

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

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2023

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)

86-1481509
(I.R.S. Employer
Identification No.)

1265 South Cochran Ave
Los Angeles, CA 90019
(844) 857-3283

(Address and telephone number, including area code, of registrant's principal executive offices)

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 of the Act. YES NO

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 that 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 (§232.405 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

As of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of voting ordinary shares held by non-affiliates of the registrant was approximately \$53.1 million, determined using the per share closing price of \$5.33 on The Nasdaq Global Market on June 30, 2023, as adjusted for the 32-for-1 reverse stock split of Dave Inc.'s common stock effected on January 5, 2023. Ordinary shares held by each director and executive officer (and their respective affiliates) and each person who owns 10 percent or more of the outstanding ordinary shares or who is otherwise believed by the registrant to be in a control position have been excluded. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 26, 2024, there were 10,724,868 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.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates by reference certain information from the registrant's definitive proxy statement (the "Proxy Statement") relating to its Annual Meeting of Stockholders to be held in 2024. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

DAVE INC.
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this “report” or this “Annual Report on Form 10-K”) 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 report 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 and our objectives for future operations, 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 this report and in our other filings with the Securities and Exchange Commission (the “SEC”). 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 report 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 report 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 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;
- 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.

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.

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 a result of a number of known and unknown risks and uncertainties, including without limitation, the important factors described in Part I. Item 1A “Risk Factors” in this Annual Report on Form 10-K, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements.

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.

BASIS OF PRESENTATION

On January 5, 2022, we consummated the transactions contemplated by that certain Agreement and Plan of Merger, dated as of June 7, 2021 (the “Merger Agreement”), by and among VPC Impact Acquisition Holdings III, Inc. (“VPCC”), Dave Inc., a Delaware corporation (“Legacy Dave”), Bear Merger Company I Inc., a Delaware corporation and a direct, wholly owned subsidiary of VPCC (“First Merger Sub”), and Bear Merger Company II LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of VPCC (“Second Merger Sub” and together with the First Merger Sub, the “Merger Subs”). Pursuant to the Merger Agreement, First Merger Sub merged with and into Legacy Dave (the “First Merger”), with Legacy Dave being the surviving corporation of the First Merger (the “Surviving Corporation”), and immediately following the First Merger, the Surviving Corporation merged with and into Second Merger Sub (the “Second Merger,” together with the First Merger, the “Mergers” and the Mergers together with the other transactions contemplated by the Merger Agreement, the “Business Combination”), with Second Merger Sub being the surviving company of the Second Merger as a wholly owned subsidiary of VPCC. In connection with the closing of the Business Combination, we changed our name from “VPC Impact Acquisition Holdings III, Inc.” to “Dave Inc.,” and the Surviving Entity operates under the name “Dave Operating LLC.”

The Company’s Class A Common Stock is now listed on The Nasdaq Global Market (“Nasdaq”) under the symbol “DAVE,” and warrants to purchase the Class A Common Stock at an exercise price of \$368 per share are listed on Nasdaq under the symbol “DAVEW.” Prior to the Business Combination, VPCC neither engaged in any operations nor generated any revenue. Until the Business Combination, based on VPCC’s business activities, VPCC was a “shell company” as defined under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

As used in this Annual Report on Form 10-K, unless otherwise noted or the context otherwise requires:

- references to 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;
- references to “VPCC” are to VPC Impact Acquisition Holdings III, Inc. and its consolidated subsidiaries prior to the close of the Business Combination; and
- references to “Sponsor” are to VPC Impact Acquisition Holdings Sponsor III, LLC.

PART I

ITEM 1. BUSINESS

Unless otherwise noted or the context otherwise requires, the disclosures in this Item 1 refer to Dave Inc. and its consolidated subsidiaries following the consummation of the Business Combination.

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 and fully digital financial services 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 greater transparency and higher speed to value than that of the legacy financial services incumbents, such as traditional banks, credit unions, and independent finance companies. Our mission is to build products that level the financial playing field. Our 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 witness this dynamic playing out with our Members who we believe are on average paying between \$300-\$400 per year in overdraft fees, 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 nearly \$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. In the 2023 report, the FHN estimated that approximately 180 million Americans are “financially vulnerable” or “financially coping” based on financial health scores which reflect spending patterns relative to income, the sufficiency of liquid savings, and the manageability of debt obligations; this figure grew 8% or by 14 million Americans in 2021 as fiscal stimulus impacts waned and as inflationary and interest rate pressures persisted. The FHN study implies that over 70% of Americans fall into these low or volatile income and credit-challenged categories, which is up from 66% in 2021. Similarly, the December 2023 Paycheck to Paycheck Report published by PYMNTS found that, in November 2023, 62%, or approximately 160 million, of all U.S. consumers were living paycheck to paycheck, up from 57% merely six months earlier. Given these dynamics, 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. Dave ExtraCash and Dave Banking products are offered through our bank partner, Evolve Bank & Trust (“Evolve”), a member of the Federal Deposit Insurance Corporation (“FDIC”). We also help Members generate extra income for spending or emergencies through 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.

Market research conducted by Dave found that legacy financial institutions commonly require a more extensive banking relationship and days or even weeks of wait times to access their features and services, which can potentially be more onerous for premium features (e.g., access to higher interest rates requires direct deposit or higher minimum daily balances). Even new challenger banks often take multiple days or even weeks before allowing members to access certain premium features, according to the same research. In contrast, Dave's Members are able to utilize each of Dave's products instantly, whether or not their primary banking relationship is with us. As

an example, our ExtraCash product allows Members to access up to \$500 to cover an overdraft at their existing bank or everyday expenses such as rent, gas or groceries. We are able to do this by leveraging our proprietary machine learning engine that analyzes a Member's prior transaction history at their existing bank. This flexible approach to Member choice and speed to value has been a key driver of our highly efficient customer acquisition costs, Member engagement and growth as well as best-in-class brand favorability. Dave leads its peers in Apple's app-store ratings, with a 4.8 average rating from over 670,000 reviews.

We have only begun to address the many inequities in financial services, but we believe 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 Annual Report on Form 10-K, over 13 million Members have registered on the Dave app and over 10 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.

Recent Developments

On January 4, 2023, our Board of Directors approved an amendment to our Company's certificate of incorporation to complete a 1-for-32 reverse stock split effective January 5, 2023. The primary goal of the reverse stock split was to bring our stock price above the share bid price requirement for continued listing on Nasdaq. Unless otherwise indicated, the effects of the reverse stock split have been reflected in this Annual Report on Form 10-K, including the consolidated financial statements and the footnotes hereto.

On January 4, 2024, we entered into a purchase and sale agreement, pursuant to which we agreed to purchase a convertible promissory note in the original principal amount of \$100.0 million previously issued by us to FTX Ventures Ltd. on March 21, 2022 for \$71.0 million. This purchase price represented 67 percent of the \$105.5 million outstanding balance as of December 31, 2023. The transaction closed on January 29, 2024.

Our Strategy

Americans have been underserved by existing financial products for decades. We take a unique approach to serving our large addressable market with the following strategy:

- Offering a suite of products that help solve critical Member pain points, driving low acquisition costs.
- Creating frictionless access to a suite of financial products.
- Leveraging data and proprietary artificial intelligence-based underwriting technology to offer ExtraCash at affordable prices and with leading expediency.
- Focusing on community building with our Member base.
- Generating a "flywheel" by cross-selling existing Members to new, complementary products at no additional Member acquisition costs, resulting in lower consumer pricing.

Offering products to solve critical Member pain points: One in five Americans are either unbanked (no checking account) or underbanked (access to a checking account, but pays significant fees and/or has limited access to credit). Household financial insecurity is even more pervasive. Today, approximately 180 million Americans are either financially vulnerable or financially coping, with nearly 40% unable to afford a one-time \$400 emergency expense, according to the Federal Reserve's report on the Economic Well-Being of U.S. Households, and 62% are living paycheck-to-paycheck, according to results from the December 2023 Paycheck to Paycheck Report published by PYMNTS.

Retail banks—large-scale depository institutions, regional banks, credit unions and other traditional financial institutions—are largely set up to serve Americans who are financially stable. For these Americans, existing financial services offerings largely address their needs; they offer mortgages, savings accounts, credit cards, wealth

management and more. In contrast, low-income or low-balance consumers are discouraged or disqualified from traditional financial services offerings as a result of their onerous overdraft fees, minimum account balance fees, minimum credit score requirements and other stringent requirements. Historically, Members have incurred an average of \$300-400 per year in overdraft, maintenance and other fees from their legacy banks for basic checking services.

At Dave, we have built an all-in-one mobile platform that offers the following financial products to directly address the financial instability that these Americans face:

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, whereas 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, 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, and Costco 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.

Creating frictionless access to high-impact products: In order to access the financial tools many retail banks offer, consumers are often first required to establish a checking account with that bank. Banks may also require a direct deposit relationship to discourage switching banks. Most financial technology companies in the consumer banking space have largely retained this model, requiring a primary banking relationship in order to access their financial health tools.

At Dave, we believe this approach is exclusionary and discourages participation in the banking system for tens of millions of Americans who need it most. As part of our philosophy of solving critical financial pain points for consumers, we deliberately offer each of our products on a standalone basis, meeting Members where they are and allowing them to engage with Dave on their own terms. We believe that high-impact products that are easy to access and easy to use will engender Member loyalty and engagement across multiple products and expand the lifetime value of these Member relationships.

Leveraging data to offer high impact products quickly and at advantageous pricing: We offer our high impact ExtraCash and Budget products to Members within a matter of minutes of installing the Dave mobile application. When a Member connects their existing bank account to Dave, we analyze several months of historical spending and income data using our proprietary machine-learning-based income-detection algorithms. To date, we have analyzed tens of billions Member transactions. This allows us to offer immediate budgeting insights such as an upcoming utility bill and, if eligible, rapidly approve Members for up to \$500 of ExtraCash which can be accessed within minutes. While early wage access and cash advance products have become increasingly common across banking innovators, these products typically depend on multiple direct deposits into a bank account—often requiring multiple weeks and pay cycles. At Dave, a Member can receive much-needed cash in a matter of minutes and, while Members receive a new bank account in conjunction with signing up for Dave, it is an additional benefit to Members and not a requirement to obtain ExtraCash.

This wealth of data, combined with our machine-learning capabilities and underwriting excellence, is a competitive advantage that will increase with Member scale. We expect to continue to develop these technologies and use them for product expansion in the future.

Focusing on community building with our Members: We take our mission to build products that level the financial playing field seriously. That is why we have developed financial products that address the needs of more than 160 million Americans.

To date, we have helped our Members avoid nearly \$2.5 billion in overdraft fees from their legacy bank relationships through our ExtraCash product. Through our charity program, we have delivered over 149 million meals through our pledge of over \$18 million to Feeding America and other causes. Dave has been named a Best Place to Work by Built In for four consecutive years, most recently being recognized as one of the best remote workplaces in the U.S.

Generating a virtual “flywheel”: Our aim is to create the most trusted, integrated financial services platform that will generate a cycle whereby positive Member experiences will lead to more products adopted per Member and enhanced profitability for each additional product at no additional acquisition cost. We refer to this cycle as our “Dave Flywheel.” Over 13 million Americans have downloaded and registered accounts on the Dave app, and more than six million Americans have connected their existing bank accounts to Dave.

Our Member acquisition efficiency is a testament to Dave’s product-market fit and trusted brand. Our unique ability to offer an immediate short-term solution to near-term financial instability, without direct deposit or bank account relationship length requirements, has proven highly compelling to a broad range of Members. Further, our digitally-native interface and the community impact of our products create a compelling Member experience that paves the way to offer additional products within our ecosystem.

Our Product Platform

Our intuitive and Member-friendly app provides a fast, seamless experience across all of our products. We are committed to delivering a delightful Member experience; we continuously listen to our Members’ feedback and seek to implement improvements on a rapid release cycle. As of December 31, 2023, we had received nearly 670,000 ratings on the Apple app store, with a 4.8 average rating.

Dave’s current product platform includes:

“ExtraCash” Advance Product

ExtraCash is our 0% interest cash advance product that gives Members access to much-needed liquidity to avoid overdraft fees or bridge themselves to their next paycheck. No credit check is required and eligibility for ExtraCash is based on the verification of the Member’s checking account and the Member’s identity. Beginning in the summer of 2022, all new Members began receiving a Dave Banking account to which they can receive their ExtraCash advance; alternatively, Members can disburse their advance to a checking account with another financial institution. Once a Member connects his or her bank account to the Dave app, data regarding the Member’s account is gathered

and analyzed. The amount of the advance available to a Member is a function of a proprietary machine-learning-based algorithm that analyzes historical spending, savings and earnings patterns based on data gathered from the Member’s bank account, among other data points. This process is fully automated unless there are any issues flagged via our Member identification processes. Timing of the scheduled repayment date of the ExtraCash advance is determined when the ExtraCash advance is made and is based on the estimated date that the Member will receive his or her next paycheck or other income, which typically ranges from seven to 10 days from when they ask for an ExtraCash advance. A Member is limited to one ExtraCash advance per pay period and may only have one ExtraCash advance outstanding at any given time. The maximum term for an ExtraCash advance is 31 days. Dave develops and manages the entire risk management and decisioning process associated with issuing and servicing ExtraCash advances. Since the payback date is an estimate of the Member’s next paycheck date, we primarily monitor and manage delinquency and loss performance based on repayment experience following the estimated repayment date. Specifically, we assess dollars repaid relative to dollars owed over this period. The table below summarizes delinquency repayment performance over the historical period where the 28-day delinquency rate for a particular month represents the total delinquent principal disbursed in that calendar month (inclusive of the delinquent pledged instant transfer fees and tips) divided by the total receivables created in that particular calendar month.

Year	Average 28-Day Delinquency Rate
2020	4.34%
2021	3.93%
2022	3.65%
2023	2.51%

There are no fees associated with the delivery of ExtraCash funds to a checking account (typically delivered within two to five business days) via ACH. Should a Member wish to receive their funds on an expedited basis (guaranteed within eight hours, though often significantly faster), there is an optional instant transfer fee. The instant transfer fee ranges from \$3 to \$25, depending on the size of the advance taken and whether the ExtraCash advance is disbursed to an external account or the Members’s Dave Banking account. Members are offered lower instant transfer fees if they elect to disburse ExtraCash funds internally to their Dave Banking account. Use of the expedited transfer feature is entirely optional. Further, we give Members the option to leave a tip based on what they think is fair when they use ExtraCash if they feel we have provided value to them.

On the repayment date, we trigger an automated withdrawal from the Member’s account for the ExtraCash advance amount plus the optional instant transfer fee and optional tip if a Member opted for those services. We take a consumer-friendly approach to the withdrawal process by attempting to check Member balances before initiating all ACH withdrawals. In the event there are insufficient funds to cover the repayment amount, we do not attempt the ACH withdrawal and will wait until the Member has a sufficient balance before initiating the transaction in order to minimize the possibility of triggering an overdraft for our Members. Consistent with our reserve methodology, we deem a Member advance that has been outstanding for more than 120 days to be uncollectible and is therefore written off.

Demand Deposit Account: “Dave Banking”

Dave Banking is our FDIC-insured digital demand deposit account with premium features, cashback rewards, and no account minimums or corresponding fees. Our Dave Banking demand deposit accounts are currently issued by Evolve.

Members can open a Dave Banking account in minutes through the Dave mobile application, add funds to their account and begin spending using a Dave Banking virtual debit card. Dave Banking accounts also include a physical Dave Debit MasterCard that can be used for everyday purchases and spending transactions as well as at any of the nearly 40,000 MoneyPass ATM network locations to make no-fee withdrawals at these in-network ATMs.

Dave Banking accounts can be funded with an ExtraCash advance, direct deposit, an external debit card, an external bank account, or mobile check capture. There are no fees for a Dave Banking account, making it accessible for people of all financial situations.

Our Dave Banking account includes what we believe are some of the best features and rewards in banking, including:

- Zero account minimums;
- 40,000 MoneyPass ATM network locations to make no-fee withdrawals;
- Paychecks delivered up to two days earlier than the scheduled payment date with direct deposit into the Dave Banking account, a feature accessible with no additional mandatory fees;
- Access to mobile wallets such as Apple Pay and Google Pay;
- 4% APY accrued on deposits in Members' Dave Spend Account;
- Free cash deposits with in-app barcode at Walgreens and CVS locations nationwide;
- Free remote check deposit with optional instant fund availability for a fee;
- Round-up feature allowing Members to round-up their debit card transaction into a Goals account which helps Members accumulate savings; and
- Ability to receive discounted ExtraCash instant transfer fees when advances are disbursed to Members' Dave Banking accounts.

Dave Banking offers security controls such as multi-factor authentication, contactless payment, instant card lock and protection against unauthorized purchases if cards are lost or stolen.

Our Dave Banking demand deposit accounts are currently issued by Evolve. Evolve is also the issuer of all Dave Banking debit cards and sponsors access to debit networks for payment transactions, funding transactions and associated settlement of funds under a sponsorship agreement with Dave. Evolve also provides sponsorship and support for ACH and associated funds settlement. See "Our Business Model" below for additional information.

Personal Financial Management Tool: "Budget"

We believe that understanding and visibility are core to a Member's financial health. That is why we developed our product offering called Budget, a personal financial management tool that helps Members understand their spending and savings habits and learn better financial management.

This automated financial management tool leverages historical bank account data to help Members understand both recurring and commonly occurring charges, helping Members understand potential upcoming pain points. Budget also notifies Members when there is a chance of an overdraft. We charge a \$1 monthly subscription for access to the Budget product.

Job Application Portal: "Side Hustle"

Side Hustle is our streamlined job application portal for Dave Members to find supplemental or temporary work. We focus on "gig economy," part-time, seasonal, remote and other flexible types of employment opportunities. Members can apply to dozens of jobs in-app using saved information and credentials. A side hustle can be an important part of a Member's long-term financial health, as it allows Members to quickly address unexpected expenses or cash needs with incremental income.

Supplemental Income Generation: "Surveys"

Our Surveys product allows for additional earning opportunities, allowing Members to take paid surveys anytime within the Dave mobile application. This functionality drives engagement within the Dave ecosystem and deepens our relationship to our Members' financial wellbeing.

Our Business Model

We offer a range of financial products and services through a single platform delivered via a mobile application.

Our revenue is primarily broken into the following categories:

- **Service Based Revenue:** in 2023, 90% of revenue, approximately \$232.2 million in revenue
 - ExtraCash (optional instant transfer convenience fees and optional tips)
 - Budget (subscription fee)
 - Other (Side Hustle lead, Surveys)
- **Transaction Based Revenue:** in 2023, 10% of revenue, approximately \$26.9 million in revenue
 - Dave Banking (interchange fees, network incentives, deposit referral fees and out-of-network ATM fees)

ExtraCash advances are originated through Evolve. Subsequent to the formation of Dave OD Funding I, LLC (“Dave OD Funding”), a subsidiary of Dave which is consolidated in Dave’s financial statements, ExtraCash advances have been funded through a combination of balance sheet cash and funding available under Dave OD Funding’s debt facility with Victory Park Management, LLC, an affiliate of VPCC. ExtraCash advances are purchased by Dave Operating LLC (“Dave Operating”), sold to Dave OD Funding, and serviced by Dave Operating. Cash is transferred back from Dave OD Funding to Dave Operating through the acquisition of newly originated advance receivables and by distributions following the repayment of advances by Members.

Our Dave Banking demand deposit accounts and associated debit cards are currently issued by Evolve. We are party to a Bank Services Agreement with Evolve, with a current term set to automatically renew annually unless either party provides written notice of non-renewal, which may be provided without cause to the other party at least 180 days prior to the end of any such term. In addition, upon the occurrence of certain early termination events, either we or Evolve may terminate the agreement immediately upon written notice to the other party. The Bank Services Agreement does not prohibit Evolve from working with our competitors or from offering competing services, nor does it prevent us from working with other banks to provide similar services. Our partnership with Evolve allows us to offer ExtraCash as well as other deposit accounts and debit cards while complying with various federal, state, and other laws. Evolve also sponsors access to debit networks and ACH for payment transactions, funding transactions and associated settlement of funds.

In connection with our arrangements with Evolve, we have also entered into a multi-year service agreement with Galileo Financial Technologies, LLC (f/k/a Galileo Financial Technologies, Inc.) (“Galileo”), a payment processing platform, in which Galileo has agreed to process all transactions for our Dave ExtraCash and Banking accounts and debit cards, and to handle corresponding payments and adjustments. Galileo also maintains cardholder information, implements certain fraud control processes and procedures, and provides related services in connection with the ExtraCash and Dave Banking accounts and debit cards. We pay the greater of actual fees or the minimum monthly fee for these services. In January 2023, we executed an amended agreement with Galileo that significantly reduced the fees that we pay to Galileo for these services. In conjunction with the amended agreement, the term of the agreement was amended such that the agreement expires on the fifth anniversary of the effective date of the amended agreement. Following the amended term of the agreement, the agreement renews for successive one-year periods unless either party provides written notice of non-renewal, which may be provided without cause, to the other party at least four months prior to the end of any such renewal term. The occurrence of certain events would provide each party with an early termination right under the agreement.

Our Growth Strategy

We believe we are in the early stages of realizing the full value of our existing platform. We seek to capitalize on the structural advantages inherent in being a digitally native, customer-centric, and built-to-scale platform as we continue capturing share of the growing market opportunity. Our multi-pronged growth strategy is designed to continue building upon the momentum we have generated to date to create even greater value for consumers:

- Continue penetrating our large addressable market;
- Accelerate cross-sell into Dave Banking;

- Deliver new products and features to cross-sell to Members; and
- Evaluate additional strategic partnerships and acquisitions.

Continue penetrating our large addressable market: More than 160 million Americans are in need of more financial stability. Approximately one in five Americans are “unbanked” or “underbanked”—without access to a checking account, or with access to a checking account but burdened excessively with interest and fees. Approximately 10% of households who incur overdraft fees do so over 10 times per year, and approximately half of all banked financially vulnerable households overdrafted at least once per year. Framed differently, nearly 40% of Americans are unable to afford a one-time \$400 emergency and more than 62% of U.S. consumers are living paycheck-to-paycheck. Therefore, while we have achieved significant user scale, we believe there remains significant runway for growth in our core product markets.

Accelerate cross-sell into Dave Banking: We are focused on continuing to expand the relationships we have with our Members into Dave Banking customers who engage in recurring funding and spending on our platform. Currently, all new Members started to receive a Dave Banking account to which they can receive an ExtraCash advance and with which they can satisfy their major funding and spending needs. Our goal is to expand the synergies between our ExtraCash product and the Dave Banking solution, build long-term, high-value direct deposit relationships with our Members and, ultimately, become the primary banking service for our Members.

Deliver and market new products and features: Our product development teams, inclusive of Product Management, Engineering, Design and Data Science, are constantly innovating. We are continually optimizing our current products, while also developing new features and solutions. We build products for our Members that we believe are not only impactful to their daily financial lives, but also intuitive and easy to use. At the same time, we design our products to drive value for our business and be technically scalable.

Leveraging both quantitative and qualitative Member data, we seek to solve Member financial challenges and drive greater engagement. We begin by listening to our Members and then flowing through our phases of product development—research and development, prototyping and design, Member validation and Member testing, development and launch—and then ongoing learning and iterating.

Evaluate Additional Strategic Partnerships and Acquisitions: We believe partnerships and/or acquisitions will be an important tool to accelerate realization of our strategic roadmap going forward. We plan to be intentional in evaluating opportunities to serve larger populations with our leading products, to develop new avenues for engagement with and retention of our current Members and to enter new and synergistic product categories.

Seasonality

Our service based revenue is typically weakest in the first quarter when the Company aims to reduce its marketing expense in order to optimize returns on our advertising spend. The efficiency of the Company's marketing expense, based on relative levels of customer acquisition costs, is typically softest in the first quarter when tax refunds help support the liquidity needs of our Members. Beyond the first quarter, service based revenue is typically stronger in the second, third, and fourth quarters when the Company aims to increase marketing expense in a disciplined manner given how it can generally achieve attractive returns on that investment at greater scale. From a credit performance perspective, the first quarter is typically the strongest quarter for ExtraCash when tax refunds provide repayment support for our Members. Transaction based revenue is typically strongest in the first quarter as the liquidity support which tax refunds provide causes higher levels of Dave Banking debit card spending and interchange revenue.

Marketing

Member acquisition relies primarily on paid and organic online advertising and social media. Dave also relies on television (streaming and linear), paid search, organic web traffic and e-mail marketing. Referrals and spend incentives drive incremental acquisition and engagement. Marketing creative content and online ads are produced and edited by a lean, experienced, in-house team, well-versed in tailoring messages for our target segments. Product

marketing efforts are aimed at increasing Member engagement, through-funnel conversion, retention, and reactivation at a very low cost.

Dave's management team believes that its customer acquisition cost is one of the lowest in the industry, which we attribute to both the sophistication of our marketing strategy and channel optimization as well as ExtraCash's ability to address what our proprietary research reveals as the primary pain point for our Member base: short-term liquidity. We manage and monitor the efficiency of our marketing investment, in part, by comparing it to the number of customers acquired as well as the amount of gross and net revenue which these customers generate for the Company within a given period. The following table outlines Dave's customer acquisition cost, which is defined as total marketing expense in a given period divided by the number of new Members who join the Dave platform in a given period by connecting an existing bank account to the Dave platform or by opening a Dave Banking account:

Year	Customer Acquisition Cost (per customer)
2020	\$17
2021	\$25
2022	\$24
2023	\$17

Competitive Landscape

Consumer financial services is a large, fragmented, and competitive market, and we compete in varying degrees with a range of existing providers of consumer-focused banking, lending, commerce and other financial products. Our competitors are generally large, well-capitalized financial services companies. Some of our current and potential competitors have longer operating histories, particularly with respect to financial products similar to what we offer, significantly greater financial, technical, marketing and other resources, and a larger Member base. These competitors include:

- **Banking Competitors:** Traditional banks and credit unions (e.g., Bank of America, Chase, Wells Fargo), new entrants obtaining banking licenses (e.g., Varo Money), and other non-bank digital providers that white-label regulated products, offering banking-related services (e.g., Chime).
- **Lending and Earned Income Advance Competitors:** Traditional banks and credit unions, specialty finance and other non-bank providers, offering consumer lending-related or advance products (e.g., Upstart, MoneyLion).
- **Innovators in Consumer Finance:** Consumer-oriented commerce enablement platforms (e.g., Affirm), finance-oriented social networks (e.g., CashApp, Venmo), and lending platforms (e.g., OpenLending, LendingClub).

We believe other market participants do not adequately meet the needs of an estimated 160 to 180 million Americans who make up our target market. We believe our ease of access, speed-to-value, data-driven approach and powerful flywheel will allow us to continue to efficiently scale and generate strong returns.

Customer Service

Our mission is to deliver a 'center of excellence' by harnessing the power of artificial intelligence ("AI"), particularly our integration of DaveGPT, to transform the voice of our Members into actionable insights, ensuring their successful interactions with our platform. We are unwaveringly customer-centric and devoted to crafting transformational experiences through our omni-channel support. Our approach is underpinned by Member data and advanced AI capabilities, including DaveGPT, which is fundamental in scaling our operations by automating simple interactions aimed to generate value through enhanced efficiency and precision. This allows us to augment our responses – whether through chatbot, live agent interactions, phone, email, or social media. We believe our seamless tools, supported by AI, provide us with a comprehensive 360-degree view of our Members' journeys, enabling us to offer precise resolutions to their unique challenges. Our 24/7 knowledge center, informed by AI-driven insights, empowers Members to effectively utilize our tools and services. Moreover, we actively incorporate feedback from Member satisfaction surveys, net promoter score tracking, and app ratings, all analyzed through our advanced AI

systems, to regularly refine our processes and optimize our products. This AI-centric approach helps ensure that we address a broad spectrum of inquiries with unprecedented ease, customization, and efficiency, reaffirming our commitment to not just meet but exceed our Members' expectations.

Management

Leadership talent and vision are core priorities at Dave. We have carefully built our team to include experts who will help develop our unique and innovative solutions. Our founding team includes serial entrepreneurs, experienced designers and technology experts. Sourcing from some of the largest and most successful companies in consumer and financial technology, we have hired leaders in People, Product and Marketing. Our Legal and Regulatory functions are led by veterans from high-growth financial services firms. We will continue to focus on building our leadership team as we grow and diversify our business.

Employees and Culture

Every day, our lean and agile team works together to level the financial playing field. It is this mission and the opportunity to impact the lives of tens of millions of current and future Members that drives us. But, being mission driven alone is not enough to attract great talent. We have made significant strides towards becoming a great place to work.

Over the past year, we have fully embedded the OKR (Objectives and Key Results) framework utilized by many high performing technology organizations into our ways of working here at Dave. We conduct Quarterly Business Reviews, which are an opportunity for the most senior leaders of the company to review key performance indicators from the previous quarter, ensure alignment on our plans for the upcoming quarter, and discuss key strategic focus areas for the business. These processes have led to increased accountability, more predictability of business results, more effective cross-functional collaboration, and ultimately ensuring every team member has a clear understanding of Dave's goals and what they can do to contribute.

We continue to invest in great people leadership as we know that great people leaders have a multiplying effect on what a business is able to achieve. This insight has led us to invest very early in defining what it means to be a great leader at Dave. Our leaders aspire to create purpose, foster growth, lead through change, communicate with clarity and consistency and prioritize Dave-wide success. We continue to embed this definition of leadership into all aspects of the employee experience at Dave to ensure that over time, we are building the cadre of high performing leaders that inspire their teams to deliver our mission and business results.

Over the last year, we have continued to see the benefits from our strategic decision to operate as a Virtual First company. We have team members in 30 states and have greatly changed the profile of talent at Dave by removing geographic limitations. Voluntary employee turnover has decreased dramatically and, for 2023, has dipped below the market median rates of our peer set. We are committed to this model and believe that the removal of daily commutes and in-office distractions has increased productivity while not increasing our team size. Finally, we know there is value in in-person collaboration and, with that in mind, we encourage team offsites, bring the company together twice a year and have implemented a co-working stipend to help give team members optionality in where they work.

Given our mission, we have invested in supporting the financial wellness of our own team by providing market competitive compensation and benefits programs, a 401k match and a benefits offering that allows all Dave employees access to a dedicated personal financial advisor to meet with as frequently as they choose.

Finally, as a fintech company working to reinvent so many aspects of our legacy financial system, we are no strangers to the unknown. We acknowledge that building a company and culture that employees can be proud of and recommend to their closest friends is not always linear. As such, we conduct semi-annual engagement surveys to give team members a confidential outlet to voice feedback. Based on these results, each department commits to OKRs to drive their department engagement and address opportunities getting in the way of team member engagement and retention. We take this process seriously, which shows by a consistent 90%+ participation rate in

every survey, as team members know that their feedback will be reviewed and actioned on.

As of December 31, 2023, we had approximately 285 full time employees across all locations. None of our employees are represented by a labor union or covered by a collective bargaining agreement.

Regulatory Environment

We operate in a complex regulatory environment consisting of U.S. federal and state laws that is rapidly evolving. These laws cover most aspects of our business and include laws, regulations, rules and guidance relating to, among other things, consumer finance and protection, privacy and data protection, anti-money laundering and know your customer requirements, banking, and payments. For example, with respect to our ExtraCash overdraft advance product offered through Evolve, certain state laws may, if applicable, regulate the charges or fees that can be assessed by us and how we may obtain repayment from our Members. In addition, other federal and state laws, public policy, and general principles of equity, such as laws prohibiting unfair and deceptive acts or practices, may apply to our activities in banking, ExtraCash advances, payments, and other areas. These laws and regulations impact our business both directly and indirectly. Additionally, as a result of our partnership with Evolve, which provides ExtraCash advances via an overdraft account, deposit accounts and debit cards to our Members, we are also subject to bank regulators with supervisory authority over Evolve. Ensuring ongoing compliance with these laws and regulations imposes significant burdens on our business operations. See *“Risk Factors—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.”*

In addition, we may become subject to additional legal or regulatory requirements we are not subject to today if laws or regulations change in the jurisdictions in which we operate, or if we were to release new products or services. In addition, the regulatory framework for our products and services is evolving and uncertain and specifically the framework that applies to the ExtraCash advance business, as federal and state governments and regulators consider the application of existing laws and potential adoption of new laws. The potential for new laws and regulations, as well as ongoing uncertainty regarding the application of existing laws and regulations to our current products and services, may negatively affect our business. This could include the need to modify the way in which we generate revenue from certain business lines, obtain new licenses, or comply with additional laws and regulations in order to conduct our business.

State licensing requirements and regulation

We believe that none of our current business lines require us to obtain any state licenses. However, the application of state licensing requirements (including those applicable to bank partnerships involving consumer lending) to our business model is not always clear and state regulators may request or require that we obtain licenses or otherwise comply with additional requirements in the future, which may result in changes to our business practices. In addition, if we are found to have engaged in activities subject to state licensure for which we lack the requisite license, or in activities that are otherwise deemed to be in violation of state lending laws, the relevant state authority may impose fines, impose restrictions on our operations in the relevant state, or seek other remedies for activities conducted in the state.

U.S. federal consumer protection requirements

Here we summarize several of the material federal consumer protection and other laws applicable to our business. Many states have laws and regulations that are similar to the federal laws described, but the degree and nature of such laws and regulations vary from state to state. We must comply with various federal consumer protection regimes, both pursuant to the financial products and services we provide directly and as a service provider to Evolve.

We are subject to regulation by the Consumer Financial Protection Bureau (“CFPB”), which oversees compliance with and enforces federal consumer financial protection laws. The CFPB directly and significantly influences the regulation of consumer financial products and services, including the products and services we provide. The CFPB has substantial power to regulate such products and services and the banks and non-bank entities that provide them, as well as their respective third-party service providers. This power includes rule making authority in enumerated

areas of federal law such as truth in lending, credit discrimination, electronic fund transfers and truth in savings. Under Title X of the Dodd-Frank Act, the CFPB also has the authority to pursue enforcement actions against companies that offer or provide consumer financial products or services that engage in unfair, deceptive or abusive acts or practices, commonly referred to as “UDAAPs.” The CFPB may also seek a range of other remedies, including restitution, refunds of money, disgorgement of profits or compensation for unjust enrichment, civil money penalties, rescission of contracts, public notification of the violation, and restrictions on the target’s conduct, activities and functions. Moreover, where a company has violated Title X of the Dodd-Frank Act or CFPB regulations under Title X, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions to enforce such laws and regulations.

Our business activities, either directly or indirectly through our partnership with Evolve, are also subject to applicable requirements under other federal statutes and regulations, including but not limited to:

- **Federal Trade Commission Act.** The Federal Trade Commission Act prohibits unfair and deceptive acts and practices in business or commerce and grants the Federal Trade Commission (“FTC”) and bank regulators enforcement authority to prevent and redress violations of this prohibition. Whether a particular act or practice violates these laws or the prohibition against UDAAPs frequently involves a highly subjective and/or fact-specific judgment. The FTC Act also contains the Restore Online Shoppers’ Confidence Act (ROSCA) which regulates subscriptions and other recurring on-line transactions.
- **Truth in Savings Act.** The federal Truth in Savings Act (“TISA”) and Regulation DD which implements it require that consumers be provided various disclosures concerning terms and conditions of deposit accounts. They also impose disclosure requirements and restrictions on advertising regarding deposit accounts. TISA and Regulation DD apply to the demand deposit accounts opened by our Members at Evolve.
- **Electronic Fund Transfer Act and NACHA Rules.** The federal Electronic Fund Transfer Act (“EFTA”) and Regulation E which implements it provide guidelines and restrictions on the provision of electronic fund transfer services to consumers, and on making an electronic transfer of funds from consumers’ bank accounts. EFTA also limits consumers’ liability for unauthorized electronic fund transfers and requires banks and other financial services companies to comply with certain transaction error resolution procedures. Electronic fund transfers within the scope of EFTA include ACH transfers and debit card transfers. In addition, transfers performed by ACH are subject to specific authorization, timing and notification rules and guidelines administered by the National Automated Clearinghouse Association (“NACHA”). NACHA operating rules further imposes maximum tolerances on the volume of ACH transfers that may be returned as unauthorized or for other reasons. Exceeding those tolerances may result in limitations being imposed on our ability to initiate ACH transactions. Many transfers of funds in connection with the provision and repayment of our ExtraCash advances are performed by electronic fund transfers, including ACH transfers. We also facilitate the electronic transfer of funds requested by our Members between their deposit accounts with Evolve and their accounts at other financial institutions.
- **Payday, Vehicle Title, and Certain High-Cost Installment Loans Final Rule.** In 2017, the CFPB issued a final rule intended to provide various consumer protections with respect to certain short-term credit products. The rule was later stayed by a federal district court order in an industry challenge to the rule, and the effective date of many provisions of the rule was separately delayed by the CFPB in June 2019. A section pertaining to underwriting was subsequently rescinded in July 2020. The CFPB may engage in rule making in the future to amend the regulation and implement new underwriting and other requirements and restrictions that could negatively impact our business and require us to change our practices should they be deemed to apply to us. However, certain nonrecourse advance products are currently excluded from coverage by the rule provided certain consumer contract requirements are met and the advance provider does not engage in certain activities with respect to such products.
- **Gramm-Leach-Bliley Act.** The Gramm-Leach-Bliley Act (“GLBA”) imposes limitations on financial institutions’ disclosure of nonpublic personal information about a consumer to nonaffiliated third parties. In certain circumstances, GLBA requires financial institutions to limit the use and

further disclosure of nonpublic personal information by nonaffiliated third parties to whom they disclose such information, and requires financial institutions to disclose certain privacy policies and practices with respect to information sharing with affiliated and nonaffiliated entities, as well as to safeguard personal Member information.

Given our novel business model and products, and the subjective nature of certain laws and regulations such as the prohibition against UDAAPs, we have been and may in the future become subject to regulatory scrutiny or legal challenge with respect to our compliance with these and other regulatory requirements. Additional or different requirements may also apply to our business in the future as the regulatory framework in which we operate is evolving and uncertain. While we have developed policies and procedures designed to assist in compliance with these laws and regulations, we may not have been, and may not always be, in compliance with these and other laws. No assurance is given that our compliance policies and procedures have been or will be effective or adequate as laws change or are applied to us in a new manner.

Regulation of our bank partnership model

Pursuant to our partnership with Evolve, we offer our Members FDIC-insured, non-interest-bearing deposit accounts (including the ExtraCash account), interest bearing deposit accounts and debit cards that Members can use to access their account balances. These deposit accounts and debit cards are provided by Evolve. Under the terms of our agreement with Evolve, as well as the agreements between our Members and Evolve, each Member that chooses to open a deposit account has a deposit account at Evolve and a debit card issued by Evolve. With respect to these deposit accounts and debit cards, we act as the program manager and service provider to Evolve to provide customer support and technology features to Members using their Evolve accounts through our platform.

Many laws and regulations that apply directly to Evolve indirectly impact us (and our products) as Evolve's service provider. As such, our partnership with Evolve is subject to the supervision and enforcement authority of the Federal Reserve, Evolve's primary banking regulator, as well as the FDIC.

Other regulatory requirements

In addition to the requirements described above, we are subject to and work to comply with other state and federal laws and regulations applicable to consumer financial products and services. These laws and regulations may be enforced by various state banking and consumer protection agencies, state attorneys general, the CFPB, the FTC and private litigants, among others.

Bank Secrecy Act and Anti-Money Laundering. Given our involvement in payments, banking transactions, and our arrangements with Evolve, we are subject to compliance obligations related to U.S. anti-money laundering ("AML") laws and regulations. We have developed and currently operate an AML program designed to prevent our products from being used to facilitate money laundering, terrorist financing, and other financial crimes. Our program is also designed to prevent our products from being used to facilitate business in certain countries or territories, or with certain individuals or entities, including those on designated lists promulgated by the U.S. Department of the Treasury's Office of Foreign Assets Controls and other U.S. and non-U.S. sanctions authorities. Our AML and sanctions compliance programs include policies, procedures, reporting protocols, and internal controls. Our programs are designed to address these legal and regulatory requirements and to assist in managing risks associated with money laundering and terrorist financing.

Privacy and Information Security Laws. We collect, store, use, disclose, and otherwise process a wide variety of information and data, including personally identifiable information ("PII") that we acquire in connection with our Members' use of our products and services, for various purposes in our business, including to help ensure the integrity of our services and to provide features and functionality to our Members. This aspect of our business is subject to numerous privacy, cybersecurity, and other laws and regulations in the United States, including the federal GLBA and various state laws such as the California Consumer Privacy Act ("CCPA"). Accordingly, we publish our privacy policies and terms of service, which describe our practices concerning the collection, storage, use, disclosure, transmission, processing, and protection of information.

The legal and regulatory framework for privacy and security issues is rapidly evolving, and, although we endeavor to comply with these laws and regulations and our own policies and documentation, we may fail to do so or be alleged to have failed to do so. Any actual or perceived failure to comply with legal and regulatory requirements applicable to us, including those relating to privacy or security, or any failure to protect the information that we collect from our Members from cyberattacks, or any similar actual or perceived failure by our third-party service providers and partners, may result in private litigation, regulatory or governmental investigations, administrative enforcement actions, sanctions, civil and criminal liability, and constraints on our ability to continue to operate, among other things. Please see the section titled “*Risk Factors—Risks Related to Regulatory and Legal Matters—Stringent and changing laws and regulations relating to privacy and data protection could result in claims against us, harm our results of operations, financial condition, and future prospects, or otherwise harm our business.*”

Laws Governing Marketing and Member Communications. In addition, there are federal and state laws and regulations on marketing activities conducted over the internet, through email, or by mail or telephone, including the federal Telephone Consumer Protection Act (“TCPA”), the federal Controlling the Assault of Non-Solicited Pornography and Marketing Act (“CAN-SPAM Act”), FTC regulations and guidelines that implement, among other things, the FTC’s Do-Not-Call Registry and other requirements in connection with telemarketing activities, and state telemarketing laws. Our marketing activities may subject us to some or all of these laws and regulations.

New Laws and Regulations. Various federal and state regulatory agencies in the United States continue to examine a wide variety of issues that are applicable to us and may impact our business. These issues include consumer protection, cybersecurity, privacy, electronic transfers, state licensing, and the regulation of cash advance services. As we continue to develop and expand, we monitor for additional rules and regulations that may impact our business.

Intellectual Property

Intellectual property and proprietary rights are important to the success of our business. We rely on a combination of copyright, trademark, and trade secret laws in the United States and other jurisdictions, as well as license agreements, confidentiality procedures, non-disclosure agreements, and other contractual protections, to establish and protect our intellectual property and proprietary rights, including our proprietary technology, software, know-how, and brand. In the future we will be looking closely at the possibility of filing design and utility patents to further enhance the measures of intellectual property protection for the company. However, these laws, agreements, and procedures provide only limited protection. In the United States, we own several registered trademarks and have pending trademark applications in various stages of review. Although we take steps to protect our intellectual property and proprietary rights, we cannot be certain that the steps we have taken will be sufficient or effective to prevent the unauthorized access, use, copying, or the reverse engineering of our technology and other proprietary information, including by third parties who may use our technology or other proprietary information to develop services that compete with ours. Moreover, others may independently develop technologies or services that are competitive with ours or that infringe on, misappropriate, or otherwise violate our intellectual property and proprietary rights. Policing the unauthorized use of our intellectual property and proprietary rights can be difficult. The enforcement of our intellectual property and proprietary rights also depends on any legal actions we may bring against any such parties being successful, but these actions are costly, time-consuming, and may not be successful, even when our rights have been infringed, misappropriated, or otherwise violated. In addition, aspects of our platform and services include software covered by open source licenses. The terms of various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our services.

Although we rely on intellectual property and proprietary rights, including patents, copyrights, trademarks, and trade secrets, as well as contractual protections, in our business, we also seek to preserve the integrity and confidentiality of our intellectual property and proprietary rights through appropriate technological restrictions, such as physical and electronic security measures. We believe that factors such as the technological and creative skills of our personnel and frequent enhancements to our network are also essential to establishing and maintaining our technology leadership position.

See the section titled “*Risk Factors—Risks Related to Our Business and Industry*” for a more comprehensive description of risks related to our intellectual property and proprietary rights.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the internet at the SEC's website at www.sec.gov. Our SEC filings are also available free of charge on the Investor Relations portion of our website at dave.com as soon as reasonably practicable after they are filed with or furnished to the SEC. Our website and the information contained on or through that site are not incorporated into this report. All website addresses in this report are intended to be inactive textual references only.

Information About Our Executive Officers and Directors

Executive Officers

Name	Age	Position
Jason Wilk	38	President & Chief Executive Officer
Kyle Beilman	36	Chief Financial Officer

Jason Wilk. Mr. Wilk co-founded Dave Inc. and has served as President and Chief Executive Officer since the closing of the Business Combination and prior to the Business Combination as Legacy Dave's Chief Executive Officer since May 2016. Mr. Wilk has over 15 years of experience building digital companies. Prior to Dave, from October 2009 to July 2016, Mr. Wilk founded and served as Chief Executive Officer of AllScreen, an Inc 5000 top 20 technology platform that enabled large media outlets to syndicate their digital content to over 500 publishers. AllScreen was backed by leading investors Y Combinator and Mark Cuban before being acquired in 2015. Mr. Wilk began his career as the founder and Chief Executive Officer of 1DaySports.com, one of the first flash sale websites, which was acquired in 2008. Mr. Wilk holds a B.B.A. from Loyola Marymount University, College of Business Administration where he studied international business and technology.

Kyle Beilman. Mr. Beilman has served as Chief Financial Officer and Secretary since the closing of the Business Combination and prior to the Business Combination served as Legacy Dave's Chief Financial Officer since January 2021 and between July 2017 to October 2019 and Chief Operating Officer from October 2019 to January 2021. Since January 2021, Mr. Beilman has served as Vice President of Dave OD Funding I, LLC, a wholly owned subsidiary of Dave ("Dave OD"). Prior to joining Legacy Dave, Mr. Beilman worked in corporate strategy at Red Bull from January 2016 to July 2017. Prior to Red Bull, Mr. Beilman worked in investment banking focused on mergers and acquisitions at Centerview Partners from August 2013 to January 2016 and Moelis & Company from May 2012 to August 2013. Mr. Beilman holds a B.S. from the University of Southern California Marshall School of Business.

Board of Directors

Name	Age	Position
Jason Wilk	38	President & Chief Executive Officer
Imran Khan	46	Founder & Chief Investment Officer, Proem Asset Management
Brendan Carroll	46	Senior Partner, Victory Park Capital Advisors, LLC
Andrea Mitchell	52	Managing Partner, Law firm of Mitchell Sandler LLC
Michael Pope	56	Former Chief Financial Officer & Senior Vice President, Shutterfly, Inc.
Dan Preston	38	Former Chief Executive Officer & Director, Metromile
Yadin Rozov	46	Founder & Managing Partner, Terrace Edge Ventures LLC

Item 1A. Risk Factors.

In the course of conducting our business operations, we are exposed to a variety of risks. Any of the risk factors we describe below have affected or could materially adversely affect our business, financial condition and results of operations. The market price of shares of our common stock could decline, possibly significantly or permanently, if one or more of these risks and uncertainties occurs. Certain statements in "Risk Factors" are forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements."

Unless otherwise noted or the context otherwise requires, the disclosures in this Item 1A refer to Dave Inc. and its consolidated subsidiaries following the consummation of the Business Combination.

Summary Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. These risks are discussed more fully below and include, but are not limited to, risks related to:

- The industries in which we operate are highly competitive, which could adversely affect our results of operations.
- If we are unable to keep pace with the rapid technological developments in our industry and the larger financial services industry necessary to continue providing our Members with new and innovative products and services, the use of our platform and other products and services could decline. In addition, if the prices we charge for our products and services are unacceptable to our Members, our operating results will be harmed.
- Use of artificial intelligence in our operations and product offerings could result in reputational or competitive harm, legal or regulatory liability and adverse impacts on our results of operations.
- ExtraCash advances expose us to credit risk of our Members and if our underwriting criteria for making advances is not sufficient to mitigate against this risk, or if the data we use to underwrite is inaccurate or incomplete, our financial condition and operating results could be adversely affected if a substantial number of our Members fail to repay the ExtraCash advance they receive.
- We may not be able to scale our business quickly enough to meet our Members' growing needs, and if we are not able to grow efficiently, our operating results could be harmed.
- If we are unable to acquire new Members and retain our current members or sell additional functionality and services to them, our revenue growth will be adversely affected.
- Dave has historically incurred losses in the operation of its business. We may never achieve or sustain profitability.
- We operate in an uncertain regulatory environment and may from time to time be subject to litigation or governmental investigations or other inquiries by state, federal and local governmental authorities which could result in fines, penalties, judgments, remediations and other costs which could result in increased expenses and reputational harm.
- The financial services industry continues to be targeted by new laws or regulations in many jurisdictions, including the U.S. states in which we operate, that 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.
- Our business is subject to extensive regulation and oversight in a variety of areas under federal, state and local laws and regulations, which could cause us to modify our products and operations or cease our ability to offer certain products altogether and may subject us to regulatory investigations and consumer litigation.
- Stringent and changing laws and regulations relating to privacy and data protection could result in claims, harm our results of operations, financial condition, and future prospects, or otherwise harm our business.
- 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. A data security breach could expose us to liability and protracted and costly litigation, and could adversely affect our reputation and operating revenues.

- 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.
- Dave identified material weaknesses in its internal control over financial reporting in its financial statements for the years ended December 31, 2023 and 2022. If Dave is unable to remediate these material weaknesses, or if it identifies additional material weaknesses in the future or otherwise fails to maintain effective internal control over financial reporting, it may not be able to accurately or timely report its financial condition or results of operations, which may adversely affect Dave's business and share price.
- Dave's forecasted operating results and projections rely in large part upon assumptions, analyses and internal estimates developed by Dave's management. If these assumptions, analyses or estimates prove to be incorrect or inaccurate, Dave's actual operating results may differ materially and adversely from those forecasted or projected.
- Fraudulent and other illegal activity involving our products and services could lead to reputational damage to us, reduce the use of our platform and services and may adversely affect our financial position and results of operations.
- Dave's management has limited experience in operating a public company.
- We accept funds from and transfer funds to our Members daily, which in the aggregate comprise substantial sums, and are subject to the risk of errors, which could result in financial losses, damage to our reputation, or loss of trust in our brand, which would harm our business and financial results.
- Dave has guaranteed its subsidiary's obligations under a debt facility, which contains financial covenants and other restrictions on our actions, which could limit our operational flexibility and otherwise adversely affect our financial condition.
- 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, our business would be adversely affected.
- We depend upon several third-party service providers for processing our transactions and provide other important services for our business. If any of our agreements with our processing providers are terminated or if we experience any interruption or delay in the services provided by our third-party service providers, delivery of our products and services could be impaired or suspended and our business could suffer.
- Our recent rapid growth, including growth in our volume of payments, may not be indicative of future growth, and if we continue to grow rapidly, we may not be able to manage our growth effectively. Our rapid growth also makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

Risks Related to Our Business and Industry

The industries in which we operate are highly competitive, which could adversely affect our results of operations.

The industries in which we compete are highly competitive and subject to rapid and significant changes. We compete against companies and financial institutions across the retail banking, financial services, consumer technology and financial technology services industries, as well as other nonbank lenders serving credit-challenged consumers, including online marketplace lenders, check cashers, point-of-sale lenders and payday lenders. We may compete with others in the market who may in the future provide offerings similar to ours, particularly companies who may provide money management, lending and other services through a platform similar to our platform. These and other competitors in the banking and financial technology industries are introducing innovative products and services that may compete with ours. We expect that this competition will continue as banking and financial technology industries continue to evolve, particularly if non-traditional non-recourse advance providers and other parties gain greater market share in these industries. If we are unable to differentiate our products and platform from

and successfully compete with those of our competitors, our business, results of operations and financial condition will be materially and adversely affected.

Many existing and potential competitors are entities substantially larger in size and more established, including with greater resources, highly diversified revenues and significantly more brand awareness than ours. As such, many of our competitors can leverage their size, robust networks, financial wherewithal, brand awareness, pricing power and technological assets to compete with us. To the extent new entrants gain market share, the purchase and use of our products and services would decline. If price competition materially intensifies, we may have to decrease the prices of our products and services, which would likely adversely affect the results of operations.

Our long-term success depends on our ability to compete effectively against existing and potential competitors that seek to provide banking and financial technology products and services. If we fail to compete effectively against these competitors, our revenues, results of operations, prospects for future growth and overall business will be materially and adversely affected.

If we are unable to keep pace with the rapid technological developments in our industry and the larger financial services industry necessary to continue providing our Members with new and innovative products and services, the use of our platform and other products and services could decline.

The financial services industry is subject to rapid and significant technological changes. We cannot predict the effect of technological changes on our business. We expect that new services and technologies applicable to our industry will continue to emerge, and these new services and technologies may be superior to, or render obsolete, the technologies we currently utilize in our products and services. Our future success will depend, in part, on our ability to develop new technologies and adapt to technological changes and evolving industry standards. These initiatives are inherently risky, and they may not be successful or may have an adverse effect on our business, financial condition and results of operations. Additionally, we may make future investments in, or enter into strategic partnerships to develop new technologies and services or to implement infrastructure to further our strategic objectives, strengthen our existing businesses and remain competitive. However, our ability to transition to new services and technologies that we develop may be inhibited by a lack of industry-wide standards, changes to the regulatory landscape, resistance by consumers to these changes, or by the intellectual property rights of third parties.

Use of artificial intelligence in our operations and product offerings could result in reputational or competitive harm, legal or regulatory liability and adverse impacts on our results of operations.

We have incorporated, and expect to continue to incorporate in the future, AI solutions into our operations and product offerings, and the use of AI involves various risks and challenges that could adversely affect our business, financial condition or results of operations. The development and deployment of AI systems involve inherent technical complexities and uncertainties, and our AI systems may encounter unexpected technical difficulties, limitations or errors, including inaccuracies in data processing or flawed algorithms, which could compromise the reliability and effectiveness of our products and services based on AI. In addition, our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively.

The use of AI applications, including large language models, may result in cybersecurity incidents that implicate the personal data of end users of such applications. Any such cybersecurity incidents related to our use of AI applications could adversely affect our reputation and results of operations. AI also presents emerging ethical issues, and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, regulatory scrutiny or legal liability.

The introduction of AI technologies into our products and services may result in new or enhanced governmental or regulatory scrutiny, litigation, confidentiality or security risks, ethical concerns or other complications that could adversely affect our business, reputation or financial results. The regulatory landscape governing AI technologies is evolving rapidly, and changes in laws, regulations or enforcement practices may impose new compliance requirements, restrict certain AI applications or increase our regulatory obligations, which could negatively impact our business and results of operations.

If the prices we charge for our products and services are unacceptable to our Members, our operating results will be harmed.

We generate revenue by charging Members a fixed monthly rate for membership to our platform as well as additional fees related to optional expedited delivery of advances. Members who obtain an ExtraCash advance through our platform also have the option to tip us. We also generate revenue from our Dave banking product through interchange and out-of-network ATM fees, as well as from our job portal service through referral fees from partner companies. As the market for our platform matures, as new or existing competitors introduce new products or services that compete with ours or if general inflationary pressures continue, we may experience pricing pressure and be unable to retain current Members and attract new Members at prices that are consistent with our pricing model and operating budget. Our pricing strategy for new products and services may prove to be unappealing to our Members, and our competitors could choose to bundle certain products and services to be competitive with ours. If this were to occur, it is possible that we would have to change our pricing strategies or reduce our prices, which could harm our revenue, gross profits, and operating results.

ExtraCash advances expose us to credit risk of our Members and if our underwriting criteria for making advances is not sufficient to mitigate against this risk, or if the data we use to underwrite is inaccurate or incomplete, our financial condition and operating results could be adversely affected if a substantial number of our Members fail to repay the ExtraCash advance they receive.

The ExtraCash advance product exposes us to financial losses if Members do not repay the advance provided. The timing and volume of advance repayments have a significant impact on our financial results and cash flows. If a large number of Members do not repay advances, our financial condition and operating results would be adversely affected.

Our underwriting standards may not offer adequate protection against the risk of non-payment, especially in periods of economic uncertainty such as existed during the COVID-19 pandemic and more recently with rising interest rates, and inflationary pressures. We rely on consumer's bank account data obtained through a third party in order to develop our underwriting models and in order to underwrite any particular consumer's advance. If this data becomes unavailable or is inaccurate or incomplete, our underwriting may not adequately predict repayment of advances.

Our ability to accurately forecast performance and determine an appropriate provision and allowance for credit losses, is critical to our business and financial results. The allowance for credit losses is established through a provision for credit losses based on management's evaluation of the risk inherent in the cash advance portfolio, the composition of the portfolio, specific impaired advances, and current economic conditions. Please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates*" in this Annual Report on Form 10-K.

There can be no assurance that our performance forecasts will be accurate. In periods with changing economic conditions, rising interest rates and increasing inflationary pressures, accurately forecasting repayment of advances is more difficult. Our allowance for credit losses is an estimate, and if actual repayment defaults are materially greater than our allowance for credit losses, or more generally, if our forecasts are not accurate, our financial position, liquidity and results of operations could be materially adversely affected. For example, uncertainty surrounding the continuing economic impact of COVID-19 on our Members has made historical information on credit losses slightly less reliable in the current environment, and there can be no assurances that we have accurately estimated repayment rates.

We may not be able to scale our business on a timely basis to meet our Members' growing needs, and if we are not able to grow efficiently, our operating results could be harmed.

As usage of our platform grows and we sign additional strategic partners, we will need to devote additional resources to improving and maintaining our infrastructure and computer network and integrating with third-party applications to maintain the performance of our platform. In addition, we will need to appropriately scale our internal business systems and our services organization, including customer support, risk and compliance operations, and professional services, to serve our growing Member base.

Any failure of or delay in these efforts could result in service interruptions, impaired system performance, and reduced Member satisfaction, which could negatively impact our revenue growth. If sustained or repeated, performance issues could reduce the attractiveness of our platform to Members and could result in lost Member opportunities, which could hurt our revenue growth, Member loyalty, and our reputation. Even if we are successful in these efforts to scale our business, they will be expensive and complex, and require the dedication of significant management time and attention. We could also face inefficiencies or service disruptions as a result of our efforts to scale our internal infrastructure. We cannot be sure that the expansion and improvements to our internal infrastructure will be effectively implemented on a timely basis, if at all, and such failures could adversely affect our business, operating results, and financial condition.

If we are unable to acquire new Members and retain our current Members or sell additional functionality and services to them, our revenue growth will be adversely affected.

To increase our revenue, in addition to acquiring new Members, we must continue to retain existing Members and expand their use of our platform by increasing the number of Members and incentivizing them to pay for additional functionality. Our ability to retain our Members and increase their usage could be impaired for a variety of reasons, including Member reaction to changes in the pricing of our products or the other risks described in this Annual Report on Form 10-K. As a result, we may be unable to retain existing Members or increase their usage of our platform, which would have an adverse effect on our business, revenue, gross margins, and other operating results, and accordingly, on the trading price of our common stock.

Our ability to sell additional functionality to our existing Members may require more sophisticated and costly sales efforts. Similarly, the rate at which our Members purchase additional products from us depends on several factors, including general economic conditions, such as rising interest rates and inflation, and the pricing of additional product functionality. If our efforts to sell additional functionality to our Members are not successful, our business and growth prospects would suffer.

Our Member subscriptions are open-ended arrangements that can be terminated by the Member without penalty at any time. For us to maintain or improve our operating results, it is important that our Members continue to maintain their subscriptions on the same or more favorable terms. We cannot accurately predict renewal or expansion rates given the diversity of our member base in terms of size, industry, and geography. Our renewal and expansion rates may decline or fluctuate as a result of several factors, including Member spending levels, Member satisfaction with our platform, decreases in the number of Members, pricing changes, competitive conditions, the acquisition of our Members by other companies, and general economic conditions. If our Members do not renew their subscriptions, or if they reduce their usage of our platform, our revenue and other operating results will decline and our business will be adversely affected. If our renewal or expansion rates fall significantly below the expectations of the public market, securities analysts, or investors, the trading price of our common stock would likely decline.

We have limited operating history and face significant challenges as a new entrant in our industry.

Legacy Dave was incorporated in October 2015 and we have a relatively short operating history in the financial services industry, which is continuously evolving. We have limited experience to date in building consumer financial services technology. We cannot provide assurance that we will be able to develop products and services on our platform that will enable us to meet quality, price and engineering standards, as well as comply with any regulatory standards we may be subject to. Our business and prospects should be considered in light of the risks and significant challenges we face as a new entrant in our industry, including, among other things, with respect to our ability to:

- build a well-recognized, trusted and respected brand;
- establish and expand our Member base;
- successfully market our products and services;
- properly price our services and successfully anticipate the usage of such services by our Members;
- improve and maintain our operational efficiency;

- maintain a reliable, secure, high-performance and scalable technology infrastructure;
- predict our future revenues and appropriately budget our expenses;
- attract, retain and motivate talented employees;
- anticipate trends that may emerge and affect our business;
- anticipate and adapt to changing market conditions, including technological developments and changes in competitive landscape; and
- navigate an evolving and complex regulatory environment.

If we fail to address any or all of these risks and challenges, our business may be materially and adversely affected.

Changes in debit interchange rates could adversely affect our business, financial position and results of operations.

We expect interchange revenues from fees charged to merchants by card networks for processing a debit or credit payment to represent a significant percentage of our total operating revenues as adoption of our Dave banking product increases. The amount of interchange revenues that we earn is highly dependent on the interchange rates that the payment networks set and adjust from time to time.

The enactment of the Dodd-Frank Act required the Federal Reserve Board to implement regulations that have substantially limited interchange fees for many debit card issuers. While the interchange rates that may be earned by us are exempt from the limitations imposed by the Dodd-Frank Act, there can be no assurance that future regulation or changes by the payment networks will not impact our interchange revenues substantially. If interchange rates decline, whether due to actions by the payment networks or future regulation, we would likely need to change our fee structure to offset the loss of interchange revenues. To the extent we change the pricing of our Dave banking product, we might find it more difficult to acquire new Members, to maintain or grow Dave banking debit card usage and to retain existing Members. As a result, our total operating revenues, operating results, prospects for future growth and overall business could be materially and adversely affected.

If we lose key personnel, or if we are unable to attract and retain executives and employees we need to support our operations and growth, our business may be harmed.

Our success and future growth depend upon the continued services of our management team and other key employees who are critical to our overall management, as well as the continued development of our products, strategic partnerships, our culture and our strategic direction. We currently do not have “key person” insurance on any of our employees. The loss of one or more of our senior management team members or other key employees could disrupt or harm our business, and we may not be able to find adequate replacements. We cannot provide assurance that we will be able to retain the services of any members of our senior management or other key employees or that we would be able to timely replace members of our senior management or other key employees should any of them depart.

If we fail to offer high-quality customer support, or if our support is more expensive than anticipated, our business and reputation could suffer.

Our Members rely on our customer support services to resolve issues and realize the full benefits provided by our platform. High-quality support is also important for the renewal and expansion of our subscriptions with existing Members. We primarily provide customer support over chat and email. If we do not help our Members quickly resolve issues and provide effective ongoing support, or if our support personnel or methods of providing support are insufficient to meet the needs of our Members, our ability to retain Members, increase adoption by our existing Members and acquire new Members could suffer, and our reputation with existing or potential Members could be harmed. If we are not able to meet the customer support needs of our Members by chat and email during the hours that we currently provide support, we may need to increase our support coverage and provide additional phone-based support, which may reduce our profitability.

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, our business would be adversely affected.

We rely on agreements with Evolve 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. If our relationship with Evolve Bank is terminated, 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 them.

Our recent rapid growth, including growth in our volume of payments, may not be indicative of our future growth, and if we continue to grow rapidly, we may not be able to manage our growth effectively. Our rapid growth also makes it difficult to evaluate our future prospects and may increase the risk that we will not continue to be successful.

Our operating revenues increased from \$204.8 million in 2022 to \$259.1 million in 2023. Although we have recently experienced significant growth in our revenue and transaction volume, even if our revenue continues to increase, we expect our growth rate will decline in the future as a result of a variety of factors, including the increasing scale of our business. Overall growth of our revenue depends on a number of factors, including our ability to:

- price our products and services effectively to attract new Members;
- create new products and expand the functionality and scope of the products we offer on our platform;
- maintain the rates at which Members subscribe to and continue to use our platform;
- provide our Members with high-quality support that meets their needs;
- introduce our products to new markets;
- successfully identify and acquire or invest in businesses, products or technologies that we believe could complement or expand our platform;
- increase awareness of our brand and successfully compete with other companies; and
- manage the risks related to the effects of the COVID-19 pandemic, rising interest rates and inflation on our business and operations.

We may not successfully accomplish any of these objectives, which makes it difficult for us to forecast our future operating results. If the assumptions that we use to plan our business are incorrect or change in reaction to changes in our market, or if we are unable to maintain consistent revenue or revenue growth, it may be difficult to achieve and maintain profitability. You should not rely on our revenue from any prior quarterly or annual periods as any indication of our future revenue or revenue or payment growth.

In addition, we expect to invest substantial financial and other resources on:

- product development, including investments in our product development team and the development of new products and new functionality for our platform;
- sales, marketing and customer success;
- technology infrastructure, including systems architecture, scalability, availability, performance and security;
- acquisitions and/or strategic investments;

- regulatory compliance and risk management; and
- general administration, including increased legal and accounting expenses associated with being a public company.

These investments may not result in increased revenue growth in our business. If we are unable to increase our revenue at a rate sufficient to offset the expected increase in our costs, or if we encounter difficulties in managing a growing volume of payments, our business, financial position and operating results will be adversely affected, and we may not be able to achieve or maintain profitability over the long term.

Dave has historically incurred losses in the operation of its business. We may never achieve or sustain profitability.

Since incorporation in October 2015, we have been engaged in growth activities related to building our business, which requires substantial capital and other expenditures. We have incurred net losses in previous fiscal years, including fiscal year 2023, and we may incur losses again in the future. We expect our cash needs to increase significantly for the next several years as we:

- market our products and services;
- hire additional marketing, client support, engineering, product development and administrative personnel;
- expand our client support and service operations; and
- implement new and upgraded operational and financial systems, procedures and controls.

As a result of these continuing costs and expenses, we need to generate significant revenues to attain and maintain profitability and positive cash flow. To date, our operations have been supported by primarily through cash receipts from services 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. If we do not continue to increase our revenues, our business, results of operations and financial condition could be materially and adversely affected.

We may require additional capital to support the growth of our business, and this capital may not be available on acceptable terms, if at all.

We have funded our operations since inception primarily through cash receipts from services 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. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds.

We expect to have sufficient capital to fund our planned operations for the next 12 months. We may need to raise additional funds through the issuance of equity, equity related or debt securities, or through obtaining credit from government, financial institutions or other lenders. We cannot be certain that additional funds will be available to us on favorable terms when required, or at all. If we cannot raise additional funds when we need them, our financial condition, results of operations, business and prospects could be materially adversely affected.

Our operating results may fluctuate in the future.

Our quarterly and annual results of operations may fluctuate in the future, which may adversely affect our stock price. Fluctuations in our quarterly or annual results of operations might result from a number of factors, many of which are outside of our control, including, but not limited to:

- the election by our Members of expedited processing of the ExtraCash advance product;
- the timing and volume of optional tips our Members send to us, advance payments and subscriptions and use of our products and services;

- the timing and success of new product or service introductions by us or our competitors;
- fluctuations in Member retention rates;
- changes in the mix of products and services that we provide to our Members;
- the timing of commencement of new product development and initiatives, the timing of costs of existing product roll-outs and the length of time we must invest in those new products before they generate material operating revenues;
- our ability to effectively sell our products through direct-to-consumer initiatives;
- changes in our or our competitors' pricing policies or sales terms;
- costs associated with significant changes in our risk policies and controls;
- the amount and timing of costs related to fraud losses;
- the amount and timing of commencement and termination of major advertising campaigns, including partnerships and sponsorships;
- disruptions in the performance of our products and services, and the associated financial impact thereof;
- the amount and timing of costs of any major litigation to which we are a party;
- the amount and timing of costs related to the acquisition of complementary businesses;
- the amount and timing of capital expenditures and operating costs related to the maintenance and expansion of our business;
- changes in our executive leadership team;
- our ability to control costs, including third-party service provider costs and sales and marketing expenses in an increasingly competitive market; and
- changes in the political or regulatory environment affecting the banking or financial technology service industries.

Fraudulent and other illegal activity involving our products and services could lead to reputational damage to us, cause us to incur financial losses, reduce the use of our platform and services and may adversely affect our financial position and results of operations.

Criminals are using increasingly sophisticated methods to engage in illegal activities using ExtraCash or deposit account products or Member information. Illegal activities involving products and services like ours often include malicious social engineering schemes, fraudulent payment or refund schemes, fabricated identities, account takeovers, identity theft and other fraudulent schemes. We rely upon third parties for transaction processing services, which subjects us and our Members to risks related to the vulnerabilities of those third parties. A single significant incident of fraud, or increases in the overall level of fraud, involving our products and services, have in the past and could in the future, result in operational losses and reputational damage to us. Such damage could reduce the use and acceptance of our products and services, cause our banking and strategic partners to cease doing business with us, or lead to greater regulation that would increase our compliance costs. Fraudulent activity could also result in the imposition of regulatory sanctions, including significant monetary fines, which could adversely affect our business, results of operations and financial condition.

For example, in the third quarter of 2022, we experienced a fraud event which resulted in Member advance write-offs of approximately \$3.0 million. To address the challenges we face with respect to fraudulent activity of the nature outlined above and other fraudulent activities, we have implemented risk control mechanisms that have made it more difficult for all Members, including legitimate Members, to obtain and use our Dave banking product. We believe it is likely that our risk control mechanisms may continue to adversely affect the growth of our Dave banking product for the foreseeable future and, as a result, negatively impact our operating revenues.

We are exposed to losses from Dave banking Member accounts.

Fraudulent activity involving our Dave banking account may lead to fraudulent or baseless Member disputed transactions, for which we may be liable under banking regulations and payment network rules. Our fraud detection and risk control mechanisms may not prevent all fraudulent or illegal activity, and the regulations and payment network rules may become more onerous, causing additional losses for us. To the extent we incur losses from disputed transactions, our business, results of operations and financial condition could be materially and adversely affected. Additionally, our Members can incur charges in excess of the funds available in their accounts, and we may become liable for these overdrafts. While we decline authorization attempts for amounts that exceed the available balance in a Member's account, the application of payment network rules and the timing of the settlement of transactions, among other things, can result in overdrawn accounts.

Our remaining overdraft exposure arises primarily from late-posting. A late-post occurs when a merchant posts a transaction within a payment network-permitted timeframe, but subsequent to our release of the authorization for that transaction, as permitted by payment network rules. Under payment network rules, we may be liable for the transaction amount even if the Member has made additional purchases in the intervening period and funds are no longer available in the Member's account at the time the transaction is posted.

We receive funds from, and transfer funds to, our Members daily, which in the aggregate comprise substantial sums, and are subject to the risk of errors, which could result in financial losses, damage to our reputation, or loss of trust in our brand, which would harm our business and financial results.

Our business is subject to the risk of financial losses as a result of operational errors, software defects, service disruption, employee misconduct, security breaches, or other similar actions or errors on our platform. Software errors in our platform and operational errors by our employees may also expose us to losses.

Moreover, our trustworthiness and reputation are fundamental to our business. The occurrence of any operational errors, software defects, service disruption, employee misconduct, security breaches, or other similar actions or errors on our platform could result in financial losses to our business and our Members, loss of trust, damage to our reputation, or termination of our agreements with strategic partners, each of which could result in:

- loss of Members;
- lost or delayed market acceptance and sales of our products and services;
- legal claims against us;
- regulatory enforcement action; or
- diversion of our resources, including through increased service expenses or financial concessions, and increased insurance costs.

There can be no assurance that our insurance will cover losses or our coverage will be sufficient to cover our losses. If we suffer significant losses or reputational harm as a result, our business, operating results, and financial condition could be adversely affected.

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 has experienced breaches and may be subject or vulnerable in the future to breaches or attacks. If our own confidential business information were improperly disclosed, our business could be materially and adversely affected. 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.* 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.

We guarantee certain obligations of one of our wholly-owned subsidiaries, which guaranty contains financial covenants and other restrictions on our actions, which could limit our operational flexibility and otherwise adversely affect our financial condition.

One of our wholly-owned subsidiaries, Dave OD Funding has a senior secured debt facility with Victory Park Capital Advisors, LLC and its affiliates (the "Debt Facility"). We have guaranteed certain of Dave OD Funding's obligations under the Debt Facility. The Debt Facility contains financial covenants and other restrictions on our actions, which could limit our operational flexibility and otherwise adversely affect our financial condition.

We depend upon several third-party service providers for processing our transactions and provide other important services for our business. If any of our agreements with our processing providers are terminated or if we experience any interruption or delay in the services provided by our third-party service providers, delivery of our products and services could be impaired or suspended and our business could suffer.

Our business involves processing of large numbers of transactions and management of the data necessary to do so. Our success depends upon the efficient and error-free handling of the money that is collected, remitted or deposited in connection with the provision of our products and services. We rely on the ability of our vendors and third-parties to process and facilitate these transactions, including ACH processing (as we are not a bank), and debit card payment processing, in an efficient, uninterrupted and error-free manner. We also rely on third-party service providers to perform various functions relating to our business, including software development, marketing, operational functions, fraud detection, cloud infrastructure services, information technology, data analysis, and, because we are not a bank and cannot belong or directly access the ACH payment network, ACH processing, and debit card payment processing.

While we oversee these service providers to ensure they provide services in accordance with our agreements and regulatory requirements, we do not have control over the operations of any of the third-party service providers that we utilize. In the event that a third-party service provider fails to perform such functions for any reason, including negligence, willful misconduct or fraud, fire, natural disaster, power loss, telecommunication failures, software and hardware defects, terrorist attacks and similar events, our ability to process payments and perform other operational functions for which we currently rely on such third-party service providers will suffer and our business, cash flows and future prospects may be negatively impacted.

We use both internally developed and third-party systems, including cloud computing and storage systems, for our services and certain aspects of transaction processing. Any damage to, or failure of, third party computer network systems or data centers generally, or those of our vendors (including as a result of disruptions at our third-party data center hosting facilities and cloud providers), or an improper action by our employees, agents or third-party vendors, could result in interruptions in our services, causing Members and other partners to become dissatisfied with our products and services or subject us to potential financial losses. Sustained or repeated system failures could reduce the attractiveness of our products and services, and result in Member attrition, thereby reducing operating revenue and harming our results of operations. Further, negative publicity arising from these types of disruptions could be damaging to our reputation and may adversely impact use of our products and services, including our platform, and adversely affect our ability to attract new Members and business partners.

If we fail to adequately protect our proprietary rights, our competitive position could be impaired and we may lose valuable assets, generate less revenue and incur costly litigation to protect our rights.

Our success is dependent, in part, upon protecting our proprietary technology and rights. We rely on a combination of copyrights, trademarks, trade secret laws, and contractual provisions to establish and protect our proprietary rights. However, the steps we take to protect our intellectual property may be inadequate. Any of our trademarks or other intellectual property rights may be challenged or circumvented by others or invalidated through administrative process or litigation. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create products and services that compete with ours.

No assurance can be given that the contractual agreements we enter into to establish and protect our proprietary rights will be effective in controlling access to and distribution of our products and proprietary information. Further, these agreements do not prevent our competitors or partners from independently developing technologies that are substantially equivalent or superior to our platform.

Real or perceived software errors, failures, bugs, defects, or outages could adversely affect our business, results of operations, financial condition, and future prospects.

Our platform and our internal systems rely on software that is highly technical and complex. In addition, our platform and our internal systems depend on the ability of such software to store, retrieve, process, and manage immense amounts of data. As a result, undetected errors, failures, bugs, or defects may be present in such software or occur in the future in such software, including open source software and other software we license from third parties, especially when updates or new products or services are released.

Any real or perceived errors, failures, bugs, or defects in the software may not be found until our Members use our platform and could result in outages or degraded quality of service on our platform that could adversely impact our business, as well as cause negative publicity, loss of or delay in market acceptance of our products and services, and harm to our brand or weakening of our competitive position. In such an event, we may be required, or may choose, to expend significant additional resources in order to correct the problem. Any real or perceived errors, failures, bugs, or defects in the software we rely on could also subject us to liability claims, impair our ability to attract new Members, retain existing Members, or expand their use of our products and services, which would adversely affect our business, results of operations, financial condition, and future prospects.

Dave's management has limited experience in operating a public company.

Many of our senior management team have limited experience in managing a publicly-traded company. Their limited experience with the increasingly complex laws pertaining to public companies could be a significant disadvantage and an increasing amount of their time may be devoted to these activities, which will result in less time being devoted to the management and growth of the company's operations. We may not have adequate personnel with the appropriate level of knowledge, experience and training in accounting policies, compliance practices or internal controls required of public companies. For example, lack of a sufficient number of accounting and finance professionals contributed to material weaknesses in our internal control over financial reporting as described in Item 9A of this Annual Report on Form 10-K. The development and implementation of the standards and controls and the

hiring of experienced personnel necessary to achieve the level of accounting standards required of a public company may require expenditures greater than expected, and a delay could impact our ability to accurately and timely report our operating results, timely file required reports with the SEC and comply with Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”). We have expanded our employee base to support our operations as a public company and it is possible that additional employees may need to be hired, which will increase our operating costs in future periods.

Dave identified material weaknesses in its internal control over financial reporting in its financial statements for the years ended December 31, 2023 and 2022. If Dave is unable to remediate these material weaknesses, or if it identifies additional material weaknesses in the future or otherwise fails to maintain effective internal control over financial reporting, it may not be able to accurately or timely report its financial condition or results of operations, which may adversely affect Dave’s business and share price.

In connection with the preparation and audits of our consolidated financial statements for the years ended December 31, 2023 and 2022, material weaknesses were identified in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of its annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

As of December 31, 2023, material weaknesses were identified in our internal control over financial reporting. These material weaknesses, as well as our remediation plans, are described in Item 9A of this Annual Report on Form 10-K.

While we believe these efforts will be sufficient to remediate the material weaknesses, we cannot provide assurance that we will be able to complete our evaluation, testing or any required remediation in a timely fashion, or at all or that the measures we have taken to date and may take in the future will prevent or avoid potential future material weaknesses. The effectiveness of our internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the possibility of human error and the risk of fraud. If we are unable to remediate the material weaknesses or identify additional material weakness in the future, our ability to record, process and report financial information accurately, and to prepare financial statements within the time periods required by the SEC, could be adversely affected which, in turn, may adversely affect our reputation and business and the market price of the Company’s Class A Common Stock. In addition, any such failures could result in litigation or regulatory actions by the SEC or other regulatory authorities, loss of investor confidence, delisting of our securities and harm to our reputation and financial condition, or diversion of financial and management resources from the operation of our business.

We strive to deliver simple, transparent, and fair financial products, which may conflict with the short-term interests of our stockholders.

Our core principle, and the foundation on which we have built our company, is to deliver simple, transparent, and fair financial products. Therefore, we have made in the past, and may make in the future, decisions that we believe will benefit our Members and therefore provide long-term benefits for our business, even if our decision negatively impacts our short-term results of operations. For example, the advances facilitated through our platform have no mandatory fees. Our decisions may negatively impact our short-term financial results or not provide the long-term benefits that we expect, in which case the success of our business and results of operations could be harmed.

Negative publicity about us or our industry could adversely affect our business, results of operations, financial condition, and future prospects.

Negative publicity about us or our industry, even if inaccurate, could adversely affect our reputation and the confidence in, and use of our platform, potentially harming our reputation and causing disruptions to our platform. Such negative publicity could involve: the transparency, fairness, Member experience, quality, and reliability of our platform or consumer fintech platforms in general, the effectiveness of our risk models, our ability to effectively manage and resolve complaints, our privacy and security practices, litigation, regulatory activity, misconduct by our employees, funding sources, bank partners and structure of our bank partner products, service providers, or others in

our industry, the experience of consumers with our platform or services. Any such reputational harm could further affect the behavior of consumers, including their willingness to obtain advances, deposit accounts, and other products and services facilitated through our platform. As a result, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

If we cannot maintain our company culture as we grow, our success and our business may be harmed.

We believe our culture has been a key contributor to our success to date and that the nature of the platform that we provide promotes a sense of greater purpose and fulfillment in our employees. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our corporate objectives. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain these important aspects of our culture. If we fail to maintain our company culture, our business and competitive position may be adversely affected.

We use open source software in our products, which could subject us to litigation or other actions.

We use open source software in our products. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate it into their products. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition, or require us to devote additional research and development resources to change our products. In addition, if we were to combine our proprietary software products with open source software in a certain manner under certain open source licenses, we could be required to release the source code of our proprietary software products. If we inappropriately use or incorporate open source software subject to certain types of open source licenses that challenge the proprietary nature of our products, we may be required to re-engineer such products, discontinue the sale of such products, or take other remedial actions.

Natural catastrophic events, pandemics and man-made problems such as power disruptions, political instability, civil unrest, terrorist activity or war may disrupt our business.

Natural disasters, pandemics, other catastrophic events or man-made disasters may cause damage or disruption to our operations, international commerce and the global economy, and thus could harm our business. We have a large employee presence in Los Angeles, California, and our data centers are located in the Midwest. The west coast of the United States contains active earthquake zones and the greater Los Angeles area has experienced major fire danger in the past five years and may experience major fires in the future. In the event of a major earthquake, hurricane or catastrophic event such as fire, power loss, telecommunications failure, political instability, civil unrest, war, or terrorist attack, we may be unable to continue our operations and may experience system interruptions, reputational harm, delays in our application development, lengthy interruptions in the availability of our products and services, breaches of data security, and loss of critical data, all of which could harm our business, operating results, and financial condition.

In addition, the insurance we maintain may not cover or may be insufficient to cover our losses resulting from disasters, or other business interruptions, and any incidents may result in loss of, or increased costs of, such insurance.

Risks Related to Regulatory and Legal Matters

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. The complaint seeks injunctive relief, damages, restitution, nonrestitutionary disgorgement, pre- and post-judgment interest and reasonable attorneys' fees and costs. 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 these matters 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. "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, 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.

If we were to become directly subject to banking regulations or be subjected to additional 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.

We are not currently directly subject to laws and regulations applicable to traditional banks. However, 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.

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).

Stringent and changing laws and regulations relating to privacy and data protection could result in claims against us, harm our results of operations, financial condition, and future prospects, or otherwise harm our business.

We are subject to a variety of laws, rules, directives, and regulations, as well as contractual obligations, relating to the processing of personal information, including personally identifiable information. The regulatory framework for privacy and data protection worldwide is rapidly evolving and, as a result, implementation standards and enforcement practices are likely to continue to evolve for the foreseeable future. Legislators and regulators are increasingly adopting or revising privacy and data protection laws, rules, directives, and regulations that could have a significant impact on our current and planned privacy and data protection-related practices, our processing of consumer or employee information, and our current or planned business activities.

Compliance with current or future privacy and data protection laws (including those regarding security breach notification) affecting consumer and/or employee data to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services (such as products or services that involve us sharing information with third parties or storing sensitive information), which could materially and adversely affect our profitability and could reduce income from certain business initiatives.

Our failure, or the failure of any third party with whom we work, to comply with privacy and data protection laws could result in potentially significant regulatory investigations and government actions, litigation, fines, or sanctions, consumer, funding source, or bank partner actions, and damage to our reputation and brand, all of which could have a material adverse effect on our business. Complying with privacy and data protection laws and regulations may cause us to incur substantial operational costs or require us to change our business practices. We may not be successful in our efforts to achieve compliance either due to internal or external factors, such as resource allocation limitations or a lack of vendor cooperation. We have in the past, and may in the future, receive complaints or notifications from third parties alleging that we have violated applicable privacy and data protection laws and regulations. Non-compliance could result in proceedings against us by governmental entities, consumers, or others.

In addition to government regulation, privacy advocates and industry groups may propose new and different self-regulatory standards that may apply to us. Because the interpretation and application of privacy and data protection laws, regulations, rules, and other standards are still uncertain, it is possible that these laws, rules, regulations, and other actual or alleged legal obligations, such as contractual or self-regulatory obligations, may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the functionality of our platform. If so, in addition to the possibility of fines, lawsuits and other claims, we could be required to fundamentally change our business activities and practices or which could have an adverse effect on our business.

Any failure or perceived failure by us to comply with laws, regulations, policies, legal, or contractual obligations, industry standards, or regulatory guidance relating to privacy or data security, may result in governmental investigations and enforcement actions, litigation, fines and penalties, or adverse publicity, and could cause our Members and partners to lose trust in us, which could have an adverse effect on our reputation and business. We

expect that there will continue to be new proposed laws, regulations, and industry standards relating to privacy, data protection, marketing, consumer communications, and information security, and we cannot determine the impact such future laws, regulations, and standards may have on our business. Future laws, regulations, standards, and other obligations or any changed interpretation of existing laws or regulations could impair our ability to develop and market new functionality and maintain and grow our Member base and increase revenue. Future restrictions on the collection, use, sharing, or disclosure of data, or additional requirements for express or implied consent of our Members, partners, or end users for the use and disclosure of such information could require us to incur additional costs or modify our platform, possibly in a material manner, and could limit our ability to develop new functionality.

We rely on obtaining our Member's banking data, with their consent, through a third party, in order to provide ExtraCash, deposit and budgeting products. If such data becomes more difficult or expensive to obtain due to changing laws and regulations, our operating results may be impacted. For example, in October 2023, the CFPB proposed a rule intended to accelerate a shift towards open banking by establishing a comprehensive regulatory framework providing consumers and their authorized third parties with rights to receive access to consumers' personal financial data held by a financial institution. These rules also propose limitations on authorized third parties' (such as Dave's) collection, use and retention of such data. If we are not able to comply with these laws or regulations, or if we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain products, which would negatively affect our business, financial condition, and operating results. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise adversely affect the growth of our business. Furthermore, any costs incurred as a result of this potential liability could harm our operating results.

Litigation against us could be costly and time-consuming to defend.

We have in the past and may in the future become subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our Members in connection with commercial disputes, employment claims made by our current or former employees, or claims for reimbursement following misappropriation of Member data. Litigation might result in substantial costs and may divert management's attention and resources, which might seriously harm our business, overall financial condition, and operating results. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our operating results and leading analysts or potential investors to reduce their expectations of our performance, which could reduce the trading price of our stock.

Risks Relating to Ownership of our Securities

The dual class structure of our Common Stock has the effect of concentrating voting control with Jason Wilk, Dave's founder, Chief Executive Officer and President and a member of the Dave Board of Directors. This will limit or preclude your ability to influence corporate matters, including the outcome of important transactions, including a change in control.

Shares of Dave Class V Common Stock have 10 votes per share, while shares of Dave Class A Common Stock have one vote per share. Jason Wilk, Dave's co-founder and its Chief Executive Officer and President, holds all of the issued and outstanding shares of Dave Class V Common Stock. Accordingly, as of March 1, 2024, Mr. Wilk holds approximately 60.0% of the voting power of our capital stock on an outstanding basis and will be able to control matters submitted to our stockholders for approval, including the election of directors, amendments to our organizational documents and any merger, consolidation, sale of all or substantially all of Dave's assets or other major corporate transactions. Mr. Wilk may have interests that differ from other shareholders' and may vote in a way with which you disagree and which may be adverse to other shareholder interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of Dave, could deprive its stockholders of an opportunity to receive a premium for their capital stock as part of a sale of Dave and might ultimately affect the market price of shares of Dave Class A Common Stock.

Dave's dual class structure may depress the trading price of our Dave Class A Common Stock.

Dave cannot predict whether its dual class structure will result in a lower or more volatile market price of the Dave Class A Common Stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indexes. S&P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, pursuant to which companies with multiple classes of shares of common stock are excluded. In addition, several stockholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of Dave's Common Stock may cause stockholder advisory firms to publish negative commentary about Dave's corporate governance practices or otherwise seek to cause Dave to change its capital structure. Any such exclusion from indices or any actions or publications by stockholder advisory firms critical of Dave's corporate governance practices or capital structure could adversely affect the value and trading market of the Dave Class A Common Stock.

Our stock price is volatile.

The trading price of the Dave Class A Common Stock and Public Warrants is volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond Dave's control. These factors include:

- actual or anticipated fluctuations in operating results;
- failure to meet or exceed financial estimates and projections of the investment community or that Dave provides to the public;
- issuance of new or updated research or reports by securities analysts or changed recommendations for the industry in general;
- announcements of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- operating and share price performance of other companies in the industry or related markets;
- the timing and magnitude of investments in the growth of the business;
- actual or anticipated changes in laws and regulations;
- additions or departures of key management or other personnel;
- increased labor costs;
- disputes or other developments related to intellectual property or other proprietary rights, including litigation;
- the ability to market new and enhanced solutions on a timely basis;
- sales of substantial amounts of the Dave Class A Common Stock by Dave's directors, executive officers or significant stockholders or the perception that such sales could occur;
- limited liquidity and trading volumes in the Dave Class A Common Stock;
- changes in capital structure, including future issuances of securities or the incurrence of debt; and
- general economic, political and market conditions, including rising interest rates.

In addition, the stock market in general, and the stock prices of technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of Dave Class A Common Stock, regardless of actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources.

Dave has never paid cash dividends on our capital stock and does not anticipate paying dividends in the foreseeable future.

Dave has never paid cash dividends on our capital stock and currently intends to retain any future earnings to fund the growth of its business. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on Dave's financial condition, operating results, capital requirements, general business conditions and other factors that the Board may deem relevant. As a result, capital appreciation, if any, of our Dave Class A Common Stock will be the sole source of gain for the foreseeable future.

Anti-takeover provisions contained in our certificate of incorporation and bylaws and applicable laws could impair a takeover attempt.

Our certificate of incorporation and bylaws afford certain rights and powers to the Board that could contribute to the delay or prevention of an acquisition that it deems undesirable. Dave is also subject to Section 203 of the DGCL and other provisions of Delaware law that limit the ability of stockholders in certain situations to effect certain business combinations. Any of the foregoing provisions and terms that have the effect of delaying or deterring a change in control could limit the opportunity for stockholders to receive a premium for their shares of Dave Class A Common Stock, and could also affect the price that some investors are willing to pay for the Dave Class A Common Stock.

Dave is subject to risks related to taxation in the United States.

Significant judgments based on interpretations of existing tax laws or regulations are required in determining Dave's provision for income taxes. Dave's effective income tax rate could be adversely affected by various factors, including, but not limited to, changes in the mix of earnings in tax jurisdictions with different statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in existing tax policies, laws, regulations or rates, changes in the level of non-deductible expenses (including share-based compensation), changes in the location of Dave's operations, changes in Dave's future levels of research and development spending, mergers and acquisitions or the results of examinations by various tax authorities. Although Dave believes its tax estimates are reasonable, if the IRS or any other taxing authority disagrees with the positions taken on its tax returns, Dave could have additional tax liability, including interest and penalties. If material, payment of such additional amounts upon final adjudication of any disputes could have a material impact on our results of operations and financial position.

Changes to applicable tax laws and regulations or exposure to additional income tax liabilities could affect Dave's business and future profitability.

Dave is a U.S. corporation and thus subject to U.S. corporate income tax on its worldwide income. Further, since Dave's operations and customers are located throughout the United States, Dave will be subject to various U.S. state and local taxes, including local and state sales and use taxes. U.S. federal, state, local and non-U.S. tax laws, policies, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to Dave and may have an adverse effect on its business and future profitability.

For example, several tax proposals have been set forth that would, if enacted, make significant changes to U.S. tax laws. Such proposals include an increase in the U.S. income tax rate applicable to corporations (such as Dave) from 21% to 28%. Congress may consider, and could include, some or all of these proposals in connection with tax reform that may be undertaken. It is unclear whether these or similar changes will be enacted and, if enacted, how soon any such changes could take effect. The passage of any legislation as a result of these proposals and other similar changes in U.S. federal income tax laws could adversely affect Dave's business and future profitability.

As a result of plans to expand Dave's business operations, including to jurisdictions in which tax laws may not be favorable, its obligations may change or fluctuate, become significantly more complex or become subject to greater risk of examination by taxing authorities, any of which could adversely affect Dave's after-tax profitability and financial results.

In the event that Dave's business expands domestically or internationally, its effective tax rates may fluctuate widely in the future. Future effective tax rates could be affected by operating losses in jurisdictions where no tax benefit can be recorded under U.S. GAAP, changes in deferred tax assets and liabilities, or changes in tax laws. Factors that

could materially affect Dave's future effective tax rates include, but are not limited to: (a) changes in tax laws or the regulatory environment, (b) changes in accounting and tax standards or practices, (c) changes in the composition of operating income by tax jurisdiction, and (d) pre-tax operating results of Dave's business.

Additionally, Dave may be subject to significant income, withholding, and other tax obligations in the United States and may become subject to taxation in numerous additional U.S. state and local and non-U.S. jurisdictions with respect to income, operations and subsidiaries related to those jurisdictions. Dave's after-tax profitability and financial results could be subject to volatility or be affected by numerous factors, including (a) the availability of tax deductions, credits, exemptions, refunds and other benefits to reduce tax liabilities, (b) changes in the valuation of deferred tax assets and liabilities, if any, (c) the expected timing and amount of the release of any tax valuation allowances, (d) the tax treatment of stock-based compensation, (e) changes in the relative amount of earnings subject to tax in the various jurisdictions, (f) the potential business expansion into, or otherwise becoming subject to tax in, additional jurisdictions, (g) changes to existing intercompany structure (and any costs related thereto) and business operations, (h) the extent of intercompany transactions and the extent to which taxing authorities in relevant jurisdictions respect those intercompany transactions, and (i) the ability to structure business operations in an efficient and competitive manner. Outcomes from audits or examinations by taxing authorities could have an adverse effect on Dave's after-tax profitability and financial condition. Additionally, the IRS and several foreign tax authorities have increasingly focused attention on intercompany transfer pricing with respect to sales of products and services and the use of intangibles. Tax authorities could disagree with Dave's intercompany charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. If Dave does not prevail in any such disagreements, Dave's profitability may be affected.

Dave's after-tax profitability and financial results may also be adversely affected by changes in relevant tax laws and tax rates, treaties, regulations, administrative practices and principles, judicial decisions and interpretations thereof, in each case, possibly with retroactive effect.

Dave's ability to utilize its net operating loss and tax credit carryforwards to offset future taxable income may be subject to certain limitations.

In general, under Section 382 of the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to use its pre-change net operating loss carryforwards ("NOLs") to offset future taxable income. The limitations apply if a corporation undergoes an "ownership change," which is generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period. If Dave has experienced an ownership change at any time since its incorporation, Dave may be subject to limitations on its ability to utilize its existing NOLs and other tax attributes to offset taxable income or tax liability. In addition, future changes in Dave's stock ownership, which may be outside of Dave's control, may trigger an ownership change. Similar provisions of state tax law may also apply to limit Dave's use of accumulated state tax attributes. As a result, even if Dave earns net taxable income in the future, its ability to use its pre-change NOL carryforwards and other tax attributes to offset such taxable income or tax liability may be subject to limitations, which could potentially result in increased future income tax liability to Dave.

There is no guarantee that the Public Warrants will be in the money at the time they become exercisable, and they may expire worthless.

The exercise price for our warrants is \$368.00 per share of Dave Class A Common Stock. There is no guarantee that the Public Warrants will be in the money following the time they become exercisable and prior to their expiration, and as such, they may expire worthless.

We may amend the terms of the Public Warrants in a manner that may be adverse to holders of Public Warrants with the approval by the holders of at least 50% of the then-outstanding Public Warrants. As a result, the exercise price of the Public Warrants could be increased, the exercise period could be shortened and the number of shares of Dave Class A Common Stock purchasable upon exercise of a Public Warrant could be decreased, all without a holder's approval.

The Public Warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The Warrant Agreement provides that the terms of the Public Warrants

may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50% of the then-outstanding Public Warrants to make any change that adversely affects the interests of the registered holders of Public Warrants. Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 50% of the then-outstanding Public Warrants approve of such amendment. Although our ability to amend the terms of the Public Warrants with the consent of at least 50% of the then-outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Public Warrants, convert the Public Warrants into cash or stock (at a ratio different than initially provided), shorten the exercise period or decrease the number of shares of Dave Class A Common Stock purchasable upon exercise of a Public Warrant.

We may redeem unexpired warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making their warrants worthless.

We have the ability to redeem outstanding warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.01 per warrant, provided that the last reported sales price of the Dave Class A Common Stock equals or exceeds \$576.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we give proper notice of such redemption and provided certain other conditions are met. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force you (a) to exercise your warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (b) to sell your warrants at the then-current market price when you might otherwise wish to hold your warrants or (c) to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of your warrants. None of the Private Warrants will be redeemable by us for cash so long as they are held by the initial purchasers or their permitted transferees.

In addition, we may redeem your warrants after they become exercisable for a number of shares of Dave Class A Common Stock determined based on the redemption date and the fair market value of the Dave Class A Common Stock. Any such redemption may have similar consequences to a cash redemption described above. In addition, such redemption may occur at a time when the warrants are “out-of-the-money,” in which case you would lose any potential embedded value from a subsequent increase in the value of the Dave Class A Common Stock had your warrants remained outstanding.

We have issued and will continue to issue a substantial number of additional shares of Dave Class A Common Stock under an employee incentive plan. Any such issuances dilute the interest of our stockholders and likely present other risks.

We have issued and will continue to issue additional shares of Dave Class A Common Stock under an employee incentive plan. The issuance of additional Dave Class A Common Stock:

- may significantly dilute the equity interests of our investors;
- could cause a change in control if a substantial number of shares of Dave Class A Common Stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for the Dave Class A Common Stock and/or the Public Warrants.

There can be no assurance that Dave Class A Common Stock will be able to comply with the listing standards of Nasdaq.

On January 5, 2023, Dave effected a 1-for-32 reverse stock split in order to regain compliance with Nasdaq’s minimum bid price requirement. There can be no assurance that Dave will be able to continue to comply with Nasdaq’s minimum bid price requirement or other Nasdaq listing standards. If The Nasdaq Stock Market delists the

Dave Class A Common Stock from trading on its exchange for failure to meet the listing standards, our stockholders could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that the Dave Class A Common Stock is a “penny stock” which will require brokers trading in the Dave Class A Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Sales of a substantial number of shares of Dave Class A Common Stock in the public market could occur at any time. This could cause the market price of the Dave Class A Common Stock to drop significantly, even if our business is doing well.

Sales of a substantial number of the Dave Class A Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of the Dave Class A Common Stock. As of March 1, 2024, our current officers and directors hold approximately 15% of the outstanding shares of Common Stock, including the 1,514,082 shares of Dave Class V Common Stock convertible into shares of Dave Class A Common Stock, which represents approximately 60.0% of the voting power of the outstanding shares of Common Stock.

Pursuant to the Investor Rights Agreement, certain holders are entitled to, among other things, certain registration rights, including the demand of up to three underwritten offerings and customary piggyback registration rights. Further, pursuant to the Subscription Agreements, we are also required to register additional shares of Dave Class A Common Stock. To satisfy these obligations, we previously registered up to 10,356,391 shares (on a post-split adjusted basis) of Dave Class A Common Stock, which also covers shares issuable upon exercise of the Public Warrants. The sale of these shares is likely to have an adverse effect on the trading price of the Dave Class A Common Stock.

If the Business Combination’s benefits do not meet the expectations of investors, stockholders or financial analysts, the market price of our securities may decline.

If the benefits of the Business Combination do not meet the expectations of investors or securities analysts, the market price of our securities prior to the Closing may decline. The market values of our securities at the time of the Business Combination may vary significantly from their prices on the date the Merger Agreement was executed, the date of this Annual Report on Form 10-K or the date on which our stockholders voted on the Business Combination.

In addition, fluctuations in the price of Dave securities could contribute to the loss of all or part of Dave shareholders’ investment. If an active market for our securities develops and continues, the trading price of Dave securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on investments in our securities and our securities may trade at prices significantly below the price paid for such investments. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors that may affect the trading price of Dave securities include:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to Dave;
- changes in the market’s expectations about Dave’s operating results;
- success of competitors;

- Dave’s operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning Dave or the market in general;
- operating and stock price performance of other companies that investors deem comparable to Dave;
- Dave’s ability to market new and enhanced products and technologies on a timely basis;
- changes in laws and regulations affecting Dave’s business;
- Dave’s ability to meet compliance requirements;
- commencement of, or involvement in, litigation involving Dave;
- changes in Dave’s capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of Dave Class A Common Stock available for public sale;
- any major change in the Board or management;
- sales of substantial amounts of Dave Class A Common Stock by Dave’s directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and The Nasdaq Stock Market have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to Dave could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of Dave’s securities also could adversely affect its ability to issue additional securities and its ability to obtain additional financing in the future.

If securities or industry analysts do not publish or cease publishing research or reports about Dave, its business or its market, or if they change their recommendations regarding the Dave Class A Common Stock adversely, the price and trading volume of the Dave Class A Common Stock could decline.

The trading market for the Dave Class A Common Stock will be influenced by the research and reports that industry or securities analysts may publish about Dave, its business, its market or its competitors. If any of the analysts who may cover Dave change their recommendation regarding the Dave Class A Common Stock adversely, or provide more favorable relative recommendations about its competitors, the price of the Dave Class A Common Stock would likely decline. If any analyst who may cover Dave were to cease their coverage or fail to regularly publish reports on Dave, we could lose visibility in the financial markets, which could cause the stock price or trading volume of Dave securities to decline.

The JOBS Act permits “emerging growth companies” like us to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies.

We qualify as an “emerging growth company” as defined in Section 2(a)(19) of the Securities Act, as modified by the JOBS Act. As such, we take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies, including (a) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, (b) the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements and (c) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. As a result, our stockholders may not have access to certain information they deem important. We will

remain an emerging growth company until the earliest of (a) the last day of the fiscal year (i) following March 4, 2025, the fifth anniversary of our IPO, (ii) in which we have total annual gross revenue of at least \$1.07 billion (as adjusted for inflation pursuant to SEC rules from time to time) or (iii) in which we are deemed to be a large accelerated filer, which means the market value of the shares of Dave Class A Common Stock that are held by non-affiliates exceeds \$700 million as of the last business day of our prior second fiscal quarter, and (b) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three year period.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7(a)(2)(B) of the Securities Act as long as we are an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We cannot predict if investors will find the Dave Class A Common Stock less attractive because we will rely on these exemptions. If some investors find the Dave Class A Common Stock less attractive as a result, there may be a less active trading market for the Dave Class A Common Stock and our share price may be more volatile.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company takes a risk-based approach to cybersecurity and has implemented cybersecurity policies throughout its operations that are designed to address cybersecurity threats and incidents.

The Company's cybersecurity program and policies articulate the expectations and requirements with respect to acceptable use, risk management, data privacy, education and awareness, security incident management and reporting, identity and access management, vendor due diligence, security (with respect to physical assets, products, networks, and systems), security monitoring and vulnerability identification. The cybersecurity program and policies are operated by a dedicated cybersecurity team in conjunction with the Company's enterprise risk management program.

The Company's cyber risk management program is designed to identify, track, escalate, remediate, and report cybersecurity risks across the Company. These risk areas include internal, product, vendor, supply chain, and external services leveraged across the Company. The Company has a vendor management program that evaluates and oversees cybersecurity risks related to third party vendors providing services to the Company. Any identified risks are assessed, prioritized, and addressed via process, technology, and personnel improvements to help ensure ongoing mitigation and tracking.

The Company's cybersecurity strategy is guided by risk priorities and identified areas for improvement, which are informed by regulatory requirements and industry standards, such as the Federal Trade Commission's Safeguards Rule and the National Institute for Standards and Technology (NIST) Cybersecurity Framework, and evolving business needs. This strategy is shared with the executive leadership at least annually. The Company maintains an incident response plan, coupled with a continuous monitoring program. This plan and program include incident

alerting, comprehensive incident criticality assessments, and escalation processes to support teams, senior leadership, and the Board.

The Company's cybersecurity team manages all facets of the security monitoring and incident program, coordinating with Company engineers and other staff, along with third parties as needed, across our operating companies. All company employees are provided cybersecurity awareness training, which includes topics on the Company's policies and procedures for reporting potential incidents. The Company's cybersecurity team evaluates emerging risks, regulations, and compliance matters and updates the policies and procedures accordingly on an ongoing basis.

To date, other than the 2020 Incidents, the Company has not experienced a cybersecurity threat or incident that has materially affected or that we believe is reasonably likely to materially affect the Company including its business strategy, results of operations or financial condition. Refer to the risk factor captioned "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 Part I, Item 1A. "Risk Factors" for additional description of cybersecurity risks and potential related impacts on the Company.

Governance

The Board oversees the Company's risk management process, including cybersecurity risks, directly and through its committees. Pursuant to the Audit Committee Charter, the Audit Committee of the Board provides compliance oversight to the Company's risk assessment and risk management policies, including for cybersecurity, and the steps management has taken to monitor and mitigate cybersecurity exposures and risks.

The Company's Director of Security and Information Technology (DSIT), in coordination with the Company's Vice President of Technology, is responsible for leading the assessment and management of cybersecurity risks. The current DSIT has over 18 years of experience in information security. The DSIT reports to the Board and management on cybersecurity risk assessment, policies, incident prevention, detection, mitigation, and remediation of cybersecurity incidents on a quarterly basis or as needed.

Item 2. Properties.

We operate out of our headquarters in Los Angeles, California. We maintain two sublease agreements for approximately 9,000 square feet located in Los Angeles, California. The subleases for the Los Angeles spaces are scheduled to expire in October 2028 and December 2025, respectively.

Item 3. Legal Proceedings.

See Note 12, "Commitments and Contingencies," to our consolidated financial statements included in this report for information regarding legal proceedings in which we are involved.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of

Equity Securities. Market Information

Our shares of Dave Class A Common Stock and Public Warrants have traded on Nasdaq under the symbols "DAVE" and "DAVEW," respectively, since January 6, 2022.

Holders of Record

As of December 31, 2023, there were 95 holders of record of Dave Class A common stock, one holder of record of our Class V common stock and two holders of record of the public warrants. The number of record holders is based upon the actual number of holders registered on our books at such date and does not include holders of shares in street name or persons, partnerships, associations, corporations or other entities identified in security position listings maintained by depository trust companies.

Dividend Policy

We have not paid any cash dividends on our Dave Class A Common Stock to date. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends will be within the discretion of our Board at such time. We do not anticipate declaring any cash dividends to holders of our Dave Class A Common Stock in the foreseeable future.

Sales of Unregistered Securities

On March 21, 2022, the Company issued a convertible note in the principal amount of \$100.0 million. The terms of the convertible note are described in Note 9 Convertible Note Payable in the notes to our consolidated financial statements for the year ended December 31, 2023 contained in this Annual Report on Form 10-K.

On January 29, 2024, the Company repurchased the \$105.5 million outstanding balance of the convertible note as of December 31, 2023 for \$71.0 million. Refer to Note 21 in the accompanying consolidated financial statements of Dave for additional information.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

Item 7. 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 consolidated financial statements and the notes related thereto which are included in “Item 8. Financial Statements and Supplementary Data” of this Annual Report on Form 10-K. 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 Factors” and elsewhere in this Annual Report on Form 10-K. On January 5, 2023, the Board of Directors approved an amendment to the Company’s certificate of incorporation to complete a 1-for-32 reverse stock split effective January 5, 2023. The effects of the reverse stock split have been reflected in the consolidated financial statements and the footnotes.

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 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 13 million Members have registered on the Dave app and over 10 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 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.

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 consolidated financial statements of Dave included in this report.

Service based revenue, net

Service based revenue, net primarily consists of optional tips, optional express processing fees 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 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 referral fees and 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.

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 routine customer service inquiries and support.

Other Operating Expenses

Other operating expenses consist primarily of technology and infrastructure (third-party Software as a Service "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 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, earnout liabilities fair value adjustments, derivative asset fair value adjustments, and changes in fair value of warrant liabilities.

Provision for income taxes

Provision 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 Years Ended December 31, 2023 and 2022

Operating revenues

(in thousands, except for percentages)	For the Year Ended		Change	
	December 31,		\$	%
	2023	2022	2023/2022	2023/2022
Service based revenue, net				
Processing fees, net	\$ 152,490	\$ 106,664	\$ 45,826	43 %
Tips	56,945	61,951	(5,006)	-8 %
Subscriptions	21,483	19,146	2,337	12 %
Other	1,323	1,099	224	20 %
Transaction based revenue, net	26,852	15,978	10,874	68 %
Total	\$ 259,093	\$ 204,838	\$ 54,255	26 %

Service based revenue, net—

Processing fees, net

Processing fees, net of processor costs associated with advance disbursements, for the year ended December 31, 2023 were \$152.5 million, an increase of \$45.8 million, or 43%, from \$106.7 million for the year ended December 31, 2022. The increase was primarily attributable to increases in transacting Members, increases in total advance volume from approximately \$2,709 million to approximately \$3,629 million year over year and average advance amounts that increased from \$134 to \$152 as of the years ended December 31, 2022 and 2023, respectively. Processing fees tend to increase as advance volume increases, but may not always trend ratably, as historically, prior to the implementation of percentage-based fees in late 2023, processing fees varied depending on the total amount of the advance. The percentage of Members that chose to pay a processing fee to expedite an advance remained relatively flat for the years ended December 31, 2023 and 2022. The average processing fees Members paid to expedite these advances increased modestly for the year ended December 31, 2023 as compared to the year ended December 31, 2022.

Tips

Tips for the year ended December 31, 2023 were \$56.9 million, a decrease of \$5.0 million, or 8%, from \$62.0 million for the year ended December 31, 2022. The decrease was primarily attributable to lower tip engagement from Members despite increases in transacting Members, increases in total advance volume from approximately \$2,709 million to approximately \$3,629 million year over year and average advance amounts that increased from \$134 to \$152 as of the years ended December 31, 2022 and 2023, 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 while the percentage of Members that chose to leave a tip decreased for the year ended December 31, 2023 as compared to the year ended December 31, 2022.

Subscriptions

Subscriptions for the year ended December 31, 2023 were \$21.5 million, an increase of \$2.3 million, or 12%, from \$19.1 million for the year ended December 31, 2022. The increase was primarily attributable to an increase in paying Members on our platform.

Other

Other revenue for the year ended December 31, 2023 were \$1.3 million, an increase of \$0.2 million, or 20%, compared to the year ended December 31, 2022. The increase was primarily attributable to increases in revenue related to the launch of our Survey product and the Reward product for Members, offset by a decrease 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 year ended December 31, 2023 was \$26.9 million, an increase of \$10.9 million, or 68%, from \$16.0 million, for the year ended December 31, 2022. The increase was primarily attributable to the growth in Members engaging with our Checking Product and corresponding growth in the number of card spend transactions initiated by Members.

Operating expenses

(in thousands, except for percentages)	For the Year Ended		Change	
	December 31,		\$	%
	2023	2022	2023/2022	2023/2022
Provision for credit losses	\$ 58,386	\$ 66,266	\$ (7,880)	-12 %
Processing and servicing costs	28,926	31,946	(3,020)	-9 %
Advertising and marketing	48,392	69,038	(20,646)	-30 %
Compensation and benefits	94,910	103,432	(8,522)	-8 %
Other operating expenses	70,679	68,551	2,128	3 %
Total	\$ 301,293	\$ 339,233	\$ (37,940)	-11 %

Provision for credit losses—The provision for credit losses totaled \$58.4 million for the year ended December 31, 2023, compared to \$66.3 million for the year ended December 31, 2022. The decrease of \$7.9 million, or 12%, was primarily attributable to an increase of \$8.8 million related to Member advances aged over 120 days and those that have become uncollectible based on information available to us, partially offset by a decrease in provision expense of \$16.7 million related to Member advances aged 120 days and under.

The increase in provision expense of \$8.8 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 increases in transacting members, average advance amounts from \$134 to \$152 and total advance volume from \$2,709 million to \$3,629 million for the years ended December 31, 2022 and 2023, respectively. All impaired advances deemed uncollectible are subsequently written-off and are a direct reduction to the allowance for credit losses.

The decrease in provision expense of \$16.7 million related to Member advances aged 120 days and under was primarily attributed to improved collections performance and lower advances outstanding, despite a 27% increase in advance volume during the last four months for the year ended December 31, 2023 compared to the last four months of the year ended December 31, 2022. This resulted in a decrease to the allowance for credit losses and corresponding lower provision for credit losses expense during the year ended December 31, 2023 as compared to December 31, 2022. 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.

Throughout the year ended December 31, 2023, loss and collections experience of Member advances continued to improve, due primarily to underwriting modifications related to advance eligibility requirements, advance stability, new Member conversion and risk detection. Historical loss and collections rates utilized in the calculation of the provision for credit losses increased slightly when compared to historical rates utilized in 2022 due to improved collections performance from the underwriting modifications made in reaction to the COVID-19 pandemic. 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, has 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 \$28.9 million for the year ended December 31, 2023, compared to \$31.9 million for the year ended December 31, 2022. The decrease of \$3.0 million, or 9.5%, was primarily driven 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 \$48.4 million for the year ended December 31, 2023, compared to \$69.0 million for the year ended December 31, 2022. The decrease of \$20.6 million, or 29.9%, 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 \$94.9 million for the year ended December 31, 2023, compared to \$103.4 million for the year ended December 31, 2022. The decrease of \$8.5 million, or 8.2%, was primarily attributable to the following:

- a decrease in stock-based compensation of \$14.0 million, primarily due to larger amounts of restricted stock units granted during the year ended December 31, 2022 compared to the year ended December 31, 2023 and stock options granted in prior years' that have fully vested;
- a decrease in contractor and consulting fees of \$2.8 million due to the average increase in employee headcount and corresponding reduction in external support for IT security, finance, marketing, design and customer service resources; and
- an increase in payroll and related costs of \$8.2 million, primarily due to average headcount and salary increases, bonuses and severance payments;

Other operating expenses—Other operating expenses totaled \$70.7 million for the year ended December 31, 2023, compared to \$68.6 million for the year ended December 31, 2022. The increase of \$2.1 million, or 3.1%, was primarily attributable to the following:

- an increase in legal fees of \$4.0 million primarily due to ongoing litigation, settlement, compliance, employment and general corporate related matters;
- an increase in expenses related to our Checking Product of \$2.7 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 charitable contribution expenses of \$2.0 million, primarily due to increased amounts pledged to charitable meal donations related to Members' tips;
- an increase in technology and infrastructure expenses of \$0.8 million, primarily due to increased costs to support the growth of our business and development of new products and features;

- a decrease in insurance related costs of \$3.5 million, primarily related to reductions in director and officer premiums;
- a decrease in rent expense of \$1.8 million due to a reduction in leased office space;
- a decrease in depreciation and amortization of \$1.2 million, primarily due to accelerated amortization related to the change in useful life of a certain intangible asset during the year ended December 31, 2022, offset by increased amortization of internally developed software due to increased internally developed capitalized costs, and depreciation related to leasehold improvements and equipment purchases; and
- a decrease in administrative expenses of \$0.8 million, primarily due to reductions in investor relations fees, accounting related fees, in-person company meetings, bank service charges, sales tax, licenses and fees, travel and entertainment and other administrative expenses.

Other (income) expense

(in thousands, except for percentages)	For the Year Ended		Change	
	December 31,		\$	%
	2023	2022	2023/2022	2023/2022
Interest income	\$ (5,295)	\$ (2,953)	\$ (2,342)	79 %
Interest expense	11,774	9,197	2,577	28 %
Legal settlement and litigation expenses	-	6,282	(6,282)	-100 %
Other strategic financing and transactional expenses	-	4,591	(4,591)	-100 %
Gain on extinguishment of liability	-	(4,290)	4,290	-100 %
Changes in fair value of earnout liabilities	(22)	(9,629)	9,607	-100 %
Changes in fair value of derivative asset on loans to stockholders	-	5,572	(5,572)	-100 %
Changes in fair value of public and private warrant liabilities	(260)	(14,192)	13,932	-98 %
Total	\$ 6,197	\$ (5,422)	\$ 11,619	-214 %

Interest income— Interest income totaled \$5.3 million for the year ended December 31, 2023, compared to \$3.0 million for the year ended December 31, 2022. The increase of \$2.3 million, or 79.3%, was primarily attributable to interest earned from yields from investments and higher interest rates during the year ended December 31, 2023 as compared to the year ended December 31, 2022.

Interest expense— Interest expense totaled \$11.8 million for the year ended December 31, 2023, compared to \$9.2 million for the year ended December 31, 2022. The increase of \$2.6 million, or 28%, was primarily attributable to interest related to a higher average outstanding balance during 2023 from the delayed draw senior secured loan facility (the “Debt Facility”) which Dave OD Funding I, LLC (“Dave OD”) entered into during January 2021, and which was subsequently amended in November 2021 to include a \$20 million line of credit (the “Credit Facility”), along with interest related to the Note with FTX Ventures and higher interest rates on borrowings under the Debt Facility and Credit Facility.

Legal settlement and litigation expenses—Legal settlement and litigation expenses totaled \$0 for the year ended December 31, 2023, compared to \$6.3 million for the year ended December 31, 2022. See Note 13 Commitments and Contingencies in the accompanying consolidated financial statements of Dave included in this report for more information regarding pending legal actions. The decrease of \$6.3 million, or 100%, was primarily attributable to the settlement of an employee-related legal matter during the year ended December 31, 2022.

Other strategic financing and transactional expenses—Other strategic financing and transactional expenses totaled \$0 for the year ended December 31, 2023, compared to \$4.6 million for the year ended December 31, 2022. The

decrease of \$4.6 million was related to one-time strategic opportunities in addition to one-time post-closing expenses associated with the Business Combination that occurred in 2022.

Gain on extinguishment of liability—Gain on extinguishment of liability totaled \$0 for the year ended December 31, 2023, compared to \$4.3 for the year ended December 31, 2022. The decrease of \$4.3 million, or 100%, was primarily attributable to the extinguishment of a \$7.5 million liability related to transaction costs associated with the Business Combination that were settled during 2022 in exchange for shares of our Class A common stock. The \$7.5 million in transaction costs were also included as part of additional paid in capital within our consolidated balance sheets as the transaction costs were originally capitalized in conjunction with the Business Combination.

Changes in fair value of earnout liability—Changes in fair value of earnout liabilities totaled a benefit of \$0.02 million for the year ended December 31, 2023, compared to totaled a benefit of \$9.6 million for the year ended December 31, 2022. The decrease of \$9.6 million, or 99.8%, was primarily attributable to fair value adjustments associated with certain earnout shares liability due to decreases in our underlying Class A Common Stock price.

Changes in fair value of derivative asset on loans to stockholders—Changes in fair value of derivative asset on loans to stockholders totaled \$0 for the year ended December 31, 2023, compared \$5.6 million for the year ended December 31, 2022. The decrease of \$5.6 million, or 100%, was primarily attributable to fair value adjustments associated with options issued in connection with loans to stockholders resulting from a decrease in the underlying fair value of our Class A Common Stock as of the settlement date of the derivative asset in early 2022. For further details, please refer to Note 2 in the accompanying consolidated financial statements of Dave included in this report.

Changes in fair value of warrant liability—Changes in fair value of warrant liability totaled a benefit of \$0.3 million for the year ended December 31, 2023, compared to total a benefit of \$14.2 million for the year ended December 31, 2022. The decrease in benefit of \$13.9 million, or 98.2%, was primarily attributable to fair value adjustments associated with certain public and private warrant liabilities due to decreases in our underlying Class A Common Stock price over the last 12 months.

Provision for income taxes

(in thousands, except for percentages)	For the Year Ended		Change	
	December 31,		\$	%
	2023	2022	2023/2022	2023/2022
Provision for (benefit from) income taxes	120	(67)	187	-279%
Total	\$ 120	\$ (67)	\$ 187	-279%

Provision for income taxes for the year ended December 31, 2023 increased by \$0.2 million, or 279%, compared to the year ended December 31, 2022. This increase was primarily due to an increase in state taxes, including gross margin state taxes, because a favorable ruling by the Texas Supreme Court regarding the determination of state sourced service income had a more significant impact on the year ended December 31, 2022.

Comparison of Years Ended December 31, 2022 and 2021

A discussion regarding our results of operations for the year ended December 31, 2022 compared to the results for the year ended December 31, 2021 can be found under “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Dave – Results of Operations” in our Form 10-K filed with the SEC on [March 13, 2023](#), which is available on the SEC’s website at www.sec.gov.

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 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 loss adjusted for interest expense, net, provision 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 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 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 loss to Adjusted EBITDA for the years ended December 31, 2023 and 2022:

(in thousands)	For the Year Ended	
	December 31,	
	2023	2022
Net loss	\$ (48,517)	\$ (128,906)
Interest expense, net	6,479	6,244
Provision for (benefit from) income taxes	120	(67)
Depreciation and amortization	5,450	6,661
Stock-based compensation	26,674	40,639
Legal settlement and litigation expenses	-	6,282
Other strategic financing and transactional expenses	-	4,591
Gain on extinguishment of liability	-	(4,290)
Changes in fair value of earnout liabilities	(22)	(9,629)
Changes in fair value of derivative asset on loans to stockholders	-	5,572
Changes in fair value of public and private warrant liabilities	(260)	(14,192)
Adjusted EBITDA	\$ (10,076)	\$ (87,095)

Liquidity and Capital Resources

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 December 31, 2023 and 2022, our cash and cash equivalents, marketable securities and investments balance was \$155.9 million and \$192.0 million, respectively.

As an early-stage company, the expenses we have incurred since inception are consistent with our strategy and approach to capital allocation. We expect to incur net losses 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. Dave does 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 to 5 years as of December 31, 2023, and we had a total lease liability of \$0.8 million. See Note 13, Leases in the notes to our consolidated financial statements for additional information regarding our lease liabilities as of December 31, 2023.

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 December 31, 2023, \$75.0 million of term loans under the Debt Facility were outstanding. See Note 11, Debt and Credit Facility in the notes to our 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. Interest payments relating to the Note were required to be made or added to the outstanding principal on a semi-annual basis. At December 31, 2023, a total of \$5.5 million of interest was added to the outstanding principal. On January 29, 2024, we repurchased the \$105.5 million outstanding balance of the Note as of December 31, 2023 for \$71.0 million. For more information on the Note Purchase Agreement with FTX Ventures, see Note 9, Convertible Note Payable and Note 21, Subsequent Events.

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

Cash Flows Summary

(in thousands)	For the Year Ended December 31,	
	2023	2022
Total cash provided by (used in):		
Operating activities	\$ 33,754	\$ (44,883)
Investing activities	(14,375)	(285,579)
Financing activities	22	321,767
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ 19,401	\$ (8,695)

Cash Flows From Operating Activities

We recorded a net loss of \$48.5 million for the year ended December 31, 2023, and a net loss of \$128.9 million for the year ended December 31, 2022. We reported cash flows provided by operating activities of \$33.8 million for the year ended December 31, 2023 and cash flows used in operating activities of \$44.9 million for the year ended December 31, 2022.

During the year ended December 31, 2023, cash provided by operating activities increased compared to the year ended December 31, 2022 due to decreases in the provision for credit losses, processing costs, marketing and compensation and benefits across the business. Excluding non-cash impacts, changes in cash flows from operations included an increase in receivables related to revenue from Member advances of \$4.1 million, a decrease in accounts payable of \$5.9 million, a decrease in legal settlement accrual of \$5.6 million, and a decrease in other current liabilities of \$1 million. These changes were offset primarily by a decrease in prepaid income taxes of 0.7 million, a decrease in prepaid expenses and other current assets of \$2.9 million, an increase in accrued expenses of \$1.7 million.

Net cash used in operating activities for the year ended December 31, 2022 included a net loss of \$128.9 million, adjusted for non-cash items of \$7.1 million for depreciation and amortization, \$66.3 million for provision for credit losses, \$5.6 million for a decrease in derivative asset fair value, and \$40.6 million for stock-based compensation expense, partially offset by \$9.6 million for a decrease in earnout liabilities fair value, and 14.2 million for a decrease in warrant liabilities fair value. Excluding non-cash impacts, changes in cash flows from operations included an increase in receivables related to revenue from Member advances of \$6.8 million, a decrease in other current liabilities of \$0.3 million, an increase in prepaid expenses and other current assets of \$6.8 million, and a decrease in accrued expenses of \$1.7 million. These changes were offset primarily by an increase in legal settlement accrual of \$5.7 million, a decrease in prepaid income taxes of \$0.6 million, and an increase in accounts payable of \$0.3 million.

Cash Flows From Investing Activities

During the year ended December 31, 2023, net cash used in investing activities was \$14.4 million. This amount included payments for internally developed software costs of \$7.9 million, the purchase of property and equipment of \$0.7 million, net disbursements and collections of Member advances of \$63.0 million, the purchase of investments of \$120.0 million, and the purchase of marketable securities of \$34.4 million, offset by the sale of marketable securities of \$33.7 million and the sale and maturity of investments of \$177.9 million.

During the year ended December 31, 2022, net cash used in investing activities was \$285.6 million. This amount included payments for internally developed software costs of \$8.6 million, the purchase of property and equipment of \$0.7 million, net disbursements and collections of Member advances of \$114.3 million, the purchase of investments of \$202.1 million, and the purchase of marketable securities of \$317.7 million, offset by the sale of marketable securities of \$325.6 million and the sale and maturity of investments of \$32.2 million.

Cash Flows From Financing Activities

During the year ended December 31, 2023, net cash provided by financing activities was \$0.02 million, which primarily consisted of payments of \$0.01 million for fractional shares that resulted from our reserve stock split and \$0.03 million in proceeds from the issuance of common stock for stock option exercises.

During the year ended December 31, 2022, net cash provided by financing activities was \$321.8 million, which consisted of \$195.0 million in proceeds from PIPE financing in connection with the Business Combination, \$29.7 million in proceeds from the Business Combination, net of redemptions, \$0.6 million in proceeds from stock option exercises, \$100 million in proceeds from borrowings related to the Note Purchase Agreement with FTX Ventures,

and \$40.0 million related to debt facility borrowings, partially offset by \$23.0 million for the payment of issuance costs related to the Business Combination, \$20.0 million related to the repayment of the credit facility borrowings, and \$0.5 million related to the repurchase of Class A Common Stock.

Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these 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 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. Please refer to Note 2 in our accompanying consolidated financial statements for the years ended December 31, 2023 and 2022 included in this Annual Report on Form 10-K.

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.

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.

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 \$1.3 million and \$0.9 million of uncertain tax positions as of December 31, 2023 and 2022, respectively, related to state income taxes and federal and state R&D tax credits.

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 December 31, 2023 and December 31, 2022. 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

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 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 consolidated financial statements included in this report for the recent accounting pronouncements adopted and the recent accounting pronouncements not yet adopted for the years ended December 31, 2023 and 2022.

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 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 consolidated financial statements included in this report for a discussion of the impact of recent accounting pronouncements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not required for smaller reporting companies.

Item 8. Financial Statements and Supplementary Data.

**DAVE INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Dave Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Dave Inc. and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows, for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Los Angeles, California
March 5, 2024

We have served as the Company's auditor since 2022.

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

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 41,759	\$ 22,889
Marketable securities	952	285
Member advances, net of allowance for credit losses of \$20,310 and \$24,501 as of December 31, 2023 and December 31, 2022, respectively	112,846	104,183
Investments	113,226	168,789
Prepaid income taxes	148	831
Prepaid expenses and other current assets	7,955	11,591
Total current assets	276,886	308,568
Property and equipment, net	1,118	1,026
Lease right-of-use assets (related-party of \$773 and \$735 as of December 31, 2023 and December 31, 2022, respectively)	773	735
Intangible assets, net	13,206	10,163
Debt facility commitment fee, long-term	318	75
Restricted cash	1,319	788
Other non-current assets	403	137
Total assets	\$ 294,023	\$ 321,492
Liabilities, and stockholders' equity		
Current liabilities:		
Accounts payable	5,485	\$ 11,418
Accrued expenses	12,626	10,965
Lease liabilities, short-term (related-party of \$298 and \$273 as of December 31, 2023 and December 31, 2022, respectively)	298	273
Legal settlement accrual	3,330	9,450
Other current liabilities	3,865	4,311
Total current liabilities	25,604	36,417
Lease liabilities, long-term (related-party of \$543 and \$550 as of December 31, 2023 and December 31, 2022, respectively)	543	550
Debt facility, long-term	75,000	75,000
Convertible debt, long-term	105,451	102,325
Warrant and earnout liabilities	233	516
Other non-current liabilities	129	124
Total liabilities	\$ 206,960	\$ 214,932
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, par value per share \$0.0001, 10,000,000 shares authorized; 0 shares issued and outstanding at December 31, 2023 and December 31, 2022	-	-
Class A common stock, par value per share \$0.0001, 500,000,000 shares authorized; 10,683,736 and 10,334,220 shares issued at December 31, 2023 and December 31, 2022, respectively; 10,634,173 and 10,284,657 shares outstanding at December 31, 2023 and December 31, 2022, 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 December 31, 2023 and December 31, 2022, respectively;	-	-
Additional paid-in capital	296,733	270,037
Accumulated other comprehensive gain (loss)	649	(1,675)
Accumulated deficit	(210,320)	(161,803)
Total stockholders' equity	\$ 87,063	\$ 106,560
Total liabilities, and stockholders' equity	\$ 294,023	\$ 321,492

See accompanying notes to the consolidated financial statements.

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

The following table presents the assets and liabilities of a consolidated variable interest entity (“VIE”), which are included in the 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.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash and cash equivalents	\$ 37,684	\$ 12,030
Investments	21,264	-
Member advances, net of allowance for credit losses	95,812	71,545
Debt facility commitment fee, current	139	62
Debt facility commitment fee, long-term	318	75
Total assets	\$ 155,217	\$ 83,712
Liabilities		
Accounts payable	661	531
Long-term debt facility	75,000	75,000
Total liabilities	\$ 75,661	\$ 75,531

See accompanying notes to the consolidated financial statements.

Dave Inc.
Consolidated Statements of Operations
(in thousands; except share data)

For the Year Ended December 31,
2023 **2022**

	2023	2022
Operating revenues:		
Service based revenue, net	\$ 232,241	\$ 188,860
Transaction based revenue, net	26,852	15,978
Total operating revenues, net	259,093	204,838
Operating expenses:		
Provision for credit losses	58,386	66,266
Processing and servicing costs	28,926	31,946
Advertising and marketing	48,392	69,038
Compensation and benefits	94,910	103,432
Other operating expenses	70,679	68,551
Total operating expenses	301,293	339,233
Other (income) expenses:		
Interest income	(5,295)	(2,953)
Interest expense	11,774	9,197
Legal settlement and litigation expenses	-	6,282
Other strategic financing and transactional expenses	-	4,591
Gain on extinguishment of liability	-	(4,290)
Changes in fair value of earnout liabilities	(22)	(9,629)
Changes in fair value of derivative asset on loans to stockholders	-	5,572
Changes in fair value of public and private warrant liabilities	(260)	(14,192)
Total other expense (income), net	6,197	(5,422)
Net loss before provision for (benefit from) income taxes	(48,397)	(128,973)
Provision for (benefit from) income taxes	120	(67)
Net loss	\$ (48,517)	\$ (128,906)
Net loss per share:		
Basic	\$ (4.07)	\$ (11.12)
Diluted	\$ (4.07)	\$ (11.12)
Weighted-average shares used to compute net loss per share		
Basic	11,934,699	11,587,901
Diluted	11,934,699	11,587,901

See accompanying notes to the consolidated financial statements.

Dave Inc.
Consolidated Statements of Comprehensive Loss
(in thousands)

For the Year Ended December 31,

	<u>2023</u>	<u>2022</u>
Net loss	\$ (48,517)	\$ (128,906)
Other comprehensive gain (loss):		
Unrealized gain (loss) on available-for-sale securities	2,324	(1,675)
Comprehensive loss	\$ (46,193)	\$ (130,581)

See accompanying notes to the consolidated financial statements.

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

	Common stock									
	Class A		Class V		Additional paid-in capital	Loans to stockhold ers	Treasury stock	Accumulate d other comprehens ive income (loss)	Accumulate d deficit	Total stockholders' equity
	Shares	Amount	Shares	Amount						
Balance at January 1, 2022	9,283,010	\$ 1	1,514,082	\$ -	\$ 86,830	\$ (15,192)	\$ (5)	\$ -	\$ (32,897)	\$ 38,737
Issuance of Class A common stock in connection with stock plans	264,390	-	-	-	1,658	-	-	-	-	1,658
Issuance of Class A common stock pursuant to the PIPE financing	656,247	-	-	-	210,000	-	-	-	-	210,000
Issuance of Class A common stock pursuant to the Merger Agreement	211,415	-	-	-	(29,852)	-	-	-	-	(29,852)
Exercise of Series B-1 preferred stock warrants, net of settlement	14,087	-	-	-	3,365	-	-	-	-	3,365
Conversion of 2019 convertible notes and accrued interest to Class A common stock	7,040	-	-	-	720	-	-	-	-	720
Repurchase of Class A common stock	(6,203)	-	-	-	(1,588)	-	5	-	-	(1,583)
Exercise of warrant for Class A common stock	3	-	-	-	-	-	-	-	-	-
Stockholder loans interest	-	-	-	-	-	(12)	-	-	-	(12)
Exercise of derivative asset and paydown of stockholder loans	(187,945)	-	-	-	(44,885)	15,204	-	-	-	(29,681)
Extinguishment of liability	42,613	-	-	-	3,150	-	-	-	-	3,150
Stock-based compensation	-	-	-	-	40,639	-	-	-	-	40,639
Unrealized loss on available-for-sale securities	-	-	-	-	-	-	(1,675)	-	-	(1,675)
Net loss	-	-	-	-	-	-	-	-	(128,906)	(128,906)
Balance at December 31, 2022	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	349,516	-	-	-	34	-	-	-	-	34
Payment for fractional shares on reverse stock split	-	-	-	-	(12)	-	-	-	-	(12)
Stock-based compensation	-	-	-	-	26,674	-	-	-	-	26,674
Unrealized gain on available-for-sale securities	-	-	-	-	-	-	2,324	-	-	2,324
Net loss	-	-	-	-	-	-	-	-	(48,517)	(48,517)
Balance at December 31, 2023	10,634,173	\$ 1	1,514,082	\$ -	\$ 296,733	\$ -	\$ -	\$ 649	\$ (210,320)	\$ 87,063

See accompanying notes to the consolidated financial statements.

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

	For the Year Ended December 31,	
	2023	2022
Operating activities		
Net loss	\$ (48,517)	\$ (128,906)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,544	7,133
Provision for credit losses	58,386	66,266
Changes in fair value of derivative asset on loans to stockholders	-	5,572
Changes in fair value of earnout liabilities	(22)	(9,629)
Changes in fair value of public and private warrant liabilities	(260)	(14,192)
Gain on extinguishment of liability	-	(4,290)
Stock-based compensation	26,674	40,639
Non-cash interest	3,114	2,304
Non-cash lease expense	(20)	(100)
Changes in fair value of marketable securities and investments	44	(578)
Changes in operating assets and liabilities:		
Member advances, service based revenue	(4,082)	(6,842)
Prepaid income taxes	683	550
Prepaid expenses and other current assets	3,311	(6,805)
Accounts payable	(5,935)	330
Accrued expenses	1,661	(1,684)
Legal settlement accrual	(6,120)	5,749
Other current liabilities	(446)	(263)
Other non-current liabilities	5	-
Other non-current assets	(266)	(137)
Net cash provided by (used in) operating activities	33,754	(44,883)
Investing activities		
Payments for internally developed software costs	(7,895)	(8,584)
Purchase of property and equipment	(688)	(728)
Net disbursements and collections of Member advances	(62,967)	(114,323)
Purchase of investments	(120,016)	(202,091)
Sale and maturity of investments	177,863	32,228
Purchase of marketable securities	(34,399)	(317,675)
Sale of marketable securities	33,727	325,594
Net cash used in investing activities	(14,375)	(285,579)

Financing activities

Proceeds from PIPE offering	-	195,000
Proceeds from escrow account	-	29,688
Payment of issuance costs	-	(23,005)
Payment for fractional shares on reverse stock split	(12)	-
Proceeds from issuance of common stock for stock option exercises	34	620
Repurchase of common stock	-	(536)
Proceeds from borrowings on convertible debt	-	100,000
Proceeds from borrowings on debt and credit facilities	-	40,000
Repayment of borrowings on credit facility	-	(20,000)
Net cash provided by financing activities	22	321,767
Net increase (decrease) in cash and cash equivalents and restricted cash	19,401	(8,695)
Cash and cash equivalents and restricted cash, beginning of the period	23,677	32,372
Cash and cash equivalents and restricted cash, end of the period	\$ 43,078	\$ 23,677

Supplemental disclosure of non-cash investing and financing activities:

Property and equipment purchases in accounts payable and accrued liabilities	\$ 2	\$ 3
Operating lease right of use assets recognized	\$ 298	\$ -
Operating lease liabilities recognized	\$ 298	\$ -
Conversion of convertible preferred stock to Class A common stock in connection with the reverse recapitalization	\$ -	\$ 72,173
Recapitalization transaction costs liability incurred	\$ -	\$ 10,650
Conversion of convertible notes and accrued interest to Class A common stock in connection with the reverse recapitalization	\$ -	\$ 720
Conversion of B-1 warrants to Class A common stock in connection with the reverse recapitalization	\$ -	\$ 3,365
Discharge of PIPE promissory note in connection with the reverse recapitalization	\$ -	\$ 15,000

Supplemental disclosure of cash (received) paid for:

Income taxes	\$ (586)	\$ (622)
Interest	\$ 8,630	\$ 5,677

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported within the consolidated balance sheets with the same as shown in the consolidated statement of cash flows

Cash and cash equivalents	\$ 41,759	\$ 22,889
Restricted cash	1,319	788
Total cash, cash equivalents, and restricted cash, end of the period	\$ 43,078	\$ 23,677

See accompanying notes to the consolidated financial statements.

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 was originally incorporated in the State of Delaware on January 14, 2021 as a special purpose acquisition company under the name VPC Impact Acquisition Holdings III, Inc. (“VPCC”) and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On January 5, 2022, the Company consummated the transactions contemplated by that certain Agreement and Plan of Merger, dated as of June 7, 2021 among VPCC, Dave Inc., a Delaware corporation (“Legacy Dave”), and other entities. In connection with the closing of the transactions, the Company changed its name from “VPC Impact Acquisition Holdings III, Inc.” to “Dave Inc.”

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 high APY savings rates as well as Dave’s Side Hustle product and Surveys, where Dave presents Members with supplemental work and income opportunities, respectively.

ExtraCash:

Many Americans are often unable to maintain a positive balance between paychecks, driving a reliance on overdraft, 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, which allows Members to advance funds to their account and avoid a fee altogether. Members may receive an advance of up to \$500 and may only have one advance outstanding at any given time.

Dave Banking:

Dave offers a full-service digital checking account through its partnership with Evolve Bank and Trust (“Evolve”). The Dave Spending Account does not have overdraft or minimum balance fees.

Budget:

Dave’s automated financial management tool leverages historical bank account data to help Members understand both recurring and commonly occurring charges. Budget also notifies Members when there is a chance of an overdraft.

Side Hustle:

Dave seeks to help Members improve their financial health by presenting new job opportunities to them. Through Dave’s partnership with leading employers, Members can quickly submit applications and improve their income with flexible employment.

Surveys:

Dave’s Surveys product allows for additional income earning opportunities, allowing Members to take paid surveys anytime within the Dave mobile application. This functionality drives engagement within the Dave ecosystem and deepens the Company’s relationship to its Members’ financial wellbeing.

Business Combination

On January 5, 2022 (the “Closing Date”), the Company consummated the previously announced transaction (pursuant to that certain Agreement and Plan of Merger, dated June 7, 2021 (the “Business Combination Agreement”), by and

among Legacy Dave, VPCC, Bear Merger Company I Inc., a Delaware corporation and a direct, wholly owned Subsidiaries of VPCC (“First Merger Sub”), and Bear Merger Company II LLC, a Delaware limited liability company and a direct wholly owned Subsidiaries of VPCC (“Second Merger Sub”).

On January 5, 2022, pursuant to the Business Combination Agreement, First Merger Sub merged with and into Legacy Dave (the “First Merger”), with Legacy Dave surviving the First Merger as a wholly owned subsidiary of VPCC (such company, in its capacity as the surviving corporation of the First Merger, the “Surviving Corporation”), immediately followed by the Surviving Corporation merging with and into Second Merger Sub (the “Second Merger”, the Second Merger together with the First Merger, the “Mergers” and the Mergers together with the other transactions contemplated by the Business Combination Agreement, the “Business Combination” or the “Transactions”), with Second Merger Sub (such entity, following the Second Merger, the “Surviving Entity”) surviving the Second Merger as a wholly owned subsidiary of VPCC. Following the Mergers, “VPC Impact Acquisition Holdings III, Inc.” was renamed “Dave Inc.” and the Surviving Entity was renamed “Dave Operating LLC”.

On January 5, 2022, the holders of (a) Legacy Dave capital stock and (b) Legacy Dave’s options to purchase Legacy Dave capital stock pursuant to Legacy Dave’s stock plan (the “Legacy Dave Options”), received aggregate merger consideration, consisting of 10,226,738 shares of Class A common stock of the Company, par value \$0.0001 per share (the “Class A Common Stock”) and 1,514,082 shares of Class V common stock of the Company, par value \$0.0001 per share (the “Class V Common Stock”, and together with the Class A Common Stock, the “Common Stock”).

Note 2 Significant Accounting Policies

Basis of Presentation

These 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, stockholders approved the reverse stock split. The primary goal of the reverse stock split is 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 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 Year Ended December 31,	
	2023	2022
Service based revenue, net		
Processing fees, net	\$ 152,490	\$ 106,664
Tips	56,945	61,951
Subscriptions	21,483	19,146
Other	1,323	1,099
Transaction based revenue, net		
Interchange revenue, net	17,004	10,792
ATM revenue, net	2,605	2,929
Other	7,243	2,257
Total operating revenues, net	\$ 259,093	\$ 204,838

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 nonrefundable 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 years ended December 31, 2023 and 2022, were \$3.3 million and \$5.5 million, respectively.

Tips

The Company encourages, but does not contractually require its Members who receive a cash advance to leave a discretionary tip. 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:

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 of out-of-network reduced by related ATM transaction costs during the years ended December 31, 2023 and 2022, were \$2.6 million and \$2.9 million, respectively. ATM-related fees recognized as a reduction of transaction based revenue during the years ended December 31, 2023 and 2022, were \$1.8 million and \$0.7 million, respectively.

Processing and Servicing Costs

Processor 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).

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 advance 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 years ended December 31, 2023 and 2022, were \$7.6 million and \$8.6 million, respectively. Additionally, \$7.7 million related to the Company's legacy advance application software asset has been fully amortized and written off as of June 2023.

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 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 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.

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 insured limits were approximately \$40.9 million and \$20.7 million at December 31, 2023 and 2022, 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.

No Member individually exceeded 10% or more of the Company’s Member advances balances as of December 31, 2023 and December 31, 2022.

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.

Restricted Stock Awards:

Restricted stock awards (“RSAs”) are valued on the grant date. The fair value of 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 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.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2023 and 2022, were \$48.4 million and \$69.0 million, respectively, and is presented within advertising and marketing in the consolidated statements of operations.

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 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 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.

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 \$1.3 million and \$0.9 million of uncertain tax positions as of December 31, 2023 and 2022, respectively, related to state income taxes, and federal and state R&D 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 million and \$0.005 million of interest expense and penalties as a component of income tax expense during the year ended December 31, 2023 and 2022, respectively. There were \$0.016 million and \$0.012 million of accrued interest expense and penalties as of December 31, 2023 and 2022, 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 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 December 31, 2023.

Basic net loss attributable to holders of Common Stock per share is calculated by dividing net loss attributable to holders of Common Stock by the weighted-average number of shares outstanding, excluding shares issued in relation to unvested restricted stock awards and vested early exercise options funded by non-recourse notes (refer to Note 17, Related-Party Transactions for further details on the Company's Loans to Stockholders).

Diluted net loss per share attributable to holders of common stock adjusts the basic net loss per share attributable to stockholders and the weighted-average number of shares outstanding for the potentially dilutive impact of stock options, warrants, and restricted stock using the treasury stock method and convertible preferred stock using the as-if-converted method.

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

	For the Year Ended December 31,	
	2023	2022
<u>Numerator</u>		
Net loss	\$ (48,517)	\$ (128,906)
Net loss attributed to common stockholders—basic	(48,517)	(128,906)
Add: undistributed earnings reallocated to common stock	-	-
Net loss attributed to common stockholders—diluted	\$ (48,517)	\$ (128,906)
<u>Denominator</u>		
Weighted-average shares of common stock—basic	11,934,699	11,587,901
Dilutive effect of equity incentive awards	-	-
Weighted-average shares of common stock—diluted	11,934,699	11,587,901
<u>Net loss per share</u>		
Basic	\$ (4.07)	\$ (11.12)
Diluted	\$ (4.07)	\$ (11.12)

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

	For the Year Ended December 31,	
	2023	2022
Equity incentive awards	2,493,468	1,412,726
Convertible debt	312,500	312,500
Total	2,805,968	1,725,226

Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted:

In November 2023, the FASB issued Accounting Standards Update 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 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.

Recently Adopted Accounting Pronouncements:

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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 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 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, consolidated financial statements, and related disclosures, and has determined that the adoption did not have a significant impact on its consolidated financial statements and related disclosures.

Note 3 Marketable Securities

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

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
Marketable securities	\$	952	\$	285
Total	\$	952	\$	285

At December 31, 2023 and 2022, the Company's marketable securities consisted of investments in a publicly traded money market mutual fund. The underlying money market instruments were primarily comprised of certificates of deposit and financial company asset backed commercial paper. At December 31, 2023 and 2022, the investment portfolio had a weighted-average maturity of 40 days and 48 days, respectively. The gain recognized in connection with the investment in marketable securities for the year ended December 31, 2023, was approximately \$0.4 million and recorded as a component of interest income in the consolidated statements of operations. The gain recognized in connection with the investment in marketable securities for the year ended December 31, 2022, was \$0.4 million and was recorded as a component of interest income in the consolidated statements of operations.

Note 4 Investments

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

Below is a summary of investments, which are measured at fair value as of December 31, 2022 (in thousands):

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate bonds	\$ 151,245	\$ 100	\$ (1,769)	\$ 149,576
Asset-backed securities	16,269	31	(46)	16,254
Government securities	2,950	9	-	2,959
Total	\$ 170,464	\$ 140	\$ (1,815)	\$ 168,789

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	
	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)
Asset-backed securities	-	-	274	(1)	274	(1)
Government securities	3,813	(13)	-	-	3,813	(13)
Total	\$ 13,084	\$ (63)	\$ 15,263	\$ (296)	\$ 28,348	\$ (359)

	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
December 31, 2022						
Corporate bonds	\$ 129,573	\$ (1,769)	\$ -	\$ -	\$ 129,573	\$ (1,769)
Asset-backed securities	11,000	(46)	-	-	11,000	(46)
Government securities	-	-	-	-	-	-
Total	\$ 140,573	\$ (1,815)	\$ -	\$ -	\$ 140,573	\$ (1,815)

The gain recorded in connection with investments for the year ended December 31, 2023, was \$1.0 million, and was recorded as a component of interest income in the consolidated statements of operations. The loss in connection with the investment in investments for the year ended December 31, 2022 was insignificant and was recorded as a component of interest income in the consolidated statements of operations. Accrued interest of \$0.8 million and \$1.4 million is included in investments within the consolidated balance sheets for the period ended December 31, 2023 and December 31, 2022, respectively.

Unrealized losses on the available-for-sale investment securities as of December 31, 2023 and December 31, 2022 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 year ended December 31, 2023 and 2022.

As of December 31, 2023, the contractual maturities of available-for-sale investment securities were as follows (in thousands):

	Amortized Cost	Fair Value
Due in one year or less	\$ 85,697	\$ 86,338
Due after one year through five years	\$ 26,880	\$ 26,888
Total	\$ 112,577	\$ 113,226

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 December 31, 2023 (in thousands):

Days From Origination	Gross Member Advances	Allowance for Credit Losses	Member Advances, 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

Below is a detail of Member advances, net as of December 31, 2022 (in thousands):

Days From Origination	Gross Member Advances	Allowance for Credit Losses	Member Advances, Net
1-10	\$ 91,121	\$ (2,224)	\$ 88,897
11-30	10,683	(2,582)	8,101
31-60	9,022	(5,529)	3,493
61-90	8,865	(6,702)	2,163
91-120	8,993	(7,464)	1,529
Total	\$ 128,684	\$ (24,501)	\$ 104,183

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

Opening allowance balance at January 1, 2023	\$	24,501
Plus: provision for credit losses		58,386
Plus: amounts recovered		12,685
Less: amounts written-off		(75,262)
Ending allowance balance at December 31, 2023	\$	20,310
Opening allowance balance at January 1, 2022	\$	11,995
Plus: provision for credit losses		66,266
Plus: amounts recovered		9,494
Less: amounts written-off		(63,254)
Ending allowance balance at December 31, 2022	\$	24,501

The provision for credit losses for the year ended December 31, 2023 was lower compared the year ended December 31, 2022, due primarily to improved collections performance throughout the year and lower amounts outstanding 31 days to 120 days from origination. The increase in amounts written-off for the year ended December 31, 2023 compared to the year ended December 31, 2022, was primarily as result of higher member advance disbursements, which increased from \$2,709 million to \$3,629 million, offset by improved collections performance year over year.

Note 6 Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	December 31, 2023		December 31, 2022	
Computer equipment	\$	1,133	\$	1,027
Leasehold improvements		1,178		707
Furniture and fixtures		93		18
Total property and equipment		2,404		1,752
Less: accumulated depreciation		(1,286)		(726)
Property and equipment, net	\$	1,118	\$	1,026

Depreciation expense for the years ended December 31, 2023 and 2022, was approximately \$0.6 million and \$0.4 million, respectively.

Note 7 Intangible Assets, Net

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

	Weighted Average Useful Lives	December 31, 2023			December 31, 2022		
		Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value
Internally developed software	3.0 Years	\$ 21,601	\$ (8,461)	\$ 13,140	\$ 21,694	\$ (11,605)	\$ 10,089
Domain name	15.0 Years	121	(55)	66	121	(47)	74
Intangible assets, net		\$ 21,722	\$ (8,516)	\$ 13,206	\$ 21,815	\$ (11,652)	\$ 10,163

The future estimated amortization expenses as of December 31, 2023, were as follows (in thousands):

2024	6,184
2025	4,383
2026	2,597
2027	8
Thereafter	34
Total future amortization	\$ 13,206

Amortization expense for the years ended December 31, 2023 and 2022, was \$4.9 million and \$6.3 million, respectively. No impairment charges were recognized related to long-lived assets for the years ended December 31, 2023 and 2022.

Amortization expense related to change in useful life of a certain definite-lived intangible asset for the year ended December 31, 2023 was \$0.3 million, respectively. Amortization expense related to change in useful life of a certain definite-lived intangible asset for the year ended December 31, 2022 was \$2.7 million.

Note 8 Accrued Expenses and Other Current Liabilities

Accrued Expenses

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

	December 31, 2023	December 31, 2022
Accrued charitable contributions	\$ 2,212	\$ 3,067
Accrued compensation	3,605	1,534
Sales tax payable	1,442	1,357
Accrued professional and program fees	4,208	4,008
Other	1,159	999
Total	\$ 12,626	\$ 10,965

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 third parties who use the funds to provide meals to those in need. For the years ended December 31, 2023 and 2022, the Company pledged \$5.1 million and \$3.2 million related to charitable donations, respectively. These costs are expensed as incurred and are presented within other general and administrative expenses in the consolidated statements of operations.

Other Current Liabilities

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

	December 31, 2023	December 31, 2022
Deferred transaction costs	\$ 3,150	\$ 3,150
Other	715	1,161
Total	\$ 3,865	\$ 4,311

Other current liabilities includes deferred transaction costs associated with the Business Combination. These transaction costs were also capitalized and included within APIC in the consolidated balance sheets.

Note 9 Convertible Note Payable

On March 21, 2022, the Company entered into a Convertible Note Purchase Agreement ("Note 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 bears 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 will 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.

During the term of the Note, the Note will be convertible into shares of the Company's Class A Common Stock, at the option of the Purchaser, upon delivery on one or more occasions of a written notice to the Company electing to convert the Note or all of any portion of the outstanding principal amount of the Note. The initial conversion price of the Note is \$320.00 per share of Common Stock (the "Conversion Price"). The Conversion Price of the Note is subject to adjustment for stock splits, dividends or distributions, recapitalizations, spinoffs or similar transactions. The Note and the shares of Common Stock issuable upon conversion of the Note have not been registered under the Securities Act and may not be offered or sold absent registration or an applicable exemption from registration requirements.

Beginning on the twenty-four-month anniversary of the Issuance Date continuing until the Maturity Date, if the closing price of the Common Stock equals or exceeds 175% of the Conversion Price for 20 out of the 30 consecutive trading days ending immediately preceding the delivery of the notice of the Company's election to convert the Note, the Note will be convertible into shares of Common Stock at the option of the Company, upon delivery of a written notice to the Purchaser electing to convert the Note or all or any portion of the outstanding principal amount of the Note.

At any time prior to the Maturity Date, the Company may, in its sole discretion and upon delivery of a written notice to the Purchaser electing to prepay the Note, prepay the Note without penalty by paying the Purchaser 100% of the Redemption Price. Once the Redemption Price has been delivered to the Purchaser, the Note will be canceled and retired.

The effective interest rate as of December 31, 2023 was 3.01%. As of December 31, 2023, the outstanding balance of the Note, including paid in-kind interest, was \$105.5 million.

On January 29, 2024, the Company repurchased the \$105.5 million outstanding balance of the Note as of December 31, 2023 for \$71.0 million. For more information on the Purchase Agreement with FTX Ventures, see Note 21, Subsequent Events.

Note 10 Warrant Liabilities

As of December 31, 2023, 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 \$368.00 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;
- 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.

Note 11 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 million 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 December 31, 2023 and December 31, 2022, 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, and no gain or loss was recognized. As of December 31, 2023, the Company was in compliance with all covenants.

Note 12 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.

1. Martinsek v. Dave Inc. (filed January 9, 2020 in the California Superior Court for the County of Los Angeles)

In January 2020, a former employee of the Company filed a complaint in the California Superior Court for the County of Los Angeles against the Company and the Company's Chief Executive Officer, asserting claims for, among other things, breach of contract, breach of fiduciary duty, conversion, and breach of the implied covenant of good faith and fair dealing. The Company settled this matter in January 2023 for approximately \$6.0 million which is included in the Legal settlement accrual within the consolidated balance sheet for the year ended December 31, 2022.

2. 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 is in the process of settling this matter on a classwide basis, and the estimated settlement amount of approximately \$3.2 million is included in the Legal settlement accrual within the consolidated balance sheets for the years ended December 31, 2023 and December 31, 2022.

The Company has 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 Company plans on settling the remaining amounts in Q1 2024. Legal settlement amounts of approximately \$0.2 million are included in the Legal settlement accrual within the consolidated balance sheets for the years ended December 31, 2023 and 2022.

Note 13 Leases

In January 2019, the Company entered into a lease agreement with PCJW Properties LLC ("PCJW") for office space located in Los Angeles, California. The lease term is seven years, beginning January 1, 2019 and ending December 31, 2025. Monthly rent 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%.

In May 2020, the Company entered into a sublease with Whalerock for general office space in West Hollywood, California. Under the terms of the sublease, the lease term is approximately 12 months and the monthly rent is \$0.14 million. The Company began utilizing the office space in June 2021. The lease was abandoned in August of 2022.

All leases were classified as operating and operating lease expenses are presented within Other operating expenses in the 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):

	Year Ended December 31	
	2023	2022
Operating lease cost	\$ 331	\$ 2,140
Short-term lease cost	-	39
Total lease cost	\$ 331	\$ 2,179

	Year Ended December 31	
	2023	2022
Other information:		
Cash paid for operating leases	\$ 351	\$ 1,554
Weighted-average remaining lease term - operating lease	298	2.85
Weighted-average discount rate - operating lease		10%

The future minimum lease payments as of December 31, 2023, were as follows (in thousands):

Year	Related-Party Commitment
2024	\$ 366
2025	383
2026	76
Thereafter	148
Total minimum lease payments	\$ 973
Less: imputed interest	(132)
Total lease liabilities	\$ 841

Note 14 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 December 31, 2023 and 2022, 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):

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

The Company had no assets and liabilities measured at fair value on a non-recurring basis as of December 31, 2023 and 2022.

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 carrying values.

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.

Investments:

The following describes the valuation techniques used by the Company to measure the fair value of investments held as of December 31, 2023 and December 31, 2022.

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.

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 10, 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 gain related to the change in fair value of the public warrant liability for year ended December 31, 2023, was \$0.1 million, 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 (dollars in thousands):

Opening value at January 1, 2023	\$ 209
Change in fair value during the period	(112)
Ending value at December 31, 2023	\$ 97

Private Warrants:

As discussed further in Note 10, Warrant Liabilities, in January 2022, upon completion of the Business Combination, private warrants were automatically converted to warrants to purchase 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 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

related to the change in fair value of the private warrant liability for year ended December 31, 2023 was \$0.1 million, which is presented within changes in fair value of private warrant liability 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, 2023	\$	253
Change in fair value during the period		(148)
Ending value at December 31, 2023	\$	105

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 year ended December 31, 2023:

Exercise price	\$	368.00
Expected volatility		107.7%
Risk-free interest rate		4.01%
Remaining term		3.01 years
Dividend yield		0%

Earnout Shares Liability:

As discussed further in Note 20, The Reverse Recapitalization and Related Transactions, as part of the 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 (“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 related to the change in fair value of the Founder Holder Earnout Shares liabilities for year ended December 31, 2023, was \$0.02 million, which is 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, 2023	\$	53
Change in fair value during the period		(22)
Ending value at December 31, 2023	\$	31

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 year ended December 31, 2023:

Exercise price	\$400-\$480
Expected volatility	92.5%
Risk-free interest rate	4.0%
Remaining term	3.01 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 December 31, 2023 and December 31, 2022.

Note 15 Stockholders’ Equity

As of December 31, 2023, 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 are 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 are 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:

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 shall 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. Class V Common Stock 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 December 31, 2023, the Company had 10,683,736 and 1,514,082 of Class A Common Stock and Class V Common Stock issued, respectively. As of December 31, 2023, the Company had 10,634,173 and 1,514,082 of Class A Common Stock and Class V Common Stock outstanding, respectively.

Note 16 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 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.

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. The 2021 Plan became effective immediately upon the completion of the business combination with VPCC.

The Company recognized \$26.7 million and \$40.6 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 consolidated statements of operations for the years ended December 31, 2023 and 2022, 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 \$0.2 million, of which \$0.14 million related to vested stock option awards was expensed on the repricing date. The remaining \$0.06 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.

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.

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:

	Shares	Weighted-Average Exercise Price	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Options outstanding, January 1, 2022	1,084,586	\$ 20.35	8.5	\$ 288,784
Granted	-	\$ -		
Exercised	(115,113)	\$ 14.10		
Forfeited	(44,517)	\$ 21.76		
Expired	(20,736)	\$ 22.28		
Options outstanding, December 31, 2022	904,220	\$ 21.04	7.3	\$ 655
Granted	335,502	\$ 6.41		
Exercised	(13,099)	\$ 2.13		
Forfeited	(143,068)	\$ 21.67		
Expired	(316,726)	\$ 22.84		
Options outstanding, December 31, 2023	766,829	\$ 14.10	6.3	\$ 1,148
Nonvested options, December 31, 2023	410,075	\$ 21.03	7.2	\$ 100
Vested and exercisable, December 31, 2023	356,754	\$ 6.12	5.3	\$ 1,047

At December 31, 2023, total estimated unrecognized stock-based compensation cost related to unvested stock options prior to that date was \$6.5 million, which is expected to be recognized over a weighted-average remaining period of 3.1 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 December 31, 2023 and 2022, 0 and 5,555 shares of Common Stock were subject to repurchase at 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 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 with VPCC, 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 interest rate, and volatility. The derived service periods determined by the valuation for each of the nine tranches range from approximately 3 years to approximately 7 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%

Restricted Stock Units:

Activity with respect to RSUs is summarized as follows:

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested shares at January 1, 2023	508,506	\$ 122.27
Granted	1,980,437	\$ 4.94
Vested	(336,417)	\$ 62.25
Forfeited	(425,887)	\$ 26.11
Nonvested shares at December 31, 2023	1,726,639	\$ 23.10

At December 31, 2023, total estimated unrecognized stock-based compensation cost related to nonvested RSUs was \$38.1 million, which is expected to be recognized over a weighted-average period of 2.0 years.

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 granted during January 2023 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%

Note 17 Related-Party Transactions

Leasing Arrangements:

For each of the years ended December 31, 2023 and 2022, the Company paid \$0.3 million under lease agreements with PCJW, which is controlled by the Company's founders (including the Company's CEO) for general office space in Los Angeles, California.

The following is a schedule of future minimum rental payments as of December 31, 2023, under Company's sublease for the properties located in Los Angeles, California signed with PCJW (in thousands):

<u>Year</u>	<u>Related-Party Commitment</u>
2024	\$ 366
2025	\$ 383
2026	\$ 76
Thereafter	148
Total minimum lease payments	\$ 973
Less: imputed interest	(132)
Total lease liabilities	\$ 841

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 consolidated balance sheets.

Related-Party Exercise Receivable Promissory Notes:

On January 3, 2022, Legacy Dave entered into an agreement with a certain executive to transfer and sell shares of Legacy Dave common stock to Legacy Dave. A total of 4,580 shares of Legacy Dave's common stock were repurchased for an aggregate purchase amount of \$1.6 million, which resulted in an extinguishment of the related-party exercise receivable promissory notes.

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 \$8.6 million for the year ended December 31, 2023. For more information about the Debt Facility with VPC, refer to Note 11, 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 \$0.8 million for the year ended December 31, 2023.

Note 18 Income Taxes

The components of income tax (benefit) expense for the years ended December 31, 2023, and 2022 were as follows (dollars in thousands):

	2023	2022
Current:		
Federal	\$ -	\$ (6)
State	120	(61)
Total current	120	(67)
Deferred:		
Federal	-	-
State	-	-
Total deferred	-	-
Provision for (benefit from) income taxes	\$ 120	\$ (67)

A reconciliation between the Company's federal statutory tax rate and its effective tax rate for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Federal statutory tax rate	21.0 %	21.0 %
State taxes, net of federal benefit	23.3 %	1.3 %
Non-deductible excess compensation	-2.4 %	0.0 %
Warrant liability	0.1 %	2.3 %
Earnout liability	0.0 %	1.6 %
Stock-based compensation	-9.1 %	-4.7 %
Other	-1.0 %	-2.0 %
Research and development tax credit - federal	5.6 %	1.7 %
Return to provision	3.9 %	0.4 %
Change in valuation allowance	-41.6 %	-21.5 %
Effective tax rate	-0.2 %	0.1 %

The major components of the Company's deferred tax assets and liabilities as of December 31, 2023 and 2022, consists of the following (dollars in thousands):

	2023	2022
Deferred tax assets:		
Net operating loss carryforward	\$ 32,616	\$ 22,858
Allowance for credit losses	5,839	5,911
Research and development tax credit	9,453	5,410
Accrued expenses	1,777	2,726
Accrued compensation	891	282
Lease liability	242	198
Stock-based compensation	926	1,535
Excess interest expense carryforward	3,304	1,806
Section 174 R&E expenditures	11,664	7,411
Other	1,863	663
Total deferred tax assets	68,575	48,800
Deferred tax liabilities:		
Property and equipment	(120)	(101)
Right of use asset	(222)	(177)
Other	(716)	(491)
Total deferred tax liabilities	(1,058)	(769)
Total net deferred tax assets before valuation allowance	67,517	48,031
Less: valuation allowance	(67,517)	(48,031)
Total net deferred taxes	\$ -	\$ -

As of December 31, 2023, the Company had \$106.8 million of federal and \$144.3 million of combined state net operating loss ("NOL") carryforwards available to offset future taxable income. The federal NOLs do not expire;

however, they are subject to a utilization limit of 80% of taxable income in any given year. The State NOLs begin to expire in 2031, except for \$20.9 million of state NOLs that do not expire. Internal Revenue Code Section 382 imposes limitations on the utilization of NOLs in the event of certain changes in ownership of the Company. The Company has not yet completed a comprehensive analysis of its past ownership changes. Depending upon the degree of those past ownership changes, and any future ownership changes, annual limits may impair the Company's ability to utilize NOLs and could cause federal and state income taxes to be due sooner than if no such limitations applied.

The realization of deferred tax assets is dependent upon future sources of taxable income. Available positive and negative evidence is considered in making this determination. Due to a history of losses and uncertainty as to future taxable income, realization of the deferred tax assets is limited to the anticipated reversal of deferred tax liabilities. Management determined that there were insufficient federal and state deferred tax liabilities to offset all of the federal and state deferred tax assets at December 31, 2023 and 2022. Therefore, management believes it is more-likely-than-not that the net federal and state deferred assets will not be fully realized and has recorded valuation allowances in the amounts of \$67.5 million and \$48.0 million, as of December 31, 2023 and 2022, respectively.

A reconciliation of the Company's gross unrecognized tax benefits as of December 31, 2023 and 2022 is as follows (dollars in thousands):

	2023	2022
Balance at beginning of year	\$ 849	\$ 456
Increases to prior positions	-	-
Decreases to prior positions	-	-
Increases for current year positions	476	393
Balance at end of year	\$ 1,325	\$ 849

As of December 31, 2023, the Company had \$1.3 million of gross unrecognized tax benefits related to state income taxes and federal and state R&D tax credits. The unrecognized tax benefits of \$0.1 million as of December 31, 2023, would, if recognized, affect the effective tax rate. Although it is possible that the amount of unrecognized tax benefits with respect to the uncertain tax positions will increase or decrease in the next 12 months, the Company does not expect material changes.

The Company recognized insignificant amounts of interest expense as a component of income tax expense during the years ended December 31, 2023 and 2022. The income tax related accrued interest amounts were also insignificant as of December 31, 2023 and 2022, respectively.

On August 16, 2022, the President signed into law the Inflation Reduction Act of 2022 which contained provisions effective January 1, 2023, including a 15% corporate minimum tax and a 1% excise tax on stock buybacks, both of which we expect to be immaterial to our financial results, financial position and cash flows.

The Company is subject to examination by taxing authorities in the jurisdictions in which it files tax returns, including federal, California, and various other state jurisdictions. The federal statute of limitations remains open for the tax periods December 31, 2020 and thereafter. The statute of limitations for California and various other state jurisdictions remains open for the tax periods December 31, 2019 and thereafter.

Note 19 401(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 \$2.2 million and \$2.1 million for the years ended December 31, 2023 and 2022, respectively.

Note 20 The Reverse Recapitalization and Related Transactions

On the Closing Date, the Company consummated the previously announced mergers contemplated by the Business Combination Agreement. In connection with the closing of the Business Combination, the Company changed the name

from “VPC Impact Acquisition Holdings III, Inc.” to “Dave Inc.,” and the Surviving Entity operates under the name “Dave Operating LLC.”

Upon the consummation of the Business Combination, in accordance with the terms and conditions of the Business Combination Agreement, all issued and outstanding Legacy Dave common stock was converted into shares of Common Stock at the Exchange Ratio. At closing, VPCC transaction costs of \$22.6 million were paid, which reduced the proceeds from VPCC and reduced APIC. Additionally, \$5.1 million of the costs were capitalized and included within deferred issuance costs in the consolidated balance sheet for the years ended December 31, 2021, and reduced APIC at closing. The remaining \$10.7 million in transaction costs were accrued for at closing. Upon closing the Business Combination, Legacy Dave received \$7.0 million in cash proceeds after transactions costs of \$22.6 million were paid and released from VPCC’s trust account, net of redemptions of \$224.2 million. At closing, each non-redeemed outstanding share of Legacy Dave Class A common stock was converted into one share of Class A Common Stock.

Upon consummation of the Business Combination, the shares of Legacy Dave held by Legacy Dave shareholders converted into 10,707,440 shares of Common Stock, including 9,193,358 shares of Class A Common Stock and 1,514,082 shares of Class V Common Stock.

While the legal acquirer in the Business Combination was VPCC, for accounting and financial reporting purposes under U.S. GAAP, Legacy Dave is the accounting acquirer and the Business Combination was accounted for as a “reverse recapitalization.” A reverse recapitalization does not result in a new basis of accounting, and the financial statements of the combined entity represent the continuation of the financial statements of Legacy Dave in many respects. Under this method of accounting, VPCC was treated as the “acquired” company. Accordingly, the consolidated assets, liabilities, and results of operations of Legacy Dave became the historical consolidated financial statements of Dave, and VPCC’s assets and liabilities were consolidated with Legacy Dave’s on the Closing Date. Operations prior to the Business Combination are presented as those of Dave in reports subsequent to the Closing Date. The net assets of VPCC were recognized at their carrying value immediately prior to the closing with no goodwill or other intangible assets recorded and were as follows, net of transaction costs (in millions):

Cash	\$	202.0
Other assets		0.7
Other current liabilities		(3.2)
Accrued expenses		(0.2)
Earned liabilities		(9.7)
Warrant liability - public		(7.6)
Warrant liability - private		(6.7)
Net assets acquired	<u>\$</u>	<u>175.3</u>

Additionally, as part of the recapitalization, 168,515 shares of VPCC Class A common stock held by founders of VPCC (the “Founder Holders”) were exchanged with 168,515 shares of Dave Class A Common Stock, 49,563 (or “Founder Holder Earnout Shares”) of which will be subject to forfeiture if the vesting condition is not met over the five year term following the Closing Date as follows:

Sixty percent (60%) of the Founder Holder Earnout Shares (29,737 Founder Holder Earnout Shares) shall immediately become fully vested and no longer subject to forfeiture upon the occurrence of Triggering Event I, which is defined as the first date on which the Common Share Price is equal to or greater than \$400 after the Closing Date, but within the Earnout Period (as defined in the Business Combination Agreement); provided, that

- (i) in the event of a change of control pursuant to which Dave Stockholders receive, or have the right to receive, cash, securities or other property attributing a value of at least \$400 to each share of Class A Common Stock (as agreed in good faith by the Sponsor and the Board), then Triggering Event I shall be deemed to have occurred and;
- (ii) in the event that, and as often as, the number of outstanding shares of Class A Common Stock is changed by reason of any dividend, subdivision, reclassification, recapitalization, split, combination, exchange or any similar event, then the applicable Common Share Price (as defined in the Business Combination

Agreement) threshold (i.e., \$400) will, for all purposes of the Business Combination Agreement (and an agreement with the Founder Holders (the “Founder Holder Agreement”)), in each case be equitably adjusted to reflect such change; and

The remaining Founder Holder Earnout Shares (19,825 Founder Holder Earnout Shares) shall immediately become fully vested and no longer subject to forfeiture upon the occurrence of Triggering Event II, which is defined as the first date on which the Common Share Price is equal to or greater than \$480.00 after the Closing Date, but within the Earnout Period; provided that

- (iii) in the event of a change of control pursuant to which Dave Stockholders receive, or have the right to receive, cash, securities or other property attributing a value of at least \$480.00 to each share of Class A Common Stock (as agreed in good faith by Sponsor and the Board), then Triggering Event II shall be deemed to have occurred and;
- (iv) in the event that, and as often as, the number of outstanding shares of Class A Common Stock is changed by reason of any dividend, subdivision, reclassification, recapitalization, split, combination, exchange or any similar event, then the applicable Common Share Price threshold (i.e., \$480.00) will, for all purposes of the Business Combination Agreement (and the Founder Holder Agreement), in each case be equitably adjusted to reflect such change.

The Founder Holder Earnout Shares were recognized at fair value upon the closing of the Business Combination and classified as a liability. The issuance of the Founder Holder Earnout Shares were recorded as a liability with the offsetting amount within APIC because the Business Combination is accounted for as a reverse recapitalization. The Founder Holder Earnout Shares will be remeasured to fair value at each reporting period end with changes in fair value going through the statements of operations.

Pursuant to the terms of the Business Combination Agreement, all of the issued and outstanding Series A, Series B-1 and Series B-2 redeemable convertible preferred stock and series A redeemable convertible preferred stock converted into 6,395,542 shares of Legacy Dave common stock immediately prior to the Business Combination. Then, as of the closing of the Business Combination, all outstanding shares of Legacy Dave common stock converted into 10,707,440 shares of Class A Common Stock and Class V Common Stock. Additionally, each of Legacy Dave options and warrants that were outstanding immediately prior to the closing of the Business Combination remained outstanding and converted into options and warrants for Dave Class A and Class V Common Stock equal to the number of the Company’s common stock, subject to such options or warrants, multiplied by the Exchange Ratio at an exercise price per share equal to the current exercise price per share for such option or warrant divided by the Exchange Ratio, with the aggregate amount of shares of Class A Common Stock and Class V Common Stock issuable upon exercise of such options and warrants to be 1,002,383.

Concurrently with the execution of the Business Combination Agreement, VPCC entered into Subscription Agreements (the “Subscription Agreement”) with certain investors (the “Subscription Investors”) pursuant to which the Subscription Investors agreed to purchase, and the Company agreed to sell to the Subscription Investors, an aggregate of 656,247 shares of the Class A Common Stock for a purchase price of \$320 per share, or an aggregate of \$210 million in gross cash proceeds (the “PIPE Financing”). On August 17, 2021 Alameda Research, a Subscription Investor agreed to pre-fund its obligation under the original Subscription Agreement to subscribe for 46,875 shares of Class A Common Stock for \$15.0 million of the aggregate PIPE Financing subscription amount. On August 17, 2021, Legacy Dave issued a promissory note with a principal amount of \$15.0 million to Alameda Research and amended the Subscription Agreement to satisfy Alameda Research’s obligation to pay the \$15.0 million purchase price under the Alameda Subscription Agreement by way of a full discharge of Legacy Dave’s obligations to pay the principal under the promissory note. Upon the closing of the Business Combination, the promissory note was automatically discharged upon the Company’s issuance of 46,875 shares of Class A Common Stock to Alameda Research. The closing of the private placement occurred immediately prior to the closing date.

The number of shares of Common Stock issued immediately following the consummation of the Business Combination were as follows:

	Class A	Class V
Common stock outstanding on December 31, 2021	2,888,634	1,514,082
Common stock activity between December 31, 2021 and January 5, 2022		
Exercise of derivative asset and paydown of stockholder loans	(187,945)	-
Issuance of Class A common stock for stock option exercises	82,203	-
Repurchase of Class A common stock	(6,203)	-
Common stock outstanding prior to the Business Combination	2,776,689	1,514,082
Conversion of preferred stock to Class A common stock	6,395,542	-
Common stock attributable to VPCC	92,463	-
Adjustment related to Reverse Recapitalization*	6,488,005	-
Founder Holder shares	118,953	-
Conversion of 2019 convertible notes and accrued interest to Class A common stock	7,040	-
Exercise of Series B-1 preferred stock warrants, net of settlement	14,087	-
Issuance of Class A common stock pursuant to the PIPE financing	656,247	-
Total shares of common stock as of closing of Business Combination and related transactions	10,061,021	1,514,082

The corresponding adjustment to APIC related to the reverse recapitalization was comprised of (i) \$175.3 million which represents the fair value of the consideration transferred in the Business Combination, less the excess of the fair value of the shares issued over the value of the net monetary assets of VPCC, net of transaction costs and (ii) \$72.2 million which represents the conversion of the convertible preferred stock into Dave Class A Common Stock.

There were 1,002,383 Dave options outstanding immediately after the Business Combination.

Following the Business Combination, Dave warrants to purchase 357,635 shares of Class A Common Stock, consisted of (i) 198,254 public warrants listed on the Nasdaq and (ii) 159,381 private warrants, each with an exercise price of \$368 per share, remained outstanding.

Note 21 Subsequent Events

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

On January 4, 2024, the Company entered into a purchase and sale agreement (the "Purchase Agreement"), pursuant to which the Company agreed to purchase a convertible promissory note in the original principal amount of \$100.0 million previously issued by the Company to FTX Ventures Ltd. ("FTX") on March 21, 2022 (the "Note") for consideration of \$71.0 million in cash, subject to potential adjustments pursuant to certain change in control provisions specified in the Purchase Agreement (the "Transaction"). The closing of the Transaction was conditioned upon the Bankruptcy Court's approval of the Purchase Agreement and upon FTX not entering into an alternative transaction for the sale of the Note. The Bankruptcy Court approved this transaction on January 26, 2024 and the Transaction was closed for consideration of \$71 million in cash on January 29, 2024.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. 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 an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2023. 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 in our consolidated financial statements for the years ended December 31, 2023 and 2022 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 Annual Report on Form 10-K present fairly in all material respects our financial position, results of operations and cash flows for the period presented.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Under the supervision of our Chief Executive Officer and Chief Financial Officer and with the participation of our management, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023 based on the framework in "Internal Control—Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on that evaluation, our management concluded that our internal control over financial reporting was not effective as of December 31, 2023, due to the material weaknesses in our internal control over financial reporting in our consolidated financial statements for the year ended December 31, 2023, because:

- 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 our financial statements.

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, 2022 and 2021, please refer to our Form 10-K filed with the SEC on [March 13, 2023](#).

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.

Item 9B. Other Information.

On September 5, 2023, Dan Preston, 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. Preston's plan provides for (i) the potential exercise of vested stock options and the associated sale of up to 24,125 shares of Dave Class A Common Stock and (ii) the potential sale of up to an additional 31,405 shares of Dave Class A Common Stock. Mr. Preston's plan commences on January 1, 2024 and expires on December 31, 2024, subject to the plan's earlier expiration or completion in accordance with its terms.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Except for the information regarding executive officers and directors, which is included herein under “Information about our Executive Officers and Directors”, and our code of ethics, which is set forth below, the information required by this Item 10 will be included in our Proxy Statement to be filed with the SEC and is incorporated herein by reference.

Code of Ethics

The board of directors of Dave has adopted a Code of Business Conduct and Ethics that applies to all of its directors, officers and employees, including the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code of Business Conduct and Ethics is available on the Corporate Governance section of Dave’s website. In addition, Dave will post on the Corporate Governance section of its website all disclosures that are required by law or Nasdaq listing standards relating to any amendments to, or waivers from, any provision of the Code of Business Conduct and Ethics.

Item 11. Executive Compensation

The information required by this Item 11 will be included in our Proxy Statement to be filed with the SEC and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item 12 will be included in our Proxy Statement to be filed with the SEC and is incorporated herein by reference.

Item 13. Certain Relationships and Related Party Transactions, and Director Independence.

The information required by this Item 13 will be included in our Proxy Statement to be filed with the SEC and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

Our independent public accounting firm is Deloitte & Touche LLP, Los Angeles, CA, PCAOB Auditor ID 34.

The information required by this Item 14 will be included in our Proxy Statement to be filed with the SEC and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

The following documents are filed as part of this report:

- (1) Financial Statements
The financial statements listed in the Index to Financial Statements under Part II, Item 8 of this report.
 - (2) Financial Statement Schedules
None.
 - (3) Exhibits
The following exhibits are filed, furnished or incorporated by reference as part of this report.
-

Exhibit No.	Description
2.1*	<u>Agreement and Plan of Merger, dated as of June 7, 2021, by and among VPC Impact Acquisition Holdings III, Inc., Bear Merger Company I Inc., Bear Merger Company II LLC, and Dave Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Commission on June 7, 2021.)</u>
3.1	<u>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.)</u>
3.1.1	<u>Certificate of Amendment to 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 5, 2023.)</u>
3.2	<u>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.)</u>
4.1	<u>Convertible Note, dated March 21, 2022, by and between Dave Inc. and FTX Ventures Ltd. (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Commission on March 21, 2022.)</u>
4.2	<u>Warrant Agreement, dated March 4, 2021, between Continental Stock Transfer & Trust Company and VPCC (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the Commission on March 9, 2021.)</u>
4.3	<u>Description of Securities (incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 10-K filed with the Commission on March 25, 2022.)</u>
10.1	<u>Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022.)</u>
10.2	<u>Investor Rights Agreement, dated as of January 5, 2022, by and among the Company, the Sponsor, Janet Kloppenburg, Peter Offenhauser and Kurt Summers, and certain holders of Legacy Dave Capital Stock (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022.)</u>
10.3	<u>Lease by and between PCJW Properties LLC and Legacy Dave, dated as of January 1, 2019 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022.)</u>
10.4	<u>Sublease by and between PCJW Properties LLC and Legacy Dave, dated as of December 1, 2018 (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022.)</u>
10.5†	<u>Amended and Restated 2021 Equity Incentive Plan and related forms of award agreements (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on December 13, 2022.)</u>
10.6†	<u>2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022.)</u>
10.7†	<u>Employment Agreement, dated January 3, 2022, by and between Jason Wilk and Dave (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022.)</u>
10.8†	<u>Employment Agreement, dated January 31, 2022, by and between Kyle Beilman and Dave (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Commission on February 1, 2022.)</u>

- 10.10 [Convertible Note Purchase Agreement, dated March 21, 2022, by and between the Company and FTX Ventures Ltd. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on March 21, 2022\).](#)
- 10.11† [Dave Inc. Executive Incentive Bonus Plan \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on March 31, 2022\).](#)
- 10.12† [Dave Inc. Non-Employee Director Compensation Policy \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on February 1, 2022\).](#)
- 16.1 [Letter to the Securities and Exchange Commission from WithumSmith+Brown, PC, dated January 11, 2022 \(incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022\).](#)
- 21.1 [List of Subsidiaries \(incorporated by reference to Exhibit 21.1 to the Company's Current Report on Form 8-K filed with the Commission on January 11, 2022\).](#)
- 23.1 [Consent of Deloitte & Touche LLP.](#)
- 24.1 [Power of attorney \(included on the signature page hereof\).](#)
- 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 [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.](#)
- 97.1† [Dave Inc. Compensation Recovery Policy.](#)
- 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).

* The schedules to this Exhibit have been omitted in accordance with Regulation S-K

Item 601(a)(5). The Company agrees to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon its request.

† Indicates a management contract or compensatory plan, contract or arrangement.

Item 16. Form 10-K Summary

Not applicable

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

March 5, 2024

DAVE INC.

By: /s/ Jason Wilk

Jason Wilk

Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Joan Aristei or Kyle Beilman as his or her attorney-in-fact, with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, or his substitute, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jason Wilk</u> Jason Wilk	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 5, 2024
<u>/s/ Kyle Beilman</u> Kyle Beilman	Chief Financial Officer <i>(Principal Financial and Accounting Officer)</i>	March 5, 2024
<u>/s/ Brendan Carroll</u> Brendan Carroll	Director	March 5, 2024
<u>/s/ Andrea Mitchell</u> Andrea Mitchell	Director	March 5, 2024
<u>/s/ Michael Pope</u> Michael Pope	Director	March 5, 2024
<u>/s/ Dan Preston</u> Dan Preston	Director	March 5, 2024
<u>/s/ Imran Khan</u> Imran Khan	Director	March 5, 2024
<u>/s/ Yadin Rozov</u> Yadin Rozov	Director	March 5, 2024

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements Nos. 333-269482, 333-268785 and 333-263589 on Form S-8 and 333-262478 on Form S-3 of our report dated March 5, 2024 relating to the consolidated financial statements of Dave Inc., appearing in the Annual Report on Form 10-K year ended December 31, 2023.

/s/ Deloitte & Touche LLP

Los Angeles, California
March 5, 2024

**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 Annual Report on Form 10-K 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 the 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 this 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 audit 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: March 5, 2024

/s/ Jason Wilk

Chief Executive Officer and Director
(principal executive officer)

**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 Annual Report on Form 10-K 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 the 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 this 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 audit 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: March 5, 2024

/s/ Kyle Beilman

Chief Financial Officer
(principal financial officer)

**CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

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 Annual Report on Form 10-K for the period ended December 31, 2023, of the Company (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), 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: March 5, 2024

/s/ Jason Wilk

Chief Executive Officer and Director

/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.

DAVE INC.

COMPENSATION RECOVERY POLICY

(Adopted, approved and effective on November 16, 2023)

1. Purpose

Dave Inc. (collectively with its subsidiaries, the “*Company*”) is committed to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, the Company has adopted this Compensation Recovery Policy (this “*Policy*”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and explains when the Company will be required to seek recovery of Incentive Compensation awarded or paid to a Covered Person. Please refer to Exhibit A attached hereto (the “*Definitions Exhibit*”) for the definitions of capitalized terms used throughout this Policy.

2. Miscalculation of Financial Reporting Measure Results

In the event of a Restatement, the Company will seek to recover, reasonably promptly, all Recoverable Incentive Compensation from a Covered Person. Such recovery, in the case of a Restatement, will be made without regard to any individual knowledge or responsibility related to the Restatement. Notwithstanding the foregoing, if the Company is required to undertake a Restatement, the Company will not be required to recover the Recoverable Incentive Compensation if the Compensation Committee determines it Impracticable to do so, after exercising a normal due process review of all the relevant facts and circumstances.

If such Recoverable Incentive Compensation was not awarded or paid on a formulaic basis, the Company will seek to recover the amount that the Compensation Committee determines in good faith should be recouped.

3. Other Actions

The Compensation Committee may, subject to applicable law, seek recovery in the manner it chooses, including by seeking reimbursement from the Covered Person of all or part of the compensation awarded or paid, by electing to withhold unpaid compensation, by set-off, or by rescinding or canceling unvested stock.

In the reasonable exercise of its business judgment under this Policy, the Compensation Committee may in its sole discretion determine whether and to what extent additional action is appropriate to address the circumstances surrounding a Restatement to minimize the likelihood of any recurrence and to impose such other discipline as it deems appropriate.

4. No Indemnification or Reimbursement

Notwithstanding the terms of any other policy, program, agreement or arrangement, in no event will the Company or any of its affiliates indemnify or reimburse a Covered Person for any loss under this Policy and in no event will the Company or any of its affiliates pay premiums on any insurance policy that would cover a Covered Person’s potential obligations with respect to Recoverable Incentive Compensation under this Policy.

5. Administration of Policy

The Compensation Committee will have full authority to administer this Policy. The Compensation Committee will, subject to the provisions of this Policy and Rule 10D-1 of the Exchange Act, and the Company’s applicable exchange listing standards, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary, appropriate or advisable. All determinations and interpretations made by the Compensation Committee will be final, binding and conclusive.

6. Other Claims and Rights

The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company or any of its affiliates may have or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies, or other authorities. Further, the exercise by the Compensation Committee of any rights pursuant to this Policy will not impact any other rights that the Company or any of its affiliates may have with respect to any Covered Person subject to this Policy.

7. Acknowledgement by Covered Persons; Condition to Eligibility for Incentive Compensation

The Company will provide notice and seek acknowledgement of this Policy, in substantially the form included as Exhibit B attached hereto, from each Covered Person, provided that the failure to provide such notice or obtain such acknowledgement will have no impact on the applicability or enforceability of this Policy. After the Effective Date, the Company must be in receipt of a Covered Person's acknowledgement as a condition to such Covered Person's eligibility to receive Incentive Compensation. All Incentive Compensation subject to this Policy will not be earned, even if already paid, until the Policy ceases to apply to such Incentive Compensation and any other vesting conditions applicable to such Incentive Compensation are satisfied.

8. Amendment; Termination

The Board or the Compensation Committee may approve, amend or terminate this Policy at any time.

9. Effectiveness

Except as otherwise determined in writing by the Compensation Committee, this Policy will apply to any Incentive Compensation that is Received by a Covered Person on or after the Effective Date. This Policy will survive and continue notwithstanding any termination of a Covered Person's employment with the Company and its affiliates.

10. Successors

This Policy shall be binding and enforceable against all Covered Persons and their successors, beneficiaries, heirs, executors, administrators, or other legal representatives.

Exhibit A

DAVE INC.

COMPENSATION RECOVERY POLICY

DEFINITIONS EXHIBIT

“**Applicable Period**” means the three completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that a Restatement is required or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. The “Applicable Period” also includes any transition period (that results from a change in the Company’s fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence.

“**Board**” means the Board of Directors of the Company.

“**Compensation Committee**” means the Company’s committee of independent directors responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent directors serving on the Board.

“**Covered Person**” means any person who is, or was at any time, during the Applicable Period, an Executive Officer of the Company. For the avoidance of doubt, a Covered Person may include a former Executive Officer that left the Company, retired, or transitioned to an employee role (including after serving as an Executive Officer in an interim capacity) during the Applicable Period.

“**Effective Date**” means November 16, 2023.

“**Executive Officer**” means the Company’s president, principal executive officer, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including an officer of the Company’s parent(s) or subsidiaries) who performs similar policy-making functions for the Company.

“**Financial Reporting Measure**” means a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements (including, but not limited to, “non-GAAP” financial measures, such as those appearing in the Company’s earnings releases or Management Discussion and Analysis), and any measure that is derived wholly or in part from such measure. Stock price and total shareholder return (and any measures derived wholly or in part therefrom) shall be considered Financial Reporting Measures.

“**Impracticable.**” The Compensation Committee may determine in good faith that recovery of Recoverable Incentive Compensation is “Impracticable” if: (i) pursuing such recovery would violate home country law of the jurisdiction of incorporation of the Company where that law was adopted prior to November 28, 2022 and the Company provides an opinion of home country counsel to that effect acceptable to the Company’s applicable listing exchange; (ii) the direct expense paid to a third party to assist in enforcing this Policy would exceed the Recoverable Incentive Compensation and the Company has (A) made a reasonable attempt to recover such amounts and (B) provided documentation of such attempts to recover to the Company’s applicable listing exchange; or (iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended.

“**Incentive Compensation**” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive Compensation does not include any base salaries (except with respect to any salary increases earned wholly or in part based on the attainment of a Financial Reporting Measure

performance goal); bonuses paid solely at the discretion of the Compensation Committee or Board that are not paid from a “bonus pool” that is determined by satisfying a Financial Reporting Measure performance goal; bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period; non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; and equity awards that vest solely based on the passage of time and/or attaining one or more non-Financial Reporting Measures.

“**Received**” Incentive Compensation is deemed “Received” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

“**Recoverable Incentive Compensation**” means the amount of any Incentive Compensation (calculated on a pre-tax basis) Received by a Covered Person during the Applicable Period that is in excess of the amount that otherwise would have been Received if the calculation were based on the Restatement. For the avoidance of doubt Recoverable Incentive Compensation does not include any Incentive Compensation Received by a person (i) before such person began service in a position or capacity meeting the definition of an Executive Officer, (ii) who did not serve as an Executive Officer at any time during the performance period for that Incentive Compensation, or (iii) during any period the Company did not have a class of its securities listed on a national securities exchange or a national securities association. For Incentive Compensation based on (or derived from) stock price or total shareholder return where the amount of Recoverable Incentive Compensation is not subject to mathematical recalculation directly from the information in the applicable Restatement, the amount will be determined by the Compensation Committee based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was Received (in which case, the Company will maintain documentation of such determination of that reasonable estimate and provide such documentation to the Company’s applicable listing exchange).

“**Restatement**” means an accounting restatement of any of the Company’s financial statements filed with the Securities and Exchange Commission under the Exchange Act, or the Securities Act of 1933, as amended, due to the Company’s material noncompliance with any financial reporting requirement under U.S. securities laws, regardless of whether the Company or Covered Person misconduct was the cause for such restatement. “Restatement” includes any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as “Big R” restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as “little r” restatements).

Exhibit B

DAVE INC.

COMPENSATION RECOVERY POLICY

ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that they have read and understood, and they agree to be subject to the terms of, the Dave Inc. Compensation Recovery Policy.

Date:

Signature:

Printed Name:

