Marqeta Earnings Supplement

February 28, 2024

MARQETA

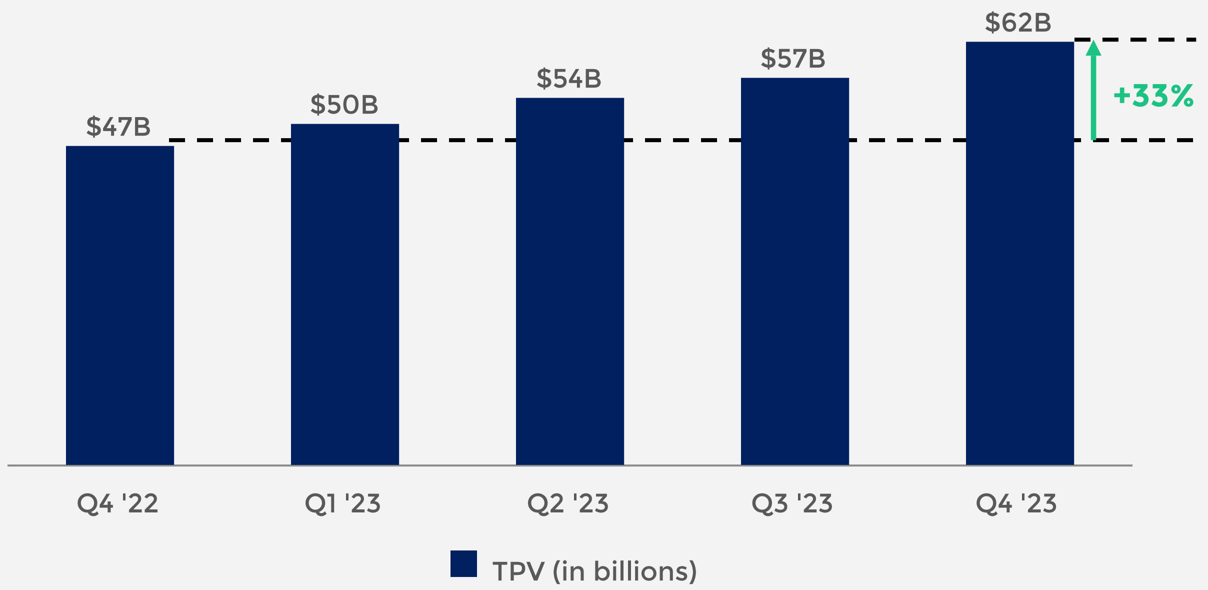
Safe Harbor Statement

This earnings supplement contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements expressed or implied in this earnings supplement include, but are not limited to, statements relating to Marqeta's quarterly guidance; statements regarding expected accounting treatment and changes to revenue and gross profit; statements regarding Marqeta's business plans, business strategy and the continued success and growth of our customers; statements and expectations regarding Marqeta's partnerships, new product introductions, and product capabilities, including credit card issuing; and statements made by Marqeta's CEO and CFO. Actual results may differ materially from the expectations contained in these statements due to risks and uncertainties, including, but not limited to, the following: statements relating to Marqeta's quarterly guidance; statements regarding Marqeta's business plans, business strategy and the continued success and growth of our customers; statements and expectations regarding Marqeta's partnerships, new product introductions, and product capabilities; and statements made by Marqeta's CEO. Actual results may differ materially from the expectations contained in these statements due to risks and uncertainties, including, but not limited to, the following: the effect of uncertainties related to global economies, our business, results of operations, financial condition, and demand for our platform; the risk that Marqeta's anticipated accounting treatment may be subject to further changes or developments; the risk that Marqeta is unable to further attract, retain, diversify, and expand its customer base; the risk that Marqeta is unable to drive increased profitable transactions on its platform; the risk that consumers and customers will not perceive the benefits of Marqeta's products, including credit card issuing, as Marqeta expects; the risk that Marqeta's platform does not operate as intended resulting in system outages; the risk that Marqeta will not be able to achieve the cost structure that Marqeta currently expects; the risk that Marqeta's solution will not achieve the expected market acceptance; the risk that competition could reduce expected demand for Marqeta's services, including credit card issuing; the risk that changes in the regulatory landscape could adversely affect Marqeta's operations and revenues; the risk that Marqeta may be unable to maintain relationships with Issuing Banks and Card Networks; the risk that Marqeta is not able to identify and recognize the anticipated benefits of any acquisition; the risk that Marqeta is unable to successfully integrate any acquisition to businesses and related operations; the risk of financial services and banking sector instability and follow on effects to fintech companies; the risk of general economic conditions in either domestic or international markets, including inflation and recessionary fears, conditions resulting from geopolitical uncertainty and instability or war; and the risk that Marqeta may be subject to additional risks due to its international business activities. Detailed information about these risks and other factors that could potentially affect Marqeta's business, financial condition and results of operations are included in the "Risk Factors" disclosed in Marqeta's Annual Report on Form 10-K for the year ended December 31, 2023, as such risk factors may be updated from time to time in Marqeta's periodic filings with the SEC, available at www.sec.gov and Marqeta's website at http://investors.marqeta.com.

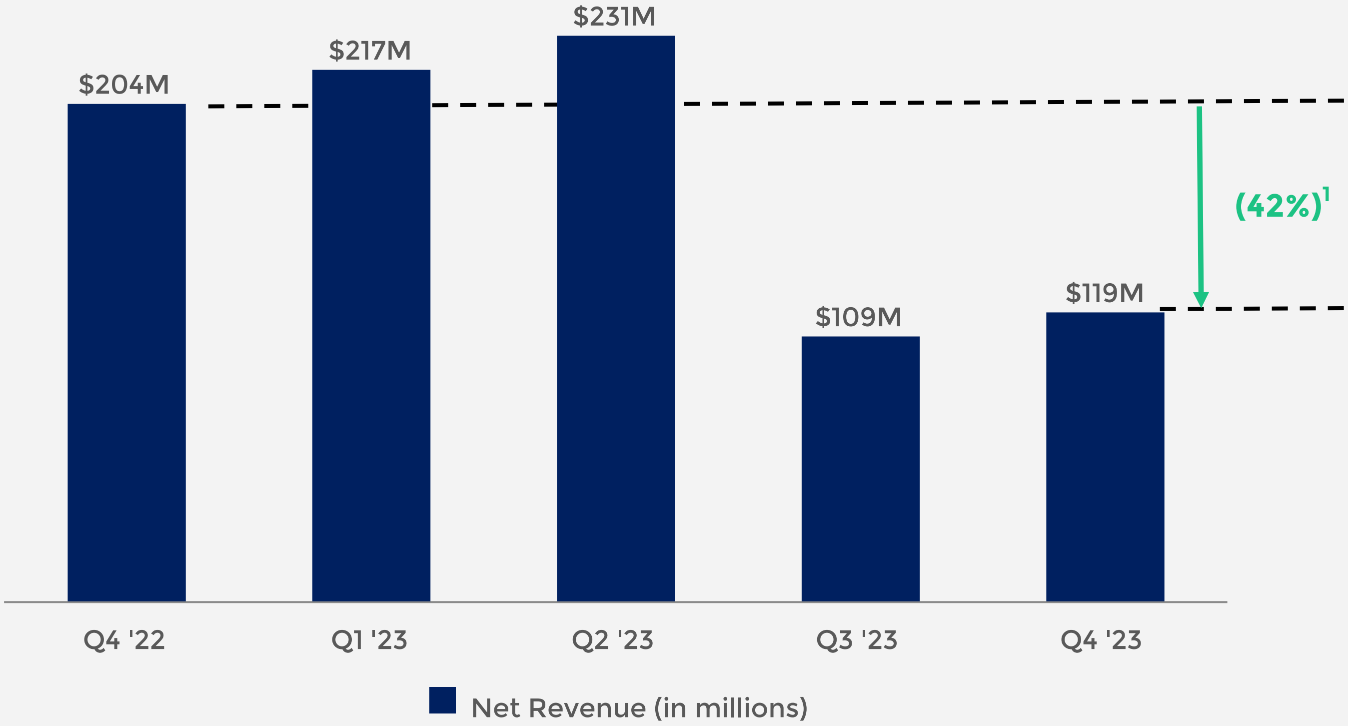
The forward-looking statements in this earnings supplement are based on information available to Marqeta as of the date hereof. Marqeta disclaims any obligation to update any forward-looking statements, except as required by law.

Investors and others should note that Marqeta announces material financial information to its investors using its investor relations website, SEC filings, press releases, public conference calls and webcasts. Marqeta also uses social media to communicate with its customers and the public about Marqeta, its products and services and other matters relating to its business and market. It is possible that the information Marqeta posts on social media could be deemed to be material information. Therefore, Marqeta encourages investors, the media, and others interested in Marqeta to review the information we post on social media channels including the Marqeta Twitter feed (@Marqeta), the Marqeta Instagram page (@lifeatmarqeta), the Marqeta Facebook page, and the Marqeta LinkedIn page. These social media channels may be updated from time to time.

Quarterly Total Processing Volume (TPV)

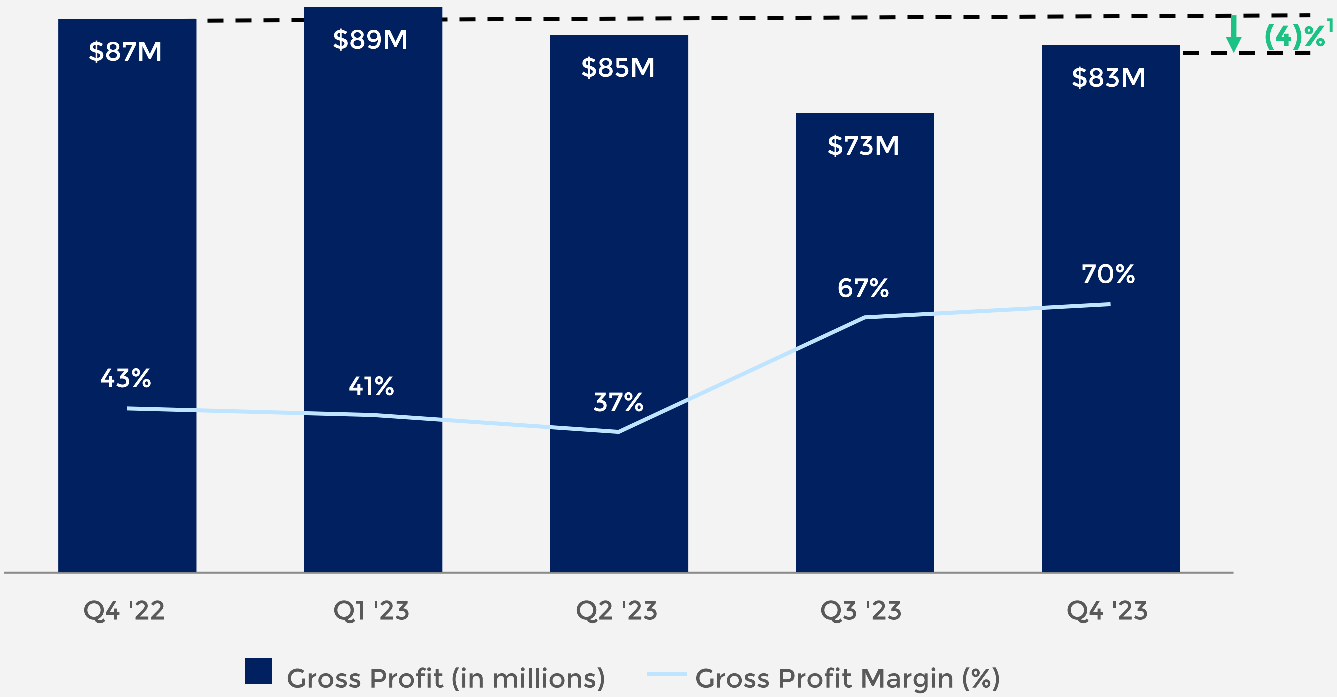


Quarterly Net Revenue



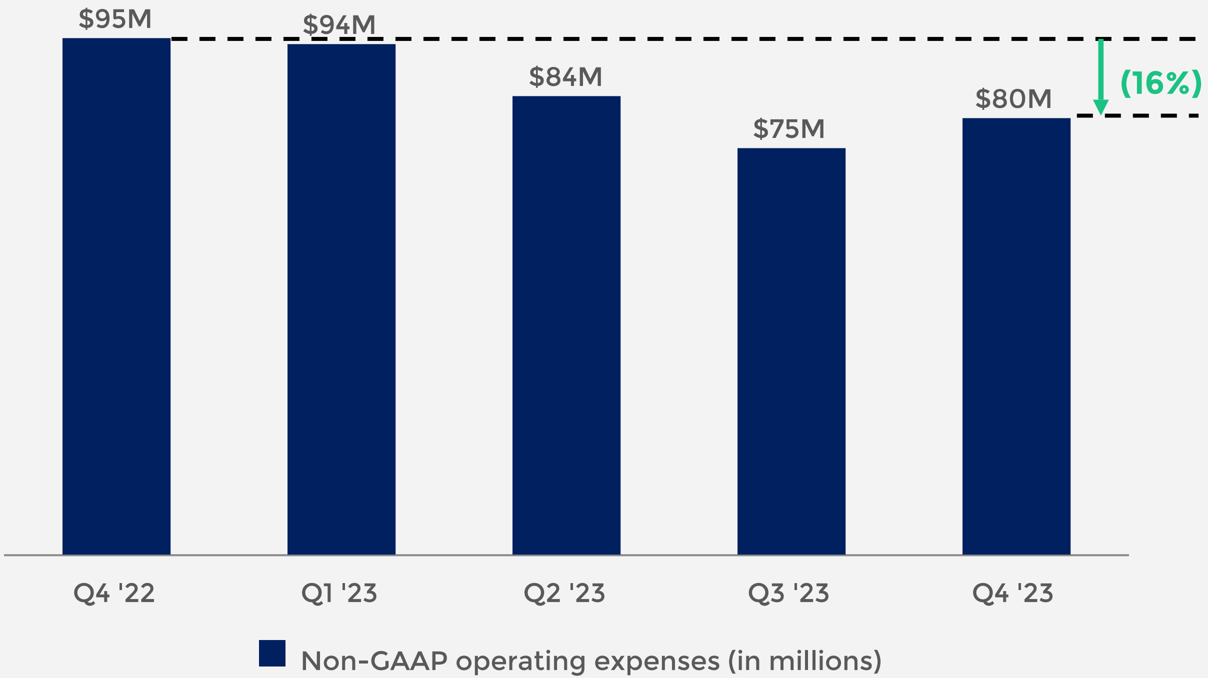
[1] Includes a 59 percentage point negative growth impact driven by the change in revenue presentation associated with the Cash App renewal

Quarterly Gross Profit and Gross Profit Margin



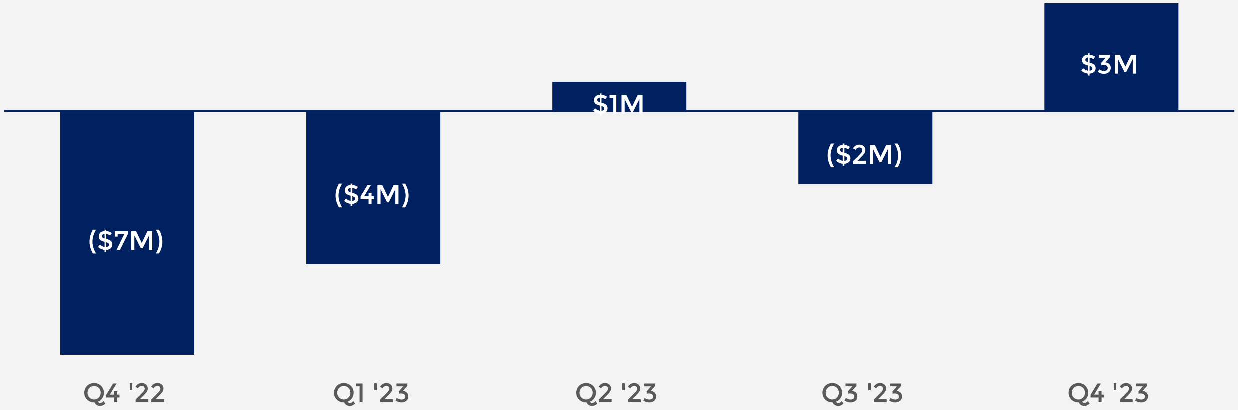
[1] Year-over-year contraction is driven by the impact of the Cash App renewal

Quarterly Non-GAAP Operating Expenses [1]



[1] See "Information regarding Non-GAAP Measure" for definition of Non-GAAP Operating Expenses as well as "Reconciliation of GAAP to Non-GAAP Measures" for Non-GAAP reconciliation.

Quarterly Adjusted EBITDA and Adjusted EBITDA Margin [1]



	Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23
Adjusted EBITDA Margin	**(4%)**	**(2%)**	**0%**	**(2%)**	**3%**

Non-GAAP Adjusted EBITDA (in millions)

[1] See “Information regarding Non-GAAP Measure” for definition of Adjusted EBITDA and Adjusted EBITDA Margin as well as “Reconciliation of GAAP to Non-GAAP Measures” for Non-GAAP reconciliation.

Information Regarding Non-GAAP Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), this earnings supplement contains certain non-GAAP financial measures. Marqeta considers Adjusted EBITDA, Adjusted EBITDA Margin, and Non-GAAP operating expenses as supplemental measures of the company's performance that are not required by, nor presented in accordance with GAAP.

We define Adjusted EBITDA 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 consist 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.

Adjusted EBITDA Margin 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.

We define Non-GAAP operating expenses 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 consist of due diligence costs, transaction costs and integration costs related to potential or successful acquisitions and cash and non-cash postcombination compensation expenses.

Adjusted EBITDA, Adjusted EBITDA Margin, and Non-GAAP operating expenses should not be considered in isolation, or construed as an alternative to net loss, or any other performance measures derived in accordance with GAAP, or as an alternative to cash flow from operating activities or as a measure of the company's liquidity. In addition, other companies may calculate Adjusted EBITDA differently than Marqeta does, which limits its usefulness in comparing Marqeta's financial results with those of other companies.

Reconciliation of GAAP to Non-GAAP Measures

	Three Months Ended,				
(dollars in thousands)	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net revenue	**$ 203,805**	**$ 217,343**	**$ 231,115**	**$ 108,891**	**$ 118,822**
Net loss	**$ (26,326)**	**$ (68,800)**	**$ (58,797)**	**$ (54,990)**	**$ (40,376)**
Net loss margin	(13)%	(32)%	(25)%	(51)%	(34)%
Total operating expenses	**$ 141,447**	**$ 176,596**	**$ 154,030**	**$ 142,334**	**$ 139,571**
Net loss	$ (26,326)	$ (68,800)	$ (58,797)	$ (54,990)	$ (40,376)
Depreciation and amortization expense	1,019	1,980	2,494	3,108	3,159
Share-based compensation expense	45,081	45,999	47,056	45,548	45,027
Payroll tax expense related to share-based compensation	209	640	638	541	393
Acquisition related expenses	526	34,468	11,684	18,270	11,051
Plus: Restructuring	–	–	8,373	297	–
Other expense (income), net	(28,468)	(11,672)	(10,762)	(15,074)	(14,932)
Income tax expense (benefit)	471	(6,960)	138	238	(1,030)
Adjusted EBITDA	**$ (7,488)**	**$ (4,345)**	**$ 824**	**$ (2,062)**	**$ 3,292**
Adjusted EBITDA Margin	**(4%)**	**(2%)**	**0.4%**	**(2%)**	**3%**
GAAP Total operating expenses	$ 141,447	$ 176,596	$ 154,030	$ 142,334	$ 139,571
Depreciation and amortization expense	(1,019)	(1,980)	(2,494)	(3,108)	(3,159)
Share-based compensation expense	(45,081)	(45,999)	(47,056)	(45,548)	(45,027)
Payroll tax expense related to share-based compensation	(209)	(640)	(638)	(541)	(393)
Plus: Restructuring	–	–	(8,373)	(297)	–
Acquisition related expenses	(526)	(34,468)	(11,684)	(18,270)	(11,051)
Non-GAAP operating expenses	**$ 94,612**	**$ 93,509**	**$ 83,785**	**$ 74,570**	**$ 79,941**