

BM Technologies

Q2 2021
Investor Presentation

August 2021

***A Banking-as-a-Service pioneer, enabling
non-banks and banks to build financial
services for their customers***

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Q2 BMTX at a Glance



One of America's Largest Digital Banking Platforms

Approximately 2M accounts
Opening 450k accounts annually
\$67 million in 2020 Revenue
2020 EBITDA Positive: \$3.5M



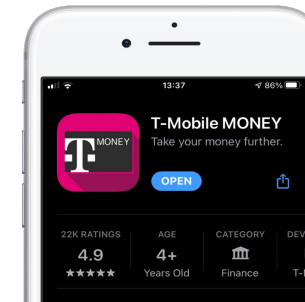
Expert in B2B2C Banking

Proprietary Banking-as-Service Technology
Approximately 735 University Partners
Serve 1 in every 3 students
T-Mobile Partnership
Google Partnership
4.9 App Store Rating / 65+ NPS



Focused on Millennials/Underserved middle income Americans

Customer-centric & affordable banking
Create customers for life with full suite of banking products



Q2 Financial Highlights: Record 1H Results

#1

**EBITDA
+11X YoY**

- Q2 Core EBITDA⁽¹⁾: \$5.2mm
 - Core EBITDA⁽¹⁾ Increased \$6M YoY, an 11X YoY increase
- 1H21 Record Core EBITDA⁽¹⁾ of \$13.9M is nearly 4x 2020 Core EBITDA of \$3.5M

#2

**Core EPS of
\$0.10**

- Q2 Core earnings⁽¹⁾ of \$1.2M, compared to a core loss of \$4.1M in Q2 2020
- Q2 Core EPS⁽¹⁾ of \$0.10, compared to a loss per share of \$0.67 in Q2 2020

#3

**Core Revenues
Improved 46%
YoY**

- Q2 Core Revenue⁽¹⁾ of \$22.7M
 - \$7.1M improvement over Q2 2020

#4

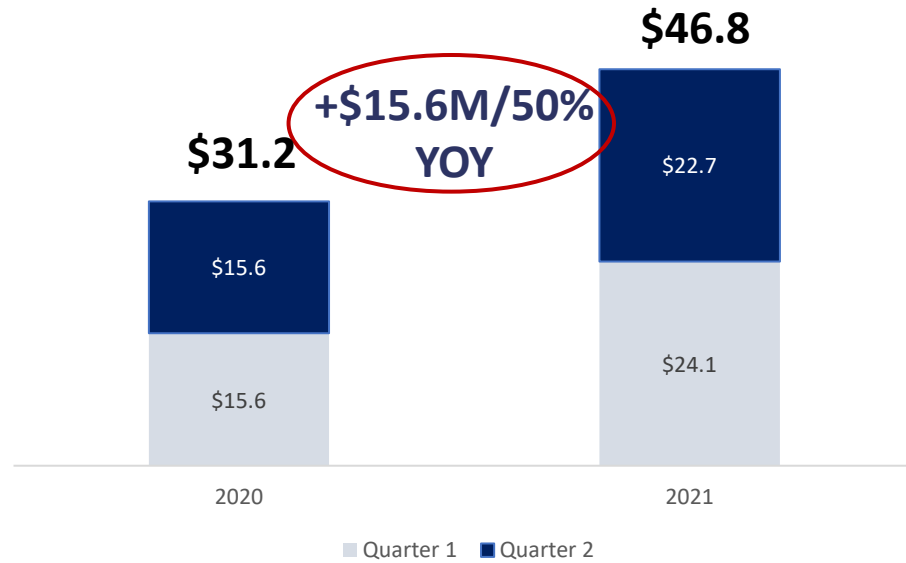
**New Accounts
Opened**

- Approximately 200K accounts opened in 1H21

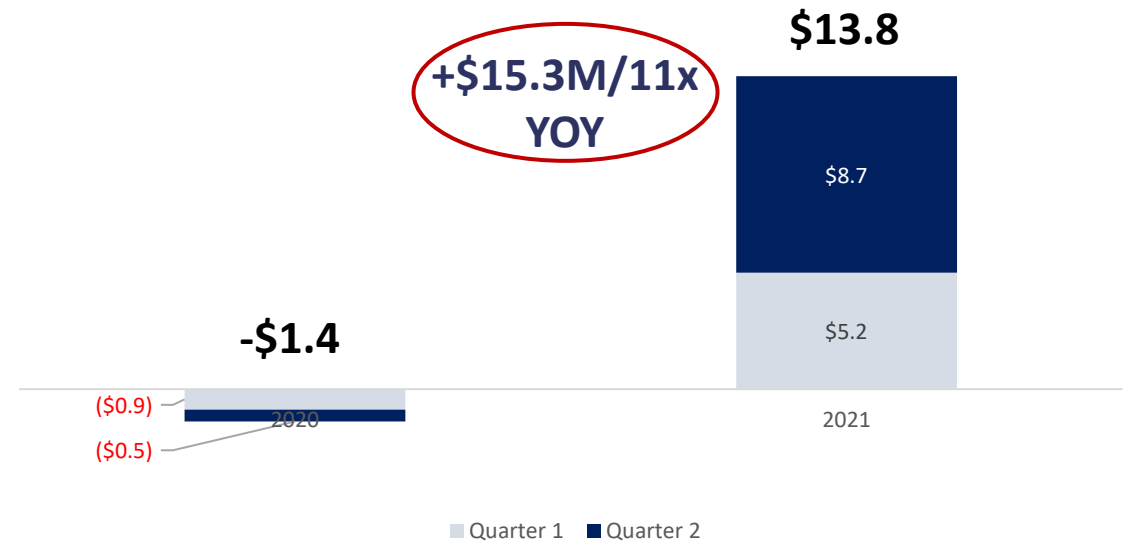
(1) Note: Core Revenue, EBITDA, and EPS are Non-GAAP Measures, see slides 18 and 19 for further detail

Strong YoY 1H Core Revenue and Core EBITDA Growth

Core Revenue (\$MM) ⁽¹⁾



Core EBITDA (\$MM) ⁽¹⁾



(1) Note: Core EBITDA and Revenue are non-GAAP measures, see slides 18 and 19 for further detail

Q2 Highlights: Deposit and Spend

#1

Average
Serviced
Deposits
+126% YoY

- Average Serviced New Business⁽¹⁾ Deposits increased \$848M
 - 616% YoY growth
- Average Serviced Higher Education deposits increased \$21M/4% YoY
- Organic Deposits⁽²⁾ grew \$39M/7% YoY; increased 29% compared to 1H20 to \$1.2B
 - Indicates strong primary banking behavior

#2

Debit Card
Spend
+19% YoY

- Total BMTX Debit Spend Increased \$134M
 - 19%YoY Growth
- New Business Debit Spend increased \$80M
 - 91% YoY Growth

#3

\$2.3B in Q2
Disbursement
Volume

- \$2.3B in Financial Aid disbursed in Q2 / \$6.4B disbursed YTD

#4

Approximately
\$52M In Q2
Stimulus
Funds

- \$12M in Direct Stimulus (stimulus direct to individuals)
- \$40M in CARES Act Stimulus (stimulus distributed by schools)

(1) Note: Note: New Business includes White Label Partners and Workplace Banking;

(2) Note: Organic deposits defined as Cash inflows to end user deposit accounts, not attributable to higher education disbursements or white label partner incentive payments.

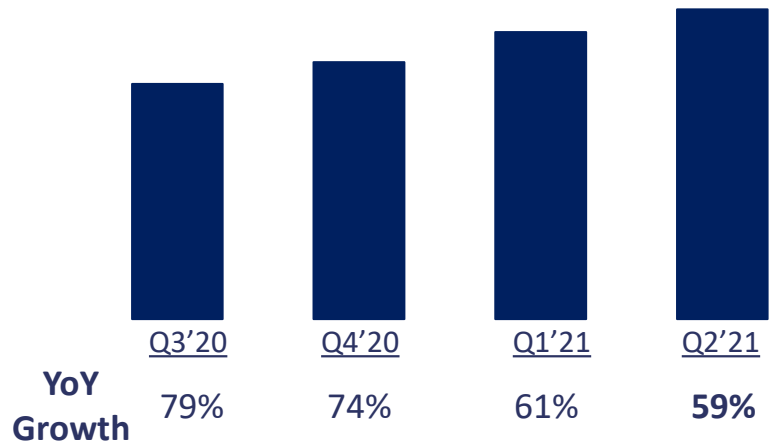
Per Account Metrics⁽¹⁾

		Q2' 2020	Q2' 2021	Growth %
BMTX	Revenue / Account	\$32	\$45	41%
BMTX	Deposits/Account	\$1,559	\$3,434	120%
	Spend/Account	\$1,567	\$1,824	16%
New Business	Deposits/Account	\$1,892	\$8,236	335%
	Spend/Account	\$1,207	\$1,399	16%
Student Business	Deposits/Account	\$1,491	\$1,714	15%
	Spend/Account	\$1,638	\$1,977	21%

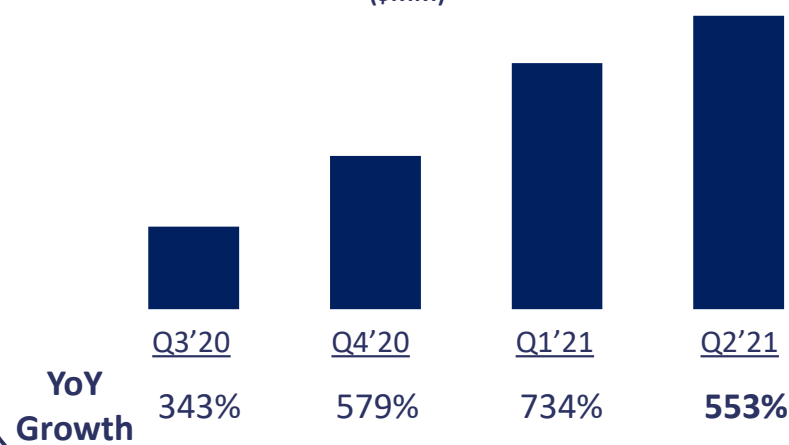
1) All metrics are per 90-Day active accounts

New Business Verticals Performance

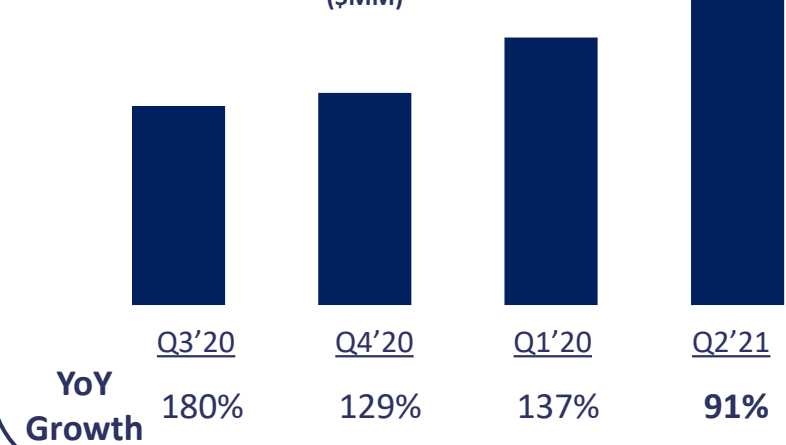
Number of Accounts (TTM)



EOP Serviced Deposit Balances (TTM) (\$MM)



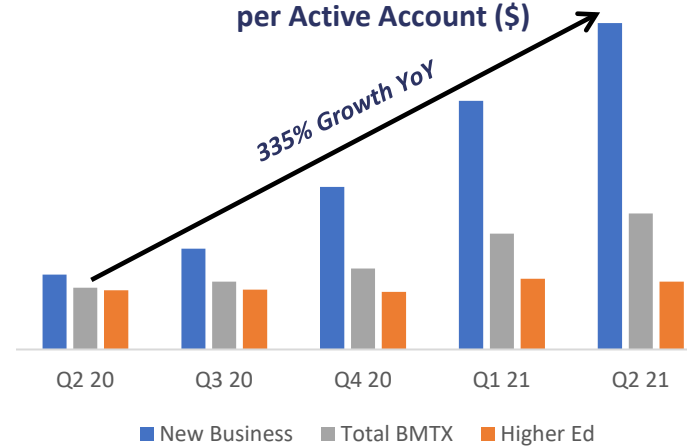
Card Spend (TTM) (\$MM)



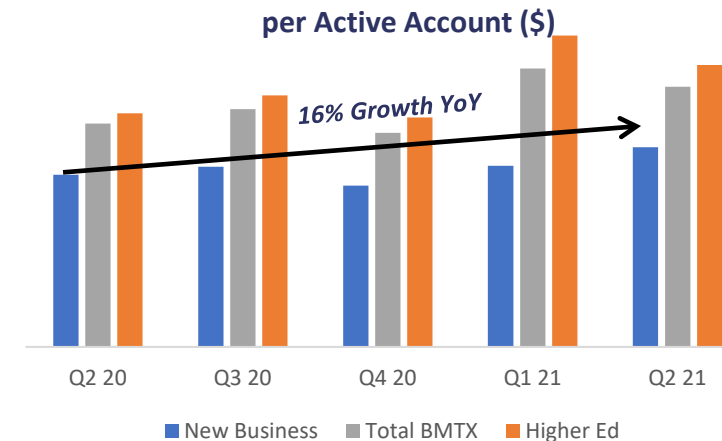
Account Level Performance of the New Business Verticals

- Quarterly card spend has increased 91% over Q2 2020 and the number of accounts opened has increased 59%.
- Ending serviced deposit balances are growing exponentially, increasing 553% in the last twelve months.
- Overall growth is driven by both increasing number of accounts and average account performance
- New Business "Per Active Account" Metrics:
 - Avg Serviced Deposits Balances +335% YoY per account
 - Quarterly Card Spend +16% YoY per account

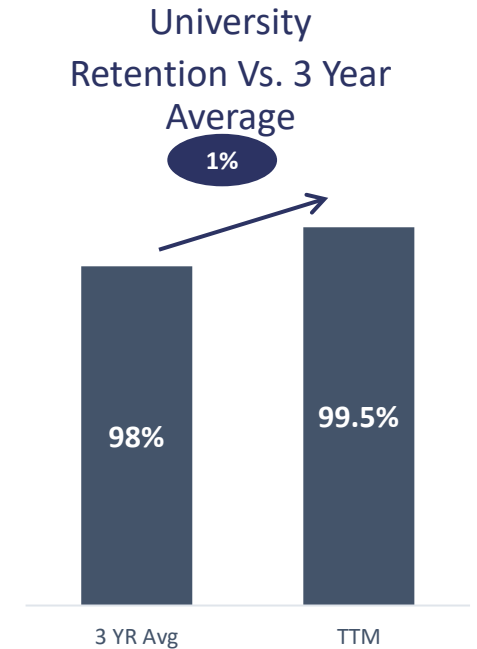
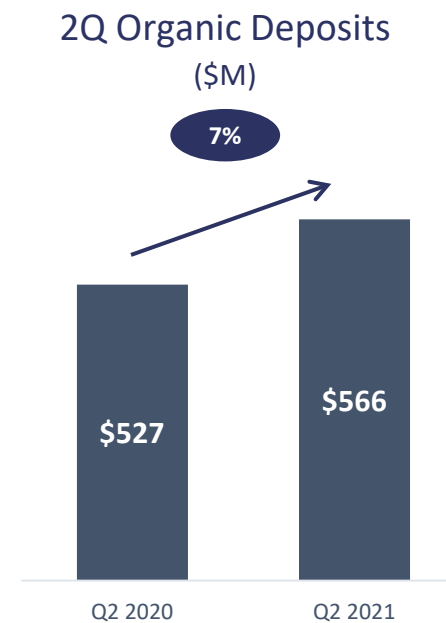
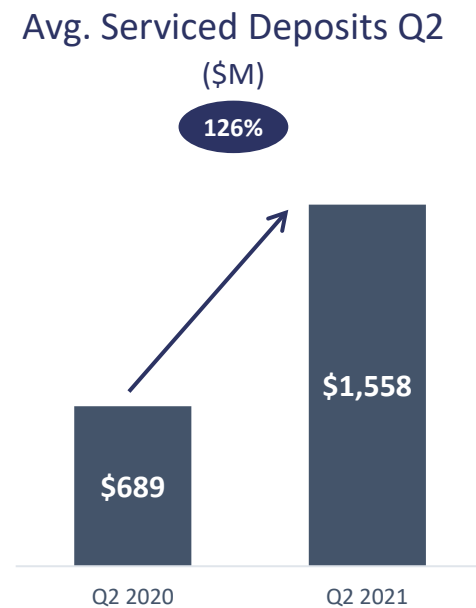
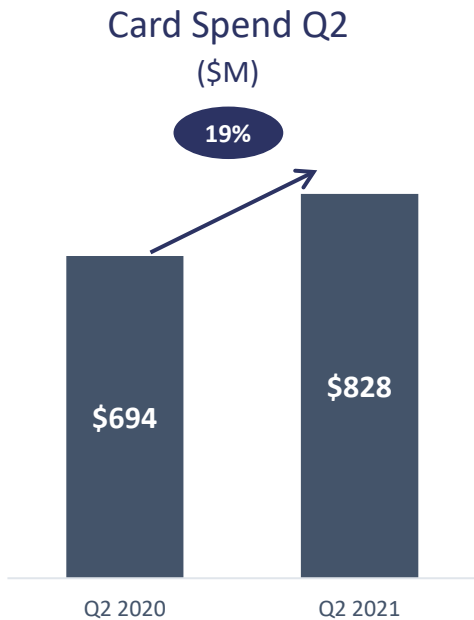
AVG Serviced Deposit Balances per Active Account (\$)



Card Spend per Quarter per Active Account (\$)



Demonstrating Strong Performance Across Key Metrics



Comments:

Debit Card spend grew 19% YoY in Q2 2021.

Growth driven by increases in account balances, organic deposits, and federal stimulus tailwind

Growth driven by stronger performing accounts and boosted by federal stimulus programs

Q2 TTM retention is above average of trailing 3 years' retention

Definition:

The aggregate amount of spend on debit cards in Q2 2021 vs Q2 2020

Aggregate, end of period balance of serviced customer deposits across all business lines

Cash inflows to end user deposit accounts, not attributable to higher education disbursements or white label partner incentive payments

Calculated as one minus the annual SSE attrition over beginning of the year SSE count

Highly Attractive Business Model

Income Statement – Historical

Revenue Breakout by Major Categories

Card Revenue 39%	▶	Interchange and MasterCard incentive income based on card activity and out-of-network ATM fees
Deposit Servicing Fees 33%	▶	Fee charged to partner bank(s) based on average balances of serviced deposits
Account Fees 17%	▶	Monthly account fees, wire fees and card replacement fees
University Fees 8%	▶	Subscription and transactional fees charged to colleges based on enrollment size, competitive marketplace and disbursement channels and options
Other Fees 2%	▶	Various nominal other fees, including fees associated with cash deposits

% of Total 2020 Revenues

Historical Income Statement

	2019 Pro Forma Core ⁽¹⁾	2020 Pro Forma Core ⁽¹⁾	2021 'Q1	2021 'Q2
(Dollars in Millions)				
Interchange and Card Revenue	28.1	26.3	8.4	7.2
Servicing Fees From Customers Bank	16.5	22.3	9.1	10.4
Account Fees	10.9	11.3	2.7	2.6
University Fees	5.0	5.3	1.3	1.3
Other Fees	0.9	1.5	2.7	1.2
Pro Forma Core Revenues	\$61.3	\$66.7	\$24.1	\$22.7
Less: Pro Forma Core OpEx (Excl. Deprec. & Amort.)	63.6	63.1	15.4	17.5
Pro Forma Core EBITDA	(\$2.2)	\$3.5	\$8.7	\$5.2
Less: Interest Expense	0.5	1.4	0.05	0.04
Less: Deprec. & Amort.	9.3	11.9	3.0	3.0
Pro Forma Core Pre-Tax Income	(\$12.1)	(\$9.8)	\$5.7	\$2.2
Average Serviced Deposits	\$549	\$750	\$1,317	1,558
YoY Growth				
<i>Average Serviced Deposits</i>		37%	112%	126%
<i>Pro Forma Core Revenues</i>		9%	54%	46%
<i>Pro Forma Core OpEx (Excl. Depreciation & Amortization)</i>		(1%)	(7%)	9%

1) 2019 financials are shown pro forma for BM Technologies' current deposit servicing and expense agreements with Customers Bank
 2) Core Revenue, OpEx, and EBITDA are Non-GAAP financial measures; see pages 18 and 19 for reconciliations to Non-GAAP financial measures

Q2 BTMX Business Highlights

#1

Strong Pipeline of New School Prospects

- YTD BMTX added 8 new schools with over 47K students
- BMTX has a strong pipeline

#2

Strong Retention of Portfolio Schools

- BMTX has retained nearly 100% of its higher education college and university partners
- Promoting Vendor Pay in all renewals – more products increases “stickiness”

#3

Extending BAAS to Banks and Credit Unions

- We recently announced plans to serve banks and credit unions looking to expand their digital presence and leverage BMTX’s proprietary banking technology stack

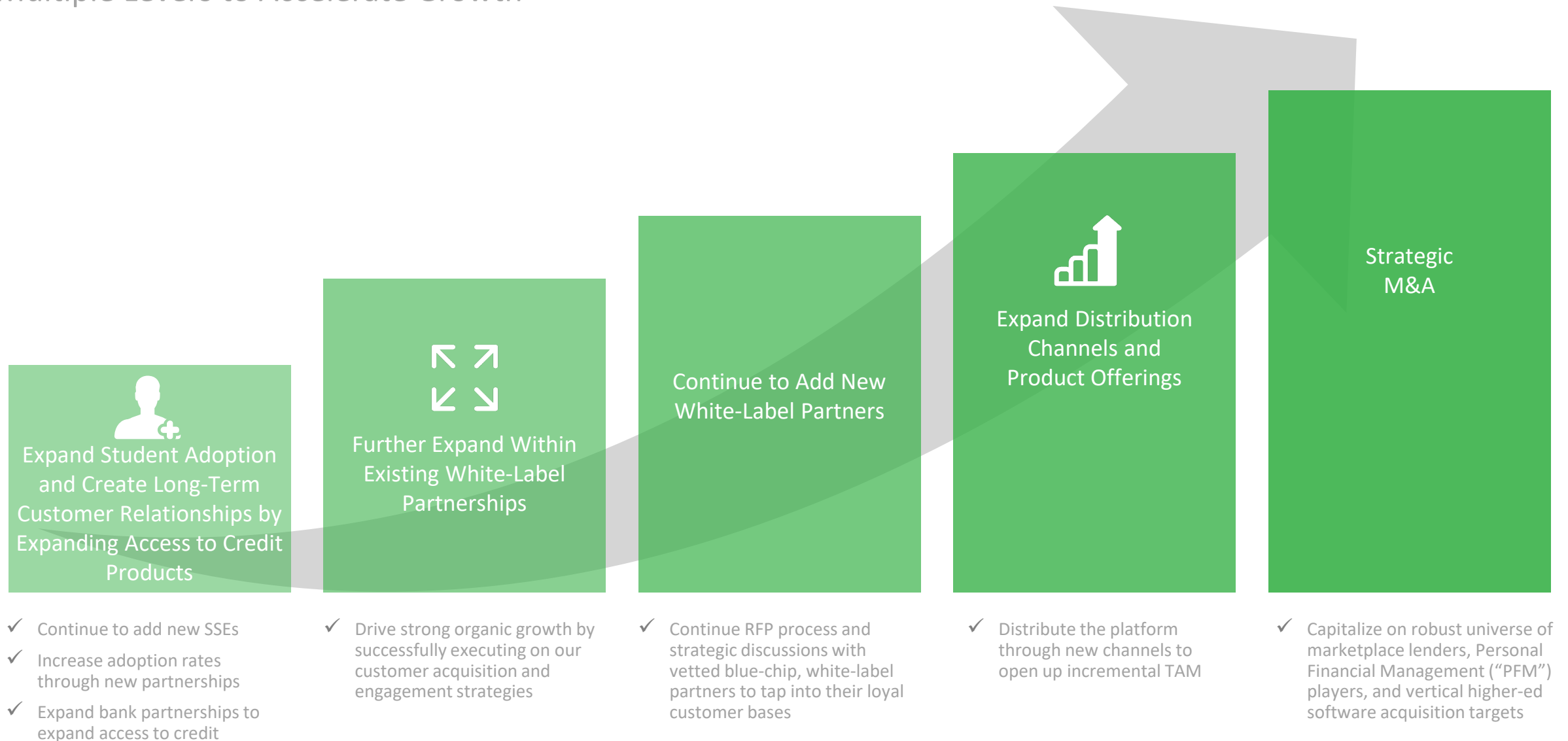
#4

New Strategic Partnerships

- BMTX announced key product partnerships this quarter for credit monitoring and identity protection; also announced new Workplace Banking distribution partner

Tremendous Platform Growth Opportunity

Multiple Levers to Accelerate Growth



Looking Forward: 5 Pillars Of the BMTX Banking Platform



Banking



Lending



Advice

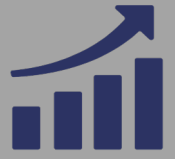
Next 6-18 Months

*New Credit Monitoring and
Identity Protection Services
signed in Q2*



Crypto

Next 6-18 Months

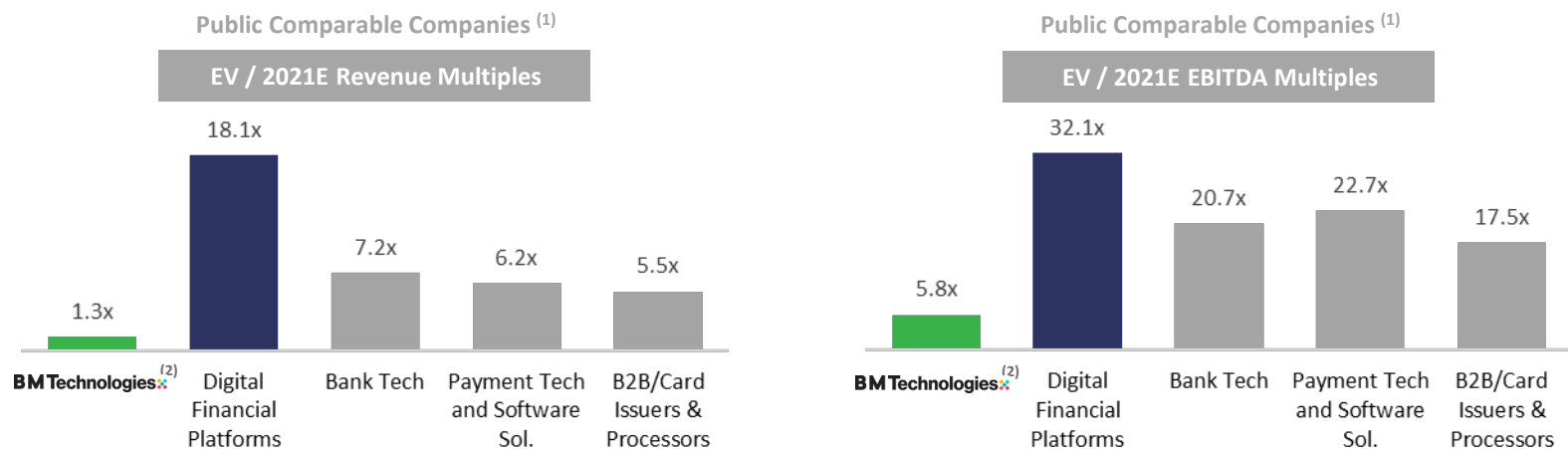


Investing & Insurance

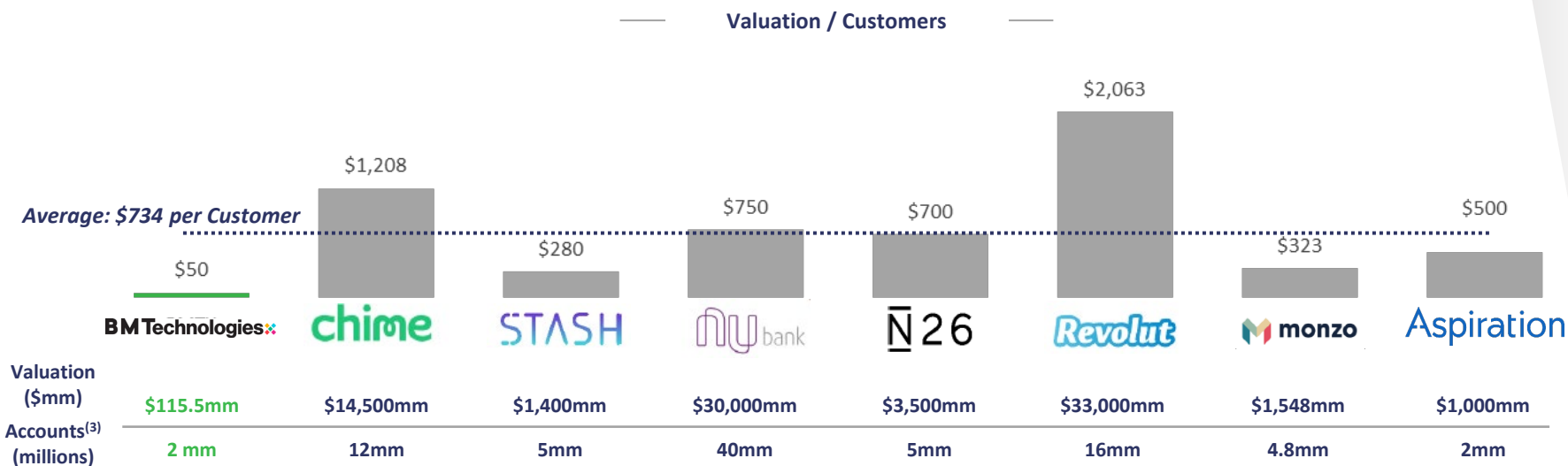
Next 6-18 Months

Valuation Overview

- Enterprise Value multiples are valued at a significant discount when looking at 2021E EBITDA and revenue



- Private market valuations for US and Int'l Neobanks using disclosed valuations and number of accounts⁽³⁾



	Enterprise Value /	
	2021E Rev.	2021E EBITDA
Digital Financial Platform Comparables		
SoFi	21.3x	32.1x
Moneylion	16.2x	NM
Dave	18.1x	NM
Median	18.1x	32.1x

Bank Tech Comparables		
FIS	7.4x	16.5x
Intuit	14.3x	39.2x
Fiserv	5.9x	15.0x
ADP	5.9x	23.4x
Jack Henry	7.2x	22.2x
Temenos	12.6x	28.1x
Q2	10.4x	NM
ACI Worldwide	3.6x	12.8x
Bottomline Tech.	3.9x	19.1x
Median	7.2x	20.7x

Payment Technology and Software Solutions Comparables		
PayPal	12.6x	42.2x
Square	6.2x	NM
Repay	10.4x	24.0x
Global Payments	7.9x	16.7x
i3 Verticals	4.3x	16.0x
Shift4 Payments	4.2x	32.1x
Paya, Inc.	5.8x	21.5x
Median	6.2x	22.7x

B2B / Card Issuers & Processors Comparables		
FleetCor	9.7x	17.5x
WEX	5.8x	15.7x
Alliance Data Systems	4.3x	13.3x
Worldline	5.1x	19.9x
EML Payments	5.5x	18.4x
Median	5.5x	17.5x

Source: Capital IQ & FactSet Research Systems, Inc.; Market data as of 8/6/2021

Note: Multiples exclude valuations less than 0.0x and greater than 50.0x; Peer data reflects consensus estimates

1) Reflects median values for comparable companies in each respective industry

2) 2021 Revenue and EBITDA based on consensus estimates from S&P Global of \$91M for revenue and \$20.0M for EBITDA as of 8/6/2021

3) FT Partners Research, "The Rise of Challenger Banks", Business Insider, TechCrunch and Bloomberg; References to number of customers is assumed to apply accounts; BMT account data as of 12/31/2020

Key Investment Highlights



Strong Financial Results

Q2 Core EBITDA⁽¹⁾ **\$5.2M**

Q2 Core Revenue⁽¹⁾ **Up 46% YoY**



Established Customer Base

~2 million Accounts



Account Growth

Over **450K Accounts** Opened in TTM



Attractive Valuation

Deep Discount to Public and Private Peer Set



Strong Existing Partnerships

Approx. 735 University Partners

T-Mobile, Google



Deep Customer Engagement

41% Revenue Per Active Account YoY Increase

Higher Balances & Spend



Proprietary Digital Banking Platform

Ready to roll out to White Label and Workplace Banking products

Questions

Capitalization and Ownership

Equity Capitalization Summary

Party	Share Count (millions)	% of Total
Publicly Held	8.9	73.3%
PIPE Investors	1.9	15.7%
BMTX Employees	1.3	11.1%
Total	12.2	100.0%

Capitalization at Closing

Share Price (as of 8/6/21)	\$11.08
Total Shares Outstanding	12.2
BMTX Equity Value	\$135.2
Cash	19.6
Debt	0.0
Enterprise Value	\$115.6
BMTX 2020 Pro Forma Core EBITDA (\$mm) ⁽¹⁾	\$3.5
BMTX 2021E Pro Forma Core EBITDA (\$mm) ⁽²⁾	\$20.0
BMTX 2021E Pro Forma Core Revenue (\$mm) ⁽²⁾	\$91.4
EV / 2020 Pro Forma Core EBITDA	33.0x
EV / 2021E Pro Forma Core EBITDA	5.8x
EV / 2021 Pro Forma Core Revenue	1.3x

1) Core EBITDA is a Non-GAAP financial measures; see pages 18 and 19 for reconciliations to Non-GAAP financial measures
 2) 2021 Revenue and EBITDA based on consensus estimates from S&P Global of \$91M for revenue and \$20M for EBITDA as of 8/6/2021

Reconciliation to Non-GAAP Financial Measures

(dollars in thousands)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	YOY Change	
						\$	%
Interchange and card revenue	\$7,186	\$8,351	\$6,232	\$7,377	\$6,069	\$1,117	18%
Deposit servicing fees	10,387	9,089	6,782	5,718	5,145	5,242	102%
Account fees	2,641	2,686	2,791	2,789	2,819	(178)	(6)%
University fees	1,331	1,324	1,292	1,348	1,395	(64)	(5)%
Other	1,156	2,650	154	1,010	124	1,032	
Core Revenues³	\$22,701	\$24,100	\$17,251	\$18,242	\$15,552	\$7,149	46%
Servicing fee Adjustment	192	283	80	96	(120)	312	NM
Total GAAP revenues	22,893	24,383	17,331	18,338	15,431	7,462	48%
Core OpEx (Excl Dep/Amor)³	\$17,530	\$15,370	15,715	\$14,561	\$16,088	1,357	8%
Servicing fee Adjustment	192	283	80	96	(120)	312	(260)%
Merger expense & software write-down	—	—	1,448	377	35	(35)	(100)%
Depreciation and amortization	2,950	2,960	3,042	2,601	3,045	(95)	(3)%
Total GAAP expenses	\$20,682	\$18,616	\$20,470	\$17,728	\$19,144	1,539	8%
Core EBITDA³	\$5,171	\$8,730	\$1,535	\$3,681	\$(536)	\$5,707	NM
Core EBITDA Margin ³	23%	36%	9%	20%	(3)%		

Reconciliation- GAAP Net Income to Core Net Income

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

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
GAAP net income (loss)	\$(1,836)	\$18,889	\$(3,390)	\$251	\$(4,119)
Add: (loss) gain on FV of private warrant liability	3,056	(15,003)	—	—	—
Add: non-cash loss on software write-down	—	—	1,248	—	—
Add: merger expenses	—	—	287	377	25
Less: tax (@27%) on non-core items	—	—	(414)	(102)	(7)
Core net income (loss)	\$1,220	\$3,886	\$(2,269)	\$526	\$(4,101)
Core Diluted Shares	11,976	15,512	6,123	6,123	6,123
Core EPS	\$0.10	\$0.25	\$(0.37)	\$0.09	\$(0.67)