonus for that year. For any calendar year that you are eligible for a bonus, you must remain employed by the Company through the date it is payable to earn the bonus. For the avoidance of doubt, if your start date is October 1st or later, you will not be eligible to receive a performance bonus for the calendar year of your hire date.

- Sign-On Bonus. The Company agrees to pay $85,000.00 within the first 30 days of your Start Date on the condition that you are an active employee and in good standing on the date it is to be paid. If you resign from your position or are terminated by the Company for Cause (as defined in the Company's most recently adopted equity plan (the "Plan")) within 12 months of your Start Date, you agree to repay the net sign-on bonus amount (that is, after taking into account any payroll deductions and withholdings that were made with respect to the sign-bonus) to the Company within 30 days of your termination date.

Your compensation is subject to all normal payroll deductions and required withholdings.

3. Restricted Stock Units. It will be recommended to the Company's Board of Directors (or committee thereof) that you be granted Restricted Stock Units (RSUs) with an estimated value of $2,300,000.00 ("Value"), where the Value shall be converted into a number of RSUs by dividing the Value by the average closing market price of one share of the Company's Class A common stock for the twenty (20) consecutive trading day period ending on the last trading day prior to the Grant Date, rounded down to the nearest whole share. RSU grants are typically granted on the 15th day of the month following your start date. Each RSU represents one share of the Company's Class A common stock. The RSUs will be subject to the terms and conditions applicable to restricted stock units granted under the Company's 2021 Stock Option and Incentive Plan (the "Plan") and the applicable restricted stock unit award agreement. The RSUs will vest over approximately four years as follows provided you remain in continuous service through the applicable vesting date: (i) with respect to the first 25% of the RSUs on the first
quarterly "vesting date" occurring after the one-year anniversary of the vesting commencement date and (ii) with respect to an additional 1/16th of the RSUs on each quarterly vesting date thereafter. The vesting commencement date for RSUs will be the quarterly vest date immediately preceding your start date if it occurs during the first 45 days of an applicable quarter and the subsequent quarterly vest date if your start date occurs after the 45th day of the quarter. "Vesting date" means March 1, June 1, September 1, and December 1.

4. Stock Option. It will be recommended to the Company's Board of Directors (or committee thereof) that you be granted an option to purchase shares of the Company's Class A common stock, with an estimated value of $2,300,000.00 ("Value"). The Value shall be converted into a number of shares of the Company's Class A Common Stock by dividing the Value by the fair value per option share calculated by the Company under ASC Topic 718, rounded down to the nearest whole share. The exercise price per share for the option shall be equal to the closing price of a share of Class A common stock on the date of the grant (or the day immediately preceding the grant date for which a closing price is reported). The shares subject to the option shall vest as follows provided you remain in continuous service through the applicable vesting date: twenty-five percent (25%) of the shares subject to the option shall vest on the one year anniversary of your Start Date and the remaining shares subject to the option shall vest in equal monthly installments over the three years thereafter. The provisions of your stock option grant shall otherwise be subject to the provisions of the Company's standard form of Stock Option Agreement and the [Company's 2021 Stock Option and Incentive Plan][Plan].

In the event your employment with the Company is either (i) terminated by the Company without Cause or (ii) you resign from such employment for Good Reason (as defined below), in either case within three (3) months before or twelve (12) months after the consummation of a Sale Event (as defined in the Plan), then subject to you delivering to the Company or its successor a fully executed and effective general release of claims in favor of the Company and its successor that becomes effective and irrevocable within sixty (60) days of the date of your termination or resignation (as applicable), then 100% of the shares subject to your outstanding equity awards, including the RSUs described above, will vest as of the date of such termination (or the Sale Event, if later).

For purposes of this letter agreement, "Good Reason" means that you have complied with the "Good Reason Process" following the occurrence of any of the following events:

(i) a material diminution in your responsibilities, authority, or duties;
(ii) a material diminution in your base salary, except for across the board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or
(iii) a change in geographic location of more than 50 miles at which you provide services to the Company (or its successor).

For these purposes, "Good Reason Process" means that (i) you reasonably determine in good faith that a "Good Reason" condition has occurred; (ii) you notify the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) you cooperate in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition, (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) you terminate your employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason will be deemed not to have occurred.

5. Benefits. You will be eligible to participate in the Company's standard benefit plans, including, but not limited to, time off, medical, dental, vision and disability insurance coverages. The Company reserves the right to modify at its sole discretion the compensation and benefits plans, as it deems necessary. Your benefits are effective the 1st of the month following or coincident with your start date.

6. Expenses. You will be entitled to reimbursement for all reasonable and necessary business-related expenses incurred in connection with the performance of your duties hereunder in accordance with the Company's expense reimbursement policies and procedures.

7. At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement. To enable the Company to safeguard its proprietary and confidential information, it is a condition of hire that you sign prior to your start date the At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement, which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company, and non-disclosure of proprietary information. The At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement will be sent to you prior to your start date.

We also ask that, if you have not already done so, you disclose to the Company any and all agreements relating to your prior employment that may affect your eligibility to be employed by the Company or limit the manner in which you may be employed. It is the Company's understanding that any such agreements will not prevent you from performing the duties of your position and you represent that such is the case. Moreover, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting, or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company. Similarly, you agree not to bring any third party confidential information to the Company, including that of your former employer, and that in performing your duties for the Company you will not in any way utilize any such information.

8. At-Will Employment. Your employment at the Company is "at-will." You may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company. Likewise, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice. As required by law, this offer is subject to satisfactory proof of your right to work in the United States. As an exempt salaried employee, you will be expected to work additional hours as required by the nature of your work assignments.

9. Background Check and Right to Work. This offer, and any subsequent employment, is contingent upon a successful employment verification and background check. The Company reserves the right to rescind its offer of, or any subsequent, employment based upon information received in the background verification. For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated.

10. Complete Offer and Agreement. This letter, together with your At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement, forms the complete and exclusive statement of your employment agreement with the Company. The employment terms in this letter supersede any other agreements or promises made to you by anyone, whether oral or written. Changes to the terms of your employment can be made only in writing and signed by you and an authorized executive of the Company, although it is understood that the Company may, from time to time, in its sole discretion, adjust the salaries, incentive compensation and benefits paid to you and other employees, as well as job titles, locations, duties, responsibilities, assignments and reporting relationships as needed.

11. Acceptance. This offer will remain open until January 6, 2023. To indicate your acceptance, please sign and date this letter. If you accept our offer, we would like you to start on or before February 13, 2023 or such later date as Marqeta completes and reviews the background check.

12. Executive Severance Plan. The Board of Directors will designate you as a Covered Executive under the Executive Severance Plan.

Crystal, I expect you will make a significant contribution to our success and will enjoy a meaningful career here at Marqeta. We very much look forward to your favorable reply.

Sincerely,

Marqeta, Inc.

/s/ Jason Gardner
Jason Gardner CEO

Accepted:

/s/ Crystal Sumner January 6, 2023
Crystal Sumner Date

Exhibit 31.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECURITIES EXCHANGE ACT OF 1934 RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Simon Khalaf, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marqeta, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

By: /s/ Simon Khalaf
Simon Khalaf
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECURITIES EXCHANGE ACT OF 1934 RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael (Mike) Milotich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marqeta, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

By: /s/ Michael (Mike) Milotich
Michael (Mike) Milotich
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Simon Khalaf, Chief Executive Officer of Marqeta, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Marqeta, Inc. for the quarter ended March 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Marqeta, Inc.

Date: May 7, 2024

By: /s/ Simon Khalaf
Simon Khalaf
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael (Mike) Milotich, Chief Financial Officer of Marqeta, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Marqeta, Inc. for the quarter ended March 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Marqeta, Inc.

Date: May 7, 2024

By: /s/ Michael (Mike) Milotich
Michael (Mike) Milotich
Chief Financial Officer
(Principal Financial and Accounting Officer)