UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 7, 2024

MARQETA, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-40465**	**27-4306690**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

180 Grand Avenue, 6th Floor
Oakland, California 94612

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(877) 962-7738**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, $0.0001 par value per share	**MQ**	**The Nasdaq Stock Market LLC (Nasdaq Global Select Market)**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition.

On May 7, 2024, Marqeta, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended March 31, 2024. A copy of the press release is furnished as Exhibit 99.1 to this current report on Form 8-K and is incorporated herein by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Board Leadership Transition

On May 6, 2024, Jason Gardner informed the Company's Board of Directors (the "Board") and the Company agreed that Mr. Gardner would step down from his position as Executive Chairman, effective June 13, 2024 (or, if later, the date of the Company’s 2024 Annual Meeting of Stockholders, the “Transition Date”). Mr. Gardner will continue to serve as a non-employee director on the Board. Mr. Gardner’s departure is not the result of any disagreement between Mr. Gardner and the Company or its management on any matter relating to the Company’s operations, policies, or practices.

In connection with Mr. Gardner’s departure, the Company and Mr. Gardner have entered into a Transition Agreement. Pursuant to the Transition Agreement:

- Mr. Gardner will continue to perform his normal duties as Executive Chairman until the Transition Date.
- Mr. Gardner will receive the balance of his pro-rated salary and target bonus as Executive Chairman for the current year.
- Mr. Gardner’s “Executive Chairman Long-Term Performance Awards” (as defined below) will terminate by their terms and be forfeited for no consideration.
- Mr. Gardner’s other outstanding stock option awards under the Company’s 2011 Equity Incentive Plan will remain in full force and effect by their terms.
- Mr. Gardner will be eligible to participate as a non-employee director in the Company’s Non-Employee Director Compensation Policy, except that he waives the right to an “Initial Award” as defined in such Policy.
- Mr. Gardner will be eligible to receive other specified benefits as a director of the Company.
- The Company will provide retiree benefits to Mr. Gardner and his covered spouse and dependents consisting of health, vision, and dental insurance until Mr. Gardner reaches age 65.
- Mr. Gardner waives any rights or benefits he may have under the Company’s Executive Severance Plan or any other severance or termination benefits.
- At each annual meeting of the Company’s stockholders at which Mr. Gardner’s term as a director expires, the Company agrees to nominate Mr. Gardner for election to the Board, as long as he continues to hold at least 20% voting power of the Company and continues to satisfy the other criteria set forth in the nominations provision of the Transition Agreement.
- Mr. Gardner will be invited to chair a new Payments Innovation Committee of the Board that will be formed.
- Mr. Gardner voluntarily converted a portion of his shares of Class B Common Stock into shares of Class A Common Stock, as further described below.

A copy of the Transition Agreement is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

Forfeiture of Executive Chairman Long-Term Performance Award

In April and May 2021, our Board granted stock options to Mr. Gardner providing for a maximum of 19,740,923 shares and 47,267 shares of our Class B common stock, subject to Mr. Gardner's continued service as our chief executive officer or executive chairman of our Board (the "Executive Chairman Long-Term Performance Award"). As a result of Mr. Gardner's election to step down as Executive Chairman, the Executive Chairman Long-Term Performance Award will be forfeited by its terms, effective as of June 13, 2024.

Under applicable accounting rules, the forfeiture is expected to result in a one-time reversal of stock-based compensation expenses of $157.8 million in the second quarter of 2024. The forfeiture of the Executive Chairman Long-Term Performance Award will reduce the potential dilution associated with this award and the Company will no longer be required to recognize the expense associated with the award over future fiscal quarters. Mr. Gardner received no payments, replacement equity awards, or benefits in connection with the forfeiture.

Item 7.01 Regulation FD Disclosure.

Independent Board Chair

On May 6, 2024, the Board appointed Jud Linville as independent Chairman of the Board effective as of the Transition Date.

Share Conversion

On May 6, 2024, Mr. Gardner elected to voluntarily convert 17.71 million outstanding shares of Class B common stock into shares of Class A common stock on a one-for-one basis, effective immediately, pursuant to Article IV.D.3(a) of the Company's Amended and Restated Certificate of Incorporation. The Class B common stock is substantially the same as the Class A common stock except Class B common stock has ten votes per share whereas Class A common stock has one vote per share.

As a result of the voluntary conversions, Mr. Gardner will beneficially own effective voting power of approximately 40% as of May 6, 2024.

Share Repurchase Program

On May 6, 2024, the Company's Board of Directors unanimously approved a share repurchase program authorizing the Company to purchase up to an aggregate of $200 million of the Company's Class A common stock, subject to customary conditions.

The Company may repurchase shares from time to time through open market purchases, in privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, in accordance with applicable securities laws and other restrictions, including Rule 10b-18. The timing and total amount of stock repurchases will depend upon business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices and other considerations. The execution of the repurchase program will be consistent with the Company's capital allocation strategy, which prioritizes investments to grow the business. The share repurchase program has no termination date, and does not obligate the Company to acquire a specific number of shares of Class A common stock and may be canceled or suspended at any time without notice.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1#	Transition Agreement between the Registrant and Jason Gardner, dated May 6, 2024.
99.1	Press release issued by Marqeta, Inc., dated May 7, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).
#	Indicates management contract or compensatory plan, contract, or agreement.

SIGNATURE

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 hereunto duly authorized.

	MARQETA, INC.
Date: May 7, 2024	/s/ Michael (Mike) Milotich
	Michael (Mike) Milotich
	Chief Financial Officer

TRANSITION AGREEMENT

This Transition Agreement ("Agreement") is between Marqeta, Inc. (the "Company") and Jason Gardner ("Employee") (together "the Parties") and is effective as of May 6, 2024.

Employee is employed by the Company as Executive Chairman, and the Parties have entered into an Offer Letter dated June 6, 2011 (the "Offer Letter") and a Proprietary Information and Inventions Agreement (the "Confidentiality Agreement");

Employee and the Company have mutually agreed that their employment relationship shall end with an effective date of June 13, 2024 (or, if later, the date of the Company's 2024 Annual Meeting of Stockholders, the "Transition Date") as of immediately following the 2024 Annual Meeting of Stockholders (the "Transition Effective Time").

The Parties agree as follows:

1. Duties Until Transition Effective Time. Employee will perform his normal duties as Executive Chairman until the Transition Effective Time.

(a) As of the Transition Effective Time, Employee will be a non-employee member of the Board of Directors of the Company (the "Board").

(b) Following the Transition Effective Time, and in accordance with California law, Employee will receive a final paycheck with the balance of his pro-rated salary and target bonus (which amounts are expected to be approximately $38,273 and $111,205, respectively, if the Transition Date is June 13, 2024) as Executive Chairman for the current year 2024.

2. Stock.

(a) As of the Transition Effective Time, the "Executive Chairman Long-Term Performance Awards" reflected on Exhibit A will terminate by their express terms and be forfeited for no consideration.

(b) As of the Transition Effective Time, Employee's continuing status as a non-employee director will satisfy the "Continuous Service" requirement for continued vesting in the Marqeta, Inc. 2011 Equity Incentive Plan and exercise of the related Stock Option Agreements between the Company and Employee (the "Stock Agreements") for the awards set forth in Exhibit B. Nothing in this Agreement shall interfere with, forfeit or waive any of Employee's rights with respect to any of the awards set forth in Exhibit B. The exercise of such awards shall continue to be governed by the terms and conditions of the Stock Agreements.

3. Non-Employee Director Compensation. As of the Transition Effective Time, Employee will be eligible to participate as a non-employee director in the Company's

Non-Employee Director Compensation Policy (the “Policy”), as it may be amended from time to time. For the avoidance of doubt, Employee is not eligible to receive and hereby waives an Initial Award (as defined in the Policy) as a result of the termination of employment on the Transition Date. In addition, the Company and Employee agree that for so long as Employee is a non-employee director of the Company, he shall receive:

(a) Access to Company electronic mail and Slack;

(b) Access to the Company’s offices in Oakland, California and paid monthly parking at such offices;

(c) Access to executive administrative support; and

(d) Pet insurance.

4. Health Care. Starting as of the Transition Date, the Company will provide retiree benefits with coverage for Employee and his then current covered spouse and dependents as of the Transition Date. Such coverage will be maintained until Employee reaches age 65. Such retiree benefits will consist of health, vision and dental insurance as currently carried (100% of the cost for Employee coverage to be paid by the Company, 75% of the cost of coverage for each additional insured to be paid by the Company). Life insurance will not be offered. Such retiree benefits will not include disability. To the extent any of the benefits in this Section 4 are deemed taxable, such taxable amounts will be reported to Employee on a Form 1099-NEC. Employee acknowledges and agrees that at the end of the Coverage Period, Employee, spouse and any dependents will not be entitled to COBRA coverage based on the retiree benefits.

5. Payment of Salary and Receipt of All Benefits; Waiver of Executive Severance Plan. Employee acknowledges and represents that, other than (i) the consideration set forth in this Agreement and (ii) his final paycheck, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, leave, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee. Employee further acknowledges and represents that Employee has received any leave to which Employee was entitled or which Employee requested, if any, under the California Family Rights Act and/or the Family Medical Leave Act, or other similar laws and/or ordinances, and that Employee did not sustain any workplace injury, during Employee’s employment with the Company. Employee expressly waives any rights or benefits Employee may have under the Company’s Executive Severance Plan or any other promised or implied severance or termination benefits.

6. Board Nomination Right.

(a) At each annual meeting of the Company’s stockholders following the Transition Date at which the Employee’s term as a director expires, the Company shall nominate Employee for election to the Board; provided that the Company shall not have any obligation to nominate Employee for election to the Board under this Agreement from and after such time (i) as Employee and his affiliates collectively beneficially own outstanding voting securities representing less than 20% of the voting power of the outstanding shares of stock of the Company entitled to vote generally in the election of directors, voting together as a single class; (ii) that a majority of the directors then in office (other than Employee), in their reasonable judgment, have determined that (x) Employee has breached his fiduciary duties or (y) Employee has acted in a manner that would permit the stockholders of the Company to remove him for cause under the Delaware General Corporation Law; or (iii) as Employee has been convicted of a felony or is the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, relating to an alleged violation of any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity. As of the date hereof, Employee beneficially owns the shares set forth on Exhibit C, and no other shares.

(b) If any of the events described in clauses (ii) or (iii) in the previous paragraph occur, then the Board may (in its sole discretion) request the resignation of the Employee from the Board, and promptly following such request, the Employee shall promptly offer to resign from the Board (and, if requested by the Company, promptly deliver his written resignation to the Board (which shall provide for his immediate resignation), it being understood that it shall be in the Board's sole discretion whether to accept or reject such resignation).

(c) Employee will be invited to participate in any meetings of the Audit Committee, Compensation Committee, or Nomination and Governance Committee, in an ex officio capacity, excluding executive sessions or during other portions of the meeting where his attendance would be a conflict of interest.

(d) Employee will be invited to chair a new Payments Innovation Committee of the Board that will be formed.

7. Voluntary Conversion of Employee's Class B Common Stock. Concurrently with the execution of this Agreement, Employee has delivered to the Company a written notice previously delivered to the transfer agent of the Company of the voluntarily conversion of 17,710,000 shares of Class B Common Stock held by Employee and/or The Gardner 2008 Living Trust dated March 22, 2008 into Class A Common Stock pursuant to Article IV.D.3(a) of the Company's Amended and Restated Certificate of Incorporation.

8. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, the Parties acknowledge and agree that any material breach of this Agreement shall entitle the nonbreaching party to pursue all remedies and damages available under applicable law. In connection with breach by Employee, the Company may also seek to recover and/or cease providing the consideration or benefits provided to Employee under this Agreement and to obtain damages, except as provided by law.

9. Costs. The Parties shall each bear their own costs, including attorneys' fees, incurred in connection with the preparation of this Agreement.

10. ARBITRATION. EXCEPT AS PROHIBITED BY LAW, THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR THE TERMS THEREOF, SHALL BE SUBJECT TO ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA") AND THAT THE FAA SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT; HOWEVER, WITHOUT LIMITING ANY PROVISIONS OF THE FAA, A MOTION OR PETITION OR ACTION TO COMPEL ARBITRATION MAY ALSO BE BROUGHT IN STATE COURT UNDER THE PROCEDURAL PROVISIONS OF SUCH STATE'S LAWS RELATING TO MOTIONS OR PETITIONS OR ACTIONS TO COMPEL ARBITRATION. EMPLOYEE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EMPLOYEE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY. ANY CLAIMS EMPLOYEE MAY BRING PURSUANT TO THE PRIVATE ATTORNEYS GENERAL ACT ("PAGA") ON BEHALF OF THE LABOR AND WORKFORCE DEVELOPMENT AGENCY MUST BE ARBITRATED ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY WITHOUT ANY JOINDER OR REPRESENTATION OF ANY CALIFORNIA LABOR CODE VIOLATIONS THAT WERE OR COULD BE ASSERTED BY OR ON BEHALF OF ANY OTHER EMPLOYEES. ANY ARBITRATION WILL OCCUR IN ALAMEDA COUNTY BEFORE JAMS PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER

PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS SECTION CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO THE ARBITRATION SECTION OF THE CONFIDENTIALITY AGREEMENT, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT IN THIS SECTION SHALL GOVERN.

11. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to the Employee or made on his behalf under the terms of this Agreement. Employee agrees and understands that he is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon.

12. No Representations. Employee represents that he has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

13. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

14. Attorneys' Fees. If either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

15. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee's employment with and employment separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company, with the exception of the Confidentiality Agreement and the Stock Agreements, except as modified herein.

16. No Oral Modification. This Agreement may only be amended in a writing signed by the Employee and the Company's Chief Executive Officer then in office.

17. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of California.

18. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

19. Voluntary Execution of Agreement. Employee understands and agrees that he executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party. Employee acknowledges that:

(a) he has read this Agreement, including the Exhibits;

(b) he has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or has elected not to retain legal counsel;

(c) he understands the terms and consequences of this Agreement; and

(d) he is fully aware of the legal and binding effect of this Agreement.

The Parties have executed this Agreement on the dates set forth below.

/s/ Jason Gardner
Dated: May 6, 2024 Jason Gardner, an individual

Dated: May 6, 2024 Marqeta, Inc.

By: /s/ Crystal Sumner
Crystal Sumner
Chief Administrative Officer

Exhibit A

Executive Chairman Long-Term Performance Awards

Grant Date	Vesting Commencement Date	Option Shares (#)	Exercise Price ($)	Expiration Date
4/13/2021	4/13/2021	19,740,923	21.49	4/12/2031
5/5/2021	5/5/2021	47,267	23.40	5/4/2031

Exhibit B

Outstanding Equity Awards; Continuous Service

Grant Date	Vesting Commencement Date	Option Shares (#)	Exercise Price ($)	Expiration Date
2/24/2019	2/24/2019	770,557	0.40	2/23/2029
5/5/2020	4/1/2020	458,334	2.25	5/4/2030
2/11/2021	1/1/2021	1,059,639	10.48	2/10/2031
2/11/2021	1/1/2021	150,000	10.48	2/10/2031

Exhibit C

Employee’s Beneficial Ownership as of May 6, 2024

49,072,553 shares of Class B common stock, consisting of:

- 1,255,730 shares of Class B common stock held of record by Mr. Gardner
- 1,255,730 shares of Class B common stock held of record by Mr. Gardner’s spouse
- 37,135,479 shares of Class B common stock held of record by Mr. Gardner and his spouse as trustees of The Gardner 2008 Living Trust dated March 22, 2008
- 712,807 shares of Class B common stock held of record by the Jason Gardner Annuity Trust
- 712,807 shares of Class B common stock held of record by the Mr. Gardner’s spouse’s annuity trust
- 8,000,000 shares of Class B common stock held of record by trusts for the benefit of Mr. Gardner’s children and of which the trustee is an independent institution

MARQETA REPORTS FIRST QUARTER 2024 FINANCIAL RESULTS

The global modern card issuer reported $67 billion in Total Processing Volume with Net Revenue of $118 million in the first quarter of 2024.

OAKLAND, Calif. – May 7, 2024 - **Marqeta, Inc. (NASDAQ: MQ**), the global modern card issuing platform, today reported financial results for the first quarter ended March 31, 2024.

The Company reported Total Processing Volume (TPV) of $67 billion, representing a year-over-year increase of 33% driven by volume growth across several use cases.

Marqeta reported Net Revenue of $118 million, a decrease of 46% year over year, which included a 58 percentage point negative growth impact due to the change in revenue presentation resulting from the new Cash App contract effective as of July 2023. The Company saw Gross Profit of $84 million for the quarter, down 6% year-over-year, primarily due to the new pricing for Cash App.

GAAP Net Loss for the quarter was $36 million. Adjusted EBITDA was positive $9 million, representing an Adjusted EBITDA margin of 8%.

"Our business once again showed itself to be on a solid trajectory this quarter," said Simon Khalaf, CEO of Marqeta. "Alongside continued scale and operational efficiencies, we saw growth from both major fintech customers expanding into new use cases and geographies, as well as growth from newer customers and embedded finance use cases. All put together, it speaks volumes to the breadth and depth of the Marqeta platform."

Marqeta highlighted several recent business updates that demonstrate its current business momentum:

- Marqeta announced the global expansion of its U.S. partnership with Uber Eats into eight additional markets: Canada, Australia, Mexico, Brazil, Colombia, Peru, Chile and Costa Rica. Marqeta's platform allows Uber Eats to reduce effort and time-to-market for each subsequent new market launch, showcasing the global reach of Marqeta's platform and the strong partnership with Uber since 2020.
- Marqeta supported the launch of a new and improved Klarna Card, open to all U.S. Klarna users, which is built into the Klarna app and provides flexible payment options with no revolving credit, allowing users to either pay a monthly statement in full with no interest, or pay over time. The card comes with personalized spending and budgeting recommendations and up to 10% cashback when used inside the Klarna app. Marqeta has supported Klarna's business since 2016, across multiple card projects in North America, Europe and Australia and New Zealand.
- Marqeta announced that it will power the Rain Card, a branded debit card that will enable Rain's customers, such as McDonald's, Taco Bell, Hilton and Marriott, to disburse earned wages onto cards seamlessly. In addition, through its strategic partnership with Rain, Marqeta can expand the scope of its early wage access offerings to add more value for employers across diverse sectors of the economy.

Marqeta announced that its Board of Directors has authorized a new share repurchase program for up to $200 million of its Class A common stock, demonstrating the Board's continued confidence in Marqeta's business and market opportunity not currently reflected in the company's market valuation.

Operating Highlights

In thousands, except percentages and per share data. % change is calculated over the comparable prior-year period (unaudited)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	% Change
Financial metrics:			
Net revenue	$ 117,968	$ 217,343	(46%)
Gross profit	$ 84,161	$ 89,164	(6%)
Gross margin	*71 %*	*41 %*	*30 ppts*
Total operating expenses	$134,013	$176,597	(24%)
Net loss	($36,060)	($68,801)	48%
Net loss margin	*(31 %)*	*(32 %)*	*1 ppts*
Net loss per share - basic and diluted	($0.07)	($0.13)	46%
Key operating metric and Non-GAAP financial measures:			
Total Processing Volume (TPV) (in millions) [1]	$ 66,666	$ 50,020	33%
Adjusted EBITDA [2]	$9,228	($4,346)	312%
Adjusted EBITDA margin [2]	*8 %*	*(2 %)*	*10 ppts*
Non-GAAP operating expenses [2]	$ 74,933	$ 93,510	(20%)

[1] TPV represents the total dollar amount of payments processed through our platform, net of returns and chargebacks. We believe that TPV is a key indicator of the market adoption of our platform, growth of our brand, growth of our customers' businesses and scale of our business.

[2] See "Information Regarding Non-GAAP Measures" for definitions of Adjusted EBITDA, Adjusted EBITDA margin, and Non-GAAP operating expenses and the reconciliations of the net loss to Adjusted EBITDA, and of the total operating expenses to Non-GAAP operating expenses.

First Quarter 2024 Financial Results:

Total Processing Volume increased by 33% year-over-year, rising to $67 billion from $50 billion in the first quarter of 2023.

Net Revenue of $118 million decreased by $99 million, or (46)% year-over-year, primarily due to a contract renewal with Cash App, which resulted in a change in revenue presentation in addition to reduced pricing. The revenue presentation change involves the fees owed to Issuing Banks and Card Networks related to the Cash App primary Card Network volume, which are netted against revenue earned from the Cash App program within Net Revenue, resulting in a reduction of $126 million, negatively impacting the growth rate by 58 percentage points. In prior periods, these costs were included within Costs of Revenue.

Gross Profit decreased by 6% year-over-year, declining to $84 million from $89 million in the first quarter of 2023 primarily due to reduced pricing from the Cash App renewal. Gross Margin was 71% in the first quarter of 2024.

Net Loss decreased by $33 million year-over-year to $36 million in the quarter due to decreased operating expenses partially offset by the decrease in gross profit.

Adjusted EBITDA was $9 million in the first quarter of 2024, increasing by $14 million year-over year. Adjusted EBITDA margin was 8% in the first quarter of 2024, an increase of 10 percentage points versus last year.

Conference Call

Marqeta will host a live conference call today at 1:30 p.m. Pacific time (4:30 p.m. Eastern time). To join the call, please dial-in 10 minutes in advance: toll-free at 1-877-407-4018 or direct at 1-201-689-8471. The conference call will also be available live via webcast online at http://investors.marqeta.com.

The telephone replay dial-in numbers are 1-844-512-2921 and 1-412-317-6671 and will be available until May 14, 2024, 8:59 p.m. Pacific time (11:59 p.m. Eastern time). The confirmation code for the replay is 13745411.

Forward-Looking Statements

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

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

Disclosure Information

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

Use of Non-GAAP Financial Measures

Reconciliations of non-GAAP financial measures to the most directly comparable financial results as determined in accordance with GAAP are included at the end of this press release following the accompanying financial data. For a description of these non-GAAP financial measures, including the reasons management uses each measure, please see the section of the tables titled "Information Regarding Non-GAAP Financial Measures".

About Marqeta, Inc.

Marqeta's modern card issuing platform empowers its customers to create customized and innovative payment cards. Marqeta's modern architecture gives its customers the ability to build more configurable and flexible payment experiences, accelerating time-to-market and democratizing access to card issuing technology. Marqeta's open APIs provide instant access to highly scalable, cloud-based payment infrastructure that enables customers to launch and manage their own card programs, issue cards and authorize and settle payment transactions. Marqeta is headquartered in Oakland, California and is certified to operate in more than 40 countries globally.

Marqeta® is a registered trademark of Marqeta, Inc.

IR Contact: Marqeta Investor Relations, IR@marqeta.com

Marqeta, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2024	2023
Net revenue	$ 117,968	$ 217,343
Costs of revenue	33,807	128,179
Gross profit	84,161	89,164
Operating expenses:		
Compensation and benefits	108,111	147,759
Technology	13,118	14,590
Professional services	3,870	5,437
Occupancy	1,094	1,154
Depreciation and amortization	3,537	1,980
Marketing and advertising	378	441
Other operating expenses	3,905	5,236
Total operating expenses	134,013	176,597
Loss from operations	(49,852)	(87,433)
Other income, net	13,926	11,672
Loss before income tax expense	(35,926)	(75,761)
Income tax expense (benefit)	134	(6,960)
Net loss	$ (36,060)	$ (68,801)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.07)	$ (0.13)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	517,987,361	539,744,130

Marqeta, Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2024	December 31, 2023
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 970,357	$ 980,972
Restricted cash	8,500	8,500
Short-term investments	228,324	268,724
Accounts receivable, net	23,422	19,540
Settlements receivable, net	36,511	29,922
Network incentives receivable	54,223	53,807
Prepaid expenses and other current assets	26,830	27,233
Total current assets	1,348,167	1,388,698
Operating lease right-of-use assets, net	5,814	6,488
Property and equipment, net	28,138	18,764
Intangible assets, net	34,167	35,631
Goodwill	123,523	123,523
Other assets	18,552	16,587
Total assets	$ 1,558,361	$ 1,589,691
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 916	$ 1,420
Revenue share payable	189,864	173,645
Accrued expenses and other current liabilities	147,802	161,514
Total current liabilities	338,582	336,579
Operating lease liabilities, net of current portion	4,080	5,126
Other liabilities	5,034	4,591
Total liabilities	347,696	346,296
Stockholders' equity :		
Preferred stock	—	—
Common stock	52	52
Additional paid-in capital	2,072,692	2,067,776
Accumulated other comprehensive (loss) income	(824)	762
Accumulated deficit	(861,255)	(825,195)
Total stockholders’ equity	1,210,665	1,243,395
Total liabilities and stockholders' equity	$ 1,558,361	$ 1,589,691

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

	Three Months Ended March 31,	
	2024	**2023**
Cash flows from operating activities:		
Net loss	$ (36,060)	$ (68,801)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,537	1,980
Share-based compensation expense	44,434	45,999
Non-cash postcombination compensation expense	—	32,430
Non-cash operating leases expense	674	607
Amortization of premium (accretion of discount) on short-term investments	(978)	(975)
Other	181	209
Changes in operating assets and liabilities:		
Accounts receivable	(4,271)	1,554
Settlements receivable	(6,589)	6,768
Network incentives receivable	(416)	(16,702)
Prepaid expenses and other assets	538	7,203
Accounts payable	115	224
Revenue share payable	16,219	4,674
Accrued expenses and other liabilities	(16,020)	(24,907)
Operating lease liabilities	(938)	(809)
Net cash provided by (used in) operating activities	426	(10,546)
Cash flows from investing activities:		
Purchases of property and equipment	(1,191)	(577)
Capitalization of internal-use software	(5,307)	(3,032)
Business combination, net of cash acquired	—	(131,914)
Purchases of short-term investments	—	(70,807)
Maturities of short-term investments	40,000	108,000
Net cash provided by (used in) investing activities	33,502	(98,330)
Cash flows from financing activities:		
Proceeds from exercise of stock options, including early exercised stock options, net of repurchase of early exercised unvested options	49	1,016
Taxes paid related to net share settlement of restricted stock units	(10,917)	(3,746)
Repurchase of common stock	(33,675)	(21,826)
Net cash used in financing activities	(44,543)	(24,556)
Net decrease in cash, cash equivalents, and restricted cash	(10,615)	(133,432)
Cash, cash equivalents, and restricted cash- Beginning of period	989,472	1,191,646
Cash, cash equivalents, and restricted cash - End of period	$ 978,857	$ 1,058,214

Marqeta, Inc.
Financial and Operating Highlights
(in thousands, except per share data or as noted)
(unaudited)

	2024	2023				
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Year over Year Change Q1'24 vs Q1'23
Operating performance:						
Net revenue	$ 117,968	$ 118,822	$ 108,891	$ 231,115	$ 217,343	(46 %)
Costs of revenue	33,807	35,589	36,383	146,506	128,179	(74 %)
Gross profit	84,161	83,233	72,508	84,609	89,164	(6 %)
Gross margin	71 %	70 %	67 %	37 %	41 %	30 ppts
Operating expenses:						
Compensation and benefits	108,111	109,203	115,846	126,788	147,759	(27 %)
Technology	13,118	13,938	13,930	13,154	14,590	(10 %)
Professional services	3,870	7,172	4,197	4,873	5,437	(29 %)
Occupancy and equipment	1,094	1,076	1,074	1,057	1,154	(5 %)
Depreciation and amortization	3,537	3,159	3,108	2,494	1,980	79 %
Marketing and advertising	378	1,219	346	561	441	(14 %)
Other operating expenses	3,905	3,804	3,833	5,103	5,236	(25 %)
Total operating expenses	134,013	139,571	142,334	154,030	176,597	(24 %)
Loss from operations	(49,852)	(56,338)	(69,826)	(69,421)	(87,433)	43 %
Other income (expense), net	13,926	14,932	15,074	10,762	11,672	19 %
Loss before income tax expense	(35,926)	(41,406)	(54,752)	(58,659)	(75,761)	53 %
Income tax expense (benefit)	134	(1,030)	238	138	(6,960)	(102 %)
Net loss	$ (36,060)	$ (40,376)	$ (54,990)	$ (58,797)	$ (68,801)	48 %
Loss per share - basic and diluted	$ (0.07)	$ (0.08)	$ (0.10)	$ (0.11)	$ (0.13)	46 %
TPV (in millions)	$ 66,666	$ 61,979	$ 56,650	$ 53,615	$ 50,020	33 %
Adjusted EBITDA	$ 9,228	$ 3,292	$ (2,062)	$ 824	$ (4,346)	312 %
Adjusted EBITDA margin	8 %	3 %	(2 %)	— %	(2 %)	10 ppts
Financial condition:						
Cash and cash equivalents	$ 970,357	$ 980,972	$ 947,749	$ 950,157	$ 1,050,414	(8 %)
Restricted cash	$ 8,500	$ 8,500	$ 7,800	$ 9,375	$ 7,800	9 %
Short-term investments	$ 228,324	$ 268,724	$ 349,395	$ 432,354	$ 408,675	(44 %)
Total assets	$ 1,558,361	$ 1,589,691	$ 1,603,249	$ 1,704,143	$ 1,774,183	(12 %)
Total liabilities	$ 347,696	$ 346,296	$ 308,166	$ 331,528	$ 340,533	2 %
Stockholders' equity	$ 1,210,665	$ 1,243,395	$ 1,295,083	$ 1,372,615	$ 1,433,650	(16 %)

ppts = percentage points

Marqeta, Inc.
Reconciliation of GAAP to NON-GAAP Measures
(in thousands)
(unaudited)

Information Regarding Non-GAAP Measures

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

We define Adjusted EBITDA as net income (loss) adjusted to exclude depreciation and amortization; share-based compensation expense; payroll tax related to share-based compensation; restructuring charges; acquisition-related expenses which consist of due diligence costs, transaction costs and integration costs related to potential or successful acquisitions, and cash and non-cash postcombination compensation expenses; income tax expense (benefit); and other income (expense), net, which consists of interest income from our short-term investments, realized foreign currency gains and losses, our share of equity method investments’ profit or loss, impairment of equity method investments or other financial instruments, and gain from sale of equity method investments. We believe that Adjusted EBITDA is an important measure of operating performance because it allows management and our board of directors to evaluate and compare our core operating results, including our operating efficiencies, from period to period. Additionally, we utilize Adjusted EBITDA as an input into our calculation of our annual employee bonus plans.

Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by net revenue. This measure is used by management and our board of directors to evaluate our operating efficiency.

We define Non-GAAP operating expenses as total operating expenses adjusted to exclude depreciation and amortization; share-based compensation expense; payroll tax related to share-based compensation; restructuring charges; and acquisition-related expenses which consists of due diligence costs, transaction costs and integration costs related to potential or successful acquisitions, and cash and non-cash postcombination compensation expenses. We believe that Non-GAAP operating expenses is an important measure of operating performance because it allows management and our board of directors to evaluate and compare our core operating results, including our operating efficiencies, from period to period.

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

The following table shows Marqeta's GAAP results reconciled to non-GAAP results included in this release:

	Three Months Ended March 31,	
	2024	2023
GAAP net revenue	$ 117,968	$ 217,343
GAAP net loss	$ (36,060)	$ (68,801)
GAAP net loss margin	(31 %)	(32 %)
GAAP total operating expenses	$ 134,013	$ 176,597
GAAP net loss	**$ (36,060)**	**$ (68,801)**
Depreciation and amortization expense	3,537	1,980
Share-based compensation expense	44,434	45,999
Payroll tax expense related to share-based compensation	1,165	640
Acquisition-related expenses (1)	9,944	34,468
Other (income) expense, net	(13,926)	(11,672)
Income tax expense (benefit)	134	(6,960)
Adjusted EBITDA	**$ 9,228**	**$ (4,346)**
Adjusted EBITDA Margin	***8 %***	***(2 %)***
GAAP Total operating expenses	**$ 134,013**	**$ 176,597**
Depreciation and amortization expense	(3,537)	(1,980)
Share-based compensation expense	(44,434)	(45,999)
Payroll tax expense related to share-based compensation	(1,165)	(640)
Acquisition-related expenses	(9,944)	(34,468)
Non-GAAP operating expenses	**$ 74,933**	**$ 93,510**

(1) Acquisition-related expenses, which include transaction costs, integration costs and cash and non-cash postcombination compensation expense, have been excluded from Adjusted EBITDA as such expenses are not reflective of our ongoing core operations and are not representative of the ongoing costs necessary to operate our business; instead, these are costs specifically associated with a discrete transaction.