

BM Technologies

4Q 2022 – Investor Presentation

March 2023

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BMTX at a Glance

BM Technologies' BaaS digital banking platform enables the acquisition of customers at higher volumes and substantially lower expense than traditional banks, while providing significant benefits to its customers and partners

- Leading digital banking platform and “Banking-as-a-Service” provider
- Innovative, efficient, risk-oriented Fintech with a Sponsor Bank model
- Robust in-house risk management, compliance, and program management capabilities
- Servicing millions of customers and \$1B+ in deposits while providing significant benefits to its customers and partners

BM Technologies
NYSE American: BMTX

2022 Revenue	\$83.6M
2022 Core EBITDA ¹	\$14.5M

Listed on:



2022 Year in Review

Revenue (\$M)



Core EBITDA¹ (\$M)



Full Year 2022 Financial Highlights

- \$1.8B average consolidated serviced deposits
- \$2.9B consolidated BMTX debit spend
- \$12.2B in financial aid disbursed
- Approximately 500k new account sign ups
- Approximately 750 college & university partners

Account Performance Metrics

Revenue	Revenue per 90-day active account was \$185 in 2022
Deposits	Average deposit balance per 90-day active account was \$4,322 in 2022
Spend	Average spend per 90-day active account was \$6,975 in 2022
Highly Active BaaS Users¹	<p>Average debit card spend for highly active users was \$17,700 annualized in 4Q 2022</p> <p>Average deposit balance of highly active users was \$3,200 in 4Q 2022</p> <p>Highly active users make up approximately 20% of active users</p>

1) Highly active users have both direct deposit and a minimum of 5 transactions per month

2023 Business Updates

New Partner Bank



- New deposit servicing agreement with variable rate structure
- Durbin-exempt partner bank provides further benefit to interchange revenue

Updated Partner Bank



- New Customers Bank deposit servicing agreement for existing and largest BaaS partner with variable rate structure

BaaS Partner Renewal



- Existing and largest BaaS partnership renewed through 2025
- Continued access to tens of millions of customers

Execution Plan

Growth Strategy

- Continue to execute and enhance our “Customer for Life” strategy
- Build pipeline of new opportunities with mid to large size customers
- Technology enhancements to improve user experience, adoption, and retention
- Develop strategic partnerships that add value to existing customers and create access to new customers

Cost Reductions

- PEP is expected to deliver approximately \$15M in 2023 cost reductions, improve margins, and operating cash flow
- Currently on target with approximately \$7M of annualized savings realized during Q1 2023, primarily related to headcount
- Concurrently implementing multiple operational efficiency improvements throughout business operations to yield additional expected savings over remainder of 2023

2023 Financial Outlook

- Core EBITDA¹ results for 1H 2023 are expected to be in-line with 2H 2022
- Significant improvement is expected in 2H 2023 when new variable rate servicing fees, Durbin-exempt interchange fees, and PEP savings begin to be fully realized
- Core EBITDA¹ estimated at approximately \$14M for full year 2023
- Generate positive free cash flow in 2H 2023
- Continue to evaluate strategic opportunities to increase shareholder value

Strengthened Management Team

Leading the Next Phase of Growth



***Luvleen Sidhu,
Founder, Chair, CEO***



***Raj Singh
Co-CEO***



***Jamie Donahue
President***



***Jim Dullinger
CFO***

Summary Investment Highlights

Attractive Valuation¹

- Market capitalization is <3.0x 2022 Core EBITDA²
 - Market capitalization is <0.6x 2022 Revenues
-

Market Leader in Higher Education

- Dominant higher education market share
 - ~ 750 college and university campus partners provide access to 5M college students
 - Replenishing TAM w/ new incoming students each year
 - Significant barriers to entry in highly regulated space
 - >\$500M average balance of nearly noninterest-bearing deposits
 - >\$12B of refunds disbursed annually
 - 99% retention of school partners
-

Dominant FinTech in BaaS Market

- Among the largest and most established FinTech companies in terms of scale, customers, and deposits
 - Strong and positive brand recognition across millions of current and former customers/account holders
 - Renewed BaaS partnership with leading mobile carrier providing access to tens of millions of customers
 - Partnership with Helix by Q2, Inc.
 - Strong in-house compliance, BSA/AML, fraud prevention, and customer service
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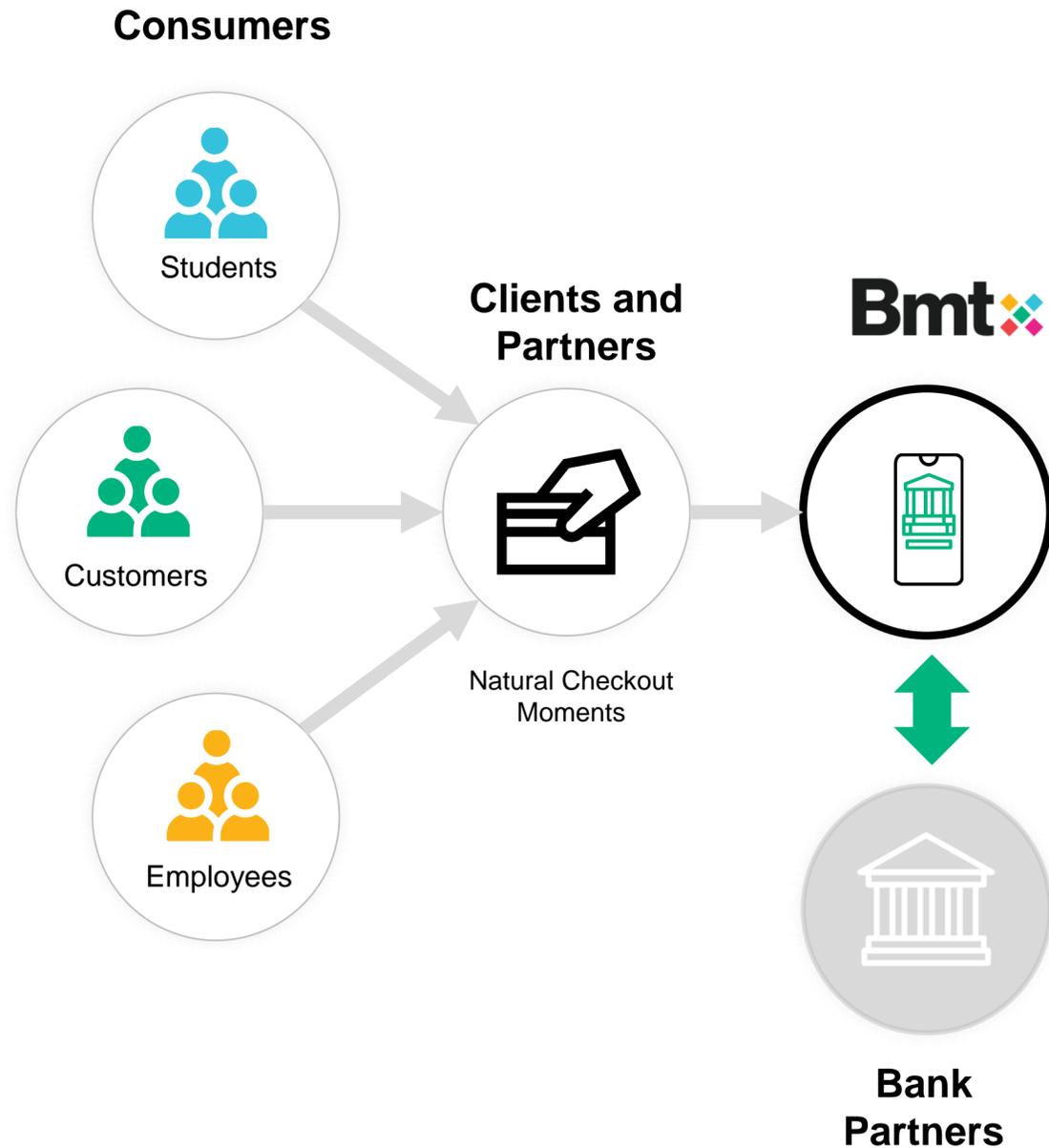
Financial Strength

- Financially strong, debt free, with operating free cash flow
 - Low Customer Acquisition Cost
 - Strong margins on incremental revenues
 - New partner bank agreements offer better economics with variable rate pricing structure
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Appendix

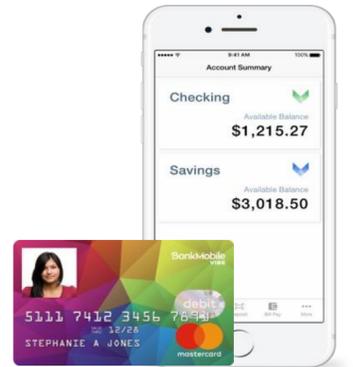
B2B2C Approach – Low Customer Acquisition Cost



Higher-Ed Banking



- Distribute financial aid refunds and other disbursements
- Eliminate administrative burden and complexity
- Offer students access to banking services
- Reduce processing costs by ~\$125k / year / client



Banking-as-a-Service (“BaaS”)



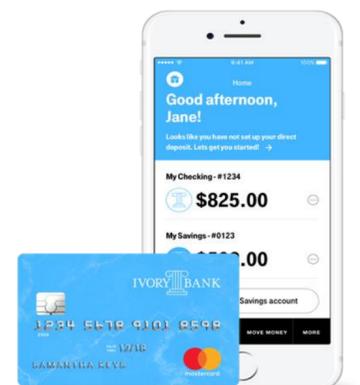
- Offer financial services through BaaS partnerships
- Attract customers by improving banking experience in historically-underserved segments
- Deliver customizable, partner branded rewards and special offers to further drive loyalty
- Create net-new, passive revenue streams for partners with lower customer attrition
- Helix by Q2, Inc. partnership will provide additional BaaS customer leads



Niche D2C



- Deploy differentiated financial products targeted to underserved affinity groups
- Modern digital banking experience via interest-bearing accounts, no fees and unique value propositions for segments



Diversified Revenue Streams

Revenue Breakout By Major Category*

Card Revenue 27%	Interchange and MasterCard incentive income based on card activity and out-of-network ATM fees
Deposit Servicing Fees 53%	Fee charged to partner bank(s) based on average balances of serviced deposits
Account Fees 11%	Monthly account fees, wire fees, and card replacement fees
University Fees 7%	Subscription and transactional fees charged to colleges based on enrollment size, competitive marketplace and disbursement channels, and options
Other Fees 2%	Various other fees

* % of 2022 Revenues

Summary Income Statement¹

(dollars in thousands)	Q4	Q3	Q2	Q1	Q4	Twelve Months		YoY Change	
	2022	2022	2022	2022	2021	Ended Dec 31,	Ended Dec 31,	\$	%
						2022	2021		
Interchange & card revenue	\$ 5,035	\$ 5,325	\$ 5,315	\$ 6,643	\$ 6,548	\$22,318	\$28,078	\$(5,760)	(21) %
Servicing fees	6,931	10,163	13,295	14,192	13,331	44,581	45,105	(524)	(1) %
Account fees	2,120	2,110	2,207	2,555	2,695	8,992	10,543	(1,551)	(15) %
University fees	1,328	1,357	1,446	1,603	1,564	5,734	5,693	41	1 %
Other revenue	270	903	745	54	1,121	1,972	5,286	(3,314)	(63) %
Total GAAP Operating Revenue	\$15,684	\$19,858	\$23,008	\$25,047	\$25,259	\$83,597	\$94,705	\$(11,108)	(12) %
GAAP Operating Expense	\$23,254	\$24,138	\$23,377	\$22,084	\$24,354	\$92,853	\$89,039	\$3,814	4 %
Less: merger expense	—	—	(1)	(289)	(65)	(290)	(65)	(225)	346 %
Less: non-cash equity compensation	(2,641)	(2,743)	(3,053)	(2,919)	(3,386)	(11,356)	(11,343)	(13)	— %
Less: depreciation and amortization	(3,004)	(2,995)	(3,030)	(3,073)	(3,105)	(12,102)	(11,959)	(143)	1 %
Total Core Operating Expense	\$17,609	\$18,400	\$17,293	\$15,803	\$17,798	\$69,105	\$65,672	\$ 3,433	5 %
Core EBITDA	\$(1,925)	\$ 1,458	\$ 5,715	\$ 9,244	\$ 7,461	\$14,492	\$29,033	\$(14,541)	(50) %
Core EBITDA Margin	(12) %	7 %	25 %	37 %	30 %	17 %	31 %	(13) %	(43) %

1) Note: Core EBITDA, Core EBITDA Margin and Core OpEx are non-GAAP measures.

Non-GAAP Reconciliations

Reconciliation - GAAP Net Income (Loss) to Core Net Income (Loss) (in thousands, except per share data)

	Q4	Q3	Q2	Q1	Q4	Twelve Months Ended	
	2022	2022	2022	2022	2021	December 31,	
						2022	2021
GAAP net income (loss)	\$ (4,185)	\$ (4,920)	\$ 4,362	\$ 3,964	\$ (1,350)	\$ (779)	\$ 17,043
Add: loss (gain) on FV of private warrant liability	(1,151)	1,369	(5,640)	(2,644)	764	(8,066)	(17,225)
Add: merger expenses	—	—	1	289	65	290	65
Add: non-cash equity compensation	2,641	2,743	3,053	2,919	3,386	11,356	11,343
Less: tax (@ 27%) on taxable non-core items	—	—	—	(78)	(18)	(78)	(18)
Core net income (loss)	\$ (2,695)	\$ (808)	\$ 1,776	\$ 4,450	\$ 2,847	\$ 2,723	\$ 11,208
Core diluted shares	11,942	11,995	12,600	12,563	11,939	11,942	11,939
Core diluted earnings (loss) per share	\$ (0.23)	\$ (0.07)	\$ 0.14	\$ 0.35	\$ 0.24	\$ 0.23	\$ 0.94
GAAP diluted earnings (loss) per share	\$ (0.35)	\$ (0.41)	\$ 0.35	\$ 0.32	\$ (0.11)	\$ (0.07)	\$ 1.43

Reconciliation - GAAP Net Income (Loss) to Core EBITDA (in thousands)

	Q4	Q3	Q2	Q1	Q4	Twelve Months Ended	
	2022	2022	2022	2022	2021	December 31,	
						2022	2021
GAAP net income (loss)	\$ (4,185)	\$ (4,920)	\$ 4,362	\$ 3,964	\$ (1,350)	\$ (779)	\$ 17,043
Add: loss (gain) on FV of private warrant liability	(1,151)	1,369	(5,640)	(2,644)	764	(8,066)	(17,225)
Add: depreciation and amortization	3,004	2,995	3,030	3,073	3,105	12,102	11,959
Add: interest	—	—	—	—	—	—	96
Add: taxes	(2,234)	(729)	909	1,643	1,491	(411)	5,752
Add: merger expenses	—	—	1	289	65	290	65
Add: non-cash equity compensation	2,641	2,743	3,053	2,919	3,386	11,356	11,343
Core EBITDA	\$ (1,925)	\$ 1,458	\$ 5,715	\$ 9,244	\$ 7,461	\$ 14,492	\$ 29,033