

# BM Technologies

*Q1 2021*  
Investor Presentation

*May 2021*

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

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## One of America's Largest Digital Banking Platforms

Over 2M accounts  
Opening nearly 450k accounts annually  
\$67 million in 2020 Revenue  
2020 EBITDA Positive (\$3.5M)



## Expert in B2B2C Banking

Proprietary Banking-as-Service Technology 725+ 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

Listed on:



★★★★★  
4.9 Apple App Store Rating



# Q1 Financial Highlights: Record First Quarter

#1

**Core EBITDA  
Up  
10X YoY**

- Q1 Core EBITDA<sup>(1)</sup>: \$8.7mm
  - Core EBITDA Up<sup>(1)</sup> \$9.6M YoY
- Compares favorably with FY 2020 EBTIDA of \$3.5M

#2

**Core Revenues  
Improved 54%  
YoY**

- Q1 Core Revenue of \$24.1M<sup>(2)</sup>
- \$8.5M improvement over Q1 2020 (\$15.6M)

#3

**New Accounts  
Opened**

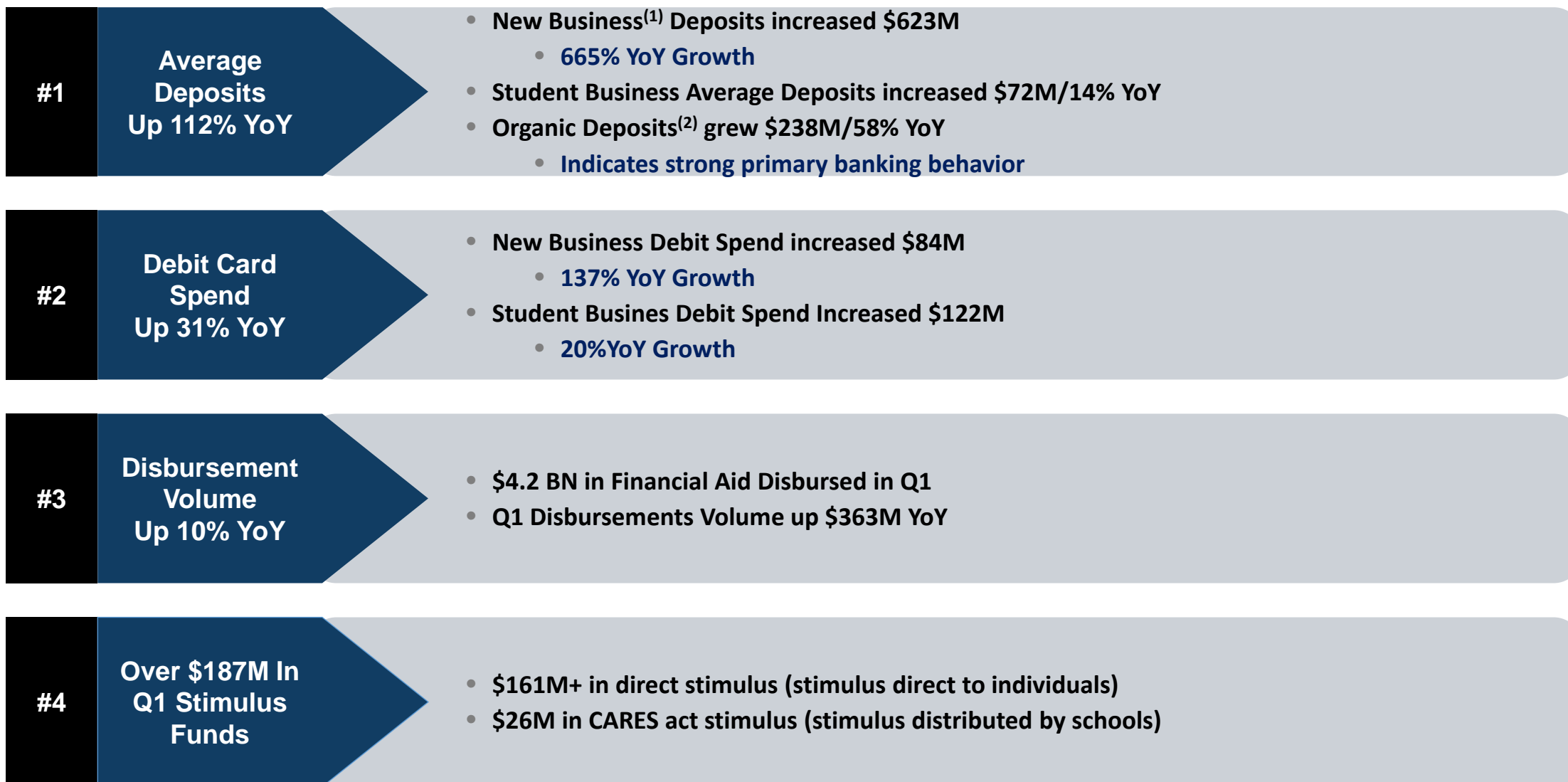
- Approximately 100K accounts opened in Q1

(1) Note: Core EBITDA is a Non-GAAP Measure, see slide 18 for further detail

(2) Note: Core Revenue is a Non-GAAP Measure, see slide 18 for further detail



# Q1 Financial Highlights Deposit and Spend



(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<sup>(1)</sup>

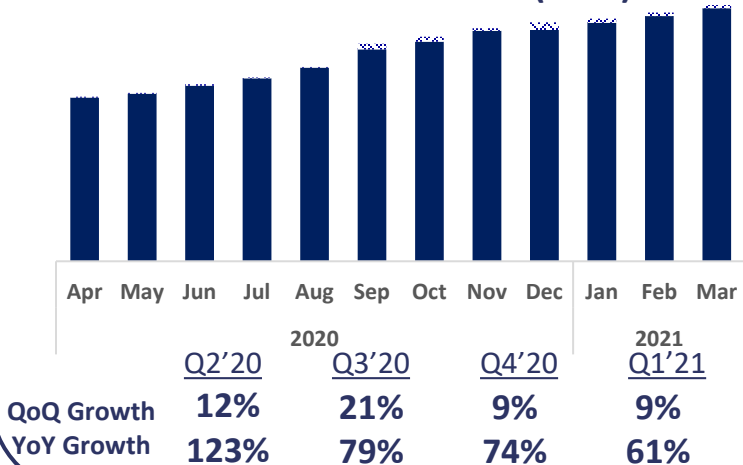
		Q1' 2020	Q1' 2021	Growth %
<b>BMTX</b>	Revenue / Account	\$30	\$42	42%
<b>BMTX</b>	Deposits/Account	\$1,296	\$2,723	110%
	Spend/Account	\$1,408	\$1,820	29%
<b>New Business</b>	Deposits/Account	\$1,475	\$6,037	309%
	Spend/Account	\$963	\$1,221	27%
<b>Student Business</b>	Deposits/Account	\$1,269	\$1,644	30%
	Spend/Account	\$1,476	\$2,015	37%

1) All metrics are per 90-Day active accounts

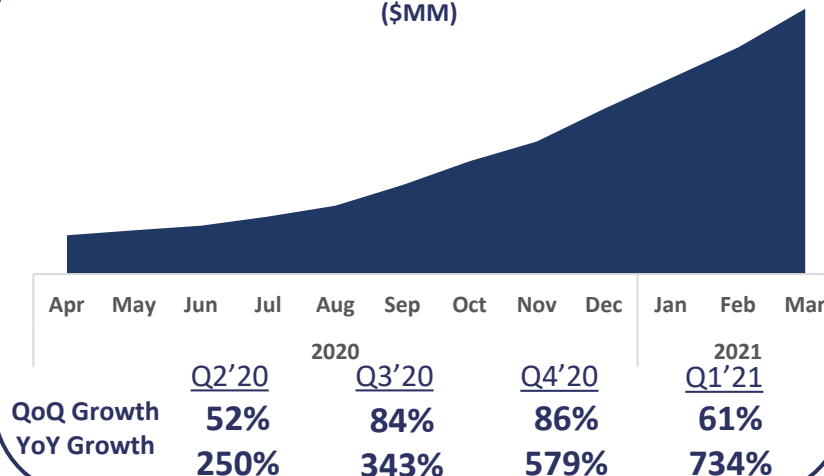


# New Business Verticals Performance

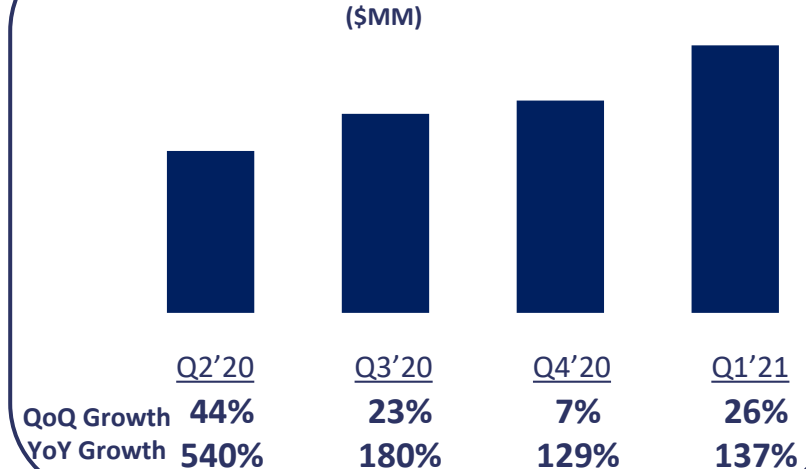
Number of Accounts (TTM)



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



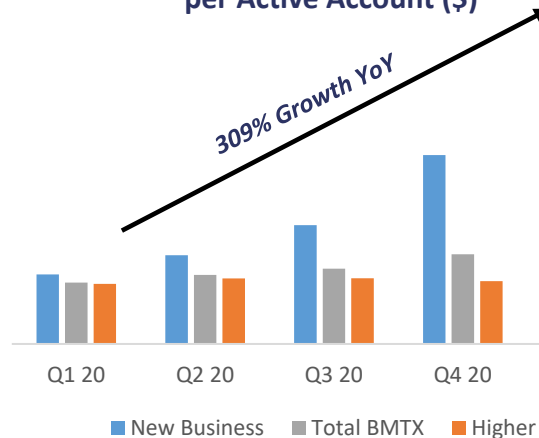
Card Spend (TTM) (\$MM)



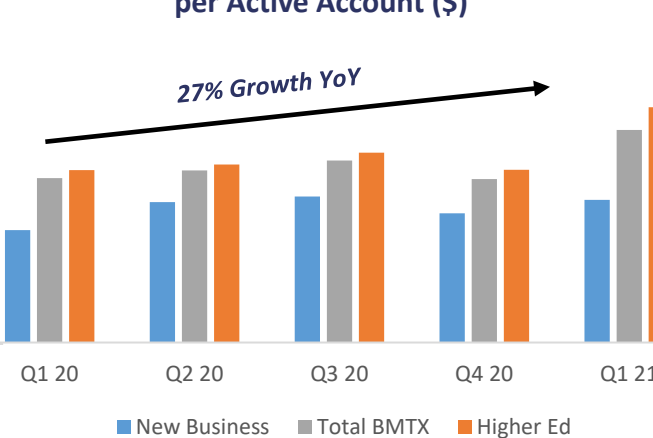
Account Level Performance of the New Business Verticals

- Quarterly card spend has increased 137% over Q1 2020 and the number of accounts opened has increased 61%.
- Ending serviced deposit balances are growing exponentially, increasing 734% in the last twelve months.
- Overall growth is driven by both increasing number of accounts and average account performance
- New Business Account Level Metrics:
  - Avg Serviced Deposits Balances up 309% YoY per Account
  - Quarterly Card Spend up 27% YoY per Account

AVG Serviced Deposit Balances per Active Account (\$)



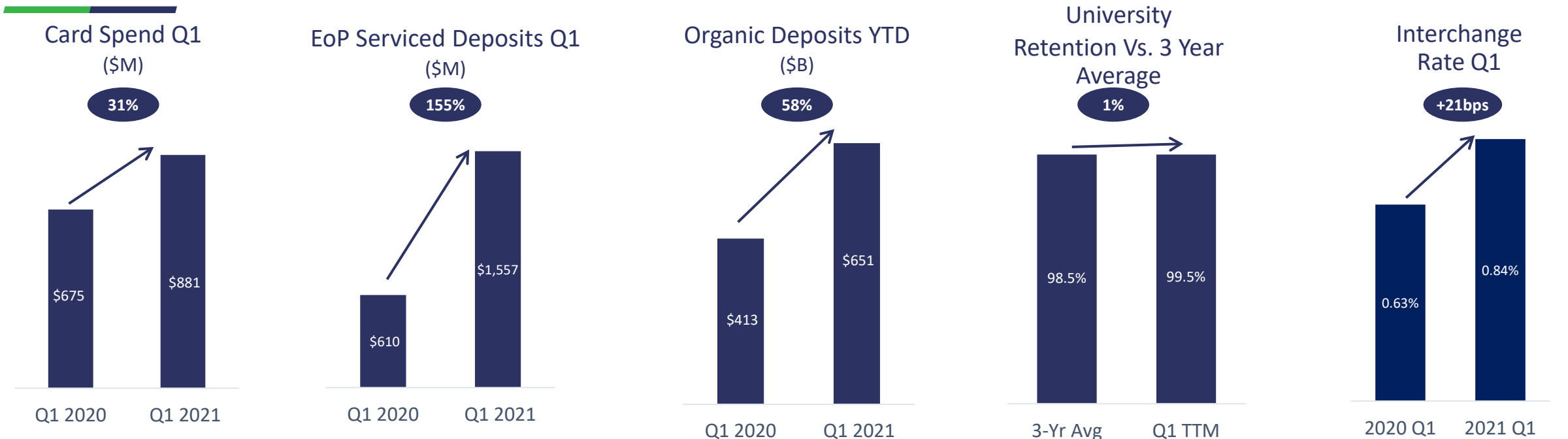
Card Spend per Quarter per Active Account (\$)





# Demonstrating Strong Performance Across Key Metrics

## Key Performance Indicators – Metrics of Company Success



**Comments:**

Debit Card spend grew 31% YoY in Q1 2021.

Growth driven by increase in accounts, organic deposits, and boosted by federal stimulus programs

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

Q1 TTM retention is above average of trailing 3 years' retention

Rebound from depressed Covid levels

**Definition:**

The aggregate amount of spend on debit cards in Q1 2021 vs Q1 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

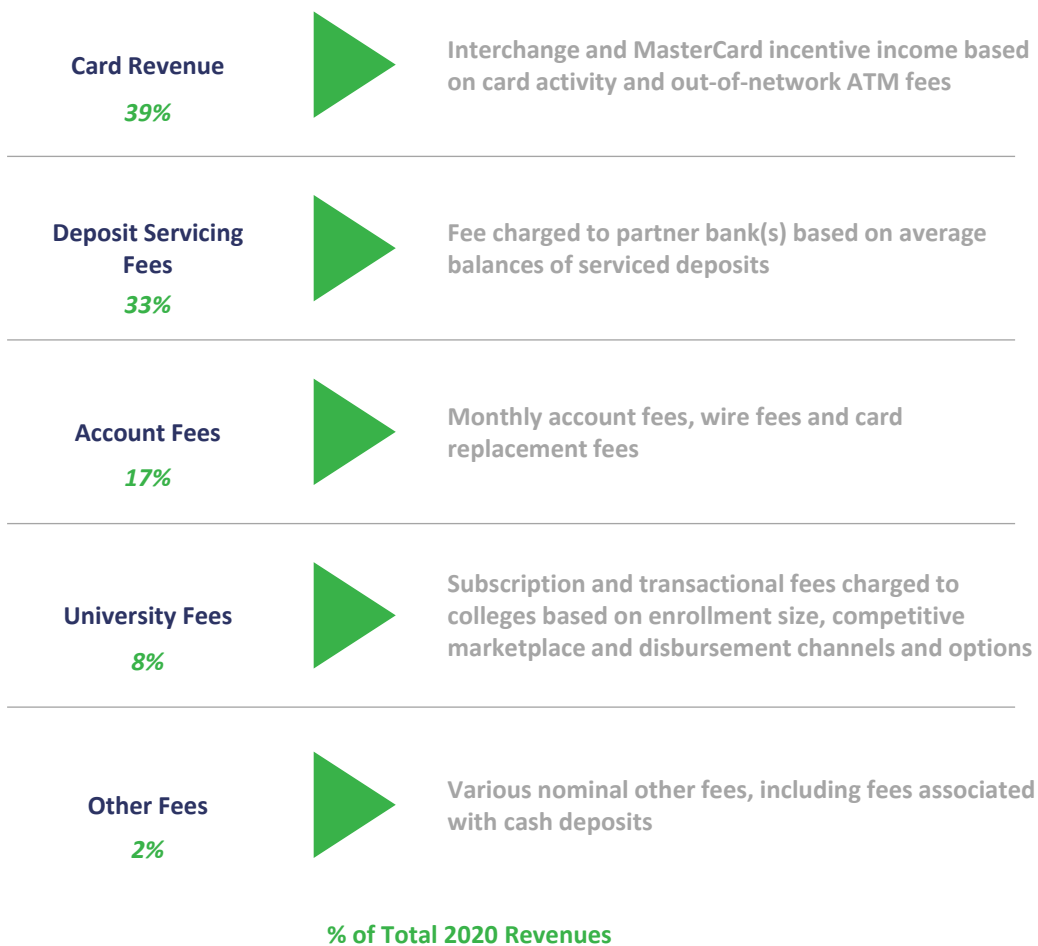
Represents the amount of revenue for each debit card transaction, including interchange maintenance paid by partner bank, net of network costs, as a % of debit spend



# Highly Attractive Business Model

## Income Statement – Historical

### Revenue Breakout by Major Categories



### Historical Income Statement

	2019 Pro Forma Core <sup>(1)</sup>	2020 Pro Forma Core <sup>(1)</sup>	2021 'Q1
Interchange and Card Revenue	28.1	26.3	8.4
Servicing Fees From Customers Bank	16.5	22.3	9.1
Account Fees	10.9	11.3	2.7
University Fees	5.0	5.3	1.3
Other Fees	0.9	1.5	2.7
<b>Pro Forma Core Revenues (\$mm)</b>	<b>\$61.3</b>	<b>\$66.7</b>	<b>\$24.1</b>
Less: Pro Forma Core OpEx (Excl. Deprec. & Amort.) (\$mm)	63.6	63.1	15.4
<b>Pro Forma Core EBITDA (\$mm)</b>	<b>(\$2.2)</b>	<b>\$3.5</b>	<b>\$8.7</b>
Less: Interest Expense (\$mm)	0.5	1.4	0.05
Less: Deprec. & Amort. (\$mm)	9.3	11.9	2.96
<b>Pro Forma Core Pre-Tax Income (\$mm)</b>	<b>(\$12.1)</b>	<b>(\$9.8)</b>	<b>\$5.7</b>
Less: Tax Expense (\$mm)	0.0	0.0	1.8
<b>Pro Forma Core Net Income (\$mm)</b>	<b>(\$12.1)</b>	<b>(\$9.8)</b>	<b>\$3.9</b>
<hr/>			
<b>Average Serviced Deposits (\$mm)</b>	<b>\$549</b>	<b>\$750</b>	<b>\$1,317</b>
<b>YoY Growth</b>			
<i>Average Serviced Deposits</i>		37%	112%
<i>Pro Forma Core Revenues</i>		9%	54%
<i>Pro Forma Core OpEx (Excl. Depreciation &amp; Amortization)</i>		(1%)	(7%)

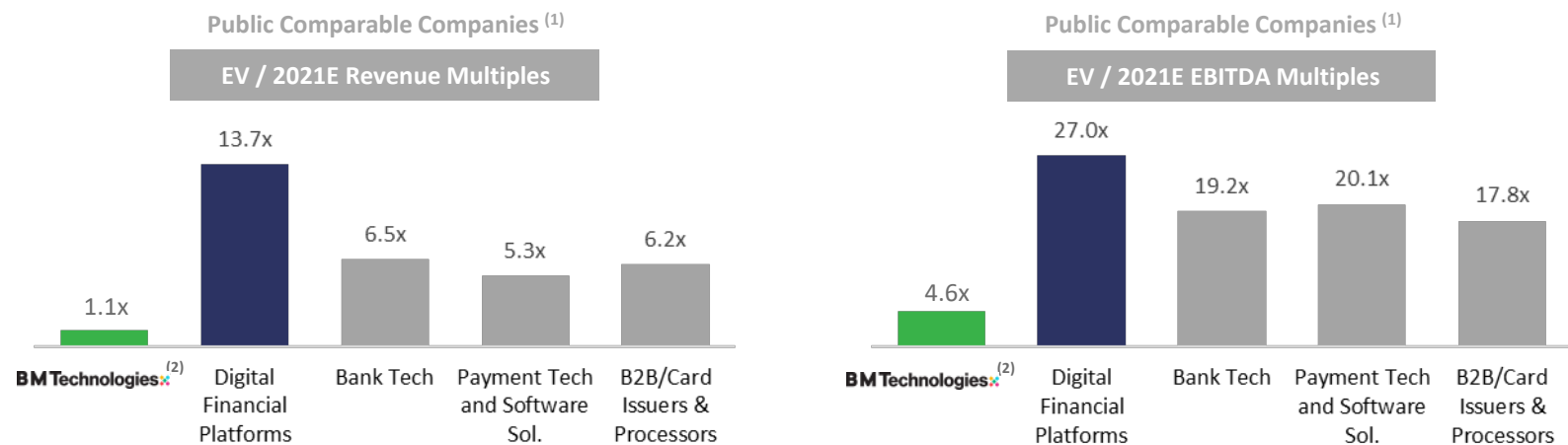
1) 2019 financials are shown pro forma for BM Technologies' current deposit servicing and expense agreements with Customers Bank; see page 16 for reconciliations to Pro Forma Core Financials

2) EBITDA is a Non-GAAP financial measure; see page 17 for reconciliations to Non-GAAP financial measures

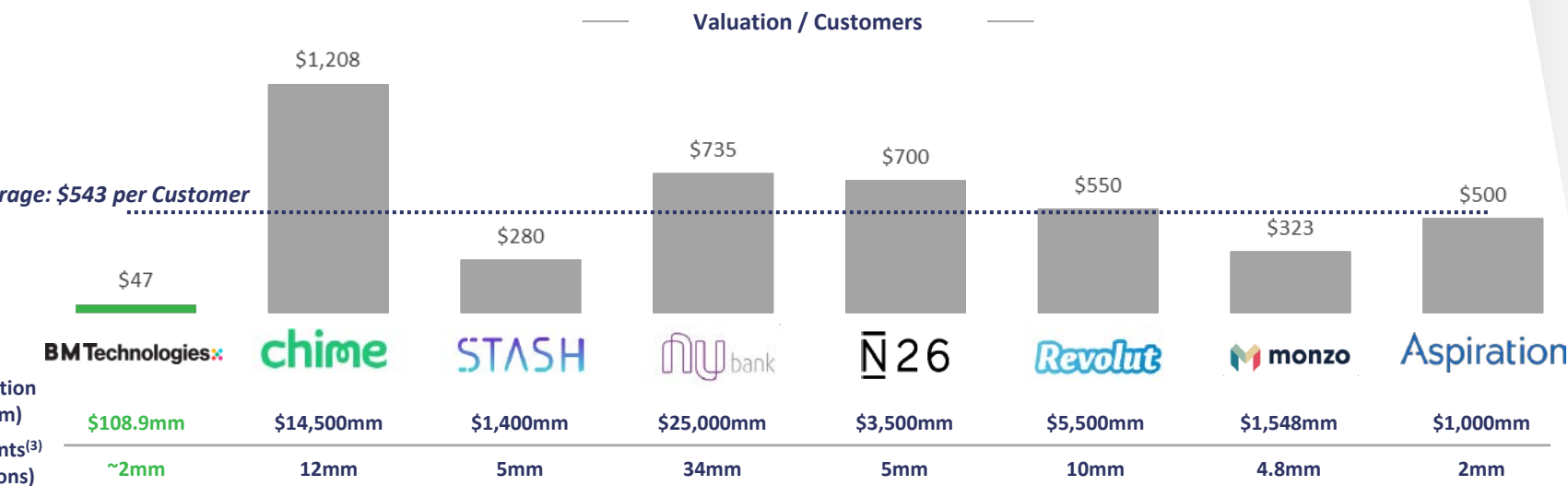


# Valuation Overview

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<sup>(3)</sup>



	Enterprise Value /	
	2021E Rev.	2021E EBITDA
<b>Digital Financial Platform Comparables</b>		
SoFi	11.2x	27.0x
Moneylion	16.1x	NM
<b>Median</b>	<b>13.7x</b>	<b>27.0x</b>

<b>Bank Tech Comparables</b>		
FIS	8.2x	18.2x
Intuit	11.2x	30.7x
Fiserv	6.1x	15.4x
ADP	5.4x	21.5x
Jack Henry	6.5x	20.1x
Temenos	11.7x	26.2x
Q2	10.8x	NM
ACI Worldwide	4.3x	15.1x
Bottomline Tech.	3.6x	17.7x
<b>Median</b>	<b>6.5x</b>	<b>19.2x</b>

<b>Payment Technology and Software Solutions Comparables</b>		
PayPal	11.1x	37.1x
Square	4.7x	NM
Repay	8.9x	20.6x
Global Payments	8.8x	18.7x
i3 Verticals	4.3x	16.2x
Shift4 Payments	3.7x	28.4x
Paya, Inc.	5.3x	19.6x
<b>Median</b>	<b>5.3x</b>	<b>20.1x</b>

<b>B2B / Card Issuers &amp; Processors Comparables</b>		
FleetCor	9.9x	17.8x
WEX	6.2x	16.6x
Alliance Data Systems	4.6x	14.2x
Worldline	5.1x	19.7x
EML Payments	8.1x	27.2x
<b>Median</b>	<b>6.2x</b>	<b>17.8x</b>

Source: Capital IQ & FactSet Research Systems, Inc.; Market data as of 5/14/2021

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) Forecast EBITDA is based on managements \$21.5M EBITDA guidance. Pro forma core revenue based on consensus estimates from S&P Capital IQ

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



# Q1 Higher Education Business Highlights

#1

99%+  
University  
Retention

- BMTX continues to build strong relationships and focus on university customer loyalty

#2

Expanded  
Access to 1M+  
Additional  
Students

- In February, BMTX logged its one millionth SSE (Signed School Enrollment), providing access to 1 million more student to potentially convert to new BMTX customers.

#3

New Student  
Payment  
Solutions

- BMTX introduced a new vendor payments product and signed a contract with a higher education services company that should significantly expand our reach to new colleges and universities.

#4

New Strategic  
Partnerships

- BMTX is developing co-branded BankMobile Google Plex account, which we expect will result in more students choosing a BankMobile account to receive their refund.



# New Business Highlights (White Label & Workplace Banking)

#1

## Strong Performance Metrics

- **Highly active users: 14% of new business accounts**
  - Have a spend/account of \$19,500 (vs. \$14,700 1 year ago)
  - Have an average balance/acct of \$1,200 (vs. \$570 1 year ago)

#2

## Active White Label Pipeline

- **Actively working a pipeline of prospective new white label customers, enabling them to offer BMTX's proprietary technology stack.**
- **We continue to be in discussions with retailers, fintechs, and banks among others and hope to announce a partnership in the coming months.**

#3

## Workplace Banking Pipeline

- **In late 2020, we announced partnerships with Prudential Financial, Inc., and BenefitHub to provide financial wellness services as part of the Workplace Banking offering.**
- **Continuing to expand a pipeline of partnerships with HR Brokers, Digital Benefit Platforms, and Fintech companies focused on financial wellness and employee benefits.**



# Tremendous Platform Growth Opportunity

Multiple Levers to Accelerate Growth



- ✓ Continue to add new SSEs
- ✓ Increase adoption rates through new partnerships
- ✓ Expand bank partnerships to expand access to credit

- ✓ Drive strong organic growth by successfully executing on our customer acquisition and engagement strategies


- ✓ Continue RFP process and strategic discussions with vetted blue-chip, white-label partners to tap into their loyal customer bases

- ✓ Distribute the platform through new channels to open up incremental TAM



- ✓ Capitalize on robust universe of marketplace lenders, Personal Financial Management (“PFM”) players, and vertical higher-ed software acquisition targets





# Looking Forward: 5 Pillars Of the BMTX Banking Platform



Banking




Lending




Advice

*Next 6-18 Months*



Investing

*Next 6-18 Months*



Crypto

*Next 6-18 Months*



# Key Investment Highlights



## Record Financial Results

Q1 Core EBITDA<sup>(1)</sup> *UP 10X YoY*  
 Q1 Core Revenue<sup>(1)</sup> *Up 54% YoY*



## Established Customer Base

*2million+ Accounts*



## Account Growth

*Approximately 100K Accounts Opened in Q1*



## Attractive Valuation

*Deep Discount to Public and Private Peer Set*



## Strong Existing Partnerships

*725 University Partners*  
*T-Mobile, Google*



## Deep Customer Engagement

*42% Revenue Per Active Account YoY Increase*  
*Higher Balances & Spend*



## Proprietary Digital Banking Platform

*Ready to roll out to White Label and Workplace Banking partners in pipeline*

(1) Note: Core EBITDA and Revenue are Non-GAAP measures, see slide 18 for further detail





# *Questions*



## Equity Capitalization Summary

Party	Share Count (millions)	% of Total
Shares Issued to CUBI Shareholders	4.9	40.0%
Former MFAC Public Shareholders	2.7	21.7%
PIPE Investors	1.9	15.7%
BMTX Employees	1.3	11.1%
MFAC Sponsors	1.2	9.9%
MFAC Advisors	0.2	1.6%
<b>Total</b>	<b>12.2</b>	<b>100.0%</b>

## Capitalization at Closing

Share Price (as of 5/14/21)	\$9.16
Total Shares Outstanding	12.2
<b>BMTX Equity Value</b>	<b>\$111.8</b>
(+) Debt	5.4
(-) Cash	17.4
<b>Enterprise Value</b>	<b>\$99.8</b>
<b>BMTX 2020 Core EBITDA (\$mm)<sup>(1)</sup></b>	<b>\$3.5</b>
<b>BMTX 2021E Core EBITDA (\$mm)<sup>(1)</sup></b>	<b>\$21.5</b>
<b>BMTX 2021E Core Revenue (\$mm)<sup>(2)</sup></b>	<b>\$90.2</b>
<b>EV / 2020 Core EBITDA</b>	<b>28.5x</b>
<b>EV / 2021E Core EBITDA</b>	<b>4.6x</b>
<b>EV / 2021 Core Revenue</b>	<b>1.1x</b>

Note: Analysis assumes \$27.7 million cash held in the trust account by MFAC related to existing MFAC public stockholders (reflects current amount following the November 2020 shareholder redemption period), shares will remain outstanding and cash will be available for use in the SPAC merger transaction

1) Core EBITDA set forth on "Reconciliation to Non-GAAP Financial Measures" on slide 18

2) Revenue based on consensus estimates from S&P Capital IQ



# Reconciliation to Pro Forma Core Financials

(\$ shown in 000s)	Pro Forma Core Financial Reconciliation					
	Full Year	Quarterly				Quarterly
	2019	Q1' 20	Q2' 20	Q3' 20	Q4' 20	Q1' 21
Revenues	\$72,307	\$15,758	\$15,431	\$18,338	\$17,331	\$24,383
① Deposit Servicing Fee Adjustment - Revenue	(10,970)	(123)	120	(96)	(80)	(283)
<b>Pro Forma Core Revenues</b>	<b>\$61,337</b>	<b>\$15,635</b>	<b>\$15,551</b>	<b>\$18,242</b>	<b>\$17,251</b>	<b>\$24,100</b>
Operating Expense	79,608	19,891	19,144	17,728	20,470	18,616
② Merger / Dept of ED Settlement Expenses	(2,100)	(50)	(25)	(377)	(287)	0
Non-Cash WIP Write-down, Net of Cost Reimbursement	0				(1,248)	
③ Fraud Reimbursement Adjustment - Expense	(4,653)	(123)	120	(96)	(80)	(283)
<b>Pro Forma Core Operating Expenses</b>	<b>\$72,855</b>	<b>\$19,718</b>	<b>\$19,239</b>	<b>\$17,255</b>	<b>\$18,855</b>	<b>\$18,333</b>
<b>Pro Forma Core Income / (Loss) Before Taxes &amp; Interest</b>	<b>(\$11,518)</b>	<b>(\$4,083)</b>	<b>(\$3,688)</b>	<b>\$987</b>	<b>(\$1,604)</b>	<b>\$5,767</b>
Interest Expense	535	394	399	353	249	54
<b>Pro Forma Core Pre-Tax Income / (Loss)</b>	<b>(\$12,053)</b>	<b>(\$4,477)</b>	<b>(\$4,087)</b>	<b>\$634</b>	<b>(\$1,853)</b>	<b>\$5,713</b>
Taxes	27	7	7	7	2	1,827
<b>Pro Forma Core Net Income / (Loss)</b>	<b>(\$12,080)</b>	<b>(\$4,484)</b>	<b>(\$4,094)</b>	<b>\$627</b>	<b>(\$1,855)</b>	<b>\$3,886</b>

(\$ shown in 000s)	Pro Forma Core EBITDA Reconciliation					
	Full Year	Quarterly Financials				Quarterly
	2019	Q1' 20	Q2' 20	Q3' 20	Q4' 20	Q1' 20
Pro Forma Core Pre-Tax Income	(\$12,053)	(\$4,477)	(\$4,087)	\$634	(\$1,853)	\$5,713
Addback Interest	535	394	399	353	249	54
Addback of Depreciation & Amortization	9,288	3,180	3,045	2,601	3,042	2,960
<b>Pro Forma Core EBITDA</b>	<b>(\$2,230)</b>	<b>(\$903)</b>	<b>(\$643)</b>	<b>\$3,588</b>	<b>\$1,438</b>	<b>\$8,727</b>

## Pro Forma Core Adjustments

Revenues and expenses have been presented on a "pro forma core" basis to illustrate past periods as if the current deposit servicing agreement had been in place, and to remove non-recurring, one-time costs for merger expenses and Department of Education settlement

- ① Pro Forma adjustment to revenue to reflect BMT's current deposit servicing agreement in all periods, whereby BMT receives of 1.50% for deposit servicing plus 1.50% for NIM Sharing, plus fraud reimbursement, less certain interest expense.
- ② Adjustment to remove non-core/nonrecurring merger and Department of Education settlement expenses related to legacy Higher One business now assumed by BM Technologies
- ③ Adjustment to remove non-cash WIP Write-down for discontinued product, net of partner cost reimbursements
- ④ Pro Forma Core Revenues minus Pro Forma Core Operating Expenses



# Reconciliation to Non-GAAP Financial Measures

<i>(\$ shown in millions)</i>	2019 Pro Forma Core <sup>(1)</sup>	2020	2021Q1
<b>Pro Forma Core Pre-Tax Income</b>	<b>(\$12.1)</b>	<b>(\$9.8)</b>	<b>\$5.7</b>
Addback of Interest Expense <sup>(2)</sup>	0.5	1.4	0.05
Addback of Depreciation & Amortization	9.3	11.9	3.0
<b>Pro Forma Core EBITDA</b>	<b>(\$2.2)</b>	<b>\$3.5</b>	<b>\$8.7</b>
Pro Forma Core EBITDA	(\$2.2)	\$3.5	\$8.7
Pro Forma Core Revenue	61.3	66.7	24.1
<b>Pro Forma Core EBITDA Margin</b>	<b>(4%)</b>	<b>5%</b>	<b>36%</b>

