

REFINITIV

DELTA REPORT

10-Q

DAVE INC./DE

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1054
CHANGES	306
DELETIONS	272
ADDITIONS	476

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, June 30, 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: 001-40161

DAVE INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

1265 South Cochran Ave
Los Angeles, CA

(Address of principal executive offices)

86-1481509

(I.R.S. Employer
Identification No.)

90019

Zip Code

Registrant's telephone number, including area code: (844) 857-3283

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, par value \$0.0001	DAVE	The Nasdaq Stock Market LLC
Redeemable warrants, each whole warrant exercisable for one share of Class A common stock, each at an exercise price of \$368 per share	DAVEW	The Nasdaq Stock Market LLC

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 during the preceding 12 months (or for such shorter period than 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 (§32.405 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, 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 ☐
Non-accelerated filer ☒

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 Act). YES ☐ NO ☒

As of [April 29, 2024](#), [July 26, 2024](#) there were [10,872,286](#) [11,155,158](#) shares of Class A common stock, \$0.0001 par value, and 1,514,082 shares of Class V common stock, \$0.0001 par value, issued and outstanding.

DAVE INC. TABLE OF CONTENTS

	Page
PART I. FINANCIAL INFORMATION	1
Item 1. Financial Statements (Unaudited)	1
Condensed Consolidated Balance Sheets	1
Condensed Consolidated Balance Sheets, Continued	3 2
Condensed Consolidated Statements of Operations	4 3
Condensed Consolidated Statements of Comprehensive Income (loss)	5 4
Condensed Consolidated Statement of Stockholders' Equity	6 5
Condensed Consolidated Statements of Cash Flows	7 6
Notes to Condensed Consolidated Financial Statements	10 8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	34 33
Item 3. Quantitative and Qualitative Disclosures About Market Risk	44 47
Item 4. Controls and Procedures	44 47
PART II. OTHER INFORMATION	46 49
Item 1. Legal Proceedings	46 49
Item 1A. Risk Factors	46 49
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	46 54
Item 3. Defaults Upon Senior Securities	46 54
Item 4. Mine Safety Disclosures	46 54
Item 5. Other Information	46 54
Item 6. Exhibits	46 54
Signatures	48 55

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Form 10-Q" or this "report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements contained in this Form 10-Q other than statements of historical fact, including statements regarding our future results of operations, financial position, market size and opportunity, our business strategy and plans, the factors affecting our performance, our objectives for future operations, our liquidity, borrowing capacity, our use of cash and cash requirements and the expected effects of new accounting pronouncements, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "could," "should," "would," "can," "expect," "project," "outlook," "forecast," "objective," "plan," "potential," "seek," "grow," "target," "if" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition,

results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the section titled "Risk Factors" set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on March 5, 2024 (the "Annual Report"). Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Form 10-Q may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Forward-looking statements contained in this Form 10-Q involve a number of judgments, risks and uncertainties, including, without limitation, risks related to:

- the ability of Dave to compete in its highly competitive industry;
- the ability of Dave to keep pace with the rapid technological developments in its industry and the larger financial services industry;
- the ability of Dave to manage risks associated with providing ExtraCash advances;
- the ability of Dave to retain its current members, acquire new members and sell additional functionality and services to its members;
- the ability of Dave to protect intellectual property and trade secrets;
- the ability of Dave to maintain the integrity of its confidential information and information systems or comply with applicable privacy and data security requirements and regulations;
- the reliance by Dave on a single bank partner, and the ability of Dave to maintain or secure current and future key banking relationships and other third-party service providers;
- changes in applicable laws or regulations and extensive and evolving government regulations that impact operations and business;
- the ability to attract or maintain a qualified workforce;
- the level of product service failures that could lead Dave members ("Members") to use competitors' services;
- investigations, claims, disputes, enforcement actions, litigation and/or other regulatory or legal proceedings;
- the ability to maintain the listing of Dave Class A Common Stock on The Nasdaq Stock Market; and
- the possibility that Dave may be adversely affected by other economic factors, including rising interest rates, and business, and/or competitive factors; and
- other risks and uncertainties described in this Form 10-Q, including those described under Part II Item 1A, "Risk Factors".

We caution you that the foregoing list of judgments, risks and uncertainties that may cause actual results to differ materially from those in the forward-looking statements may not be complete. You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, we do not intend to update any of these forward-looking statements after the date of this report or to conform these statements to actual results or revised expectations.

Except as required by law, we do not intend to update any of these forward-looking statements after the date of this report or to conform these statements to actual results or revised expectations.

You should read this report with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

This report contains estimates, projections and other information concerning our industry, our business and the markets for our products. We obtained the industry, market and similar data set forth in this report from our own internal estimates and research and from industry research, publications, surveys and studies conducted by third parties, including governmental agencies. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. While we believe that the data we use from third parties are reliable, we have not separately verified these data. You are cautioned not to give undue weight to any such information, projections and estimates.

As used in this report, the "Company," "Dave," "we," "us," "our" and similar terms refer to Dave Inc. (f/k/a VPC Impact Acquisition Holdings III, Inc.) and its consolidated subsidiaries, unless otherwise noted or the context otherwise requires.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Dave Inc. Condensed Consolidated Balance Sheets (in thousands; except share data)

	As of March 31, 2024 (unaudited)	As of December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 55,525	\$ 41,759
Marketable securities	1,083	952
Member advances, net of allowance for credit losses of \$17,328 and \$20,310 as of March 31, 2024 and December 31, 2023, respectively	104,923	112,846
Investments	43,317	113,226
Prepaid income taxes	-	148
Prepaid expenses and other current assets	13,492	7,955
Total current assets	218,340	276,886
Property and equipment, net	996	1,118
Lease right-of-use assets (related-party of \$707 and \$773 as of March 31, 2024 and December 31, 2023, respectively)	707	773
Intangible assets, net	13,322	13,206
Debt facility commitment fee, long-term	281	318
Restricted cash	1,546	1,319
Other non-current assets	407	403
Total assets	\$ 235,599	\$ 294,023
Liabilities, and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 9,013	\$ 5,485
Accrued expenses	15,069	12,626
Lease liabilities, short-term (related-party of \$310 and \$298 as of March 31, 2024 and December 31, 2023, respectively)	310	298
Legal settlement accrual	690	3,330
Other current liabilities	4,164	3,865
Total current liabilities	29,246	25,604
Lease liabilities, long-term (related-party of \$460 and \$543 as of March 31, 2024 and December 31, 2023, respectively)	460	543
Debt facility, long-term	75,000	75,000
Convertible debt, long-term	-	105,451
Warrant and earnout liabilities	907	233
Other non-current liabilities	2,672	129
Total liabilities	\$ 108,285	\$ 206,960
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, par value per share \$0.0001, 10,000,000 shares authorized; 0 shares issued and outstanding at March 31, 2024 and December 31, 2023	-	-
Class A common stock, par value per share \$0.0001, 500,000,000 shares authorized; 10,869,286 and 10,683,736 shares issued at March 31, 2024 and December 31, 2023, respectively; 10,819,723 and 10,634,173 shares outstanding at March 31, 2024 and December 31, 2023, respectively;	1	1

Class V common stock, par value per share \$0.0001, 100,000,000 shares authorized; 1,514,082 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively;	-	-
Additional paid-in capital	303,387	296,733
Accumulated other comprehensive gain (loss)	3	649
Accumulated deficit	(176,077)	(210,320)
Total stockholders' equity	\$ 127,314	\$ 87,063
Total liabilities, and stockholders' equity	\$ 235,599	\$ 294,023

1

	As of June 30, 2024 (unaudited)	As of December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 48,600	\$ 41,759
Marketable securities	95	952
Member advances, net of allowance for credit losses of \$20,493 and \$20,310 as of June 30, 2024 and December 31, 2023, respectively	127,759	112,846
Investments	39,508	113,226
Prepaid income taxes	-	148
Prepaid expenses and other current assets	13,550	7,955
Total current assets	229,512	276,886
Property and equipment, net	911	1,118
Lease right-of-use assets (related-party of \$646 and \$773 as of June 30, 2024 and December 31, 2023, respectively)	646	773
Intangible assets, net	13,895	13,206
Debt facility commitment fee, long-term	243	318
Restricted cash	1,546	1,319
Other non-current assets	411	403
Total assets	\$ 247,164	\$ 294,023
Liabilities, and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 9,318	\$ 5,485
Accrued expenses	11,226	12,626
Lease liabilities, short-term (related-party of \$323 and \$298 as of June 30, 2024 and December 31, 2023, respectively)	323	298
Legal settlement accrual	1,220	3,330
Other current liabilities	4,375	3,865
Total current liabilities	26,462	25,604
Lease liabilities, long-term (related-party of \$380 and \$543 as of June 30, 2024 and December 31, 2023, respectively)	380	543
Debt facility, long-term	75,000	75,000
Convertible debt, long-term	-	105,451
Warrant and earnout liabilities	572	233
Other non-current liabilities	2,993	129
Total liabilities	\$ 105,407	\$ 206,960
Commitments and contingencies (Note 11)		
Stockholders' equity:		

Preferred stock, par value per share \$0.0001, 10,000,000 shares authorized; 0 shares issued and outstanding at June 30, 2024 and December 31, 2023	-	-
Class A common stock, par value per share \$0.0001, 500,000,000 shares authorized; 11,149,290 and 10,683,736 shares issued at June 30, 2024 and December 31, 2023, respectively; 11,099,727 and 10,634,173 shares outstanding at June 30, 2024 and December 31, 2023.	1	1
Class V common stock, par value per share \$0.0001, 100,000,000 shares authorized; 1,514,082 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively;	-	-
Additional paid-in capital	311,400	296,733
Accumulated other comprehensive gain	75	649
Accumulated deficit	(169,719)	(210,320)
Total stockholders' equity	\$ 141,757	\$ 87,063
Total liabilities, and stockholders' equity	\$ 247,164	\$ 294,023

See accompanying notes to the condensed consolidated financial statements.

21

Dave Inc.
Condensed Consolidated Balance Sheets, Continued
(in thousands)

The following table presents the assets and liabilities of a consolidated variable interest entity ("VIE"), which are included in the condensed consolidated balance sheets above. The assets in the table below may only be used to settle obligations of consolidated VIEs and are in excess of those obligations. All intercompany accounts have been eliminated.

	As of March 31, 2024	As of December 31, 2023	As of June 30, 2024	As of December 31, 2023
	(unaudited)		(unaudited)	
Assets				
Cash and cash equivalents	\$ 47,643	\$ 37,684	\$ 42,056	\$ 37,684
Investments	18,458	21,264	18,695	21,264
Member advances, net of allowance for credit losses	93,604	95,812	114,716	95,812
Debt facility commitment fee, current	143	139	146	139
Debt facility commitment fee, long-term	281	318	243	318
Total assets	\$ 160,129	\$ 155,217	\$ 175,856	\$ 155,217
Liabilities				
Accounts payable	659	661	638	661
Long-term debt facility	75,000	75,000	75,000	75,000
Total liabilities	\$ 75,659	\$ 75,661	\$ 75,638	\$ 75,661

See accompanying notes to the condensed consolidated financial statements.

32

Dave Inc.
Condensed Consolidated Statements of Operations

(in thousands; except per share data)
(unaudited)

	For the Three Months Ended		For the Three Months Ended		For the Six Months Ended	
	March 31, 2024	March 31, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Operating revenues:						
Service based revenue, net	\$ 65,562	\$ 52,576	\$ 71,651	\$ 54,985	\$ 137,213	\$ 107,561
Transaction based revenue, net	8,068	6,352	8,466	6,250	16,534	12,602
Total operating revenues, net	73,630	58,928	80,117	61,235	153,747	120,163
Operating expenses:						
Provision for credit losses	9,943	11,953	14,365	15,925	24,308	27,878
Processing and servicing costs	7,723	7,118	7,794	7,232	15,517	14,350
Advertising and marketing	9,097	9,471	10,743	14,985	19,840	24,456
Compensation and benefits	24,552	24,367	24,515	23,932	49,067	48,299
Other operating expenses	16,916	18,501	17,031	20,078	33,947	38,579
Total operating expenses	68,231	71,410	74,448	82,152	142,679	153,562
Other (income) expenses:						
Interest income	(1,495)	(1,192)	(537)	(1,485)	(2,032)	(2,677)
Interest expense	2,217	2,898	1,965	3,027	4,182	5,925
Gain on extinguishment of convertible debt	(33,442)	-	-	-	(33,442)	-
Changes in fair value of earnout liabilities	196	(25)	(63)	(12)	133	(37)
Changes in fair value of public and private warrant liabilities	477	(146)	(272)	164	205	18
Total other (income) expense, net	(32,047)	1,535	1,093	1,694	(30,954)	3,229
Net income (loss) before provision for income taxes	37,446	(14,017)	4,576	(22,611)	42,022	(36,628)
Provision for income taxes	3,203	8				
Provision (benefit) for income taxes	(1,782)	7	1,421	15		
Net income (loss)	\$ 34,243	\$ (14,025)	\$ 6,358	\$ (22,618)	\$ 40,601	\$ (36,643)
Net income (loss) per share:						
Basic	\$ 2.80	\$ (1.19)	\$ 0.51	\$ (1.90)	\$ 3.30	\$ (3.09)
Diluted	\$ 2.60	\$ (1.19)	\$ 0.47	\$ (1.90)	\$ 3.02	\$ (3.09)
Weighted-average shares used to compute net income (loss) per share						
Basic	12,220,199	11,815,448	12,416,524	11,884,473	12,318,365	11,850,151
Diluted	13,182,517	11,815,448	13,543,648	11,884,473	13,433,461	11,850,151

See accompanying notes to the condensed consolidated financial statements.

(in thousands)

(unaudited)

	For the Three Months Ended,		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	March 31,					
	2024	March 31, 2023	2024	2023	2024	2023
Net income (loss)	\$ 34,243	\$ (14,025)	\$ 6,358	\$ (22,618)	\$ 40,601	\$ (36,643)
Other comprehensive (loss) gain:						
Unrealized (loss) gain on available-for-sale securities	(646)	783	73	23	(574)	806
Comprehensive income (loss)	\$ 33,597	\$ (13,242)	\$ 6,431	\$ (22,595)	\$ 40,027	\$ (35,837)

See accompanying notes to the condensed consolidated financial statements.

54

Dave Inc.
Condensed Consolidated Statement of Stockholders' Equity
(in thousands, except share data)
(unaudited)

	Common stock								Common stock							
	Class A		Class V		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity	Class A		Class V		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity
	Shares	Amount	Shares	Amount					Shares	Amount	Shares	Amount				
Balance at January 1, 2024	10,634,173	1	1,514,082	-	296,733	649	(210,320)	87,063	10,634,173	1	1,514,082	-	296,733	649	(210,320)	87,063
Issuance of Class A common stock in connection with stock plans	185,550	-	-	-	524	-	-	524	465,554	-	-	-	831	-	-	-
Stock-based compensation	-	-	-	-	6,130	-	-	6,130	-	-	-	-	13,836	-	-	-
Unrealized loss on available-for- sale securities	-	-	-	-	-	(646)	-	(646)	-	-	-	-	-	(574)	-	-
Net income	-	-	-	-	-	-	34,243	34,243	-	-	-	-	-	-	40,601	40,601
Balance at March 31, 2024	10,819,723	\$ 1	1,514,082	\$ -	\$ 303,387	\$ 3	(176,077)	\$ 127,314	10,819,723	\$ 1	1,514,082	\$ -	\$ 303,387	\$ 3	(176,077)	\$ 127,314

Balance at								
June 30, 2024	11,099,727	\$	1	1,514,082	\$	-	\$ 311,400	\$ 75 (169,719) \$ 141,757

	Common stock				Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Class A		Class V					
	Shares	Amount	Shares	Amount				
Balance at January 1, 2023	10,284,657	\$ 1	1,514,082	\$ -	\$ 270,037	\$ (1,675)	\$ (161,803)	\$ 106,560
Issuance of Class A common stock in connection with stock plans	136,494	-	-	-	2	-	-	2
Payment for fractional shares after reverse stock split					(13)			(13)
Stock-based compensation	-	-	-	-	13,406	-	-	13,406
Unrealized gain on available-for-sale securities	-	-	-	-	-	806	-	806
Net loss	-	-	-	-	-	-	(36,643)	(36,643)
Balance at June 30, 2023	10,421,151	\$ 1	1,514,082	\$ -	\$ 283,432	\$ (869)	\$ (198,446)	\$ 84,118

	Common stock				Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Class A		Class V					
	Shares	Amount	Shares	Amount				
Balance at January 1, 2023	10,284,657	\$ 1	1,514,082	\$ -	\$ 270,037	\$ (1,675)	\$ (161,803)	\$ 106,560
Issuance of Class A common stock in connection with stock plans	68,311	-	-	-	1	-	-	1
Payment for fractional shares after reverse stock split					(13)			(13)
Stock-based compensation	-	-	-	-	6,774	-	-	6,774
Unrealized gain on available-for-sale securities	-	-	-	-	-	783	-	783
Net loss	-	-	-	-	-	-	(14,025)	(14,025)
Balance at March 31, 2023	10,352,968	\$ 1	1,514,082	\$ -	\$ 276,799	\$ (892)	\$ (175,828)	\$ 100,080

	Common stock				Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity
	Class A		Class V					
	Shares	Amount	Shares	Amount				
Balance at March 31, 2024	10,819,723	1	1,514,082	-	303,387	3	(176,077)	127,314
Issuance of Class A common stock in connection with stock plans	280,004	-	-	-	307	-	-	307
Stock-based compensation	-	-	-	-	7,706	-	-	7,706
Unrealized loss on available-for-sale securities	-	-	-	-	-	72	-	72
Net income	-	-	-	-	-	-	6,358	6,358
Balance at June 30, 2024	11,099,727	\$ 1	1,514,082	\$ -	\$ 311,400	\$ 75	\$ (169,719)	\$ 141,757

	Common stock								Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Class A		Class V									
	Shares	Amount	Shares	Amount								
Balance at March 31, 2023	10,352,968	\$ 1	1,514,082	\$ -	\$ 276,799	\$ (892)	\$ (175,828)	\$ 100,080				
Issuance of Class A common stock in connection with stock plans	68,183	-	-	-	1	-	-	1				

Stock-based compensation	-	-	-	-	6,632	-	-	6,632
Unrealized gain on available-for-sale securities	-	-	-	-	-	23	-	23
Net loss	-	-	-	-	-	-	(22,618)	(22,618)
Balance at June 30, 2023	10,421,151	\$ 1	1,514,082	\$ -	\$ 283,432	\$ (869)	\$ (198,446)	\$ 84,118

See accompanying notes to the condensed consolidated financial statements.

65

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

	For the Six Months Ended June 30,	
	2024	2023
Operating activities		
Net income (loss)	\$ 40,601	\$ (36,643)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	3,500	2,422
Provision for credit losses	24,308	27,878
Changes in fair value of earnout liabilities	133	(37)
Changes in fair value of public and private warrant liabilities	205	18
Gain on extinguishment of convertible debt	(33,442)	-
Stock-based compensation	13,836	13,406
Non-cash interest	251	1,532
Non-cash lease expense	(11)	(11)
Changes in fair value of marketable securities and investments	(173)	146
Changes in operating assets and liabilities:		
Member advances, service based revenue	(568)	676
Prepaid income taxes	148	10
Prepaid expenses and other current assets	(5,587)	(2,353)
Accounts payable	3,833	(5,160)
Accrued expenses	(1,899)	2,951
Legal settlement accrual	(2,110)	(1,849)
Other current liabilities	510	(373)
Other non-current liabilities	2,864	2
Other non-current assets	(8)	137
Net cash provided by operating activities	46,391	2,752
Investing activities		
Payments for internally developed software costs	(3,767)	(4,068)
Purchase of property and equipment	(147)	(594)
Net disbursements and collections of Member advances	(38,653)	(13,025)
Purchase of investments	(48,524)	(54,422)
Sale and maturity of investments	121,841	98,747
Purchase of marketable securities	(59,177)	(34,345)

Sale of marketable securities	60,034	31,423
Net cash provided by investing activities	31,607	23,716
Financing activities		
Payment for fractional shares on reverse stock split	-	(13)
Proceeds from issuance of common stock for stock option exercises	831	2
Payment of costs for extinguishment of convertible debt	(761)	-
Repayment of borrowings on convertible debt, long-term	(71,000)	-
Net cash used in financing activities	(70,930)	(11)
Net increase in cash and cash equivalents and restricted cash	7,068	26,457
Cash and cash equivalents and restricted cash, beginning of the period	43,078	23,677
Cash and cash equivalents and restricted cash, end of the period	\$ 50,146	\$ 50,134

76

	For the Three Months Ended March 31,	
	2024	2023
Operating activities		
Net income (loss)	\$ 34,243	\$ (14,025)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	1,734	1,200
Provision for credit losses	9,943	11,953
Changes in fair value of earnout liabilities	196	(25)
Changes in fair value of public and private warrant liabilities	477	(146)
Gain on extinguishment of convertible debt	(33,442)	-
Stock-based compensation	6,130	6,774
Non-cash interest	251	759
Non-cash lease expense	(5)	(6)
Changes in fair value of marketable securities and investments	(163)	440
Changes in operating assets and liabilities:		
Member advances, service based revenue	(454)	216
Prepaid income taxes	148	7
Prepaid expenses and other current assets	(5,582)	(4,061)
Accounts payable	2,726	(6,891)
Accrued expenses	1,944	2,617
Legal settlement accrual	(2,640)	(5,749)
Other current liabilities	299	(129)
Other non-current liabilities	2,543	-
Other non-current assets	(4)	137
Net cash provided by (used in) operating activities	18,344	(6,929)
Investing activities		
Payments for internally developed software costs	(1,592)	(1,946)
Purchase of property and equipment	(12)	(264)
Net disbursements and collections of Member advances	(1,566)	11,853

Purchase of investments	(20,889)	(5,082)
Sale and maturity of investments	90,315	65,390
Purchase of marketable securities	(59,165)	(34,145)
Sale of marketable securities	59,034	-
Net cash provided by investing activities	66,125	35,806
Financing activities		
Payment for fractional shares on reverse stock split	-	(13)
Proceeds from issuance of common stock for stock option exercises	524	1
Repayment of borrowings on convertible debt, long-term	(71,000)	-
Net cash used in financing activities	(70,476)	(12)
Net increase in cash and cash equivalents and restricted cash	13,993	28,865
Cash and cash equivalents and restricted cash, beginning of the period	43,078	23,677
Cash and cash equivalents and restricted cash, end of the period	\$ 57,071	\$ 52,542
Supplemental disclosure of non-cash investing and financing activities:		
Property and equipment purchases in accounts payable and accrued liabilities	\$ 41	\$ 61
Supplemental disclosure of cash paid for:		
Interest	\$ 1,933	\$ 2,121
The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported within the condensed consolidated balance sheets with the same as shown in the condensed consolidated statement of cash flows		
Cash and cash equivalents	\$ 55,525	\$ 51,754

8

Supplemental disclosure of non-cash investing and financing activities:				
Property and equipment purchases in accounts payable and accrued liabilities	\$	-	\$	11
Supplemental disclosure of cash paid for:				
Income taxes	\$	96	\$	4
Interest	\$	3,885	\$	3,608
The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported within the condensed consolidated balance sheets with the same as shown in the condensed consolidated statement of cash flows				
Cash and cash equivalents	\$ 48,600	\$ 49,346		
Restricted cash	1,546	788	1,546	788
Total cash, cash equivalents, and restricted cash, end of the period	\$ 57,071	\$ 52,542	\$ 50,146	\$ 50,134

See accompanying notes to the condensed consolidated financial statements.

97

Note 1 Organization and Nature of Business

Overview:

Dave Inc. ("Dave" or the "Company"), a Delaware corporation, with headquarters located in Los Angeles, California, is a financial services company. Dave offers a suite of innovative financial products aimed at helping Members improve their financial health. To help Members avoid punitive overdraft fees and access short-term liquidity, Dave offers cash advances through its flagship 0% interest ExtraCash product. Through Dave Banking, the Company provides a digital checking account experience with valuable tools for building long-term financial health. Dave also helps Members generate extra income for spending or emergencies through Dave's Side Hustle product and Surveys, where Dave presents Members with supplemental work and income opportunities.

ExtraCash:

Many Americans are often unable to maintain a positive balance between paychecks, driving a reliance on overdraft products, payday loans, auto title loans and other forms of expensive credit to put food on the table, gas in their car or pay for unexpected emergencies. For example, traditional banks charge up to \$35 for access to as little as \$5 of overdraft, and many others in the financial services sector do not allow for overdraft at all. Dave invented a short-term liquidity alternative called ExtraCash, offered through our partnership with Evolve Bank & Trust, a federal reserve member bank and member of the FDIC ("Evolve"), which allows Members to receive a cash advance of up to \$500 with an option to advance funds to their bank account via the automated clearing house (ACH) network (which typically takes two to five business days) and avoid fees altogether. Members also have the option to advance funds to their bank account via the debit card network (which typically takes minutes or hours) for an instant transfer fee.

Dave Banking:

Dave offers a full-service digital checking account through our partnership with Evolve. Dave Banking accounts do not have overdraft or minimum balance fees, allow for early paycheck payment, offer a Dave debit card to facilitate everyday spending including cashback reward offers, and provide FDIC insurance on checking account balances up to \$250,000. Moreover, Dave Banking Members receive features to support their financial health such as 4.00% annual percentage yield ("APY") deposit rates on both checking and savings account balances, Goals savings accounts and opt-in round-up savings on debit transactions in addition to receiving lower ExtraCash instant transfer fees.

Budget:

Leveraging our data connections to Members' bank accounts and spending activity, Dave offers a personal financial management tool to support Members with budgeting, wherever someone banks. With Budget, Dave helps Members to manage their income and expenses between paychecks and avoid liquidity jams that may cause them to overdraft. Dave tracks Members' income and expenses, and we let them know about estimated upcoming bills and other expenses. Budget will monitor their linked bank account held at a depository institution, including a Dave Banking account, and will let them know when they are in danger of having insufficient funds in their account. This helps Members avoid overdrafts, returned transactions and bank fees.

Side Hustle and Surveys:

Dave seeks to help Members improve their financial health by offering them opportunities to generate supplemental income through two channels: Side Hustle and Surveys. Through Side Hustle, our Members can quickly submit applications to leading employers, including UberEats, Lyft, Instacart, and Costco Walmart that can lead to increased income with flexible employment. Our Surveys product allows for additional earning opportunities, allowing Members to take paid surveys anytime within the Dave mobile application. These channels drive engagement within the Dave ecosystem and deepen our relationship to our Members' financial wellbeing.

108

Note 2 Significant Accounting Policies

Basis of Presentation

These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

On January 4, 2023, the Board approved an amendment to the Company's certificate of incorporation to complete a 1-for-32 reverse stock split effective January 5, 2023. At a special meeting held on **December 16, 2022** **December 13, 2022**, stockholders approved the reverse stock split. The primary goal of the reverse stock split was to bring the Company's stock price above the share bid price requirement for continued listing on Nasdaq. The effects of the reverse stock split have been reflected in the condensed consolidated financial statements and the footnotes.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and a variable interest entity ("VIE"). All intercompany transactions and balances have been eliminated upon consolidation.

In accordance with the provisions of Accounting Standards Codification ("ASC") 810, Consolidation, the Company consolidates any VIE of which the Company is the primary beneficiary. The typical condition for a controlling financial interest ownership is holding a majority of the voting interests of an entity; however, a controlling financial interest may also exist in entities, such as VIEs, through arrangements that do not involve controlling voting interests. ASC 810 requires a variable interest holder to consolidate a VIE if that party has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company does not consolidate a VIE in which it has a majority ownership interest when it is not considered the primary beneficiary. The Company evaluates its relationships with its VIEs on an ongoing basis to ensure that the Company continues to be the primary beneficiary. The Company is considered the primary beneficiary of Dave OD Funding I, LLC ("Dave OD"), as it has the power over the activities that most significantly impact the economic performance of Dave OD and has the obligation to absorb expected losses and the right to receive expected benefits that could be significant, in accordance with accounting guidance. As a result, the Company consolidated Dave OD and all intercompany accounts have been eliminated. The carrying value of Dave OD's assets and liabilities, after elimination of any intercompany transactions and balances are shown in the consolidated balance sheets. The assets of Dave OD are restricted and may only be used to settle obligations of Dave OD.

Use of Estimates

The preparation of these consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, as well as the reported revenues and expenses incurred during the reporting periods. The Company's estimates are based on its historical experience and various other factors that the Company believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. The Company's critical accounting estimates and assumptions are evaluated on an ongoing basis including those related to the:

- (i) Allowance for credit losses; and
- (ii) Income taxes.

Actual results may differ from these estimates under different assumptions or conditions.

Revenue Recognition

Below is detail of operating revenues (*in thousands*):

For the Three Months Ended	For the Three Months Ended June 30,	For the Six Months Ended June 30,
----------------------------	-------------------------------------	-----------------------------------

	March 31, 2024	March 31, 2023	2024	2023	2024	2023
Service based revenue, net						
Processing fees, net	\$ 44,596	\$ 33,002	\$ 49,595	\$ 35,985	\$ 94,191	\$ 68,987
Tips	14,910	13,760	16,077	13,139	30,987	26,899
Subscriptions	5,943	5,619	5,850	5,412	11,794	11,031
Other	113	195	129	449	241	644
Transaction based revenue, net						
Interchange revenue, net	4,742	3,990	4,742	4,093	9,484	8,083
ATM revenue, net	809	718	760	577	1,570	1,295
Other	2,517	1,644	2,964	1,580	5,480	3,224
Total operating revenues, net	\$ 73,630	\$ 58,928	\$ 80,117	\$ 61,235	\$ 153,747	\$ 120,163

Service Based Revenue, Net

Service based revenue, net primarily consists of optional tips, optional processing fees, and subscriptions charged to Members, net of processor costs associated with advance disbursements. Member advances are treated as financial receivables under ASC 310 Receivables ("ASC 310") and processing fees, net and tips are also accounted for in accordance with ASC 310.

Processing Fees, Net:

Processing fees apply when a Member requests an expedited cash advance. At the Member's election, the Company expedites the funding of advance funds within **eight** hours of the advance approval, as opposed to the customary two or three business days. Processing fees are accounted for as **nonrefundable non-refundable** loan origination fees and are recognized as revenues over the average expected contractual term of its advances.

Costs incurred by the Company to fund cash advances are treated as direct loan origination costs. These direct loan origination costs are netted against advance-related income over the average expected contractual term of its advances. Direct origination costs recognized as a reduction of advance-related income during the three **and six** months ended **March 31, 2024 June 30, 2024** were \$0.8 million and **2023** were approximately \$1.5 million, respectively. During the three and six months ended June 30, 2023, the Company recognized direct origination costs as a reduction of advance-related income of \$0.7 million and **\$1.3 2.0** million, respectively.

Tips:

The Company encourages, but does not contractually require its Members who receive a cash advance to leave a discretionary tip. For accounting purposes, the Company treats tips as an adjustment of yield to the advances and are recognized over the average expected contractual term of its advances.

Subscriptions:

The Company accounts for subscriptions in accordance with ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). Under ASC 606, the Company must identify the contract with a Member, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when (or as) the Company satisfies the performance obligations. For revenue sources that are within the scope of Topic 606, the Company fully satisfies its performance obligations and recognizes revenue in the period it is earned as services are rendered. Transaction prices are typically fixed, charged on a periodic basis or based on activity. Because performance obligations are satisfied as services are rendered and the transaction prices are fixed, there is little judgment involved in applying ASC 606 that significantly affects the determination of the amount and timing of revenue from contracts with the Company's Members.

Subscription fees **of \$1** are received on a monthly basis from Members who subscribe to the Company's application. The Company continually fulfills its obligation to each Member over the subscription term. The series of distinct services represents a single

performance obligation that is satisfied over time. The Company recognizes revenue ratably as the Member receives and consumes the benefits of the platform throughout the monthly contract period.

Price concessions granted to Members who have insufficient funds when subscription fees are due and not collected are forms of variable consideration under the Company's contracts with Members. For price concessions, the Company has elected, as an accounting policy, to account for price concessions for the month at the end of the reporting month based on the actual amounts collected from Members.

Other service based revenue consists of lead generation fees from the Company's Side Hustle advertising partners and revenue share from its survey partners.

Transaction Based Revenue, ~~Net~~: ~~Net~~

Transaction based revenue, net primarily consists of interchange and ATM revenues from the Company's Checking Product, net of certain interchange and ATM-related fees, fees earned from funding and withdrawal-related transactions, volume support from a certain co-branded agreement, fees earned related to the Rewards Product for Members who make debit card spending transactions at participating merchants and deposit referrals and are recognized at the point in time the transactions occur, as the performance obligations are satisfied and the variable consideration is not constrained. The Company earns interchange fees from Members spend on Dave-branded debit cards, which are reduced by interchange-related costs payable to fulfillment partners. Interchange revenue is remitted by merchants and represents a percentage of the underlying transaction value processed through a payment network. ATM fees earned from the Member's usage out-of-network reduced by related ATM transaction costs during the three months and six months ended March 31, 2024 and 2023, June 30, 2024, were \$1.30.8 million and \$1.11.6 million, respectively. ATM fees earned from Member's usage out-of-network reduced by related ATM transaction costs during the three months and six months ended June 30, 2023, were \$0.6 million and \$1.3 million, respectively. ATM-related fees recognized as a reduction of transaction based revenue during the three months and six months ended March 31, 2024 and 2023 June 30, 2024 were \$0.5 million and \$0.31.0 million, respectively. ATM-related fees recognized as a reduction of transaction based revenue during the three months and six months ended June 30, 2023 were \$0.5 million and \$0.8 million, respectively.

Processing and Servicing Costs

Processing costs consist of amounts paid to third party processors for the recovery of advances, tips, processing fees, and subscriptions. These expenses also include fees paid for services to connect Member's bank accounts to the Company's application. Except for processing and service fees associated with advance disbursements, which are recorded net against revenue, all other processing and service fees are expensed as incurred.

Cash and Cash Equivalents

The Company classifies all highly liquid instruments with an original maturity of three months or less as cash equivalents.

Restricted Cash

Restricted cash primarily represents cash held at financial institutions that is pledged as collateral for specific accounts that may become overdrawn.

Marketable Securities

Marketable securities consist of a money market mutual fund. The fair value of marketable securities is determined by quoted prices in active markets and changes in fair value are recorded in other (income) expense in the consolidated statements of operations.

Investments

Investments consist of corporate bonds and notes, asset backed securities, and government securities and are classified as "available-for-sale" as the sale of such securities may be required prior to maturity to implement the Company's strategies. The fair value of investments is determined by quoted prices in active markets with unrealized gains and losses (other than credit related impairment) reported as a separate component of other comprehensive income. For securities with unrealized losses, any credit related portion of the loss is recognized in earnings. If it is more likely than not that the Company will be unable or does not intend to hold the security to recovery of the non-credit related unrealized loss, the loss is recognized in earnings. Realized gains and losses are determined using

the specific identification method and recognized in the consolidated statements of comprehensive loss. Any related amounts recorded in accumulated other comprehensive income are reclassified to earnings (on a pretax basis).

13

Member Advances

Member advances include ExtraCash advances, fees, and tips, net of certain direct origination costs and allowance for credit losses. Management's intent is to hold advances until the earlier of repayment or payoff date. Members' cash advances are treated as financial receivables under ASC 310.

Advances to Members are not interest-bearing. The Company recognizes these advances at the advanced amount and does not use discounting techniques to determine present value of advances due to their short-term nature.

The Company does not provide modifications to advances and does not charge late fees.

Allowance for Credit Losses

Member advances from contracts with Members as of the balance sheet dates are recorded at their original advance amounts, inclusive of outstanding processing fees and tips, and reduced by an allowance for expected credit losses. The Company pools its Member advances, all of which are short-term (average term of approximately 11 days) in nature and arise from contracts with Members, based on shared risk characteristics to assess their risk of loss, even when that risk is remote. The Company uses an aging method and historical loss rates as a basis for estimating the percentage of current and delinquent Member advances balances that will result in credit losses to derive the allowance for credit losses. The Company considers whether the conditions at the measurement date and reasonable and supportable forecasts about future conditions warrant an adjustment to its historical loss experience. In assessing such adjustments, the Company primarily evaluates current economic conditions, expectations of near-term economic trends and changes in customer payment terms, collection trends and cash collections subsequent to the balance sheet date. For the measurement dates presented herein, given its methods of collecting funds, and that the Company has not observed meaningful changes in its customers' payment behavior, it determined that its historical loss rates remained most indicative of its lifetime expected losses. The Company immediately recognizes an allowance for expected credit losses upon the origination of the advance. Adjustments to the allowance each period for changes in the estimate of lifetime expected credit losses are recognized in operating expenses—provision for credit losses in the consolidated statements of operations. When the Company determines that a Member advance is not collectible, or after 120 days from origination has passed, the uncollectible amount is written-off as a reduction to both the allowance and the gross asset balance. Based on the average outstanding Member advance term of approximately 11 days, advances outstanding 12 or more days from origination may be considered past due. Subsequent recoveries are recorded when received and are recorded as a recovery of the allowance for expected credit losses. Any change in circumstances related to a specific Member advance may result in an additional allowance for expected credit losses being recognized in the period in which the change occurs.

Internally Developed Software

Internally developed software is capitalized when preliminary development efforts are successfully completed, management has authorized and committed project funding, it is probable that the project will be completed, and the software will be used as intended. Capitalized costs consist of salaries and other compensation costs for employees incurred for time spent on upgrades and enhancements to add functionality to the software and fees paid to third-party consultants who are directly involved in development efforts. These capitalized costs are included on the consolidated balance sheets as intangible assets, net. Other costs are expensed as incurred and included within other operating expenses in the consolidated statements of operations. Capitalized costs for the three months and six months ended March 31, 2024 and 2023, June 30, 2024, were \$1.6 million and \$1.9 million, respectively. Capitalized costs for the three months and six months ended June 30, 2023, were \$2.1 million and \$4.1 million, respectively.

Amortization of internally developed software commences when the software is ready for its intended use (i.e., after all substantial testing is complete). Internally developed software is amortized over its estimated useful life of 3 years.

The Company's accounting policy is to perform annual reviews of capitalized internally developed software projects to determine whether any impairment indicators are present as of December 31, or whenever a change in circumstances suggests an impairment indicator is present. If any impairment indicators are present, the Company will perform a recoverability test by comparing the sum of the estimated undiscounted cash flows attributed to the asset group to their carrying value. If the undiscounted cash flows expected to result from the remaining use of the asset (i.e., cash flows when testing recoverability) are less than the asset group's carrying value, the Company will determine the fair value of the asset group and recognize an impairment loss as the amount by which the carrying

12

value of the asset group exceeds its fair value. If based on the results of the recoverability test, no impairment is indicated as the remaining undiscounted cash flows exceed the carrying value of the software asset group, the carrying value of the asset group as of the assessment date is deemed fully recoverable. In addition, the Company evaluates the remaining useful life of an intangible asset that is being amortized each reporting period to determine whether events and circumstances warrant a revision to the remaining

14

period of amortization. If the estimate of an intangible asset's remaining useful life is changed, the remaining carrying value of the intangible asset shall be amortized prospectively over that revised remaining useful life.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment are recorded at cost and depreciated over the estimated useful lives ranging from 3 to 7 years using the straight-line method. Maintenance and repair costs are charged to operations as incurred and included within other operating expenses in the consolidated statements of operations.

Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets, primarily property and equipment and amortizable intangible assets, whenever events or changes in business circumstances indicate that carrying amounts of the assets may not be fully recoverable. If the sum of the expected undiscounted future cash flows from an asset is less than the carrying amount of the asset, the Company estimates the fair value of the assets. The Company measures the loss as the amount by which the carrying amount exceeds its fair value calculated using the present value of estimated net future cash flows.

Fair Value of Financial Instruments

ASC 820, Fair Value Measurement ("ASC 820"), provides a single definition of fair value and a common framework for measuring fair value as well as disclosure requirements for fair value measurements used in the consolidated financial statements. Under ASC 820, fair value is determined based upon the exit price that would be received by a company to sell an asset or paid by a company to transfer a liability in an orderly transaction between market participants, exclusive of any transaction costs. Fair value measurements are determined by either the principal market or the most advantageous market. The principal market is the market with the greatest level of activity and volume for the asset or liability. Absent a principal market to measure fair value, the Company uses the most advantageous market, which is the market from which the Company would receive the highest selling price for the asset or pay the lowest price to settle the liability, after considering transaction costs. However, when using the most advantageous market, transaction costs are only considered to determine which market is the most advantageous and these costs are then excluded when applying a fair value measurement. ASC 820 creates a three-level hierarchy to prioritize the inputs used in the valuation techniques to derive fair values. The basis for fair value measurements for each level within the hierarchy is described below, with Level 1 having the highest priority and Level 3 having the lowest.

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 quoted prices, such as quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active for identical or similar assets and liabilities, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Valuations are based on inputs that are unobservable and significant to the overall fair value measurement of the assets or liabilities. Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model. model.

Concentration of Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, principally consist of cash and cash equivalents, restricted cash, Member advances, and accounts receivable. The Company's cash and cash equivalents and restricted cash in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits were \$54.748.0 million at March 31, June 30, 2024 and \$40.9 million at December 31, 2023, respectively. The Company's payment processors also collect cash on the Company's behalf

and will hold these cash balances temporarily until they are settled the next business day. Also, the Company does not believe its marketable securities are exposed to any significant credit risk due to the quality and nature of the securities in which the money is held.

13

No Member individually exceeded 10% or more of the Company's Member advances balances as of March 31, 2024 June 30, 2024 and December 31, 2023.

15

Leases

ASC 842, Leases ("ASC 842") requires lessees to recognize most leases on the consolidated balance sheet with a corresponding right-of-use asset. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of fixed lease payments over the lease term. Leases are classified as financing or operating which will drive the expense recognition pattern. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term. At the time of a lease abandonment, the operating lease right-of-use asset is derecognized, while the corresponding lease liability is evaluated by the Company based any remaining contractual obligations as of the lease abandonment date.

The Company leases office space under two separate leases, both of which are considered operating leases. Options to extend or terminate a lease are considered as part of calculating the lease term to the extent that the option is reasonably certain of exercise. The leases do not include the options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term. Covenants imposed by the leases include letters of credit required to be obtained by the lessee.

The incremental borrowing rate ("IBR") represents the rate of interest the Company would expect to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. When determinable, the Company uses the rate implicit in the lease to determine the present value of lease payments. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments.

Stock-Based Compensation

Stock Option Awards:

ASC 718, Compensation-Stock Compensation ("ASC 718"), requires the estimate of the fair value of all stock-based payments to employees, including grants of stock options, to be recognized in the statement of operations over the requisite service period. Under ASC 718, employee option grants are generally valued at the grant date and those valuations do not change once they have been established. The fair value of each option award is estimated on the grant date using the Black-Scholes Option Pricing Model. As allowed by ASC 718, the Company's estimate of expected volatility is based on its peer company average volatilities, including industry, stage of life cycle, size, and financial leverage. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant valuation. The Company recognizes forfeitures as they occur. Subsequent modifications to outstanding awards result in incremental cost if the fair value is increased as a result of the modification.

Restricted Stock Unit Awards:

Restricted stock units ("RSUs") are valued on the grant date. The fair value of the RSUs that vest based solely on a service condition is equal to the estimated fair value of the Company's Common Stock on the grant date. This compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. For RSUs that contain both a market condition and a service condition, market volatility and other factors are taken into consideration in determining the grant date fair value and the related compensation expense is recognized on a straight-line basis over the requisite service period of each separately vesting tranche, regardless of whether the market condition is satisfied, provided that the requisite service has been provided. These costs are a component of stock-based compensation expense, presented within compensation and benefits in the consolidated statements of operations. The Company recognizes forfeitures as they occur.

Performance-Based Restricted Stock Unit Awards:

Restricted stock awards ("RSAs") Performance-based RSUs are valued on the grant date. The fair value of date and the RSAs is equal to the estimated fair value of the Company's Common Stock on the grant date. This compensation cost is recognized over the requisite service period as if and when the Company concludes it is probable that the performance metrics will be satisfied. The grant-date fair value of the awards are not subsequently remeasured, however, the Company reassesses the probability of vesting at each reporting period and records a cumulative adjustment to compensation expense based on the likelihood the performance metric will be achieved. These costs are a component of stock-based compensation expense, presented within compensation and benefits in the consolidated statements of operations. The Company recognizes forfeitures as they occur.

14

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for the three months and six months ended March 31, 2024 and 2023, June 30, 2024, were \$9.1 10.7 million and \$9.5 19.8 million, respectively, and are presented within advertising and marketing within the condensed consolidated statements of operations. Advertising costs for the three and six months ended June 30, 2023, were \$15.0 million and \$24.5 million, respectively.

16

Income Taxes

The Company follows ASC 740, Income Taxes ("ASC 740"), which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the condensed consolidated financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the condensed consolidated financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more-likely-than-not that the asset will not be realized.

The effective tax rate used for interim periods is the estimated annual effective tax rate, based on the current estimate of full year results, except that those taxes related to specific discrete events, if any, are recorded in the interim period in which they occur. The annual effective tax rate is based upon several significant estimates and judgments, including the estimated annual pre-tax income of the Company in each tax jurisdiction in which it operates, and the development of tax planning strategies during the year. In addition, the Company's tax expense can be impacted by changes in tax rates or laws and other factors that cannot be predicted with certainty. As such, there can be significant volatility in interim tax provisions.

ASC 740 provides that a tax benefit from an uncertain tax position may be recognized when it is more-likely-than-not that the position will be sustained in a court of last resort, based on the technical merits. If more-likely-than-not, the amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination, including compromise settlements. For tax positions not meeting the more-likely-than-not threshold, no tax benefit is recorded. The Company has estimated \$1.7 1.5 million and \$1.3 million of uncertain tax positions as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively, related to state income taxes, taxes and federal and state research tax credits.

The Company's policy is to recognize interest expense and penalties accrued on any unrecognized tax benefits as a component of income tax expense within the statement of operations. The Company recognized \$0.005 0.004 million and \$0.002 million of interest expense and penalties as a component of income tax expense during the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively respectively.

Segment Information

The Company determines its operating segments based on how its chief operating decision makers manage operations, make operating decisions, and evaluate operating performance. The Company has determined that the Chief Operating Decision Maker ("CODM") is a joint role shared by the Chief Executive Officer and Chief Financial Officer. Based upon the way the CODM reviews financial information and makes operating decisions and considering that the CODM reviews financial information on a consolidated basis for purposes of allocating resources and evaluating financial performance, the service-based and transaction-based operations constitute a single operating segment and reportable segment.

Net Income (Loss) Per Share Attributable to Stockholders

The Company has two classes of participating securities (Class A Common Stock and Class V Common Stock) issued and outstanding as of March 31, 2024 June 30, 2024. The rights, including the liquidation and dividend rights, of the holders of the Class A Common Stock and Class V Common Stock are identical, except with respect to voting.

Basic net income (loss) attributable to holders of Common Stock per share is calculated by dividing net income (loss) attributable to holders of Common Stock by the weighted-average number of shares outstanding.

Diluted net income (loss) per share attributable to holders of common stock is computed by dividing net income (loss) per share attributable to stockholders and the weighted-average number of shares outstanding and the effect of potentially dilutive stock options, warrants, and restricted stock using the treasury stock method.

17 15

The following table sets forth the computation of the Company's basic and diluted net income (loss) per share attributable to holders of common stock (*in thousands, except share data*):

	For the Three Months Ended		For the Three Months Ended June 30,		For the Six Months ended June 30,	
	March 31, 2024	March 31, 2023	2024	2023	2024	2023
<u>Numerator</u>						
Net income (loss) attributed to common stockholders—basic and diluted	\$ 34,243	\$ (14,025)	\$ 6,358	\$ (22,618)	\$ 40,601	\$ (36,643)
<u>Denominator</u>						
Weighted-average shares of common stock—basic	12,220,199	11,815,448	12,416,524	11,884,473	12,318,365	11,850,151
Dilutive effect of stock options	225,904	-	281,982	-	251,119	-
Dilutive effect of RSU	736,414	-	845,142	-	863,977	-
Weighted-average shares of common stock—diluted	13,182,517	11,815,448	13,543,648	11,884,473	13,433,461	11,850,151
<u>Net income (loss) per share</u>						
Basic	\$ 2.80	\$ (1.19)	\$ 0.51	\$ (1.90)	\$ 3.30	\$ (3.09)
Diluted	\$ 2.60	\$ (1.19)	\$ 0.47	\$ (1.90)	\$ 3.02	\$ (3.09)

The following potentially dilutive shares were excluded from the computation of diluted net income (loss) per share for the periods presented because including them would have been antidilutive:

	For the Three Months Ended		For the Three Months Ended June 30,		For the Six Months ended June 30,	
	March 31, 2024	March 31, 2023	2024	2023	2024	2023
Equity incentive awards	1,090,941	2,552,474	808,055	2,560,295	852,782	2,560,295
Convertible debt	-	312,500	-	312,500	-	312,500
Total	1,090,941	2,864,974	808,055	2,872,795	852,782	2,872,795

The Company also excluded 11,444,235 public and private warrants and 49,653 earnout shares that were potentially dilutive from the computation of diluted net income (loss) for the **three and six month** periods ended **March 31, 2024** **June 30, 2024** and 2023, respectively, as including them would have been antidilutive. Refer to Note 9 Warrant Liabilities and Note 13 Fair Value of Financial Instruments for further details.

Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted:

In November 2023, the **FASB Financial Accounting Standards Board ("FASB")** issued Accounting Standards Update ("**ASU**") No. 2023-07, *Segment Reporting - Improvements to Reportable Segment Disclosures*. The amendments require disclosure of incremental segment information on an annual and interim basis. The amendments also

require companies with a single reportable segment to provide all disclosures required by this amendment and all existing segment disclosures in Accounting Standards Codification 280, Segment Reporting. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods beginning after December 15, 2024. The Company expects the adoption of the standard to result in additional segment footnote disclosures.

In December 2023, the FASB issued Accounting Standards Update ASU No. 2023-09, *Income Taxes - Improvements to Income Tax Disclosures*. The amendments require enhanced disclosures in connection with an entity's effective tax rate reconciliation, income taxes paid disaggregated by jurisdiction, and clarification on uncertain tax positions and related financial statement impacts. The amendments are effective for annual periods beginning after December 15, 2024. The Company does not expect the adoption of the amendments to have a significant impact on its financial statements.

16

Recently Adopted Accounting Pronouncements:

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 introduced a new credit loss methodology, the Current Expected Credit Losses ("CECL") methodology, which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to maturity debt securities, trade receivables and other receivables measured at amortized cost at the time the financial asset is originated or acquired. Subsequent to the issuance of ASU 2016-13, the FASB issued several additional ASUs to clarify implementation guidance, provide narrow-scope

18

improvements and provide additional disclosure guidance. The Company adopted this ASU on January 1, 2023 and determined that ASU 2016-13 had no material impact on the Company's condensed consolidated financial statements and related disclosures.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional guidance for accounting for contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform (Topic 848), Deferral of the Sunset Date of Topic 848*. The amendments in this Update defer the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. The Company has evaluated the effect that the updated standard had on its internal processes, condensed consolidated financial statements, and related disclosures, and has determined that the adoption did not have a significant impact on its condensed consolidated financial statements and related disclosures.

Note 3 Marketable Securities

Below is a detail of marketable securities (in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Marketable securities	\$ 1,083	\$ 952	\$ 95	\$ 952
Total	\$ 1,083	\$ 952	\$ 95	\$ 952

At March 31, 2024 June 30, 2024 and December 31, 2023, the Company's marketable securities consisted of investments in a publicly traded money market mutual fund with a ticker symbol SSPXX.fund. The underlying money market instruments were primarily comprised of certificates of deposit and financial company asset backed commercial paper. At March 31, 2024 June 30, 2024, the investment portfolio had a weighted-average maturity of 22 12 days. At December 31, 2023, the investment portfolio had a weighted-average maturity of 40 days. The gain recognized in connection with the investment in marketable securities for the three and six months ended March 31, 2024 and 2023 were June 30, 2024 was \$0.07 0.01 million and \$0.1 0.08 million, respectively, and recorded as a component of interest income in the condensed consolidated statements of operations. The gain

recognized in connection with the investment in marketable securities for the three and six months ended June 30, 2023 was \$0.2 million and \$0.3 million, respectively, and recorded as a component of interest income in the condensed consolidated statements of operations.

Note 4 Investments

Below is a summary of investments, which are measured at fair value as of March 31, 2024 June 30, 2024 (in thousands):

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate bonds	\$ 14,761	\$ 7	\$ (194)	\$ 14,574	\$ 10,360	\$ 1	\$ (148)	\$ 10,213
Asset-backed securities	-	-	-	-				
Government securities	28,554	202	(13)	28,743	29,073	230	(8)	29,295
Total	\$ 43,315	\$ 209	\$ (207)	\$ 43,317	\$ 39,433	\$ 231	\$ (156)	\$ 39,508

17

Below is a summary of investments, which are measured at fair value as of December 31, 2023 (in thousands):

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate bonds	\$ 69,087	\$ 670	\$ (345)	\$ 69,412
Asset-backed securities	313	-	(1)	312
Government securities	43,177	338	(13)	43,502
Total	\$ 112,577	\$ 1,008	\$ (359)	\$ 113,226

19

The gross unrealized losses and fair values of available-for-sale investment securities that were in unrealized loss positions were as follows (in thousands):

	Less Than 12 Months		12 Months or More		Total		Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
March 31, 2024												
June 30, 2024												
Corporate bonds	\$ 5,753	\$ (22)	\$ 10,405	\$ (185)	\$ 16,158	\$ (207)	\$ 5,915	\$ (62)	\$ 3,978	\$ (86)	\$ 9,893	\$ (148)
Asset-backed securities	-	-	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	-	-	-	-	3,810	(8)	-	-	3,810	(8)
Total	\$ 5,753	\$ (22)	\$ 10,405	\$ (185)	\$ 16,158	\$ (207)	\$ 9,725	\$ (70)	\$ 3,978	\$ (86)	\$ 13,703	\$ (156)
	Less Than 12 Months		12 Months or More		Total		Less Than 12 Months		12 Months or More		Total	

	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
December 31, 2023												
Corporate bonds	\$ 9,271	\$ (50)	\$ 14,989	\$ (295)	\$ 24,261	\$ (345)	\$ 9,271	\$ (50)	\$ 14,989	\$ (295)	\$ 24,261	\$ (345)
Asset-backed securities	-	-	274	(1)	274	(1)	-	-	274	(1)	274	(1)
Government securities	3,813	(13)	-	-	3,813	(13)	3,813	(13)	-	-	3,813	(13)
Total	\$ 13,084	\$ (63)	\$ 15,263	\$ (296)	\$ 28,348	\$ (359)	\$ 13,084	\$ (63)	\$ 15,263	\$ (296)	\$ 28,348	\$ (359)

The gain recorded in connection with the investment investments for the three and six months ended March 31, 2024 and 2023, June 30, 2024, was \$0.9 0.03 million and \$0.1 0.9 million, respectively, and was recorded as a component of interest income in the condensed consolidated statements of operations. The gain recorded in connection with the investment for the three and six months ended June 30, 2023, was \$0.2 million and \$0.3 million, respectively. Accrued interest of \$0.2 million and \$1.0 1.2 million is included in investments within the condensed consolidated balance sheets for the periods ended March 31, 2024 June 30, 2024 and 2023, respectively.

Unrealized losses on the available-for-sale investment securities as of March 31, 2024 June 30, 2024 and December 31, 2023 are primarily the result of increases in interest rates as a significant portion of the investments were purchased prior to the Federal reserve commenced interest rate increases in 2022. The Company does not intend to sell nor anticipate that it will be required to sell these investments before recovery of the amortized cost basis. As such, unrealized losses were determined not to be related to credit losses and the Company did not record any credit-related impairment losses on the available-for-sale investment securities during the three and six months ended March 31, 2024 June 30, 2024 and 2023.

As of March 31, 2024 June 30, 2024, the contractual maturities of available-for-sale investment securities were as follows (in thousands):

	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 34,200	\$ 34,371	\$ 35,051	\$ 35,210
Due after one year through five years	\$ 9,115	\$ 8,946	\$ 4,382	\$ 4,298
Total	\$ 43,315	\$ 43,317	\$ 39,433	\$ 39,508

2018

Note 5 Member Advances, Net

Member advances, net, represent outstanding advances, tips, and processing fees, net of direct origination costs, less an allowance for credit losses.

Below is a detail of Member advances, net as of March 31, 2024 June 30, 2024 (in thousands):

Days From Origination	Gross Member Advances	Allowance for Credit Losses	Member Advances, Net	Gross Member Advances	Allowance for Credit Losses	Member Advances, Net
1-10	\$ 92,237	\$ (2,266)	\$ 89,971	\$ 108,921	\$ (2,452)	\$ 106,469
11-30	14,147	(3,101)	11,046	20,217	(3,980)	16,237
31-60	5,729	(3,706)	2,023	8,309	(5,317)	2,992
61-90	4,945	(3,864)	1,081	5,922	(4,624)	1,298
91-120	5,193	(4,391)	802	4,883	(4,120)	763

Total	\$	122,251	\$	(17,328)	\$	104,923	\$	148,252	\$	(20,493)	\$	127,759
-------	----	---------	----	----------	----	---------	----	---------	----	----------	----	---------

Below is a detail of member advances, net as of December 31, 2023 (in thousands):

Days From Origination	Gross Member		Member Advances,	
	Advances	Allowance for Credit Losses	Net	
1-10	\$ 98,553	\$ (2,676)	\$ 95,877	
11-30	16,442	(4,020)	12,422	
31-60	7,038	(4,576)	2,462	
61-90	5,719	(4,470)	1,249	
91-120	5,404	(4,568)	836	
Total	\$ 133,156	\$ (20,310)	\$ 112,846	

The roll-forward of the allowance for credit losses is as follows (in thousands):

Opening allowance balance at January 1, 2024	\$ 20,310	\$ 20,310
Plus: provision for credit losses	9,943	24,308
Plus: amounts recovered	3,074	5,778
Less: amounts written-off	(15,999)	(29,903)
Ending allowance balance at March 31, 2024	\$ 17,328	
Ending allowance balance at June 30, 2024	\$ 20,493	
Opening allowance balance at January 1, 2023	\$ 24,501	\$ 24,501
Plus: provision for credit losses	11,953	27,878
Plus: amounts recovered	3,927	6,655
Less: amounts written-off	(23,016)	(39,283)
Ending allowance balance at March 31, 2023	\$ 17,365	
Ending allowance balance at June 30, 2023	\$ 19,751	

The provision for credit losses for the period six months ended March 31, 2024 June 30, 2024 was lower compared to the period six months ended March 31, 2023 June 30, 2023, due primarily to improved collections performance throughout period. The decrease in amounts written-off for the period six months ended March 31, 2024 June 30, 2024 compared to the period six months ended March 31, 2023 June 30, 2023, was also primarily a result of improved collections performance period over period.

21 19

Note 6 Intangible Assets, Net

The Company's intangible assets, net consisted of the following (in thousands):

	March 31, 2024				December 31, 2023				June 30, 2024				December 31, 2023			
	Weighted Average Useful Lives	Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value		Weighted Average Useful Lives	Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value	
Internally developed software	3.0 Years	\$ 23,193	\$ (9,935)	\$ 13,258	\$ 21,601	\$ (8,461)	\$ 13,140		3.0 Years	\$ 25,368	\$ (11,535)	\$ 13,833	\$ 21,601	\$ (8,461)	\$ 13,140	

Domain name	15.0 Years	121	(57)	64	121	(55)	66	15.0 Years	121	(59)	62	121	(55)
Intangible assets, net	\$ 23,314	\$ (9,992)	\$ 13,322	\$ 21,722	\$ (8,516)	\$ 13,206		\$ 25,489	\$ (11,594)	\$ 13,895	\$ 21,722	\$ (8,516)	\$:

The future estimated amortization expenses as of **March 31, 2024** **June 30, 2024**, were as follows (in thousands):

2024	3,951	\$ 2,912
2025	4,851	5,230
2026	3,123	3,791
2027	1,363	1,928
Thereafter	34	34
Total future amortization	\$ 13,322	\$ 13,895

Amortization expense for the three and six months ended **March 31, 2024 and 2023** **June 30, 2024** was **\$1.5** **1.6** million and **\$3.1** million, respectively. Amortization expense for the three and six months ended **June 30, 2023** was **\$1.1** million and **\$2.2** million, respectively. No impairment charges were recognized related to long-lived assets for the for the three and six months ended **March 31, 2024** **June 30, 2024** and 2023.

The Company did not incur any amortization expense related to any changes in useful life of its definite-lived intangible assets for the three and six months ended **June 30, 2024**.

Amortization expense related to the change in useful life of a certain definite-lived intangible asset for the three and six months ended **March 31, 2024 and 2023**, **June 30, 2023**, was **\$0.1** and **\$0.2** **0.3** million, respectively.

Note 7 Accrued Expenses and Other Current Liabilities

Accrued Expenses

The Company's accrued expenses consisted of the following (in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Accrued professional and program fees	\$ 4,613	\$ 4,208	\$ 3,130	\$ 4,208
Accrued compensation	3,239	3,605	2,451	3,605
Income taxes payable	2,948	-	656	-
Accrued charitable contributions	1,645	2,212	1,898	2,212
Accrued negative account balances	1,505	831		
Sales tax payable	1,122	1,442	998	1,442
Negative balance payable	996	831		
Other	506	328	588	328
Total	\$ 15,069	\$ 12,626	\$ 11,226	\$ 12,626

Accrued charitable contributions includes amounts the Company has pledged related to **charitable** meal donations. The Company uses a portion of tips received to make a charitable cash donation to a third party who uses the funds to provide meals to those in need. For the three and six months ended **March 31, 2024 and 2023**, **June 30, 2024**, the Company pledged approximately **\$0.9** **1.0** million and **\$2.5** **1.9** million related to charitable donations, respectively. For the three and six months ended **June 30, 2023**, the Company pledged approximately **\$0.7** million and **\$3.2** million related to charitable donations, respectively. These costs are expensed as incurred and are presented within other operating expenses in the condensed consolidated statements of operations.

Other Current Liabilities

The Company's other current liabilities consisted of the following (*in thousands*):

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Deferred transaction costs	\$ 3,150	\$ 3,150	\$ 3,150	\$ 3,150
Other	1,014	715	1,225	715
Total	\$ 4,164	\$ 3,865	\$ 4,375	\$ 3,865

Other current liabilities includes \$3.2 million in deferred transaction costs associated with the transactions consummated on January 5, 2022 as contemplated by that certain Agreement and Plan of Merger, dated as of June 7, 2021 among VPC Impact Acquisition Holdings III, Inc. ("VPCC"), Dave Inc., a Delaware corporation ("Legacy Dave"), and other entities (the "Business Combination"). These transaction costs were also capitalized and included within APIC additional paid-in capital in the condensed consolidated balance sheets.

Note 8 Convertible Note Payable

On March 21, 2022, the Company entered into a Convertible Note Purchase Agreement ("Purchase Agreement") with FTX Ventures Ltd. (the "Purchaser"), owner of FTX US ("FTX"), providing for the purchase and sale of a convertible note in the initial principal amount of \$100.0 million (the "Note"). The Note bore interest at a rate of 3.00% per year (compounded semiannually), payable semi-annually in arrears on June 30th and December 31st of each year. Interest may be paid in-kind or in cash, at the Company's option. Forty-eight months (the "Maturity Date") after the date of the initial issuance of the Note (the "Issuance Date"), the Company would pay the Purchaser the sum of (i) the outstanding principal amount of the Note, plus (ii) all accrued but unpaid interest thereon, plus (iii) all expenses incurred by the Purchaser (the "Redemption Price"). Payment of the Redemption Price on the Maturity Date will constitute a redemption of the Note in whole.

On January 29, 2024, the Company repurchased the \$105.7 million outstanding balance of the Note as of January 29, 2024 for \$71.0 million. The Company reduced the net carrying amount of debt by unamortized debt issuance costs of \$0.03 million at the extinguishment date. The Company also incurred third-party costs totaling \$1.3 million in conjunction with the settlement of the Note. The third-party costs are included in the reacquisition price and the gain on extinguishment of \$33.4 million was calculated as the difference between the net carrying amount of debt and the reacquisition price.

Note 9 Warrant Liabilities

As of March 31, 2024 June 30, 2024, there were 6,344,021 public warrants ("Public Warrants") outstanding and 5,100,214 private placement warrants ("Private Warrants") outstanding. Public Warrants may only be exercised for a whole number of shares. No fractional Public Warrants were issued upon separation of the units into their component parts upon the closing of the Business Combination and only whole Public Warrants trade. The Public Warrants are exercisable, provided that the Company continues to have an effective registration statement under the Securities Act covering the shares of Class A Common Stock issuable upon exercise of the Public Warrants and a current prospectus relating to them is available (or the Company permits holders to exercise their Public Warrants on a cashless basis and such cashless exercise is exempt from registration under the Securities Act).

The Company filed a registration statement covering the shares of Class A Common Stock issuable upon exercise of the Public Warrants and the Private Warrants. If the Company's shares of Class A Common Stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of Public Warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, it will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, it will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

The Public Warrants and the Private Warrants have an exercise price of \$368 per share, subject to adjustments and will expire five years after the completion of the Business Combination or earlier upon redemption or liquidation.

Redemption of Public Warrants when the price per share of Class A Common Stock equals or exceeds \$576.00:

Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants for cash:

- in whole and not in part;

23 21

-
- at a price of \$0.01 per warrant;
 - upon a minimum of 30 days prior written notice of redemption; and if, and only if, the closing price of Class A Common Stock equals or exceeds \$576.00 per share (as adjusted) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

The Company will not redeem the Public Warrants as described above unless an effective registration statement under the Securities Act covering the Class A Common Stock issuable upon exercise of the warrants is effective and a current prospectus relating to those shares of Class A Common Stock is available throughout the 30-day redemption period.

Redemption of Public Warrants for when the price per share of Class A Common Stock equals or exceeds \$320.00:

Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants:

- in whole and not in part;
- at \$0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to an agreed table based on the redemption date and the "fair market value" (as defined below) of the Class A Common Stock; and
- if, and only if, the closing price of Class A Common Stock equals or exceeds \$320.00 per Public Share (as adjusted) for any 20 trading days within the 30-trading day period ending three trading days before the Company sends notice of redemption to the warrant holders.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement. The exercise price and number of shares of Class A Common Stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the Public Warrants will not be adjusted for issuance of Class A Common Stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the Public Warrants.

The Private Warrants are identical to the Public Warrants, except that the Private Placement Warrants will be non-redeemable so long as they are held by VPC Impact Acquisition Holdings Sponsor III, LLC, which was the sponsor of VPCC and an affiliate of certain of VPCC's officers and directors prior to the Business Combination, (the "Sponsor") or its permitted transferees. If the Private Warrants are held by someone other than the Sponsor or its permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

Contemporaneously with the execution of the Debt Facility, the Company issued warrants to the Lenders as consideration for entering into the Debt Facility, representing a loan commitment fee. The warrants vest and become exercisable based on the Company's aggregated draw on the Debt Facility in incremental \$10.0 million tranches and terminate upon the earliest to occur of (i) the fifth anniversary of the occurrence of a qualified financing event and (ii) the consummation of a liquidity event. The holders of the warrants have the ability to exercise their right to acquire a number of common shares equal to 0.2% of the fully diluted equity of the Company as of the closing date ("Equity Closing Date") of the Company's next equity financing with proceeds of at least \$40.0 million ("Qualified Financing Event") or immediately prior to the consummation of a liquidity event. The exercise price of the warrants is the greater of (i) 80% of the fair market value of each share of Common Stock at the Equity Closing Date and (ii) \$120.0656 per share, subject to certain down-round adjustments. The warrants meet the definition of a derivative under ASC 815 and will be accounted for as a liability at fair value and subsequently remeasured to fair value at the end of each reporting period with the changes in fair value recorded in the consolidated statement of operations. The initial offsetting entry to the warrant liability was an asset recorded to reflect the loan commitment fee. The loan commitment fee asset will be amortized to interest expense over the commitment period of four years. The Company estimated the fair value of the warrants at the issuance date to be \$0.1 million using the Black-Scholes option-pricing model. Determining the fair value of these warrants under this model requires subjective assumptions. These estimates involve inherent uncertainties and the application of management's judgment.

Immediately prior to the close of the Business Combination, all, or 1,664,394 of the vested warrants were exercised and net settled for 14,087 shares of Legacy Dave's Class A Common Stock after applying the exchange ratio.

24 22

Note 10 Debt Facility

In January 2021, Dave OD Funding I, LLC ("Borrower") entered into a delayed draw senior secured loan facility (the "Debt Facility") with Victory Park Management, LLC ("Agent"), and allowed the Borrower to draw up to \$100 million from various lenders (the "Lenders") associated with Victory Park Management, LLC. The Debt Facility had an interest rate of 6.95% annually plus a base rate defined as the greater of the three-month London interbank offered rate ("LIBOR") as of the last business day of each calendar month and 2.55%. Interest is payable monthly in arrears. The Debt Facility contained certain financial covenants, including a requirement to maintain a minimum cash, cash equivalents, or marketable securities balance of \$8.0 million.

On September 13, 2023, the Company executed the Third Amendment to the Debt Facility with the existing Lenders. The Third Amendment, among other things: (i) increases the secured loan facility commitment amount by \$50 million to a total of \$150 million; (ii) extends the maturity date of the Debt Facility from January 2025 to December 2026; (iii) adds a liquidity trigger threshold, measured as of the last day of any calendar month, equal to the lesser of (a) the trailing six-month EBITDA as of such date, (b) the product of (A) the trailing three-month EBITDA as of such date, multiplied by (B) two (2), and (c) zero (\$0); (iv) increases the minimum liquidity threshold, a requirement to maintain a minimum cash, cash equivalents, or marketable securities balance, from \$8.0 million to \$15 million; (v) replaces LIBOR with the secured overnight financing rate ("SOFR") and updates interest rates to the base rate (or if greater, SOFR for such date for a 3-month tenor and 3.00%) plus 5.00% per annum on that portion of the aggregate outstanding principal balance that is less than or equal to \$75 million, plus the base rate plus 4.50% per annum on that portion of the aggregate outstanding principal balance, if any, that is greater than \$75 million; (vi) updates prepayment premiums for early or voluntary principal repayments; and (vii) the Company's guaranty (the limited guaranty was secured by a first-priority lien against substantially all of the Company's assets) of up to \$25,000,000 of the Borrower's obligations under the Debt Facility has been terminated.

Payments of the loan draws are due at the following dates: (i) within five business days after the date of receipt by the Borrower of any net cash proceeds in excess of \$0.25 million in the aggregate during any fiscal year from any asset sales (other than certain permitted dispositions), Borrower must prepay the loans or remit such net cash proceeds in an aggregate amount equal to 100% of such net cash proceeds; (ii) within five business days after the date of receipt by Borrower, or the Agent as loss payee, of any net cash proceeds from any destruction or taking, the Borrower must prepay the loans or remit such net cash proceeds in an aggregate amount equal to 100% of such net cash proceeds; (iii) within three business days after the date of receipt by Borrower of any net cash proceeds from the incurrence of any indebtedness of Borrower (other than with respect to permitted borrower indebtedness), the Borrower will prepay the loans or remit such net cash proceeds in an aggregate amount equal to 100% of such net cash proceeds; and (iv) (a) if extraordinary receipts are received by Borrower in the aggregate amount in any fiscal year in excess of \$0.25 million or (b) if an event of default has occurred and is continuing at any time when any extraordinary receipts are received by Borrower, then within five business days of the receipt by Borrower of any such extraordinary receipts, the Borrower must prepay the loans or remit such net cash proceeds in an aggregate amount equal to (x) 100% of such extraordinary receipts in excess of \$0.25 million in respect of clause (a) above and (y) 100% of such extraordinary receipts in respect of clause (b) above.

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, the Company had drawn \$75.0 million on the Debt Facility and had made no repayments.

The Third Amendment was accounted for as a debt modification and, accordingly, the Company capitalized \$0.4 million of financing costs which will be recognized within the statement of operations evenly through maturity date of the Debt Facility, no gain or loss was recognized. As of **March 31, 2024** **June 30, 2024**, the Company was in compliance with all covenants.

Note 11 Commitments and Contingencies

From time to time, the Company is subject to various legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business.

Although the outcome of the various legal proceedings and claims cannot be predicted with certainty, management does not believe that any of these proceedings or claims will have a significant adverse effect on the Company's business, financial condition, results of operations, or cash flows.

On July 10, 2024, the parties in the Lopez matter reached a settlement agreement in mediation, which is subject to approval by the court. As of June 30, 2024, the Company had recorded a total reserve for legal settlements of \$1.2 million, offset by an insurance receivable of \$0.6 million.

1. Stoffers v. Dave Inc. (filed September 16, 2020 in LA County Superior Court)

This is a purported class action lawsuit filed in connection with a July 2020 data breach, asserting consumer protection and contract claims and seeking compensatory damages, punitive damages, injunctive relief and attorney's fees on behalf of a California class. The Company entered into a settlement agreement to settle this matter on a classwide basis, which received final approval in December 2023. The estimated settlement amount of approximately \$3.2 million was included in the Legal settlement accrual within the consolidated balance sheets for the year ended December 31, 2023. During the quarter ended March 31, 2024, the Company paid \$3.1 million of the estimated \$3.2 million in legal settlement expense. The Company plans to pay any remaining amounts due during the quarter ending June 30, 2024.

The Company recorded an estimated legal settlement expense of \$4.1 million relating to individual claims arising from the July 2020 data breach. During 2023, the Company paid \$3.9 million of the estimated \$4.1 million in legal settlement expense. The remaining \$0.2 million was paid during the quarter ended March 31, 2024.

2. Lopez v. Dave Inc. (filed July 15, 2022 in US District Court for the Northern District of California).

This is a purported class action alleging violations of California consumer protection laws and state and federal lending laws, among other things. The complaint seeks injunctive relief, damages, restitution, non-restitutionary disgorgement, pre- and post-judgment interest and reasonable attorneys' fees and costs. The Company recorded an estimated legal settlement amount of \$0.6 million for this matter in the quarter ended March 31, 2024.

Note 12 Leases

In January 2019, the Company entered into a lease agreement with PCJW for office space located in Los Angeles, California. The lease term is seven years, beginning January 1, 2019 and ending December 31, 2025. The current monthly lease payment is \$0.02 million, subject to an annual escalation of 5%.

In December 2018, the Company entered into a sublease agreement with PCJW, controlled by Company's founders (including the Company's CEO), for general office space next to the aforementioned leased property in Los Angeles, California. The lease term was five years subject to early termination by either party, beginning November 2018 and ending October 2023. In November 2023, the Company extended the sublease for five more years ending October 2028. Under the terms of the sublease, the current monthly rent is \$0.006 million, subject to an annual escalation of 4%.

All leases were classified as operating and operating lease expenses are presented within Other operating expenses in the condensed consolidated statements of operations. The Company does not have any finance leases or sublease arrangements where the Company is the sublessor. The Company's leasing activities are as follows (in thousands):

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2024	March 31, 2023	June 30, 2024	June 30, 2023
Operating lease cost	\$ 86	\$ 82	\$ 173	\$ 164
Short-term lease cost	-	-	-	8
Total lease cost	\$ 86	\$ 82	\$ 173	\$ 172

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2024	March 31, 2023	June 30, 2024	June 30, 2023
Other information:				
Cash paid for operating leases	\$ 91	\$ 88	\$ 184	\$ 175
Weighted-average remaining lease term - operating lease	2.79	2.64	2.62	2.43
Weighted-average discount rate - operating lease	10 %	10 %	10 %	10 %

The future minimum lease payments as of March 31, 2024 June 30, 2024, were as follows (in thousands):

<u>Year</u>	<u>Related-Party Commitment</u>		<u>Related-Party Commitment</u>	
2024 (remaining)	\$	275	\$	184
2025		383		385
2026		76		78
Thereafter		148		152
Total minimum lease payments	\$	882	\$	799
Less: imputed interest		(112)		(96)
Total lease liabilities	\$	770	\$	703

24

Note 13 Fair Value of Financial Instruments

The following are the major categories of assets and liabilities measured at fair value on a recurring basis as of **March 31, 2024** **June 30, 2024** and December 31, 2023, using quoted prices in active markets for identical assets (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3) (*in thousands*):

<u>March 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>				
<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>				
Assets								
Marketable securities	\$ 1,083	\$ —	\$ —	\$ 1,083	\$ 95	\$ —	\$ —	\$ 95
Investments	—	43,317	—	43,317	—	39,508	—	39,508
Total assets	\$ 1,083	\$ 43,317	\$ —	\$ 44,400	\$ 95	\$ 39,508	\$ —	\$ 39,603
Liabilities								
Warrant liabilities - public warrants	\$ 348	\$ —	\$ —	\$ 348	\$ 211	\$ —	\$ —	\$ 211
Warrant liabilities - private warrants	-	—	332	332	—	—	197	197
Earnout liabilities	-	—	227	227	—	—	164	164
Total liabilities	\$ 348	\$ —	\$ 559	\$ 907	\$ 211	\$ —	\$ 361	\$ 572

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets								
Marketable securities	\$ 952	\$ —	\$ —	\$ 952	\$ 952	\$ —	\$ —	\$ 952
Investments	—	113,226	—	113,226	—	113,226	—	113,226
Total assets	\$ 952	\$ 113,226	\$ —	\$ 114,178	\$ 952	\$ 113,226	\$ —	\$ 114,178
Liabilities								
Warrant liabilities - public warrants	\$ 97	\$ —	\$ —	\$ 97	\$ 97	\$ —	\$ —	\$ 97
Warrant liabilities - private warrants	-	—	105	105	—	—	105	105
Earnout liabilities	-	—	31	31	—	—	31	31
Total liabilities	\$ 97	\$ —	\$ 136	\$ 233	\$ 97	\$ —	\$ 136	\$ 233

The Company had no assets or liabilities measured at fair value on a non-recurring basis as of **March 31, 2024** **June 30, 2024** and December 31, 2023.

The Company also has financial instruments not measured at fair value. The Company has evaluated cash (Level 1), restricted cash (Level 1), accounts payable (Level 2), accrued expenses (Level 2) and Member advances (Level 3) and believes the carrying value approximates the fair value due to the short-term nature of these balances. The fair value of the debt facility (Level 2) **and convertible note payable (Level 2)** approximates **their** **its** carrying **values**. **value**.

Marketable Securities:

The Company evaluated the quoted market prices in active markets for its marketable securities and has classified its securities as Level 1. The Company's investments in marketable securities are exposed to price fluctuations. The fair value measurements for the securities are based upon the quoted prices of similar items in active markets multiplied by the number of securities owned.

27

Investments:

The following describes the valuation techniques used by the Company to measure the fair value of investments held as of **March 31, 2024**, **June 30, 2024** and **March 31, 2023**.

U.S. Government Securities

The fair value of U.S. government securities is estimated by independent pricing services who use computerized valuation formulas to calculate current values. U.S. government securities are categorized in Level 2 of the fair value hierarchy.

Corporate Bonds and Notes

The fair value of corporate bonds and notes is estimated by independent pricing services who use computerized valuation formulas to calculate current values. These securities are generally categorized in Level 2 of the fair value hierarchy or in Level 3 when market-based transaction activity is unavailable and significant unobservable inputs are used.

25

Asset-Backed Securities

The fair value of these asset-backed securities is estimated by independent pricing services who use computerized valuation formulas to calculate current values. These securities are generally categorized in Level 2 of the fair value hierarchy or in Level 3 when market-based transaction activity is unavailable and significant unobservable inputs are used.

Public Warrants:

As discussed further in Note 9, Warrant Liabilities, in January 2022, upon completion of the Business Combination, public warrants were automatically converted to warrants to purchase Common Stock of the Company. These public warrants met the definition of a derivative under ASC 815, and due to the terms of the warrants, were required to be liability classified. This warrant liability was initially recorded as a liability at fair value, with the offsetting entry recorded as a non-cash expense within the statement of operations. The derivative liability was subsequently recorded at fair value at each reporting period, with changes in fair value reflected in earnings. The **loss gain/(loss)** related to the change in fair value of the public warrant liability for the three **and six** months ended **March 31, 2024**, **June 30, 2024**, was **\$0.3** **0.1** million **and (\$0.1)** million, respectively, which is presented within changes in fair value of public warrant liability in the consolidated statements of operations.

A roll-forward of the Level 1 public warrant liability is as follows (in thousands):

Opening value at January 1, 2024	\$	97	\$	97
Change in fair value during the period		251		114
Ending value at March 31, 2024	\$	348		
Ending value at June 30, 2024	\$	211		

Private Warrants:

As discussed further in Note 9, Warrant Liabilities, in January 2022, upon completion of the Business Combination, private warrants were automatically converted to warrants to purchase Class A Common Stock of the Company. These private warrants met the definition of a derivative under ASC 815, and due to the terms of the warrants, were required to be liability classified. This warrant liability was initially recorded as a liability at fair value, with the offsetting entry recorded as a non-cash expense within the condensed consolidated statement of operations. The derivative liability was subsequently recorded at fair value at each reporting period, with changes in fair value reflected in earnings. The gain/(loss)/gain related to the change in fair value of the private warrant liability for the three and six months ended March 31, 2024 and 2023, were (\$ June 30, 2024, was \$0.2 0.1) million and (\$(\$0.08 0.1) million, respectively, which is presented within changes in fair value of private warrant liabilities in the consolidated statements of operations.

A roll-forward of the Level 3 private warrant liability is as follows (in thousands):

Opening value at January 1, 2024	\$	105	\$	105
Change in fair value during the period		226		92
Ending value at March 31, 2024	\$	331		
Ending value at June 30, 2024	\$	197		

The Company used a Black-Scholes option pricing model to determine the fair value of the private warrant liability. The following table presents the assumptions used to value the private warrant liability for the three months ended March 31, 2024 June 30, 2024:

28

Exercise price	\$	368.00	\$	368
Expected volatility		75.9 %		79.6 %
Risk-free interest rate		4.44 %		4.61 %
Remaining term		2.76 years		2.51 years
Dividend yield		0 %		0 %

Earnout Shares Liability:

As part of the reverse recapitalization, 49,563 shares of Class A Common Stock held by founders of VPCC are subject to forfeiture if the vesting condition is not met over the five year term following the closing date of the Business Combination ("Founder Holder Earnout Shares"). These Founder Holder Earnout Shares were initially recorded as a liability at fair value and subsequently recorded at fair value at each reporting period, with changes in fair value reflected in earnings. The gain/ (loss)/gain related to the change in fair value of the Founder Holder Earnout Shares liabilities for the three and six months ended March 31, 2024 and 2023 were (\$ June 30, 2024, was 0.2 0.1) million and \$ (\$0.03 0.1)

26

million, respectively, which are presented within changes in fair value of earnout liabilities in the consolidated statements of operations.

A roll-forward of the Level 3 Founder Holder Earnout Shares liability is as follows (in thousands):

Opening value at January 1, 2024	\$	31	\$	31
Change in fair value during the period		196		133
Ending value at March 31, 2024	\$	227		
Ending value at June 30, 2024	\$	164		

The Company used a Monte Carlo Simulation Method to determine the fair value of the Founder Holder Earnout Shares liability. The following table presents the assumptions used to value the Founder Holder Earnout Shares liability for the three months ended March 31, 2024 June 30, 2024:

Exercise price	\$400-\$480
Expected volatility	72.9 79.7 %
Risk-free interest rate	4.4 4.6 %

Remaining term	2.77 2.52 years
Dividend yield	0 %

There were no other assets or liabilities that were required to be measured at fair value on a recurring basis as of March 31, 2024 June 30, 2024 and December 31, 2023.

Note 14 Stockholders' Equity

Preferred Stock

As of March 31, 2024 June 30, 2024, no shares of preferred stock were outstanding, and the Company has no present plans to issue any shares of preferred stock.

Pursuant to the terms of the Company's amended and restated certificate of incorporation, shares of preferred stock may be issued from time to time in one or more series. The Company's Board of Directors is authorized to fix the voting rights, if any, designations, powers and preferences, the relative, participating, optional or other special rights, and any qualifications, limitations and restrictions thereof, applicable to the shares of each series of preferred stock. The Company's Board of Directors is able to, without stockholder approval, issue preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of the common stock and could have anti-takeover effects. The ability of the Company's Board of Directors to issue preferred stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control or the removal of existing management.

Class A and Class V Common Stock: Stock

The Company's Board of Directors has authorized two classes of common stock, Class A Common Stock and Class V Common Stock. The Company had authorized 500,000,000 and 100,000,000 shares of Class A Common Stock and Class V Common Stock, respectively. Shares of Class V Common Stock have 10 votes per share, while shares of Class A Common Stock have one vote per share. The holders of shares of Class A Common Stock and Class V Common Stock will at all times vote together as a single class on all matters (including the election of directors) submitted to a vote of the Company's stockholders. Shares of Class V Common Stock

29

are convertible into shares of Class A Common Stock on a one-to-one basis at the option of the holders of Class V Common Stock at any time upon written notice to the Company. As of March 31, 2024 June 30, 2024, the Company had 10,869,286 11,149,290 and 1,514,082 shares of Class A Common Stock and Class V Common Stock issued, respectively. As of March 31, 2024 June 30, 2024, the Company had 10,819,723 11,099,727 and 1,514,082 shares of Class A Common Stock and Class V Common Stock outstanding, respectively.

Note 15 Stock-Based Compensation

In 2017, the Company's Board of Directors adopted the Dave Inc. 2017 Stock Plan (the "2017 Plan"). The 2017 Plan authorized the award of stock options, restricted stock, and restricted stock units. On January 4, 2022, the stockholders of the Company approved the 2021 Equity Incentive Plan (the "2021 Plan"). The 2021 Plan was previously approved, subject to stockholder approval, by the Company's Board of Directors on January 4, 2022. Upon the consummation of the Business Combination with VPCC, the 2017 Plan

27

was terminated and replaced by the 2021 Plan. The maximum term of stock options granted under the 2021 Plan is 10 years and the awards generally vest over a four-year period. The Company recognized approximately \$6.1 7.7 million and \$6.8 13.8 million of stock-based compensation expense arising from stock option and restricted stock unit grants which is recorded as a component of compensation and benefits in the condensed consolidated statements of operations for the three and six months ended March 31, 2024 June 30, 2024, respectively. The Company recognized \$6.6 million and 2023, respectively. **Stock Option Repricing:** In April 2023, the Company's Board of Directors approved a repricing of certain previously granted and still outstanding vested and unvested stock option awards held by eligible employees, which was approved by stockholders on June 9, 2023. As a result, the exercise price for these awards was lowered to \$5.18 per share, which was the average per

share closing price of the Company's Class A Common Stock as reported on the Nasdaq Global Stock Market for the 30 trading days ending on and including June 9, 2023. No other terms of the repriced stock options were modified, and the repriced stock options will continue to vest according to their original vesting schedules and will retain their original expiration dates. As a result of the repricing, 134,931 vested and unvested stock options outstanding as of June 9, 2023, with original exercise prices ranging from \$22.09 to \$23.18, were repriced.

The repricing on June 9, 2023 resulted in incremental stock-based compensation expense of \$0.213.4 million of which \$0.14 million related to vested stock based compensation expense arising from stock option awards was expensed on the repricing date. The remaining \$0.06 million related to unvested and restricted stock option awards is being amortized on a straight-line basis over the weighted-average vesting period of those awards of approximately 1.3 years as of June 9, 2023.

In September 2023, the Company's Board of Directors approved a repricing of certain previously granted and still outstanding vested and unvested stock option awards held by eight remaining eligible employees excluded from the aforementioned June 9th repricing. As a result, the exercise price for these awards was lowered to \$7.23 per share, which was the average per share closing price of the Company's Class A Common Stock as reported on the Nasdaq Global Stock Market unit grants for the 30 trading days ending on three and including September 13, 2023. No other terms of the repriced stock options were modified, and the repriced stock options will continue to vest according to their original vesting schedules and will retain their original expiration dates. As a result of the repricing, 200,571 vested and unvested stock options outstanding as of September 13, 2023 six months ended June 30, 2023, with original exercise prices ranging from \$22.09 to \$23.18, were repriced.

The repricing on September 13, 2023 resulted in incremental stock-based compensation expense of \$0.2 million, of which \$0.17 million related to vested stock option awards was expensed on the repricing date. The remaining \$0.07 million related to unvested stock option awards is being amortized on a straight-line basis over the weighted-average vesting period of those awards of approximately 1.0 years as of September 13, 2023, respectively.

Stock Options:

Management has valued stock options at their date of grant utilizing the Black-Scholes option pricing model. The fair value of the underlying shares was estimated by using a number of inputs, including recent arm's length transactions involving the sale of the Company's common stock.

Expected term—The expected term represents the period of time that options are expected to be outstanding. As the Company does not have sufficient historical exercise behavior, it determines the expected life assumption using the simplified method, which is an average of the contractual term of the option and its vesting period.

Risk free interest rate—The risk-free interest rate is based on the implied yield available on U.S. Treasury issues with an equivalent term approximating the expected life of the options depending on the date of the grant and expected life of the options.

30

Expected dividend yield—The Company bases the expected dividend yield assumption on the fact that it has never paid cash dividends and has no present intention to pay cash dividends.

Expected volatility—Due to the Company's limited operating history and lack of company-specific historical or implied volatility, the expected volatility assumption is based on historical volatilities of a peer group of similar companies whose share prices are publicly available. The Company identified a group of peer companies and considered their historical stock prices. In identifying peer companies, the Company considered the industry, stage of life cycle, size, and financial leverage of such other entities.

Activity with respect to stock options is summarized as follows:

	Weighted-Average				Weighted-Average			
	Shares	Weighted-Average Exercise Price	Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)	Shares	Weighted-Average Exercise Price	Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Options outstanding, January 1, 2024	766,829	\$ 14.10	6.3	\$ 1,148	766,829	\$ 14.10	6.3	\$ 1,148
Granted	-	\$ -	-	-	-	-	-	-
Exercised	(90,374)	\$ 5.80	-	-	(124,288)	\$ 6.69	-	-
Forfeited	(4,404)	\$ 6.86	-	-	(5,376)	\$ 6.55	-	-

Expired	(3,600)	\$	5.18		(3,600)	\$	5.18
Options outstanding, March 31, 2024	668,451	\$	15.32	6.4	\$	14,589	
Nonvested options, March 31, 2024	391,005	\$	21.74	6.9	\$	6,020	
Vested and exercisable, March 31, 2024	277,446	\$	6.26	5.7	\$	8,569	
Options outstanding, June 30, 2024	633,565	\$	15.66	6.3	\$	9,273	
Nonvested options, June 30, 2024	378,159	\$	22.27	6.7	\$	3,038	
Vested and exercisable, June 30, 2024	255,406	\$	5.89	5.6	\$	6,235	

At **March 31, 2024** **June 30, 2024**, total estimated unrecognized stock-based compensation cost related to unvested stock options prior to that date was **approximately \$5.2** **4.0** million, which is expected to be recognized over a weighted-average remaining period of **3.1** **3** years.

The Company allowed certain stock option holders to exercise unvested options to purchase shares of Common Stock. Shares received from such early exercises are subject to repurchase in the event of the optionee's employment termination, at the original issuance price, until the options are fully vested. As of March 31, 2024 and March 31, 2023, 0 and 2,777 shares of Common Stock were subject to repurchase at a weighted-average prices of \$22.09 per share, respectively. The shares issued pursuant to unvested options have been included in shares issued and outstanding on the condensed consolidated balance sheets as such shares are considered legally outstanding.

On March 3, 2021, the Company granted the Chief Executive Officer stock options to purchase up to 358,001 shares of Common Stock in nine tranches. Each of the nine tranches contain service, market and performance conditions. The market conditions relate to the achievement of certain specified price targets. Vesting commences on the grant date; however, no compensation charges are recognized until the service and performance condition are probable, which is upon the completion of a liquidity event, the achievement of specified price targets for each tranche of shares, and continuous employment. Upon the completion of the Business Combination, the performance condition was met and the Company recorded a cumulative stock-based compensation expense of \$1.9 million. The options have a strike price of \$23.18 per share. The Company determined the fair value of the options on the grant date to be \$10.5 million using a Monte Carlo simulation with key inputs and assumptions such as stock price, term, dividend yield, risk-free

28

interest rate, and volatility. The derived service periods determined by the valuation for each of the nine tranches range from approximately three years to approximately seven years. Each tranche will be expensed monthly over the derived service period unless vesting conditions for a particular tranche are met, at which point all remaining compensation charges related to that particular tranche will be expensed in the period in which the vesting conditions were met.

The following table presents the key inputs and assumptions used to value the options granted to the Chief Executive Officer on the grant date:

Remaining term	10.0 years
Risk-free interest rate	1.5 %
Expected dividend yield	0.0 %
Expected volatility	40.0 %

31 Stock Option Repricing:

In April 2023, the Company's Board of Directors approved a repricing of certain previously granted and still outstanding vested and unvested stock option awards held by eligible employees, which was approved by stockholders on June 9, 2023. As a result, the exercise price for these awards was lowered to \$5.18 per share, which was the average per share closing price of the Company's Class A Common Stock as reported on the Nasdaq Global Stock Market for the 30 trading days ending on and including June 9, 2023. No other terms of the repriced stock options were modified, and the repriced stock options will continue to vest according to their original vesting schedules and will retain their original expiration dates. As a result of the repricing, 134,931 vested and unvested stock options outstanding as of June 9, 2023, with original exercise prices ranging from \$22.09 to \$23.18, were repriced.

The repricing on June 9, 2023 resulted in incremental stock-based compensation expense of \$0.2 million, of which \$0.1 million related to vested stock option awards was expensed

on the repricing date. The remaining \$0.1 million related to unvested stock option awards is being amortized on a straight-line basis over the weighted-average vesting period of those awards of approximately 1.3 years as of June 9, 2023.

In September 2023, the Company's Board of Directors approved a repricing of certain previously granted and still outstanding vested and unvested stock option awards held by eight remaining eligible employees excluded from the aforementioned June 9 repricing. As a result, the exercise price for these awards was lowered to \$7.23 per share, which was the average per share closing price of the Company's Class A Common Stock as reported on the Nasdaq Global Stock Market for the 30 trading days ending on and including September 13, 2023. No other terms of the repriced stock options were modified, and the repriced stock options will continue to vest according to their original vesting schedules and will retain their original expiration dates. As a result of the repricing, 200,571 vested and unvested stock options outstanding as of September 13, 2023, with original exercise prices ranging from \$22.09 to \$23.18, were repriced.

The repricing on September 13, 2023 resulted in incremental stock-based compensation expense of \$0.2 million, of which \$0.17 million related to vested stock option awards was expensed on the repricing date. The remaining \$0.07 million related to unvested stock option awards is being amortized on a straight-line basis over the weighted-average vesting period of those awards of approximately 1.0 years as of September 13, 2023.

Restricted Stock Units:

Activity with respect to RSUs is summarized as follows:

	Weighted-Average Grant-Date Fair Value		Weighted-Average Grant-Date Fair Value	
	Shares		Shares	
Nonvested shares at January 1, 2024	1,726,639	\$ 23.10		
Outstanding shares at January 1, 2024	1,726,639	\$ 23.10		
Granted	104,063	\$ 25.40	461,247	\$ 32.15
Vested	(95,176)	\$ 63.03	(341,266)	\$ 31.68
Forfeited	(70,427)	\$ 30.25	(434,801)	\$ 10.21
Nonvested shares at March 31, 2024	1,665,099	\$ 20.66		
Outstanding shares at June 30, 2024	1,411,819	\$ 29.69		

At March 31, 2024 June 30, 2024, total estimated unrecognized stock-based compensation cost related to nonvested RSUs was approximately \$33.5 37.6 million, which is expected to be recognized over a weighted-average period of 1.9 2.3 years.

29

During the quarter ended March 31, 2023, the Company granted 629,454 RSUs to certain employees in six tranches. Each of the six tranches contain service and market conditions. The market conditions relate to the achievement of certain specified price targets. Vesting commences on the grant date and the Company determined the fair value of the RSUs on the grant date to be approximately \$3.0 million using a Monte Carlo simulation with key inputs and assumptions such as stock price, term, risk-free interest rate, and volatility. The derived service periods determined by the valuation for each of the six tranches range from approximately two years to approximately three years. Each tranche will be expensed monthly over the derived service period unless vesting conditions for a particular tranche are met, at which point all remaining compensation charges related to that particular tranche will be expensed in the period in which the vesting conditions were met.

The following table presents the key inputs and assumptions used to value the RSUs that contain service and market conditions on the grant date:

Remaining term	5.0 years
Risk-free interest rate	3.5 %
Expected volatility	79.7 %

During October 2023, the Company granted 71,844 RSUs to certain employees in six tranches. Each of the six tranches contain service and market conditions. The market conditions relate to the achievement of certain specified price targets. Vesting commences on the grant date and the Company determined the fair value of the RSUs on the grant date to be approximately \$0.2 million using a Monte Carlo simulation with key inputs and assumptions such as stock price, term, risk-free interest rate, and volatility. The derived service periods determined by the valuation ranges from approximately two years to approximately three years. Each grant will be expensed monthly over the derived service period

unless vesting conditions for a particular grant are met, at which point all remaining compensation charges related to that particular grant will be expensed in the period in which the vesting conditions were met.

The following table presents the key inputs and assumptions used to value the RSUs granted during October 2023 that contain service and market conditions on the grant date:

Remaining term	4.2 years
Risk-free interest rate	4.9 %
Expected volatility	87.6 %

During the quarter ended June 30, 2024, the Company's Board of Directors approved a modification to the price targets in the market conditions and the addition of performance conditions for 333,275 unvested RSUs. The modification of the unvested RSUs resulted in incremental stock-based compensation expense of \$1.0 million, which will be expensed monthly over the derived service period. The weighted average modification-date fair value of the RSUs were \$5.36 per award. The Company determined the fair value of the RSUs on the modification date using a Monte Carlo simulation with key inputs and assumptions such as stock price, term, risk-free interest rate, and volatility. The derived service periods determined by the valuation range from approximately one year to approximately two years. The RSUs will be expensed monthly over the derived service period unless vesting conditions for a particular tranche are met, at which point all remaining compensation charges will be expensed in the period in which the vesting conditions were met. As a result of the modification, the RSUs are now classified as performance-based RSUs and included in the activity table below.

The following table presents the key inputs and assumptions used to value the RSUs modified during the quarter ended June 30, 2024:

Remaining term	3.7 years
Risk-free interest rate	4.7 %
Expected volatility	71.7 %

Performance-Based Restricted Stock Units:

The Company grants performance-based RSUs to certain employees that are subject to the attainment of pre-established internal performance conditions. The actual number of shares subject to the award is determined at the end of the performance period and may range from 0% to 150% of the target shares granted depending upon the terms of the award.

30

Activity with respect to Performance-Based RSUs is summarized as follows:

	Shares	Weighted-Average Grant-Date Fair Value
Outstanding shares at January 1, 2024	-	\$ -
Granted	466,316	\$ 13.50
Vested	-	\$ -
Forfeited	(3,663)	\$ 5.54
Outstanding shares at June 30, 2024	462,653	\$ 13.57

At June 30, 2024, total estimated unrecognized stock-based compensation cost related to nonvested performance-based RSUs was approximately \$6.0 million, which is expected to be recognized over a weighted-average period of 2.2 years.

Note 16 Related-Party Transactions

Leasing Arrangements: Arrangements

During each of the three and six months ended March 31, 2024 and 2023, June 30, 2024, the Company paid \$0.09 0.1 million and \$0.2 million, respectively, under lease agreements with PCJW, which is controlled by the Company's founders (including the Company's current CEO), for general office space in Los Angeles, California. During the three and six months ended June 30, 2023, the Company paid \$0.1 million and \$0.2 million, respectively under the lease agreements with PCJW.

32

The following is a schedule of future minimum rental payments as of **March 31, 2024** **June 30, 2024** under Company's sub-lease for the properties located in Los Angeles, California signed with PCJW (*in thousands*):

Year	Related-Party Commitment		Related-Party Commitment	
2024 (remaining)	\$	275	\$	184
2025		383		385
2026		76		78
Thereafter		148		152
Total minimum lease payments	\$	882	\$	799
Less: imputed interest		(112)		(96)
Total lease liabilities	\$	770	\$	703

The related-party components of the lease right-of-use assets, lease liabilities, short-term, and lease liabilities, long-term are presented as part of the right-of-use asset and lease liability on the condensed consolidated balance sheets.

Debt Facility

Brendan Carroll, a Senior Partner at Victory Park Capital Advisors, LLC ("VPC"), joined the board of directors of the Company upon closing of the Business Combination. Interest expense related to the Debt Facility totaled \$2.0 million **and \$3.9 million** for the three **and six** months ended **March 31, 2024**, **June 30, 2024**, respectively. For more information about the Debt Facility with VPC, refer to Note 10, Debt Facility.

Legal Services

The law firm of Mitchell Sandler LLC, of which the Company's director Andrea Mitchell is a partner, provided legal services to the Company, which totaled \$0.1 million **and \$0.4 million** for the three **and six** months ended **March 31, 2024**, **June 30, 2024**, respectively.

31

Note 17 401(k) Savings Plan

The Company maintains a 401(k) savings plan for the benefit of its employees. Employees can defer up to 90% of their compensation subject to fixed annual limits. All current employees are eligible to participate in the 401(k) savings plan. Beginning January 2021, the Company began matching contributions to the 401(k) savings plan equal to 100% of the first 4% of wages deferred by each participating employee. The Company incurred expenses for employer matching contributions of \$0.5 million **and \$1.0 million for the three and six months ended June 30, 2024, respectively**, and \$0.6 million and \$0.5 **1.1 million** for the three **and six** months ended **March 31, 2024 and 2023**, **June 30, 2023**, respectively.

Note 18 Subsequent Events

Subsequent events are events or transactions that occur after the condensed consolidated balance sheet date, but before the condensed consolidated financial statements are available to be issued. The Company recognizes in the condensed consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the condensed consolidated balance sheet, including the estimates inherent in the process of preparing the condensed consolidated financial statements. The Company's condensed consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the condensed consolidated balance sheet but arose after the condensed consolidated balance sheet date and before the condensed consolidated financial statements were available to be issued.

33 32

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

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the notes related thereto which are included elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under "Cautionary Note Regarding Forward-Looking Statements," **Item 1A. Risk "Risk Factors"** and elsewhere in our Annual Report on Form **10-K**, **10-K** for the year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on March 5, 2024 (the "Annual Report") and in our subsequent Quarterly Reports on Form 10-Q.

Overview

In the story of David vs. Goliath, the small underdog is able to outsmart and defeat his larger adversary. This is the spirit behind the name "Dave." We have built an integrated financial services online platform that provides millions of Americans with seamless access to a variety of intuitive financial products at a fraction of the cost and with much higher speed to value than that of the legacy financial services incumbents, such as traditional banks and other financial institutions. Our mission is to build products that level the financial playing field. Our near-term strategy is focused on delivering a superior banking experience for anyone living paycheck to paycheck.

Based on our observation and analysis of Member data, legacy financial institutions charge high fees for consumer banking and other financial services products, which disproportionately burdens tens of millions of Americans who can least afford them. We see this dynamic playing out with our Members who we believe are on average paying between \$300-\$400 in overdraft, maintenance and other fees to their existing bank for basic checking services.

Further, we see a significant opportunity to address the broader short-term credit market. According to a 2023 report by The Financial Health Network ("FHN"), legacy financial institutions charge approximately \$40 billion in fees annually. The FHN estimates that financially "coping" and "vulnerable" populations pay over \$160 billion a year in fees and interest for access to short-term credit. Our prospective Member opportunity is also significant. We estimate that our total addressable market consists of between 160 million to 180 million Americans who are in need of financial stability and are either not served or underserved by legacy financial institutions.

Dave offers a suite of innovative financial products aimed at helping our Members improve their financial health. To help Members avoid punitive overdraft fees and access short-term liquidity, Dave offers cash advances through its flagship 0% interest ExtraCash product. Through Dave Banking, we provide a digital checking account experience, seamlessly integrated with ExtraCash advances, with no hidden fees. With a Dave Banking account, Members have access to valuable tools for building long-term financial health, such as Goals savings accounts and customizable automatic round-up savings on debit spend transactions. We also help Members generate extra income for spending or emergencies through high APY savings rates, our Side Hustle product, where we present Members with supplemental work opportunities, and through our Surveys product, where Members can earn supplemental income by taking surveys. Our budgeting tool helps Members manage their upcoming bills to avoid overspending.

We have only begun to address the many inequities in financial services, but our progress to date demonstrates the demand for Dave to improve the financial system for the everyday person. Since inception and through the date of this report, **over 14 million** **nearly 15 million** Members have registered on the Dave app and over 11 million Members have used at least one of our products and we believe that we have a substantial opportunity to continue growing our Member base going forward. We strongly believe that the value proposition of our platform approach will continue to accelerate as a result of our data-driven perspective of our Members, allowing us to introduce products and services that address their changing life circumstances.

Comparability of Financial Information

Our future results of operations and financial position may not be comparable to historical results as a result of the consummation of the Business Combination.

Key Factors Affecting Operating Results

Our future operating results and cash flows are dependent upon a number of opportunities, challenges and other factors, including Member growth and activity, product expansion, competition, industry trends and general economic conditions.

Member Growth and Activity

We have made significant investments in our platform, and our business is dependent on continued Member growth, as well as our ability to offer new products and services and generate additional revenues from our existing Members using such additional products

34

and services. Member growth and activity are critical to our ability to increase our scale, capture market share and earn an attractive return on our technology, product and marketing investments. Growth in Members and Member activity will depend heavily on our ability to continue to offer attractive products and services and the success of our marketing and Member acquisition efforts.

Product Expansion

We aim to develop and offer a best-in-class financial services platform with integrated products and services that improve the financial well-being of our Members. We have invested and continue to make significant investments in the development, improvement and marketing of our financial products and are focused on continual growth in the number of products we offer that are utilized by our Members.

Competition

We face competition from several financial services-oriented institutions. In our reportable segment, as well as in potential new lines of business, we may compete with more established institutions, some of which have more financial resources. We compete at multiple levels, including competition among other financial institutions and lenders in our ExtraCash business, competition for deposits in and debit card spending from our Dave Banking product from traditional banks and digital banking products and competition for subscribers to our personal financial management tools. Some of our competitors may at times seek to increase their market share by undercutting pricing terms prevalent in that market, which could adversely affect our market share for any of our products and services or require us to incur higher member acquisition costs.

Concentration

We currently rely on agreements with Evolve, our only bank partner, to provide ExtraCash and other deposit accounts, debit card services and other transaction services to us and our Members. See Part II Item 1A, "Risk Factors" for additional information. Given the size and consistent growth of our Member base as well as how our product capabilities have been expanding, we are in the process of evaluating additional financial institutions with which we can partner.

Industry Trends/General Economic Conditions

We expect economic cycles to affect our business, financial performance, and financial condition. Macroeconomic conditions, including, but not limited to, rising interest rates, inflation, unemployment rates, and consumer sentiment may impact consumer spending behavior and consumer demand for financial products. Although the Company's business operations have not been materially impacted as of the date of this report, our business, financial condition, results of operations and prospects may be adversely affected due to the ongoing nature of these macroeconomic factors. The recent rise in inflation and corresponding rise in interest rates has increased the costs of borrowing on our Debt Facility. Higher interest rates also often lead to higher payment obligations, which may reduce the ability of members to repay their advances and, therefore, lead to increased delinquencies, write-offs and decreased recoveries. We also believe that higher interest rates may increase demand for ExtraCash advances as consumers seek additional sources of liquidity to help them fund higher costs of living. Additionally, higher levels of unemployment could adversely impact members' income levels and, hence, the ability of members to repay their advances which could lead to deterioration in credit performance. We believe that our underwriting engine is well positioned to evaluate credit risk in a higher unemployment environment as it analyzes bank account transaction data to assess, nearly in real-time, changes in members' income, spending, savings, and employment status. We also believe that demand for ExtraCash advances may increase in periods of higher unemployment as consumers seek additional sources of liquidity to help them meet their financial obligations.

Key Components of Statements of Operations

Basis of presentation

Currently, we conduct business through one operating segment which constitutes a single reportable segment. For more information about our basis of presentation, refer to Note 2 in the accompanying condensed consolidated financial statements of Dave included in this report.

34

Service based revenue, net

Service based revenue, net primarily consists of optional tips, optional express processing fees, optional tips and subscriptions charged to Members, net of processor-related costs associated with advance disbursements. Service based revenue, net also consists of lead generation fees from our Side Hustle advertising partners and revenue share from our surveys partner.

Transaction based revenue, net

Transaction based revenue, net primarily consists of interchange and ATM revenues from our Checking Product, net of interchange and fees, ATM-related fees, and interest earned by Members, fees earned from funding and withdrawal-related transactions, and volume support from a certain co-branded agreement fees earned related to the Rewards Product for Members who make debit card spending transactions at participating merchants and deposit referral fees and that are recognized at the point in time the transactions occur, as the performance obligations are satisfied and the variable consideration is not constrained.

Operating expenses

We classify our operating expenses into the following five categories:

Provision for Credit Losses

The provision for credit losses primarily consists of an allowance for expected credit losses at a level estimated to be adequate to absorb credit losses inherent in the outstanding advances receivable, inclusive of outstanding processing fees and tips along with outstanding amounts aged over 120 days or which become uncollectible based on information available to us during the period. We currently estimate the allowance balance required using historical loss and collections experience, and, if relevant, the nature and volume of the portfolio, economic conditions, and other factors such as collections trends and cash collections received subsequent to the balance sheet date. Changes to the allowance have a direct impact on the provision for credit losses in the consolidated statement of operations. We consider advances aged more than 120 days or which become uncollectible based on information available to us as impaired. All impaired advances are deemed uncollectible and subsequently written off and are a direct reduction to the allowance for credit losses. Subsequent recoveries, if any, of Member advances written-off are recorded as a reduction to Member advances, resulting in a reduction to the allowance for credit losses and a corresponding reduction to the provision for credit losses in the consolidated statements of operations when collected.

35

Processing and Servicing Costs

Processing and servicing fees consist of fees paid to our processing partners for the recovery of advances, optional tips, optional express processing fees and subscriptions. These expenses also include fees paid for services to connect Members' bank accounts to our application. Except for processing and servicing fees associated with advance disbursements which are recorded net against revenue, all other processing and service fees are expensed as incurred.

Advertising and Marketing

Advertising and marketing expenses consist primarily of fees we pay to our advertising and marketing platform partners. We incur advertising, marketing and production-related expenses for online, social media and television advertising and for partnerships and promotional advertising. Advertising and marketing expenses are expensed as incurred although they typically deliver a benefit over an extended period.

Compensation and Benefits

Compensation and benefits expenses represent the compensation, inclusive of stock-based compensation and benefits, that we provide to our employees and the payments we make to third-party contractors. While we have an in-house customer service function, we employ third-party contractors to conduct call center operations and handle manage routine customer service inquiries and support.

Other Operating Expenses

Other operating expenses consist primarily of technology and infrastructure (third-party Software as a Service or "SaaS"), commitments to charity, transaction based costs (program expenses, association fees, processor fees, losses from Member-disputed transactions, bank card fees and fraud), depreciation and amortization of property and equipment and intangible assets, legal fees, rent, certain sales tax related costs, office related expenses, public relations costs, professional services fees, travel and entertainment, and

35

insurance. Costs associated with technology and infrastructure (third-party SaaS), depreciation and amortization of property and equipment and intangible assets, legal fees, rent, office related expenses, public relations costs, professional services fees, travel and entertainment, and insurance vary based upon our investment in infrastructure, business development, risk management and internal controls and are generally not correlated with our operating revenues or other transaction metrics.

Other (income) expenses

Other (income) expenses consist of interest income, interest expense, other strategic financing and transactional expenses, gain on extinguishment of debt, changes in fair value of earnout liabilities, fair value adjustments, derivative asset fair value adjustments, and changes in fair value of warrant liabilities.

Provision (benefit) for income taxes

Provision (benefit) for income taxes consists of the federal and state corporate income taxes accrued on income resulting from the sale of our services.

Results of Operations

Comparison of the Three Months Ended March 31, 2024 June 30, 2024 and 2023

Operating revenues

(in thousands, except for percentages)	For the Three Months Ended		Change		For the Three Months Ended		Change	
	March 31,		\$		June 30,		\$	
	2024	2023	2024/2023	2024/2023	2024	2023	2024/2023	2024/2023
Service based revenue, net								
Processing fees, net	\$ 44,596	\$ 33,002	\$ 11,594	35%	\$ 49,595	\$ 35,985	\$ 13,610	38%
Tips	14,910	13,760	1,150	8%	16,077	13,139	2,938	22%
Subscriptions	5,943	5,619	324	6%	5,850	5,412	438	8%
Other	113	195	(82)	-42%	129	449	(320)	-71%
Transaction based revenue, net	8,068	6,352	1,716	27%	8,466	6,250	2,216	35%
Total	\$ 73,630	\$ 58,928	\$ 14,702	25%	\$ 80,117	\$ 61,235	\$ 18,882	31%

36

Service based revenue, net—

Processing fees, net

Processing fees, net of processor costs associated with advance disbursements, for the three months ended March 31, 2024 June 30, 2024 were \$44.6 million \$49.6 million, an increase of \$11.6 million \$13.6 million, or 35% 38%, from \$33.0 million \$36.0 million for the three months ended March 31, 2023 June 30, 2023. The increase was primarily attributable to increases an 18% increase in monthly transacting Members period over period, increases in total advance volume from approximately \$798.5 million \$866.9 million to approximately \$1,050 million \$1,186.2 million period over period and average advance amounts that increased from \$154 \$156 to \$159 \$166 as of the three months ended March 31, 2023 June 30, 2023 and 2024, respectively. Processing The average processing fees tend Members paid to increase as advance volume increases, but may not always trend ratably, as historically, prior expedite these advances increased slightly due to the implementation of percentage-based fees in late 2023, processing fees varied depending

on aforementioned factors above, while the total amount of the advance. The percentage of Members that chose to pay a processing fee to expedite an advance decreased slightly for the three months ended March 31, 2024 and 2023. The average processing fees Members paid to expedite these advances increased slightly for the three months ended March 31, 2024 June 30, 2024 as compared to the three months ended March 31, 2023, June 30, 2023, respectively. Prospectively, we expect processing fees to increase as expedited advance volume and average expedited advance sizes increase, however, processing fees have not always trended ratably. Prior to the implementation of percentage-based processing fees in late 2023, processing fees did not scale ratably with expedited advance disbursement sizes.

Tips

Tips for the three months ended March 31, 2024 June 30, 2024 were \$14.9 million \$16.1 million, an increase of \$1.1 million \$2.9 million, or 8% 22%, from \$13.8 million \$13.1 million for the three months ended March 31, 2023 June 30, 2023. The increase was primarily attributable to higher tip engagement tips from Members relating to increases in total advance volume from approximately \$798.5 million \$866.9 million to approximately \$1,050 million \$1,186.2 million year over year and average advance amounts increased from \$154 \$156 to \$159 \$166 for the three months ended March 31, 2023 June 30, 2023 and 2024, respectively. Tip amounts may not always trend ratably as tips often vary depending on the total amount of the advance and number of Members who leave a tip. The average tip Members chose to leave increased slightly modestly while the percentage of Members that chose to leave a tip decreased modestly for the three months ended March 31, 2024 June 30, 2024 as compared to the three months ended March 31, 2023, June 30, 2023, respectively. Tip amounts may not always trend ratably as tips can vary depending on the total amount of the advance, amount of tips Members choose to leave and the percentage of Members who leave a tip.

36

Subscriptions

Subscriptions for the three months ended March 31, 2024 June 30, 2024 were \$5.9 million, an increase of \$0.3 million \$0.5 million, or 6% 8%, from \$5.6 million \$5.4 million for the three months ended March 31, 2023 June 30, 2023. The increase was primarily attributable to an increase in paying Members on our platform.

Other

Other service based revenue for the three months ended March 31, 2024 were \$0.1 million, a decrease of \$0.1 million, or 42% from \$0.2 million, for the three months ended March 31, 2023. The decrease was primarily attributable to decreases in average revenue per lead related to amounts received from our Side Hustle advertising partners.

Transaction based revenue, net—Transaction based revenue, net for the three months ended March 31, 2024 June 30, 2024 were \$8.1 million \$8.5 million, an increase of \$1.7 million \$2.2 million, or 27% 35%, from \$6.4 million \$6.3 million for the three months ended March 31, 2024 June 30, 2024. The increase was primarily attributable to interchange revenue earned from the growth in Members engaging with our Checking Product and card spend of \$394 million \$388.4 million for the three months ended March 31, 2024 June 30, 2024, an increase of 34% 29%, from \$294 million \$301.3 million for the three months ended March 31, 2023, June 30, 2023 and increases in fees earned from Members' funding and withdrawal-related transactions, offset by \$0.4 million in interest due to Members during for the three months ended March 31, 2024 June 30, 2024.

Operating expenses

(in thousands, except for percentages)	For the Three Months Ended		Change		For the Three Months Ended		Change	
	March 31,		\$		June 30,		\$	
	2024	2023	2024/2023	2024/2023	2024	2023	2024/2023	2024/2023
Provision for credit losses	\$ 9,943	\$ 11,953	\$ (2,010)	-17%	\$ 14,365	\$ 15,925	\$ (1,560)	-10%
Processing and servicing costs	7,723	7,118	605	8%	7,794	7,232	562	8%
Advertising and marketing	9,097	9,471	(374)	-4%	10,743	14,985	(4,242)	-28%
Compensation and benefits	24,552	24,367	185	1%	24,515	23,932	583	2%
Other operating expenses	16,916	18,501	(1,585)	-9%	17,031	20,078	(3,047)	-15%
Total	\$ 68,231	\$ 71,410	\$ (3,179)	-4%	\$ 74,448	\$ 82,152	\$ (7,704)	-9%

Provision for credit losses—The provision for credit losses totaled \$9.9 million \$14.4 million for the three months ended March 31, 2024 June 30, 2024, compared to \$12.0 million \$15.9 million for the three months ended March 31, 2023 June 30, 2023. The decrease of \$2.0 million \$1.6 million, or 17% 10%, was primarily attributable to a

37

decrease in provision expense of \$6.2 million \$2.3 million related to Member advances aged over 120 days and those that have become uncollectible based on information available to us, offset by an increase in provision expense of \$4.2 million \$0.8 million related to Member advances aged 120 days and under.

The decrease in provision expense of \$6.2 million \$2.3 million related to Member advances aged over 120 days and those which have become uncollectible based on information available to us, period over period, was attributed to improved collections performance due primarily to underwriting modifications related to advance eligibility requirements, advance stability, new Member conversion and risk detection, despite increases in transacting Members, average advance amounts from \$154 \$156 to \$159 \$166 and total advance volume from \$798 million \$866.9 million to \$1,050 million approximately \$1,186.2 million for the three months ended March 31, 2023 June 30, 2023 and 2024, respectively. All impaired advances deemed uncollectible are subsequently written-off and are a direct reduction to the allowance for credit losses.

The increase in provision expense of \$4.2 million \$0.8 million related to Member advances aged 120 days and under was primarily attributed to a 24% 36.8% increase in advance volume during the period ended March 31, 2024 June 30, 2024 compared to the period ended March 31, 2023 June 30, 2023 with a corresponding increase in amounts outstanding as of the three months ended March 31, 2024 June 30, 2024 as compared to March 31, 2023 June 30, 2023. This resulted in an increase to the allowance for credit losses and corresponding increase in provision expense during the three months ended March 31, 2024 June 30, 2024 as compared to March 31, 2023 June 30, 2023. We anticipate volatility in Member advances outstanding each period as they are directly correlated with the timing and volume of Member advance activity during the last 120 days prior to the end of the period.

During Historical loss and collections rates utilized in the calculation of the provision for credit losses improved slightly when compared to historical rates due to continued improvement in historical collections performance. Any changes to our historical loss and collections experience directly affect the historical loss rates utilized in the calculation of the allowance for uncollectible advances. The changes in the allowance for credit losses, period over period, have a direct impact on the provision for credit losses. For information on the aging of Member advances and a roll-forward of the allowance for credit losses, refer to the tables in Note 5 Member Advances, Net in the accompanying consolidated financial statements of Dave included in this report.

Processing and service costs—Processing and servicing costs totaled \$7.8 million for the three months ended March 31, 2024 June 30, 2024, loss compared to \$7.2 million for the three months ended June 30, 2023. The increase of \$0.6 million, or 8%, was primarily driven by

37

increases in advance volume from \$866.9 million to approximately \$1,186.2 million, offset by, continued technology enhancements made to our ExtraCash payments structure along with discounts and collections experience cost savings due to price reductions from our processors.

Advertising and marketing—Advertising and marketing expenses totaled \$10.7 million for the three months ended June 30, 2024, compared to \$15.0 million for the three months ended June 30, 2023. The decrease of \$4.3 million, or 28%, was primarily attributable to a more targeted, conversion-focused spend approach on our advertising campaigns, production and promotions across various social media platforms and television. Additionally, channel and creative optimization, long-tail marketing investments made during the second quarter of 2023 and ongoing improvements to our measurement and reporting infrastructure allowed us to invest more intelligently across our marketing mix.

Compensation and benefits—Compensation and benefits expenses totaled \$24.5 million for the three months ended June 30, 2024, compared to \$23.9 million for the three months ended June 30, 2023. The increase of \$0.6 million, or 2%, was primarily attributable to the following:

- an increase in stock-based compensation of \$1.1 million, primarily due to larger restricted stock units granted to employees during the three months ended June 30, 2024 compared to the three months ended June 30, 2023 and additional stock-based compensation expense related to a modification of price targets in the market vesting conditions for unvested RSUs, offset by a reduction in stock-based compensation expense related to stock options granted in prior years that have fully vested; offset
- a decrease in payroll related costs of \$0.3 million, primarily due to a reduction in headcount and an increase in salaries capitalized related to internally developed software
- a decrease in contractor and consulting fees of \$0.2 million due to the reduction in external support for IT security, finance, marketing, design and customer service resources.

Other operating expenses—Other operating expenses totaled \$17.0 million for the three months ended June 30, 2024, compared to \$20.1 million for the three months ended June 30, 2023. The decrease of \$3.1 million, or 15%, was primarily attributable to the following:

- a decrease in legal expenses of \$4.4 million, primarily due to lower settlement costs and outside counsel services during the period;

- a decrease in insurance related costs of \$0.3 million, primarily related to lower director and officer, general liability and cyber insurance premiums;
- a decrease in various general and administrative expenses of \$0.3 million, primarily due to cost cutting measures enacted across the company; offset by
- an increase in expenses related to our Checking Product of \$0.9 million, primarily attributable to processing fees, card fees and fraud related costs associated with the growth in Members and the number of transactions processed;
- an increase in depreciation and amortization of \$0.6 million, primarily due to increased amortization of other internally capitalized project costs and depreciation related leasehold improvements and equipment purchases; and
- an increase in technology and infrastructure expenses of \$0.3 million, primarily due to increased costs to support the growth of our business and development of new products and features.

Other (income) expenses

(in thousands, except for percentages)	For the Three Months Ended		Change	
	June 30,		\$	%
	2024	2023	2024/2023	2024/2023
Interest income	\$ (537)	\$ (1,485)	\$ 948	-64 %
Interest expense	1,965	3,027	(1,062)	-35 %
Changes in fair value of earnout liabilities	(63)	(12)	(51)	425 %
Changes in fair value of public and private warrant liabilities	(272)	164	(436)	-266 %
Total	\$ 1,093	\$ 1,694	\$ (601)	-35 %

38

Interest income— Interest income totaled \$0.5 million for the three months ended June 30, 2024, compared to \$1.5 million for three months ended June 30, 2023. The decrease of \$1.0 million, or 64%, was primarily attributable to lower sales of investments during the quarter ended June 30, 2024 as compared to the quarter ended June 30, 2023.

Interest expense— Interest expense totaled \$2.0 million for the three months ended June 30, 2024, compared to \$3.0 million for the three months ended June 30, 2023. The decrease of \$1.1 million, or 35%, was primarily attributable to a reduction of interest expense related to the repurchase of the convertible note with FTX Ventures Ltd. in January 2024.

Changes in fair value of earnout liability—Changes in fair value of earnout liabilities totaled a gain of \$0.06 million for the three months ended June 30, 2024, compared to a gain of \$0.01 million for the three months ended June 30, 2023. The increase of \$0.05 million, or 425%, period over period was primarily attributable to fair value adjustments associated with our earnout shares liability due to decreases in our underlying Class A Common Stock price over the last three months.

Changes in fair value of warrant liability—Changes in fair value of warrant liability totaled a gain of \$0.3 million for the three months ended June 30, 2024, compared to an expense of \$0.2 million for the three months ended June 30, 2023. The decrease of \$0.4 million, or 266%, was primarily attributable to fair value adjustments associated with our public and private warrant liabilities due to decreases in our underlying Class A Common Stock price over the last three months.

Provision (benefit) for income taxes

(in thousands, except for percentages)	For the Three Months Ended		Change	
	June 30,		\$	%
	2024	2023	2024/2023	2024/2023
Provision (benefit) for income taxes	(1,782)	7	(1,789)	-25557 %
Total	\$ (1,782)	\$ 7	\$ (1,789)	-25557 %

Provision (benefit) for income taxes for the three months ended June 30, 2024 decreased by approximately \$1.8 million compared to the three months ended June 30, 2023. The Company reported income for the three months ended June 30, 2024; however, a decrease in the 2024 estimated annual effective tax rate during the second quarter resulted in a decrease in income tax expense. The Company reported losses for the three months ended June 30, 2023 resulting in state minimum taxes but no income tax benefit on the losses due to the Company's valuation allowance.

Results of Operations

Comparison of the Six Months Ended June 30, 2024 and 2023

Operating revenues

(in thousands, except for percentages)	For the Six Months Ended		Change	
	June 30,		\$	%
	2024	2023	2024/2023	2024/2023
Service based revenue, net				
Processing fees, net	\$ 94,191	\$ 68,987	\$ 25,204	37 %
Tips	30,987	26,899	4,088	15 %
Subscriptions	11,793	11,031	762	7 %
Other	242	644	(402)	-62 %
Transaction based revenue, net	16,534	12,602	3,932	31 %
Total	\$ 153,747	\$ 120,163	\$ 33,584	28 %

Service based revenue, net—

Processing fees, net

Processing fees, net of processor costs associated with advance disbursements, for the six months ended June 30, 2024 were \$94.2 million, an increase of \$25.2 million, or 37%, from \$69.0 million for the six months ended June 30, 2023. The increase was primarily attributable to a 16% increase in monthly transacting Members period over period, increases in total advance volume from approximately \$1,665.3 million to approximately \$2,236.7 million period over period and average advance amounts that increased

39

from \$155 to \$163 as of the six months ended June 30, 2023 and 2024, respectively. The average processing fees Members paid to expedite these advances increased slightly due to the aforementioned factors above while the percentage of Members that chose to pay a processing fee to expedite an advance remained flat for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023, respectively. Prospectively, we expect processing fees to increase as expedited advance volume and average expedited advance sizes increase, however, processing fees have not always trended ratably. Prior to the implementation of percentage-based processing fees in late 2023, processing fees did not scale ratably with expedited advance disbursement sizes.

Tips

Tips for the six months ended June 30, 2024 were \$31.0 million, an increase of \$4.1 million, or 15%, from \$26.9 million for the six months ended June 30, 2023. The increase was primarily attributable to higher tips from Members relating to increases in total advance volume from approximately \$1,665.3 million to approximately \$2,236.7 million period over period and average advance amounts increased from \$155 to \$163 for the six months ended June 30, 2023 and 2024, respectively. The average tip Members chose to leave increased slightly while the percentage of Members that chose to leave a tip decreased modestly for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023, respectively. Tip amounts may not always trend ratably as tips can vary depending on the total amount of the advance, the amount of tips Members choose to leave and the percentage of Members who leave a tip.

Subscriptions

Subscriptions for the six months ended June 30, 2024 were \$11.8 million, an increase of \$0.8 million, or 7%, from \$11.0 million for the six months ended June 30, 2023. The increase was primarily attributable to an increase in paying Members on our platform.

Transaction based revenue, net—Transaction based revenue, net for the six months ended June 30, 2024 were \$16.5 million, an increase of \$3.9 million, or 31%, from \$12.6 million for the six months ended June 30, 2024. The increase was primarily attributable to interchange revenue earned from the growth in Members engaging with our Checking Product and card spend of \$782.6 million for the six months ended June 30, 2024, an increase of 32%, from \$594.8 million for the six months ended June 30, 2023 and increases in fees earned from Members' funding and withdrawal-related transactions, offset by \$0.8 million in interest due to Members during the six months ended June 30, 2024.

Operating expenses

(in thousands, except for percentages)	For the Six Months Ended		Change	
	June 30,		\$	%
	2024	2023	2024/2023	2024/2023
Provision for credit losses	\$ 24,308	\$ 27,878	\$ (3,570)	-13 %
Processing and servicing costs	15,517	14,350	1,167	8 %
Advertising and marketing	19,840	24,456	(4,616)	-19 %

Compensation and benefits	49,067	48,299	768	2 %
Other operating expenses	33,947	38,579	(4,632)	-12 %
Total	\$ 142,679	\$ 153,562	\$ (10,883)	-7 %

Provision for credit losses—The provision for credit losses totaled \$24.3 million for the six months ended June 30, 2024, compared to \$27.9 million for the six months ended June 30, 2023. The decrease of \$3.6 million, or 13%, was primarily attributable to a decrease in provision expense of \$8.5 million related to Member advances **continued** aged over 120 days and those that have become uncollectible based on information available to **improve as discussed above**, us, offset by an increase in provision expense of \$4.9 million related to Member advances aged 120 days and under.

The decrease in provision expense of \$8.5 million related to Member advances aged over 120 days and those which have become uncollectible based on information available to us, period over period, was attributed to improved collections performance due primarily to underwriting modifications related to advance eligibility requirements, advance stability, new Member conversion and risk **detection**. **detection**, despite increases in transacting Members, average advance amounts from \$155 to \$163 and total advance volume from \$1,665.3 million to \$2,236.7 million for the six months ended June 30, 2023 and 2024, respectively. All impaired advances deemed uncollectible are subsequently written-off and are a direct reduction to the allowance for credit losses.

The increase in provision expense of \$4.9 million related to Member advances aged 120 days and under was primarily attributed to a 34.3% increase in advance volume during the six months ended June 30, 2024 compared to the six months ended June 30, 2023 with a

40

corresponding increase in amounts outstanding as of the six months ended June 30, 2024 as compared to June 30, 2023. This resulted in an increase to the allowance for credit losses and corresponding increase in provision expense during the six months ended June 30, 2024 as compared to June 30, 2023. We anticipate volatility in Member advances outstanding each period as they are directly correlated with the timing and volume of Member advance activity during the last 120 days prior to the end of the period.

Historical loss and collections rates utilized in the calculation of the provision for credit losses decreased slightly when compared to historical rates due to continued improvement in historical collections performance. Any changes to our historical loss and collections experience directly affect the historical loss rates utilized in the calculation of the allowance for uncollectible advances. The changes in the allowance for credit losses, period over period, have a direct impact on the provision for credit losses.

For information on the aging of Member advances and a roll-forward of the allowance for credit losses, refer to the tables in Note 5 Member Advances, Net in the accompanying consolidated financial statements of Dave included in this report.

Processing and service costs—Processing and servicing costs totaled **\$7.7 million** **\$15.5 million** for the **three** **six** months ended **March 31, 2024** **June 30, 2024**, compared to **\$7.1 million** **\$14.4 million** for the **three** **six** months ended **March 31, 2023** **June 30, 2023**. The increase of **\$0.6 million** **\$1.2 million**, or 8%, was primarily driven by increases in advance volume from **\$798 million** **\$1,665.3 million** to **\$1,050 million** **\$2,236.7 million**, offset by, technology enhancements made to our ExtraCash payments structure along with discounts and cost savings due to price reductions from our processors.

Advertising and marketing—Advertising and marketing expenses totaled **\$9.1 million** **\$19.8 million** for the **three** **six** months ended **March 31, 2024** **June 30, 2024**, compared to **\$9.5 million** **\$24.5 million** for the **three** **six** months ended **March 31, 2023** **June 30, 2023**. The decrease of **\$0.4 million** **\$4.7 million**, or **4%** **19%**, was primarily attributable to a more targeted, conversion-focused spend approach on our advertising campaigns, production and promotions across various social media platforms and television. Additionally, channel and creative optimization, long-tail marketing investments made during the second quarter of 2023 and ongoing improvements to our measurement and reporting infrastructure allowed us to invest more intelligently across our marketing mix.

Compensation and benefits—Compensation and benefits expenses totaled **\$24.6 million** **\$49.1 million** for the **three** **six** months ended **March 31, 2024** **June 30, 2024**, compared to **\$24.4 million** **\$48.3 million** for the **three** **six** months ended **March 31, 2023** **June 30, 2023**. The increase of **\$0.2 million** **\$0.8 million**, or **0.8%** **2.0%**, was primarily attributable to the following:

- an increase in payroll and related costs of \$1.1 million, primarily related to performance bonuses;
- an increase in stock-based compensation of \$0.4 million, primarily due to additional stock-based compensation expense related to a modification of price targets in the market vesting conditions for unvested RSUs and larger amounts of restricted stock units granted during the six months ended June 30, 2024 compared to the six months ended June 30, 2023, offset by a reduction in stock-based compensation expense related to stock options granted in prior years that have fully vested; offset by
- a decrease in contractor and consulting fees of \$0.7 million due to the reduction in external support for IT security, finance, marketing, design and customer service resources.

Other operating expenses—Other operating expenses totaled \$33.9 million for the six months ended June 30, 2024, compared to \$38.6 million for the six months ended June 30, 2023. The decrease of \$4.7 million, or 12%, was primarily attributable to the following:

- a decrease in **stock-based compensation** legal expenses of **\$0.6 million** **\$4.4 million**, primarily due to **larger amounts of restricted stock units granted** **lower settlement c** **and outside counsel** services during the **three months ended March 31, 2023** **compared to the three months ended March 31, 2024** and **stock options granted in prior** **that have fully vested**; period;

- a decrease in contractor and consulting fees charitable contribution expenses of \$0.6 million \$1.3 million, primarily due to amounts pledged to charitable meal donorator related to Members' tips;
- a decrease in various general and administrative expenses of \$0.9 million, primarily due to cost cutting measures enacted across the average increase in employee headcount and corresponding reduction in external support for IT security, finance, marketing, design and customer service resources; and company; offset by
- an increase in payroll depreciation and related costs amortization of \$1.4 million \$1.0 million, primarily due to average headcount increased amortization of other intern: capitalized project costs and salary increases, bonuses depreciation related to leasehold improvements and severance payments, equipment purchases; and

38

Other operating expenses—Other operating expenses totaled \$16.9 million for the three months ended March 31, 2024, compared to \$18.5 million for the three months ended March 31, 2023. The decrease of \$1.6 million, or 9.0%, was primarily attributable to the following:

- an increase in expenses related to our Checking Product of \$0.1 million \$0.8 million, primarily attributable to processing fees, card fees and fraud related costs associ with the growth in Members and the number of transactions processed; offset by processed.

41

a decrease in charitable contribution expenses of \$1.6 million, primarily due to amounts pledged to charitable meal donations related to Members' tips;

- a decrease in insurance related costs of \$0.3 million, primarily related to lower director and officer, general liability and cyber insurance premiums;
- a decrease in accounting costs of \$0.3 million, primarily related to various audit, tax, and Sarbanes-Oxley compliance readiness related expenses;
- an increase in technology and infrastructure expenses of \$0.2 million, primarily due to increased costs to support the growth of our business and development of new products and features; and
- an increase in depreciation and amortization of \$0.5 million, primarily due to increased amortization of other internally capitalized project costs and depreciation relate leasehold improvements and equipment purchases.

Other (income) expense

(in thousands, except for percentages)	For the Three Months Ended		Change		For the Six Months Ended		Change	
	March 31,		\$		June 30,		\$	
	2024	2023	2024/2023	2024/2023	2024	2023	2024/2023	2024/2023
Interest income	\$ (1,495)	\$ (1,192)	\$ (303)	25 %	\$ (2,032)	\$ (2,677)	\$ 645	-24 %
Interest expense	2,217	2,898	(681)	-23 %	4,182	5,925	(1,743)	-29 %
Gain on extinguishment of convertible debt	(33,442)	-	(33,442)	-100 %	(33,442)	-	(33,442)	-100 %
Changes in fair value of earnout liabilities	196	(25)	221	-884 %	133	(37)	170	-459 %
Changes in fair value of public and private warrant liabilities	477	(146)	623	-427 %	205	18	187	1039 %
Total	\$ (32,047)	\$ 1,535	\$ (33,582)	-2188 %	\$ (30,954)	\$ 3,229	\$ (34,183)	-1059 %

Interest income—Interest income totaled \$1.5 million \$2.0 million for the three six months ended March 31, 2024 June 30, 2024, compared to \$1.2 million \$2.7 million for three six months ended March 31, 2023 June 30, 2023. The increase decrease of \$0.3 million \$0.6 million, or 25% 24%, was primarily attributable to gains from the lower sales of investments during the quarter ended March 31, 2024 June 30, 2024 as compared to the quarter ended March 31, 2023 June 30, 2023.

Interest expense—Interest expense totaled \$2.2 million \$4.2 million for the three six months ended March 31, 2024 June 30, 2024, compared to \$2.9 million \$5.9 million for the three six months ended March 31, 2023 June 30, 2023. The decrease of \$0.7 million \$1.7 million, or 23% 29%, was primarily attributable to a reduction of interest expense related to the repurchase of the convertible note with FTX Ventures Ltd. in January 2024.

Gain on extinguishment of convertible debt— The gain on extinguishment of convertible debt totaled \$33.4 million for the **three six** months ended **March 31, 2024 June 30, 2024**, compared to \$0 for the **three six** months ended **March 31, 2023 June 30, 2023**. The increase was primarily attributable to the repurchase of the \$105.7 million outstanding balance of the convertible note with FTX Ventures Ltd. for \$71.0 million, **during January of 2024**. The gain was reduced by unamortized debt issuance costs of \$0.03 million at the extinguishment date and third-party costs totaling \$1.3 million in conjunction with the settlement of the convertible note.

Changes in fair value of earnout liability—Changes in fair value of earnout liabilities totaled **a an** expense of **\$0.2 million \$0.1 million** for the **three six** months ended **March 31, 2024 June 30, 2024**, compared to a **loss gain** of **\$0.03 million \$0.04 million** for the **three six** months ended **March 31, 2023 June 30, 2023**. The increase of \$0.2 million, or **884% 459%**, was primarily attributable to fair value adjustments associated with our earnout shares liability due to increases in our underlying Class A Common Stock price **over as** of the **last 12 months, six months ended June 30, 2024** when compared to the **six months ended June 30, 2023**.

Changes in fair value of warrant liability—Changes in fair value of warrant liability totaled an expense of **\$0.5 million \$0.2 million** for the **three six** months ended **March 31, 2024 June 30, 2024**, compared to a gain of **\$0.1 million \$0.02 million** for the **three six** months ended **March 31, 2023 June 30, 2023**. The increase of **\$0.6 million \$0.2 million**, or **427% 1039%**, was primarily attributable to fair value adjustments associated with our public and private warrant liabilities due to increases in our underlying Class A Common Stock price **over for** the **last 12 months, six months ended June 30, 2024** as compared to the **six months ended June 30, 2023**.

39

Provision for income taxes

(in thousands, except for percentages)	For the Three Months Ended		Change		For the Six Months Ended		Change	
	March 31,				June 30,			
	2024	2023	2024/2023	2024/2023	2024	2023	2024/2023	2024/2023
Provision for income taxes	3,203	8	3,195	39938 %	1,421	15	1,406	9373 %
Total	\$ 3,203	\$ 8	\$ 3,195	39938 %	\$ 1,421	\$ 15	\$ 1,406	9373 %

Provision for income taxes for the **three six** months ended **March 31, 2024 June 30, 2024** increased by approximately **\$3.2 million \$1.4 million** compared to the **three six** months ended **March 31, 2023 June 30, 2023**. This increase was primarily due to a significant increase in income for the **three six** months ended **March 31, 2024 June 30, 2024** compared to the **six months ended June 30, 2023**, including a discrete gain on extinguishment of convertible debt of \$33.4 million.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP measure is useful in evaluating our operational performance. We use the following non-GAAP measure to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that the non-GAAP financial information may be helpful in assessing our operating performance

42

and facilitates an alternative comparison among fiscal periods. The non-GAAP financial measure is not, and should not be viewed as, a substitute for GAAP reporting measures.

Adjusted EBITDA

"Adjusted EBITDA" is defined as net income (loss) adjusted for interest expense, net, provision (benefit) for income taxes, depreciation and amortization, stock-based compensation and other discretionary items determined by management. Adjusted EBITDA is intended as a supplemental measure of our performance that is neither required by, nor presented in accordance with, GAAP. We believe that the use of Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware that, when evaluating Adjusted EBITDA, we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures

should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because **not** all companies **may not** calculate Adjusted EBITDA in the same fashion.

Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA on a supplemental basis. The reconciliation of net income (loss) to Adjusted EBITDA below should be reviewed, and no single financial measure should be relied upon to evaluate our business.

The following table reconciles net income (loss) to Adjusted EBITDA for the three **and six** months ended **March 31, 2024** **June 30, 2024** and 2023, respectively:

(in thousands)	For the Three Months Ended		For the Three Months Ended	
	March 31,		June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 34,243	\$ (14,025)	\$ 6,358	\$ (22,618)
Interest expense, net	722	1,706	1,428	1,542
Provision for income taxes	3,203	8		
Provision (benefit) for income taxes	(1,782)	7		
Depreciation and amortization	1,650	1,182	1,782	1,204
Stock-based compensation	6,130	6,774	7,706	6,632
Gain on extinguishment of convertible debt	(33,442)	-		
Changes in fair value of earnout liabilities	196	(25)	(63)	(12)
Changes in fair value of public and private warrant liabilities	477	(146)	(272)	164
Adjusted EBITDA	\$ 13,179	\$ (4,526)	\$ 15,157	\$ (13,081)

(in thousands)	For the Six Months Ended	
	June 30,	
	2024	2023
Net income (loss)	\$ 40,601	\$ (36,643)
Interest expense, net	2,150	3,248
Provision for income taxes	1,421	15
Depreciation and amortization	3,432	2,386
Stock-based compensation	13,836	13,406
Gain on extinguishment of convertible debt	(33,442)	-
Changes in fair value of earnout liabilities	133	(37)
Changes in fair value of public and private warrant liabilities	205	18
Adjusted EBITDA	\$ 28,336	\$ (17,607)

Liquidity and Capital Resources

40

In the past, we have financed our operations primarily from cash receipts from service and transaction based revenues, equity financings, borrowings under the Debt Facility, issuances of convertible notes and funds received as a result of the business combination. As of **March 31, 2024** **June 30, 2024** and December 31, 2023, our cash and cash equivalents, marketable securities, investments and restricted cash balance was **\$101.5 million** **\$89.7 million** and \$157.3 million, respectively.

43

As an early-stage company, the expenses we have incurred since inception are consistent with our strategy and approach to capital allocation. We Although we have recently begun to generate net income, we may continue to incur net losses in the future in accordance with our operating plan as we continue to expand and improve upon our financial platform.

Our ability to access capital when needed is not assured and, if capital is not available to us when, and in the amounts needed, we could be required to delay, scale back or abandon some or all of our development programs and other operations, which could materially harm our business, prospects, financial condition and operating results.

We believe that our cash on hand should be sufficient to meet our working capital and capital expenditure requirements and fund our operations for a period of at least 12 months from the date of this report. We may raise additional capital through private or public equity or debt financings. The amount and timing of our future funding requirements, if any, will depend on many factors, including the pace and results of our product development efforts. No assurances can be provided that additional funding will be available at terms acceptable to us, if at all. If we are unable to raise additional capital, we may significantly curtail our operations, modify existing strategic plans and/or dispose of certain operations or assets.

Material Cash Requirements

In the normal course of business, we enter into various agreements with our vendors that may subject us to minimum annual requirements. While our contractual commitments will have an impact on our future liquidity, we believe that we will be able to adequately fulfill these obligations through cash generated from operations and from our existing cash balances. We do not have any "off-balance sheet arrangements," as defined by the SEC regulations.

Although we have fully implemented our remote employee workforce strategy in the U.S., we have not closed our leased office locations. We are required to continue making our contractual payments until our operating leases are formally terminated or expire. Our remaining leases have terms of approximately 2 1.5 to 5 4.3 years as of March 31, 2024 June 30, 2024, and we had a total lease liability of \$0.8 million \$0.7 million. See Note 12, Leases in the notes to our condensed consolidated financial statements for additional information regarding our lease liabilities as of March 31, 2024 June 30, 2024.

In the near term, we expect to continue to generate ExtraCash originations relying primarily on our balance sheet cash and Debt Facility, as needed. Interest payments on term loan borrowings under the Debt Facility are required to be made on a monthly basis. At March 31, 2024 June 30, 2024, \$75.0 million of term loans under the Debt Facility were outstanding. See Note 10, Debt Facility in the notes to our condensed consolidated financial statements in this report.

Additionally, we also had certain contractual payment obligations for interest owed under the \$100.0 million Note we issued and sold pursuant to the Note Purchase Agreement entered into with FTX Ventures Ltd. Interest payments relating to the Note were required to be made or added to the outstanding principal on a semi-annual basis. On January 29, 2024, we repurchased the \$105.5 million outstanding balance of the Note for \$71.0 million. For more information on the Note Purchase Agreement with FTX Ventures Ltd., see Note 8, Convertible Note Payable.

We may use cash to acquire businesses and technologies. The nature of these transactions, however, makes it difficult to predict the amount and timing of such cash requirements.

Cash Flows Summary

(in thousands)

Total cash provided by (used in):

	For the Three Months Ended March 31,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Operating activities	\$ 18,344	\$ (6,929)	\$ 46,391	\$ 2,752
Investing activities	66,125	35,806	31,607	23,716
Financing activities	(70,476)	(12)	(70,930)	(11)
Net increase in cash and cash equivalents and restricted cash	\$ 13,993	\$ 28,865	\$ 7,068	\$ 26,457

Cash Flows From Operating Activities

During the three six months ended March 31, 2024 June 30, 2024, net cash provided by operating activities increased compared to the three six months ended March 31, 2023 June 30, 2023 due to increases in operating revenues and a reduction in operating expenses across the organization. Net cash provided by operating activities for the six months ended

June 30, 2024 included net income of \$40.6 million, and excluding non-cash impacts, included increase in accounts payable of \$3.8 million, an increase in other non-current liabilities of \$2.9 million, an increase in other

current liabilities of \$0.5 million, and a decrease in prepaid income taxes of \$0.1 million. These changes were offset primarily by an increase in prepaid expenses and other current assets of \$5.6 million, a decrease in a legal settlement accrual of \$2.1 million, a decrease in accrued expenses of \$1.9 million and an increase in Member advances, service based revenue of \$0.6 million.

During the six months ended June 30, 2023, net cash provided by operating activities increased compared to the six months ended June 30, 2022 due to increases in operating revenues, offset primarily by increases in compensation and other operating expenses to support the growth of the business. Net cash provided by operating activities for the three six months ended March 31, 2024 included net income of \$34.2 million, and excluding non-cash impacts, included increase in accounts payable of \$2.7 million and an increase in other current liabilities of \$2.7 million. These changes were offset primarily by an increase in prepaid expenses and other current assets of \$5.6 million, a decrease in a legal settlement accrual of \$2.6 million, decrease in accrued expenses of \$1.9 million, and an increase in Member advances, service based revenue of \$0.5 million.

During the three months ended March 31, 2023, net cash used in operating activities decreased compared to the three months ended March 31, 2022 due to increases in operating revenues, offset primarily by increases in compensation and other operating expenses to support the growth of the business. Net cash used in operating activities for the three months ended March 31, 2023 June 30, 2023 included a net loss of \$14.0 million \$36.6 million, and excluding non-cash impacts, included an increase in prepaid expenses and other current assets of \$4.1 million \$2.4 million, a decrease in accounts payable of \$6.9 million \$5.2 million and a decrease in a legal settlement accrual of \$5.7 million \$1.8 million. These changes were offset primarily by an increase in accrued expenses of \$2.6 million \$3.0 million.

Cash Flows From Investing Activities

During the three six months ended March 31, 2024 June 30, 2024, net cash provided by investing activities was \$66.1 million \$31.6 million. This included the sale and maturity of investments of \$90.3 million \$121.8 million and sale of marketable securities of \$59.0 million \$60.0 million, offset by purchases of marketable securities of \$59.2 million, purchases of investments of \$20.9 million \$48.5 million, net disbursements and collections of Member advances of \$1.6 million \$38.7 million, and payments related to internally developed software costs of \$1.6 million \$3.8 million.

During the three six months ended March 31, 2023 June 30, 2023, net cash provided by investing activities was \$35.8 million \$23.7 million. This included the sale and maturity of short-term investments of \$65.4 million \$98.7 million and sale of marketable securities of \$31.4 million, offset by net disbursements and collections of Member advances of \$11.9 million \$13.0 million, offset by payments for related to internally developed software costs of \$1.9 million \$4.1 million, the purchase purchases of property and equipment of \$0.3 million, the purchase of short-term investments of \$5.1 million \$54.4 million, and the purchase purchases of marketable securities of \$34.1 million \$34.3 million.

Cash Flows From Financing Activities

During the three six months ended March 31, 2024 June 30, 2024, net cash used in financing activities was \$70.5 million \$70.9 million, which consisted of the \$71.0 million \$71.8 million paydown of the FTX Ventures Ltd. convertible note and associated costs, offset by \$0.5 million \$0.8 million received for stock option exercises.

During the three six months ended March 31, 2023 June 30, 2023, net cash used in financing activities was \$0.01 million, \$11 thousand, which primarily consisted of payments for fractional shares that resulted from a reverse stock split.

Critical Accounting Estimates

Our condensed consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements, as well as the reported revenues and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Our critical accounting estimates and assumptions are evaluated on an ongoing basis, including those related to the following:

- (i) Allowance for credit losses; and
- (ii) Income taxes.

Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting estimates discussed below are critical to understanding our historical and future performance, as these estimates relate to the more significant areas involving management's judgments and estimates. For further details, please refer to Note 2 in our accompanying condensed consolidated financial statements for the three and six months ended March 31, 2024 June 30, 2024 and 2023 included in this Form 10-Q. While our significant accounting estimates are described in the notes to our consolidated financial statements, we believe that the following accounting estimates require a greater degree of judgment and complexity and are the most critical to understanding our financial condition and historical and future results of operations.

42 45

Allowance for Credit Losses

Member advances from contracts with Members as of the balance sheet dates are recorded at their original advance amounts reduced by an allowance for expected credit losses. We pool our Member advances, all of which are short-term in nature and arise from contracts with Members, based on shared risk characteristics to assess their risk of loss, even when that risk is remote. We use an aging method and historical loss rates as a basis for estimating the percentage of current and delinquent Member advances balances that will result in credit losses. We consider whether the conditions at the measurement date and reasonable and supportable forecasts about future conditions warrant an adjustment to our historical loss experience. In assessing such adjustments, we primarily evaluate current economic conditions, expectations of near-term economic trends and changes in customer payment terms and collection trends. For the measurement dates presented herein, given our methods of collecting funds, and that we have not observed meaningful changes in our customers' payment behavior, we determined that our historical loss rates remained most indicative of our lifetime expected losses. We immediately recognize an allowance for expected credit losses upon the origination of the advance. Adjustments to the allowance each period for changes in the estimate of lifetime expected credit losses are recognized in operating expenses—provision for credit losses in the consolidated statements of operations.

When we determine that a Member advance is not collectible, the uncollectible amount is written-off as a reduction to both the allowance and the gross asset balance. Subsequent recoveries are recorded when received and are recorded as a recovery of the allowance for expected credit losses. Any change in circumstances related to a specific Member advance may result in an additional allowance for expected credit losses being recognized in the period in which the change occurs.

Income Taxes

We follow ASC 740, Income Taxes ("ASC 740"), which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the period in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more-likely-than-not that the asset will not be realized.

The effective tax rate used for interim periods is the estimated annual effective tax rate, based on the current estimate of full year results, except that those taxes related to specific discrete events, if any, are recorded in the interim period in which they occur. The annual effective tax rate is based upon several significant estimates and judgments, including our estimated annual pre-tax income in each tax jurisdiction in which it operates, and the development of tax planning strategies during the year. In addition, our tax expense can be impacted by changes in tax rates or laws and other factors that cannot be predicted with certainty. As such, there can be significant volatility in interim tax provisions.

ASC 740 provides that a tax benefit from an uncertain tax position may be recognized when it is more-likely-than-not that the position will be sustained in a court of last resort, based on the technical merits. If more-likely-than-not, the amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized upon examination, including compromise settlements. For tax positions not meeting the more-likely-than-not threshold, no tax benefit is recorded. We have estimated \$1.7 million \$1.5 million and \$1.0 million of uncertain tax positions as of March 31, 2024 June 30, 2024 and 2023, respectively, related to state income taxes and federal and state R&D tax credits.

Our policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense within the statement of operations. We are subject to income tax in jurisdictions in which we operate, including the United States. For U.S. income tax purposes, we are taxed as a Subchapter C corporation. We recognize deferred taxes for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. We recorded a valuation allowance against our deferred tax assets, net of certain deferred tax liabilities, at March 31, 2024 June 30, 2024 and December 31, 2023. Based upon management's assessment of all available evidence, we have concluded that it is more-likely-than-not that the deferred tax assets, net of certain deferred tax liabilities, will not be realized.

Emerging Growth Company Status

43

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, and have elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. We expect to remain an emerging growth company and to continue to take advantage of the benefits of the extended transition period, although we may decide

46

to early adopt such new or revised accounting standards to the extent permitted by such standards. We expect to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and non-public companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used. See Note 2 of our accompanying condensed consolidated financial statements included in this report for the recent accounting pronouncements adopted and the recent accounting pronouncements not yet adopted for the three months ended **March 31, 2024**, **June 30, 2024** and 2023.

In addition, we intend to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act for emerging growth companies. Subject to certain conditions set forth in the JOBS Act, if we intend to rely on such exemptions, we are not required to, among other things: (a) provide an auditor's attestation report on our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (b) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd- Frank Wall Street Reform and Consumer Protection Act; (c) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the condensed consolidated financial statements (auditor discussion and analysis); and (d) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation.

We will remain an emerging growth company under the JOBS Act until the earliest of (1) the last day of the fiscal year (a) following March 4, 2026, (b) in which we have total annual gross revenue of at least \$1.235 billion, (c) in which we are deemed to be a "large accelerated filer" under the rules of the SEC, which means the market value of our common equity that is held by non-affiliates exceeds \$700 million as of the end of the prior fiscal year's second fiscal quarter; and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the previous three years.

Recently Issued Accounting Standards

Refer to Note 2, "Significant Accounting Policies," of our condensed consolidated financial statements included in this report for a discussion of the impact of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not required for smaller reporting companies.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer **carried out** **conducted** an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of **March 31, 2024** **June 30, 2024**. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective, due to the material weaknesses in our internal control over financial reporting described below. As a result, we performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. generally accepted accounting principles. Accordingly, management believes that the financial statements included in this Quarterly Report on Form 10-Q present fairly in all material respects our financial position, results of operations and cash flows for the period presented.

Previously Identified Material Weaknesses

44

As discussed in Part II, Item 9A in our Annual Report, we identified material weaknesses in our internal control over financial reporting for the years ended December 31, 2023 because:

47

- We did not maintain sufficient evidence of the performance and/or review of certain internal controls or complete remediation testing for certain internal controls over the period-end financial reporting process addressing financial statement and footnote presentation and disclosures; and
- We did not maintain sufficient evidence of the performance and/or review of certain IT application controls for information systems that are relevant to the preparation of financial statements.

Remediation Plan and Status

During 2023, we made significant progress enhancing our internal control environment by completing an enterprise-wide risk assessment, process narratives, risk and control matrices, a subsequent gap analysis and performed targeted testing of the design and operating effectiveness of our internal control over financial reporting in efforts to remediate previously disclosed material weaknesses. These efforts also include, but are not limited to: adding additional resources in accounting and finance departments, utilizing third party specialists to assist with complex accounting matters and reduce risks associated with the lack of segregation of duties; implementing a segregation of duties monitoring tool; formalizing accounting policies and procedures; implementing a new enterprise resource planning system to enhance the journal entry review and approval processes; performing bank and balance sheet account reconciliations on a monthly basis; implementing a SOX compliance and audit management platform; and designing and implementing both IT general controls and IT application controls around our product platform and core applications, including controls over: change management, access security and IT operations.

We will continue to implement our plan to remediate the material weaknesses described above. Those remediation measures are ongoing and include (i) ensuring our enterprise-wide risk assessment, risk and control matrices, process narratives and gap analysis continue to be updated to reflect our current accounting processes and internal control environment and (ii) ensuring internal control over financial reporting is adequately performed; and (iii) ensuring sufficient testing is performed and the testing-related support and documentation are complete and accurate for the design and operating effectiveness of internal control over financial reporting.

For further details on our material weaknesses that existed during the years ended December 31, 2023 and 2022, please refer to our Annual Report.

Changes in Internal Control over Financial Reporting

Other than described above, there were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

45 48

PART II —OTHER INFORMATION

Item 1. Legal Proceedings.

For a description of our material pending legal proceedings, please see Note 11, "Commitments and Contingencies," to the condensed consolidated financial statements included elsewhere in this report.

From time to time, we may become involved in legal proceedings arising in the ordinary course of business. We are not currently a party to any such litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, negative publicity and reputational harm and other factors.

Item 1A. Risk Factors.

As of the date of this Form 10-Q, there have been no material changes to the risk factors disclosed in in our Annual Report for the year ended December 31, 2023 filed with the SEC on March 5, 2024, **other than as noted below**. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

We currently rely on a single bank partner, and if our present or any future key banking relationships are terminated and we are not able to secure or successfully migrate client portfolios to a new bank partner or partners, or our bank partner becomes subject to regulatory restrictions or other operational disruptions, our business would be adversely affected.

We currently rely on agreements with Evolve, our only bank partner, to provide ExtraCash and other deposit accounts, debit card services and other transaction services to us and our Members. These agreements and corresponding regulations governing banks and financial institutions may give Evolve substantial discretion in approving certain aspects of our business practices, including our application and qualification procedures for Members and require us to comply with certain legal requirements. Evolve discretionary actions under these agreements could impose material limitations to, or have a material adverse effect on, our business, financial condition and results of operations. In addition, any disruptions or restrictions on Evolve's operations could have an adverse effect on our business, financial condition and results of operations. For example, in May 2024, Evolve experienced a cybersecurity incident that resulted in the leak of certain customer information, including information of some of our Members. If our relationship with Evolve is terminated or Evolve becomes unable to provide the necessary services to us, we would need to find another financial institution to provide those services, which could be difficult and expensive. If we are unable to find a replacement financial institution to provide the services we receive from Evolve, we would not be able to offer ExtraCash advances, service our deposit accounts, debit cards and other services, which would have a material adverse effect on our business, financial condition and results of operations. Furthermore, our financial results could be adversely affected if our costs associated with using Evolve materially change or if any penalty or claim for damages is imposed as a result of our breach of our agreements with Evolve.

In addition, state and federal agencies have broad discretion in their interpretation of laws and requirements related to bank partnership programs and may elect to alter standards or the interpretation of the standards applicable to these programs. The uncertainty of the federal and state regulatory environments around bank partnership programs means that our efforts to launch products and services through bank partners may not ultimately be successful, or may be restricted or challenged by legislation or regulatory action. If the legal structure underlying our relationship with Evolve were to be successfully challenged or otherwise restricted, we would need to find an alternative bank relationship. Furthermore, Evolve or any other future bank partners could be subject to enforcement actions, civil monetary penalties, supervisory orders to cease and desist or other remedial actions, which, even if unrelated to our business, could impose restrictions on the bank partner's ability to continue to extend credit on current terms or offer services that are required for certain of our products. For example, in June 2024, the Federal Reserve Board issued a cease and desist order against Evolve for alleged deficiencies in its anti-money laundering, risk management and consumer compliance programs. Federal or state regulators may also subject us to increased compliance, legal and operational costs, and could subject our business model to scrutiny and otherwise increase our regulatory requirements, or may adversely affect our ability to expand our business.

Cyberattacks and other security breaches or disruptions suffered by us or third parties upon which we rely could have a materially adverse effect on our business, harm our reputation and expose us to public scrutiny and liability.

In the normal course of business, we collect, process, use and retain sensitive and confidential information regarding our Members and prospective Members, including data provided by and related to Members and their transactions, as well as other data of the counterparties to their payments. We also have arrangements in place with certain third-party service providers that require us to share consumer information for servicing purposes. Information security risks in the financial services industry continue to increase

generally, in part because of new technologies, the use of the Internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organized criminals, perpetrators of fraud, hackers, terrorists and other malicious third parties. In addition to cyberattacks and other security breaches involving the theft of sensitive and confidential information, hackers, terrorists, sophisticated nation-state and nation-state supported actors and other malicious third parties recently have engaged in attacks that are designed to disrupt key business services, such as consumer-facing applications and websites.

These cybersecurity challenges, including threats to our own IT infrastructure or those of third-party providers, may take a variety of forms ranging from stolen bank accounts, business email compromise, user fraud, account takeover, check fraud or cybersecurity attacks, such as ransomware, unauthorized encryption, denial-of-service attacks, social

engineering, unauthorized access, spam or other attacks, to “mega breaches” targeted against cloud-based services and other hosted software, which could be initiated by individual or groups of hackers or sophisticated cyber criminals. A cybersecurity incident or breach could result in disclosure of confidential information and intellectual property, or cause service interruptions and compromised data. We may be unable to anticipate or prevent techniques used in the future to obtain unauthorized access or to sabotage systems because they change frequently and often are not detected until after an incident has occurred. Our information technology and infrastructure, as well as those of our third-party service providers, have experienced breaches and may be subject or vulnerable in the future to breaches or attacks. For example, a third-party breach resulted in improper disclosure of certain of our Members’ information, and any future improper disclosure of our own confidential business information or the information of our Members could materially and adversely affect our business. A core aspect of our business is the reliability and security of our platform. Any perceived or actual breach of security, regardless of how it occurs or the extent of the breach, could have a significant impact on our reputation as a trusted brand, cause us to lose existing partners or Members, prevent us from obtaining new partners and Members, require us to expend significant funds to remedy problems caused by breaches and implement measures to prevent further breaches, and expose us to legal risk and potential liability including from governmental or regulatory investigations, class action litigation and other lawsuits. If sensitive information is lost or improperly disclosed through a data breach or otherwise or threatened to be disclosed, we could experience a loss of confidence by our partners and Members in the security of our systems, products and services and prevent us from obtaining new partners and Members, and we could incur significant costs to remedy problems caused by breaches and implement measures to prevent further breaches, and expose us to legal risk and potential liability and penalties, including from governmental or regulatory investigations, class action litigation and other lawsuits, all of which could adversely affect our reputation and our operating results. Any actual or perceived security breach at a company providing services to us or our Members could have similar effects.

Most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities and others of security breaches involving certain types of data. In addition, our agreements with certain partners and service providers may require us to notify them in the event of a security breach. Such mandatory disclosures are costly, could lead to negative publicity, may cause our Members to lose confidence in the effectiveness of our security measures and require us to expend significant capital and other resources to respond to and/or alleviate problems caused by the actual or perceived security breach. A security breach of any of our vendors that processes personally identifiable information of our Members may pose similar risks.

In May 2020, an unauthorized third party attempted to gain access to Dave Member accounts and was able to access Member profiles and Members’ partial or incomplete bank account information. We did not uncover any evidence that the attacker was able to take any actions with respect to the data, other than gaining read access to it, nor do we believe any unauthorized transactions were made or advances requested on the Dave system. We provided notice to relevant parties as required under applicable law and agreements and took steps to set up alerts to detect abnormal request volumes and introduced rate limiting at the IP address level. In addition, in June 2020, we were notified of an unauthorized third party breach of our Dave database. The third party was able to access to Dave’s system by breaching the system of one of Dave’s third party service providers. The attacker was able to download a large data set, including encrypted social security numbers for some Members; however, there was no evidence that unauthorized transactions were made or advances requested on the Dave system, nor do we believe that the third party gained access to decryption keys or was otherwise able to decrypt encrypted information. The May 2020 and June 2020 incidents are collectively referred to herein as the “2020 Incidents.” We took remedial measures, including the engagement of an outside security consultant to monitor for ongoing dark web activity and to conduct a security audit and incident investigation, and notified relevant parties as required under applicable law and agreements. As a result of the 2020 Incidents, we are in the process of settling a purported class action in California for approximately \$3.1 million and we settled individual claims outside of California for approximately \$4.4 million. See Item 1. Legal Proceedings. In addition, in 2024, one of our third-party service providers experienced a data breach that resulted in improper disclosure of certain of our Members’ information. As we have increased our Member base and our brand has become more widely known and recognized, third parties may continue to seek to compromise our security controls or gain unauthorized access to our sensitive corporate information or our Members’ data.

If our banking partner or other strategic partners were to conclude that our systems and security policies and procedures are insufficiently rigorous, they could terminate their relationships with us, and our financial results and business could be adversely

affected. Under our terms of service and our contracts with strategic partners, if there is a breach of nonpublic personal information of our Members that we store, we could be liable to the partner for their losses and related expenses.

Additionally, as computer malware, viruses, and computer hacking, fraudulent use attempts, and phishing attacks have become more prevalent, we, and third parties upon which we rely, face increased risk in maintaining the performance, reliability, security, and availability of our solutions and related services and technical infrastructure to the satisfaction of our Members. Any computer malware, viruses, computer hacking, fraudulent use attempts, phishing attacks, or other data security breaches related to our network infrastructure or information technology systems or to computer hardware we lease from third parties, could, among other things, harm our reputation and our ability to retain existing Members and attract new Members.

Our insurance may be insufficient or may not cover all liabilities incurred by cybersecurity incidents. We also cannot be certain that our insurance coverage will be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our

insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation.

Our business is subject to extensive regulation and oversight in a variety of areas under federal, state and local laws, and is subject to regulatory investigations and consumer litigation.

We are subject to extensive regulation under United States federal and state laws and regulations. Regulators have broad discretion with respect to the interpretation, implementation, and enforcement of these laws and regulations, including through enforcement actions that could subject us to civil money penalties, Member remediation, increased compliance costs, and limits or prohibitions on our ability to offer certain products or services or to engage in certain activities. Any failure or perceived failure to comply with any of these laws or regulations could subject us to lawsuits or governmental actions and/or damage our reputation, which could materially and adversely affect our business. Moreover, any competitors subject to different, or in some cases less restrictive, legislative or regulatory regimes may have or obtain a competitive advantage over us.

We are subject to the regulatory and enforcement authority of the CFPB, which oversees compliance with federal consumer financial protection laws. In addition, our partnership with Evolve is subject to the supervisory authority of the Federal Reserve, which is Evolve's primary federal bank regulator. The CFPB has broad enforcement powers, and upon determining a violation of applicable law has occurred can order, among other things, rescission or reformation of contracts, the refund of moneys, restitution, disgorgement or compensation for unjust enrichment, the payment of damages or other monetary relief, public notifications regarding violations, limits on activities or functions, remediation of practices, external compliance monitoring and civil money penalties. The cost of responding to investigations can be substantial and an adverse resolution to an investigation, including a consent order or other settlement, may have a material adverse effect on our business, financial position, results of operations and future prospects.

For example, since January 2023, we have been cooperating with the FTC staff in response to a Civil Investigative Demand ("CID") seeking information in connection with the sale, offering, advertising, marketing or other promotion of cash advance products and online financial services. Although we believe that our practices at all times have been in compliance with applicable law, the defense or resolution of this matter could involve significant monetary costs or penalties and have a significant impact on our financial results and operations.

In addition, we are also subject to consumer litigation, including putative consumer class actions which allege that we violate federal and/or state laws regulating the financial services industry. For example, in July 2022, a purported class action *Lopez v. Dave, Inc.* was filed in the U.S. District Court for the Northern District of California alleging violations of California consumer protection laws and state and federal lending laws, among other things, and we settled this matter in July 2024. In December 2022, a purported class action *Golubiewski and Checchia v. Dave, Inc.* was filed in the U.S. District Court for the Middle District of Pennsylvania alleging similar violations under Pennsylvania state and federal laws. We are actively litigating this matter and cannot estimate the likely outcome at this time.

Our "terms of use" for the Dave App as well as the Evolve agreements related to the ExtraCash and deposit accounts include arbitration clauses. If our arbitration agreements were to become unenforceable for any reason, we could experience an increase to our consumer litigation costs and exposure to potentially damaging class action lawsuits. Even if our arbitration clause remains enforceable, we may be subject to mass arbitrations in which large groups of consumers bring arbitration claims against the Company simultaneously.

We have been and may in the future also be subject to investigations and potential enforcement actions that may be brought by state regulatory authorities, state attorneys general or other state enforcement authorities and other governmental agencies. Any such

actions could subject us to civil money penalties and fines, Member remediation, and increased compliance costs, damage our reputation and brand and limit or prohibit our ability to offer certain products and services or engage in certain business practices. Further, in some cases, regardless of fault, it may be less time-consuming or costly to settle these matters, which may require us to implement certain changes to our business practices, provide remediation to certain individuals or make a settlement payment to a given party or regulatory body.

The financial services industry continues to be highly regulated and subject to new laws or regulations in many jurisdictions, including the U.S. states in which we operate, which could restrict the products and services we offer, impose additional compliance costs on us, render our current operations unprofitable or even prohibit our current or future operations.

We are required to comply with frequently changing federal, state, and local laws and regulations that regulate, among other things, the terms of the financial products and services we offer. New laws or regulations may require us to incur significant expenses to ensure compliance. Federal and state regulators of consumer financial products and services are also enforcing existing laws, regulations, and rules more aggressively, and enhancing their supervisory expectations regarding the management of legal and regulatory compliance risks. For example, State attorneys general have indicated that they will take a more active role in enforcing consumer protection laws, including through the establishment of state consumer protection agencies as well as the use of Dodd-Frank Act provisions that authorize state attorneys general to enforce certain provisions of federal consumer financial laws and obtain civil money penalties and other relief available to the CFPB.

In addition, regulators are interpreting existing laws, regulations and rules in new and different ways as they attempt to apply them to novel products and business models such as ours. The regulatory landscape in which we operate continues to evolve, and the CFPB has issued several interpretive statements and guidance that could impact our business practices. For example, in July 2024, the CFPB proposed interpretive rule on paycheck advance and earned wage access, a model which Dave was originally founded on but transitioned away from beginning in 2022. If the CFPB determines that our current business model and practices fall within the scope of the proposed interpretive rule, we could be subject to additional regulatory requirements and scrutiny. Moreover, "True lender" challenges of bank partnership arrangements for credit products (such as the arrangement for ExtraCash) are being raised at the federal and state levels, and banking as a service arrangements (such as the arrangements for our deposit accounts) are subject to heightened scrutiny. Changes in the laws, regulations and enforcement priorities applicable to our business, or changes in the way existing laws and regulations are interpreted and applied to us, could have a material impact on our business model, operations and financial position. In some cases, these measures could even directly prohibit some or all of our current business activities in certain jurisdictions or render them unprofitable and/or impractical to continue.

The application of traditional federal and state consumer protection statutes and related regulations to innovative products offered by financial technology companies such as us is often uncertain, evolving and unsettled. To the extent that our products are deemed to be subject to any such laws, we could be subject to additional compliance obligations, including state licensing requirements, disclosure requirements and usury or fee limitations, among other things. Application of such requirements and restrictions to our products and services could require us to make significant changes to our business practices (which may increase our operating expenses and/or decrease revenue) and, in the event of retroactive application of such laws, subject us to litigation or enforcement actions that could result in the payment of damages, restitution, monetary penalties, injunctive restrictions, or other sanctions, as well as unenforceability of the advances facilitated through our platform, any of which could have a material adverse effect on our business, financial position, and results of operations.

Further, we may not be able to respond quickly or effectively to regulatory, legislative, and other developments, and these changes may in turn impair our ability to offer our existing or planned features, products, and services and/or increase our cost of doing business. In addition, we expect to continue to launch new products and services in the coming years, which may subject us to additional legal and regulatory requirements under federal, state and local laws and regulations. To the extent the application of these laws or regulations to our new offerings is unclear or evolving, including changing interpretations and the implementation of new or varying regulatory requirements by federal or state governments and regulators, this may significantly affect or change our proposed business model, increase our operating expenses and hinder or delay our anticipated launch timelines for new products and services.

Due to our bank partnership model, we are and will continue to be subject to third-party risk management obligations, our business model may need to be substantially altered and we may not be able to continue to operate our business as it is currently operated.

Banking products made available through us by our bank partner remain subject to regulation and supervision by our bank partner's regulators and we, as a service provider to our bank partner, undertake certain compliance obligations. If we were to become directly subject to banking regulations or if the third-party risk management requirements applicable to us were to change, our business model may need to be substantially altered and we may not be able to continue to operate our business as it is currently operated. Failure by

us, or any of our business partners, to comply with applicable laws and regulations could have a material adverse effect on our business, financial position and results of operations.

If we were found to be operating without having obtained necessary state or local licenses, it could adversely affect our business, results of operations, financial condition, and future prospects.

Certain states have adopted laws regulating and requiring licensing, registration, notice filing, or other approval by parties that engage in certain activities regarding consumer finance transactions. We have also received inquiries from state regulatory agencies regarding requirements to obtain licenses from or register with those states, including in states where we have determined that we are not required to obtain such a license or be registered with the state, and we expect to continue to receive such inquiries. The application of certain consumer financial licensing laws to our platform and the related activities it performs is not always clear, and regulatory agencies may not agree with our determinations on the applicability of such laws to us. In addition, state licensing requirements may evolve over time, including, in particular, recent trends in legislation seeking to impose licensing requirements and regulation of parties engaged in business to consumer advance products such as ExtraCash. For example, in 2023, the banking regulators in Connecticut and Maryland issued guidance (and in the case of Maryland, a regulatory change) (collectively, "State Regulatory Changes") indicating that traditional "earned wage access" products would, under certain circumstances, be considered small loans under the state lending laws, and that optional fees and tips, under certain circumstances, would be finance charges for purposes of calculating the interest rate under the state's applicable usury limit. These State Regulatory Changes would subject those covered by them to licensure and limitations or prohibitions on certain charges. Although we do not believe that our ExtraCash overdraft product offered through Evolve is covered by the State Regulatory Changes, we have recently received separate inquiries from the Connecticut and Maryland banking regulators as to whether the ExtraCash product is subject to the State Regulatory Changes, as well as a subpoena from the Maryland Attorney General requesting information regarding any earned wage access and related products that we offer in the state of Maryland. Although we believe that our practices and products offered at all times in Maryland and Connecticut have been in compliance with applicable law, the defense or resolution of these matters could involve significant monetary costs or penalties and have a significant impact on our financial results and operations.

If we were found to be in violation of applicable state licensing or other requirements by a court or a state, federal, or local enforcement agency, or agree to resolve such concerns by voluntary agreement, we could be subject to or agree to pay fines, damages, injunctive relief (including required modification or discontinuation of our business in certain areas), criminal penalties, and other penalties or consequences, and the advances facilitated through our platform could be rendered void in whole or in part, any of which could have an adverse effect on our business, results of operations, and financial condition. For example, we have received and responded to inquiries from various states, in each case regarding whether the advance products we offer in those states should subject us to state licensing and related requirements. In December 2021, we entered into a Memorandum of Understanding ("MOU") with the California Department of Financial Protection and Innovation ("CA DFPI"). The MOU requires us to provide the CA DFPI with certain information as requested by the CA DFPI and adhere to certain best practices in connection with our ExtraCash advance product (including certain disclosures related to us not being licensed by the CA DFPI).

53

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

None

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

None

Item 5. Other Information

None

On March 8, 2024, Michael Pope, a member of our Board of Directors, entered into a pre-arranged stock trading plan that is intended to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act. Mr. Pope's plan provides for the potential sale of up to 15,702 shares of Dave Class A Common Stock. Mr. Pope's plan is scheduled to commence on June 10, 2024 and expire on December 15, 2024, subject to the plan's earlier expiration or completion in accordance with its terms.

Item 6. Exhibits

Exhibit No.	Description
3.1	Second Amended and Restated Certificate of Incorporation of Dave Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022).
3.2	Amended and Restated Bylaws of Dave Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022)
10.1	Purchase and Sale Agreement, dated January 4, 2024, by and between Dave Inc. and FTX Ventures Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on January 5, 2024)
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document.

101.SCH Inline XBRL Taxonomy Extension Schema Document With Embedded Linkbase Documents.

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Furnished and not filed.

47 54

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.

Dated: May 7, 2024 August 6, 2024

Dave Inc.

By: /s/ Jason Wilk

Jason Wilk

Title: Chief Executive Officer

Dated: May 7, 2024 August 6, 2024

DAVE INC.

By: /s/ Kyle Beilman

Kyle Beilman

Title: Chief Financial Officer

48 55

Exhibit 31.1

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

I, Jason Wilk, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **March 31, 2024** **June 30, 2024** of Dave 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 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 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 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** **August 6, 2024**

/s/ Jason Wilk

 Chief Executive Officer
 (principal executive officer)

Exhibit 31.2

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

I, Kyle Beilman, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **March 31, 2024** **June 30, 2024** of Dave 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 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 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 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 August 6, 2024

/s/ Kyle Beilman

Chief Financial Officer
(principal financial officer)

EXHIBIT 32.1

**CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Jason Wilk, Chief Executive Officer, and Kyle Beilman, Chief Financial Officer of Dave Inc. (the "Company"), hereby certify as of the date hereof, solely for the purposes of 18 U.S.C. §1350, that:

- (i) the Quarterly Report on Form 10-Q for the period ended March 31, 2024 June 30, 2024 of the Company (the "Report") fully complies with the requirements of Section 1350, as applicable, of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: May 7, 2024 August 6, 2024

/s/ Jason Wilk

Chief Executive Officer

/s/ Kyle Beilman

Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.