UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 5, 2024**

CARDLYTICS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	001-38386	26-3039436
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

675 Ponce de Leon Avenue NE, Suite 4100 Atlanta Georgia 30308
(Address of principal executive offices, including zip code)

(888) 798-5802
(Registrant's telephone, including area code)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock	CDLX	The Nasdaq Stock Market LLC

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

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On August 7, 2024, Cardlytics, Inc. (the “Company”) issued a press release announcing its financial results for the three and six months ended June 30, 2024, as well as information regarding a conference call to discuss these financial results and the Company’s recent corporate highlights. The Company’s press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information included in this Item 2.02 and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, regardless of any general incorporation language in such filing.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENT OF CERTAIN OFFICERS.

Resignation of Karim Temsamani as Chief Executive Officer

On August 5, 2024, Karim Temsamani notified the Company of his intent to resign as the Company’s Chief Executive Officer and as a member of the Board of Directors of the Company (the “Board”), each effective as of August 16, 2024 (the “Effective Date”). Mr. Temsamani’s resignation is not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

Appointment of Amit Gupta as Chief Executive Officer

On August 7, 2024, the Board approved the appointment of Amit Gupta, currently the Company’s Chief Operating Officer, as the Company’s Chief Executive Officer and principal executive officer, each effective as of the Effective Date. The Company expects to enter into amended compensatory arrangements with Mr. Gupta in connection with his appointment as Chief Executive Officer, the details of which have not been finalized as of the date of this Current Report on Form 8-K. The Company will provide this information by filing an amendment to this Current Report on Form 8-K after the information is determined or becomes available.

In connection with the appointment of Mr. Gupta as Chief Executive Officer, on August 7, 2024, the Board also approved the appointment of Mr. Gupta to the Board, effective as of the Effective Date. Mr. Gupta will serve as a Class II director whose term will expire at the 2026 Annual Meeting of Stockholders. Mr. Gupta will not be eligible to receive additional compensation for his service as a member of the Board pursuant to the Company’s non-employee director compensation policy.

The biography for Mr. Gupta is contained in the Company’s definitive proxy statement on Schedule 14A, filed with the Securities and Exchange Commission on April 12, 2024. Mr. Gupta does not have any family relationships with any of the Company’s directors or executive officers, is not a party to any transactions of the type listed in Item 404(a) of Regulation S-K, and was not appointed pursuant to any arrangement or understanding with any other person.

ITEM 7.01 REGULATION FD DISCLOSURE.

On August 7, 2024, the Company issued a press release announcing the appointment of Mr. Gupta as the Company’s Chief Executive Officer.

A copy of this press release is furnished herewith as Exhibit 99.2 to this Current Report on Form 8-K. The information contained in the press release furnished as Exhibit 99.2 shall not be deemed “filed” for purposes of Section 18 of the Exchange Act and is not incorporated by reference into any of the Company’s filings under the Securities Act or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in any such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit	Exhibit Description
99.1	Press release dated August 7, 2024
99.2	Press release dated August 7, 2024
104	The cover page from Cardlytics, Inc.’s Form 8-K filed on August 7, 2024, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		Cardlytics, Inc.	
Date:	August 7, 2024	By:	/s/ Alexis DeSieno
			Alexis DeSieno
			Chief Financial Officer
			(Principal Financial and Accounting Officer)

Exhibit 99.1

Cardlytics Announces Second Quarter 2024 Financial Results

Atlanta, GA – August 7, 2024 – Cardlytics, Inc. (NASDAQ: CDLX), a digital advertising platform, today announced financial results for the second quarter ended June 30, 2024.

“We continue to believe in the significant growth opportunity as we invest to modernize our platform. We are making progress, but transitions like this take time and these near-term challenges do not change the long-term potential of this business,” said Amit Gupta, incoming CEO of Cardlytics. "We have the right team and right strategy in place to deliver stronger execution and shareholder value as we continue this transformation. The strong advertiser demand, the addition of new partners and the high consumer engagement witnessed this quarter illustrate the fundamental strengths of our business and the value our platform can deliver.”

“While we observed strong growth in redemptions, our results were challenged by slower-than-anticipated billings growth coupled with higher consumer incentives,” said Alexis DeSieno, CFO of Cardlytics. “We remain confident that our improved balance sheet continues to support investment in the business.”

Second Quarter 2024 Financial Results

- Revenue was $69.6 million, a decrease of (9)% year-over-year, or (7)% excluding Entertainment.
- Billings, a non-GAAP metric, was $110.4 million, an increase of 1% year-over-year, or 2% excluding Entertainment.
- Adjusted Contribution, a non-GAAP metric, was $36.4 million, a decrease of (3)% year-over-year, or an increase of 1% excluding Entertainment.
- Net Loss was $(4.3) million, or $(0.09) per diluted share, based on 49.1 million fully diluted weighted-average common shares, compared to a Net Loss of $(23.5) million, or $(0.67) per diluted share, based on 34.9 million fully diluted weighted-average common shares in the second quarter of 2023.
- Adjusted EBITDA, a non-GAAP metric, was a loss of $(2.3) million compared to a loss of $(4.1) million in the second quarter of 2023.
- Adjusted Net Loss was $(7.6) million, or $(0.15) per diluted share, based on 49.1 million fully diluted weighted-average common shares, compared to Adjusted Net Loss of $(8.4) million, or $(0.24) per diluted share, based on 34.9 million fully diluted weighted-average common shares in the second quarter of 2023.
- Net cash provided by operating activities was $4.4 million, a decrease of $1.3 million compared to net cash provided by operating activities of $5.8 million in the second quarter of 2023.
- Free Cash Flow, a non-GAAP metric, was $(0.4) million, a decrease of $3.4 million compared to $3.0 million in the second quarter of 2023.

Key Metrics

- Cardlytics MAUs were 165.5 million, an increase of 3% year-over-year, compared to 160.0 million in the second quarter of 2023.
- Cardlytics ARPU was $0.42 compared to $0.48 in the second quarter of 2023.

Definitions of MAUs and ARPU are included below under the caption “Non-GAAP Measures and Other Performance Metrics."

CARDLYTICS, INC.
SUMMARY OF GAAP AND NON-GAAP RESULTS (UNAUDITED)
(Dollars in thousands)

	Three Months Ended June 30,				
	2024	2023	2023 Results Excluding Entertainment[(2)]	Change %	Change % Excluding Entertainment[(2)]
Billings[(1)]	$ 110,389	$ 109,424	$ 107,736	1 %	2 %
Consumer Incentives	40,753	32,723	32,723	25 %	25 %
Revenue	69,636	76,701	75,013	(9)%	(7)%
Partner Share and other third-party costs	33,258	39,170	39,144	(15)%	(15)%
Adjusted Contribution[(1)]	36,378	37,531	35,869	(3)%	1 %
Delivery costs	7,661	7,015	7,015	9 %	9 %
Gross Profit	$ 28,717	$ 30,516	$ 28,854	(6)%	— %
Net Loss	$ (4,257)	$ (23,508)	$ (22,523)	(82)%	(81)%
Adjusted EBITDA[(1)]	$ (2,285)	$ (4,073)	$ (3,823)	(44)%	(40)%
Adjusted Contribution					
% of Billings	33.0 %	34.3 %	33.3 %		
% of Revenue	52.2 %	48.9 %	47.8 %		
Adjusted EBITDA					
% of Billings	(2.1)%	(3.7)%	(3.5)%		
% of Revenue	(3.3)%	(5.3)%	(5.1)%		

(1) Billings, Adjusted Contribution and Adjusted EBITDA are non-GAAP measures. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are presented below under the headings "Reconciliation of GAAP Revenue to Billings," "Reconciliation of GAAP Gross Profit to Adjusted Contribution" and "Reconciliation of GAAP Net (Loss) Income to Adjusted EBITDA."

(2) The column excludes results from the Entertainment business. We sold and transferred substantially all of the assets of Entertainment in December 2023.

Third Quarter 2024 Financial Expectations

Cardlytics anticipates Billings, Revenue, Adjusted Contribution and Adjusted EBITDA to be in the following ranges (in millions, except for percentage change rates):

	Q3 2024 Guidance	YoY Change	YoY Change Excluding Entertainment[(3)]
Billings[(1)]	\$100.0 - \$106.0	(14%) - (9%)	(12%) - (7%)
Revenue	\$56.0 - \$63.0	(29%) - (20%)	(27%) - (18%)
Adjusted Contribution[(2)]	\$32.0 - \$35.0	(25%) - (18%)	(21%) - (14%)
Adjusted EBITDA[(2)]	(\$6.0) - (\$3.5)	(\$9.9) - (\$7.4)	(\$9.6) - (\$7.1)

(1) A reconciliation of Billings to GAAP Revenue on a forward-looking basis is presented below under the heading "Reconciliation of Forecasted GAAP Revenue to Billings."
(2) A reconciliation of Adjusted Contribution to GAAP Gross Profit and a reconciliation of Adjusted EBITDA to Net (Loss) Income on a forward-looking basis is not available without unreasonable efforts due to the high variability, complexity and low visibility with respect to the items excluded from this non-GAAP measure.
(3) The column excludes results from the Entertainment business. We sold and transferred substantially all of the assets of Entertainment in December 2023.

Earnings Teleconference Information

Cardlytics will discuss its second quarter 2024 financial results during a live audio webcast today, August 7, 2024, at 5:00 PM ET / 2:00 PM PT. Following the completion of the call, a recorded replay of the webcast will be available on Cardlytics’ website.

About Cardlytics

Cardlytics (NASDAQ: CDLX) is a digital advertising platform. We partner with financial institutions to run their rewards programs that promote customer loyalty and deepen relationships. In turn, we have a secure view into approximately 1 of every 2 card-based transactions in the U.S., allowing us to see where and when consumers are spending their money. We use these insights to help marketers identify, reach, and influence likely buyers at scale, as well as measure the true sales impact of marketing campaigns. Headquartered in Atlanta, Cardlytics has offices in Menlo Park, Los Angeles, New York, and London. Learn more at www.cardlytics.com.

Cautionary Language Concerning Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements related to our growth opportunity, our ability to deliver stronger execution and shareholder value and our financial guidance for the third quarter of 2024. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Words such as "expect," "anticipate," "should," "believe," "hope," "target," "project," "goals," "estimate," "potential," "predict," "may," "will," "might," "could," "intend," or variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control.

Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to: risks related to unfavorable conditions in the global economy and the industries that we serve; our quarterly operating results have fluctuated and may continue to vary from period to period; our ability to sustain our revenue growth and billings; risks related to our substantial dependence on our Cardlytics platform; risks related to our substantial dependence on JPMorgan Chase Bank, National Association (“Chase”), Bank of America, National Association ("Bank of America"), Wells Fargo Bank, National Association (“Wells Fargo”) and a limited number of other financial institution (“FI”) partners; risks related to our ability to maintain relationships with Chase, Wells Fargo and Bank of America; the amount and timing of budgets by marketers, which are affected by budget cycles, economic conditions and other factors; our ability to generate sufficient revenue to offset contractual commitments to FI partners; our ability to attract new partners, including FI partners, and maintain relationships with bank processors and digital banking providers; our ability to maintain relationships with marketers; our ability to adapt to changing market conditions, including our ability to adapt to changes in consumer habits, negotiate fee arrangements with new and existing partners and retailers, and develop and launch new services and features; and other risks detailed in the “Risk Factors” section of our Form 10-Q filed with the Securities and Exchange Commission on August 7, 2024 and in subsequent periodic reports that we file with the Securities and Exchange Commission. Past performance is not necessarily indicative of future results.

The forward-looking statements included in this press release represent our views as of the date of this press release. We anticipate that subsequent events and developments will cause our views to change. We undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

Non-GAAP Measures and Other Performance Metrics

To supplement the financial measures presented in our press release and related conference call or webcast in accordance with generally accepted accounting principles in the United States (“GAAP”), we also present the following non-GAAP measures of financial performance in this press release: Billings, Adjusted Contribution, Adjusted EBITDA, Adjusted Net Loss, Adjusted Net Loss per share and Free Cash Flow, as well as certain other performance metrics, such as monthly active users (“MAUs”) and average revenue per user (“ARPU”).

A “non-GAAP financial measure” refers to a numerical measure of our historical or future financial performance or financial position that is included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in our financial statements. We provide certain non-GAAP measures as additional information relating to our operating results as a complement to results provided in accordance with GAAP. The non-GAAP financial information presented herein should be considered in conjunction with, and not as a substitute for or superior to, the financial information presented in accordance with GAAP and should not be considered a measure of liquidity. There are significant limitations associated with the use of non-GAAP financial measures. Further, these measures may differ from the non-GAAP information, even where similarly titled, used by other companies and therefore should not be used to compare our performance to that of other companies.

We have presented Billings, Adjusted Contribution, Adjusted EBITDA, Adjusted Net Loss and Adjusted Net Loss per share as non-GAAP financial measures in this press release. Billings represents the gross amount billed to customers and marketers for services in order to generate revenue. Cardlytics platform Billings is recognized gross of both Consumer Incentives and Partner Share. Cardlytics platform GAAP Revenue is recognized net of Consumer Incentives and gross of Partner Share. Bridg platform Billings is the same as Bridg platform GAAP Revenue. Adjusted Contribution measures the degree by which revenue generated from our marketers exceeds the cost to obtain the purchase data and the digital advertising space from our partners. Adjusted Contribution demonstrates how incremental Revenue on our platforms generates incremental amounts to support our sales and marketing, research and development, general and administration and other investments. Adjusted Contribution is calculated by taking our total Revenue less our Partner Share and other third-party costs exclusive of deferred implementation costs, which is a non-cash cost. Adjusted Contribution does not take into account all costs associated with generating Revenue from advertising campaigns, including sales and marketing expenses, research and development expenses, general and administrative expenses and other expenses, which we do not take into consideration when making decisions on how to manage our advertising campaigns. Management views Adjusted Contribution as the most relevant metric to measure the financial performance as it reflects the dollars we keep after all of our partners are paid. Adjusted EBITDA represents our Net Loss before interest expense, net; depreciation and amortization; stock-based compensation expense; foreign currency (gain) loss; gain on debt extinguishment; acquisition, integration and divestiture benefit; and change in contingent consideration; and, in applicable periods, certain other income and expense items, such as impairment of goodwill and intangible assets; loss on divestiture; restructuring and reduction of force; income tax benefit; and deferred implementation costs. Adjusted Net Loss as our Net Loss before stock-based compensation expense; foreign currency (gain) loss; gain on debt extinguishment; acquisition, integration and divestiture benefit; amortization of acquired intangibles; and change in contingent consideration; and, in applicable periods, certain other income and expense items, such as impairment of goodwill and intangible assets; loss on divestiture; restructuring and reduction of force; and income tax benefit. We define Adjusted Net Loss per share as Adjusted Net Loss divided by our weighted-average common shares outstanding, diluted. We define Free Cash Flow as net cash used in operating activities, plus acquisition of property and equipment and capitalized software development costs and, in applicable periods, acquisition of patents. We believe free cash flow is useful to measure the funds generated in a given period that are available for distribution or to sustain the business. We believe this supplemental information enhances stockholders' ability to evaluate our performance.

We believe the use of non-GAAP financial measures, as a supplement to GAAP measures, is useful to investors in that they eliminate items that are either not part of our core operations or do not require a cash outlay, such as stock-based compensation expense. Management uses these non-GAAP financial measures when evaluating operating performance and for internal planning and forecasting purposes. We believe that these non-GAAP financial measures help indicate underlying trends in the business, are important in comparing current results with prior period results and are useful to investors and financial analysts in assessing operating performance.

We define MAUs as targetable customers that have logged in and visited online or mobile applications containing offers, opened an email containing an offer, or redeemed an offer from the Cardlytics platform during a monthly period. We then calculate a monthly average of these MAUs for the periods presented. We believe that MAUs is an indicator of the Cardlytics platform's ability to drive engagement and is reflective of the marketing base that we offer to marketers. We define ARPU as the total revenue generated in the applicable period calculated in accordance with GAAP, divided by the average number of MAUs in the applicable period.

CARDLYTICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Amounts in thousands, except par value amounts)

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 71,248	$ 91,830
Accounts receivable and contract assets, net	102,671	120,622
Other receivables	4,696	5,379
Prepaid expenses and other assets	6,717	6,097
Total current assets	185,332	223,928
Long-term assets:		
Property and equipment, net	3,084	3,323
Right-of-use assets under operating leases, net	7,459	7,310
Intangible assets, net	29,433	35,003
Goodwill	277,202	277,202
Capitalized software development costs, net	29,572	24,643
Other long-term assets, net	2,290	2,735
Total assets	$ 534,372	$ 574,144
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 4,866	$ 4,425
Accrued liabilities:		
Accrued compensation	5,490	11,662
Accrued expenses	6,772	9,587
Partner Share liability	33,719	48,867
Consumer Incentive liability	45,433	52,678
Deferred revenue	1,679	2,405
Current operating lease liabilities	2,279	2,127
Current contingent consideration	4,363	39,398
Total current liabilities	104,601	171,149
Long-term liabilities:		
Convertible senior notes, net	212,885	227,504
Long-term operating lease liabilities	6,805	6,391
Long-term deferred revenue	30	67
Long-term debt	—	30,073
Long-term contingent consideration	—	4,162
Other long-term liabilities	17	—
Total liabilities	$ 324,338	$ 439,346
Stockholders' equity:		
Common stock, $0.0001 par value—100,000 shares authorized, 49,402 and 39,728 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	$ 9	$ 9
Additional paid-in capital	1,346,876	1,243,594
Accumulated other comprehensive income	2,953	2,467
Accumulated deficit	(1,139,804)	(1,111,272)
Total stockholders' equity	210,034	134,798
Total liabilities and stockholders' equity	$ 534,372	$ 574,144

CARDLYTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	$ 69,636	$ 76,701	$ 137,244	$ 141,032
Costs and expenses:				
Partner Share and other third-party costs	33,258	39,170	63,801	72,554
Delivery costs	7,661	7,015	13,834	13,439
Sales and marketing expense	14,025	15,205	28,143	29,153
Research and development expense	13,470	14,847	26,518	26,411
General and administration expense	16,151	16,276	30,636	29,346
Acquisition, integration and divestiture benefit	162	(9,947)	162	(8,224)
Change in contingent consideration	(5,808)	11,258	9	(23,326)
Depreciation and amortization expense	6,529	7,200	12,779	13,775
Total costs and expenses	85,448	101,024	175,882	153,128
Operating Loss	(15,812)	(24,323)	(38,638)	(12,096)
Other (expense) income:				
Interest expense, net	(1,561)	(574)	(2,380)	(582)
Foreign currency gain (loss)	99	1,389	(531)	2,778
Gain on debt extinguishment	13,017	—	13,017	—
Total other income	11,555	815	10,106	2,196
Loss before income taxes	(4,257)	(23,508)	(28,532)	(9,900)
Net Loss	$ (4,257)	$ (23,508)	$ (28,532)	$ (9,900)
Net Loss per share, basic and diluted	$ (0.09)	$ (0.67)	$ (0.62)	$ (0.29)
Weighted-average common shares outstanding, basic and diluted	49,056	34,880	46,168	34,241

CARDLYTICS, INC.
STOCK-BASED COMPENSATION EXPENSE (UNAUDITED)
(Amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Delivery costs	$ 721	$ 565	$ 1,364	$ 1,133
Sales and marketing expense	2,903	3,751	6,044	6,804
Research and development expense	4,633	4,502	8,583	8,587
General and administration expense	4,387	2,921	7,638	3,183
Total stock-based compensation expense	$ 12,644	$ 11,739	$ 23,629	$ 19,707

CARDLYTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Amounts in thousands)

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating activities		
Net Loss	$ (28,532)	$ (9,900)
Adjustments to reconcile net loss to net cash used in operating activities:		
Credit loss expense	3,761	744
Depreciation and amortization	12,779	13,775
Amortization of financing costs charged to interest expense	850	819
Amortization of right-of-use assets	1,072	2,205
Gain on debt extinguishment	(13,017)	—
Stock-based compensation expense	23,629	19,707
Change in contingent consideration	9	(23,326)
Other non-cash expense (income), net	663	(3,147)
Change in operating assets and liabilities:		
Accounts receivable	14,783	18,069
Prepaid expenses and other assets	(393)	430
Accounts payable	810	(2,046)
Other accrued expenses	(7,253)	(10,954)
Partner Share liability	(15,114)	269
Consumer Incentive liability	(7,234)	(10,958)
Net cash used in operating activities	(13,188)	(4,313)
Investing activities		
Acquisition of property and equipment	(932)	(342)
Capitalized software development costs	(8,673)	(5,207)
Business acquisitions, net of cash acquired	202	—
Net cash used in investing activities	(9,403)	(5,549)
Financing activities		
Proceeds from issuance of debt	—	30,000
Settlement of contingent consideration	(14,166)	(50,050)
Principal payments of the 2018 Line of Credit	(30,000)	(11)
Principal payments of 2020 Convertible Senior Notes	(169,291)	—
Proceeds from issuance of 2024 Convertible Senior Notes	172,500	—
Proceeds from termination of capped calls related to convertible notes	115	—
Proceeds from issuance of common stock	48,634	11
Deferred equity issuance costs	—	(45)
Equity issuance costs	(190)	—
Debt issuance costs	(5,568)	—
Net cash provided by (used in) financing activities	2,034	(20,095)
Effect of exchange rates on cash, cash equivalents and restricted cash	(25)	117
Net decrease in cash, cash equivalents and restricted cash	(20,582)	(29,840)
Cash, cash equivalents, and restricted cash — Beginning of period	91,830	121,985
Cash, cash equivalents, and restricted cash — End of period	$ 71,248	$ 92,145

CARDLYTICS, INC.
RECONCILIATION OF GAAP REVENUE TO BILLINGS (UNAUDITED)
(Amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Consolidated				
Revenue	$ 69,636	$ 76,701	$ 137,244	$ 141,032
Plus:				
Consumer Incentives	40,753	32,723	78,362	64,018
Billings	$ 110,389	$ 109,424	$ 215,606	$ 205,050
Cardlytics platform				
Revenue	$ 64,002	$ 70,726	$ 126,235	$ 129,756
Plus:				
Consumer Incentives	40,753	32,723	78,362	64,018
Billings	$ 104,755	$ 103,449	$ 204,597	$ 193,774
Bridg platform				
Revenue	$ 5,634	$ 5,975	$ 11,009	$ 11,276
Plus:				
Consumer Incentives	—	—	—	—
Billings	$ 5,634	$ 5,975	$ 11,009	$ 11,276

CARDLYTICS, INC.
RECONCILIATION OF GAAP GROSS PROFIT TO ADJUSTED CONTRIBUTION (UNAUDITED)
(Amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Consolidated				
Revenue	$ 69,636	$ 76,701	$ 137,244	$ 141,032
Minus:				
Partner Share and other third-party costs	33,258	39,170	63,801	72,554
Delivery costs(1)	7,661	7,015	13,834	13,439
Gross Profit	28,717	30,516	59,609	55,039
Plus:				
Delivery costs(1)	7,661	7,015	13,834	13,439
Adjusted Contribution	$ 36,378	$ 37,531	$ 73,443	$ 68,478
Cardlytics platform				
Revenue	$ 64,002	$ 70,726	$ 126,235	$ 129,756
Minus:				
Partner Share and other third-party costs	32,865	39,086	63,277	72,261
Delivery costs(1)	6,102	5,217	10,825	9,910
Gross Profit	25,035	26,423	52,133	47,585
Plus:				
Delivery costs(1)	6,102	5,217	10,825	9,910
Adjusted Contribution	$ 31,137	$ 31,640	$ 62,958	$ 57,495
Bridg platform				
Revenue	$ 5,634	$ 5,975	$ 11,009	$ 11,276
Minus:				
Partner Share and other third-party costs	393	84	524	293
Delivery costs(1)	1,559	1,798	3,009	3,529
Gross Profit	3,682	4,093	7,476	7,454
Plus:				
Delivery costs(1)	1,559	1,798	3,009	3,529
Adjusted Contribution	$ 5,241	$ 5,891	$ 10,485	$ 10,983

(1) Stock-based compensation expense recognized in consolidated delivery costs totaled $0.7 million and $0.6 million for the three months ended June 30, 2024 and 2023, respectively. Stock based compensation expense recognized in consolidated delivery costs totaled $1.4 million and $1.1 million for the six months ended June 30, 2024 and 2023, respectively.

CARDLYTICS, INC.

RECONCILIATION OF GAAP NET LOSS TO ADJUSTED EBITDA (UNAUDITED)

(Amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Loss	$ (4,257)	$ (23,508)	$ (28,532)	$ (9,900)
Plus:				
Interest expense, net	1,561	574	2,380	582
Depreciation and amortization	6,529	7,200	12,779	13,775
Stock-based compensation expense	12,644	11,739	23,629	19,707
Foreign currency (gain) loss	(99)	(1,389)	531	(2,778)
Gain on debt extinguishment	(13,017)	—	(13,017)	—
Acquisition, integration and divestiture benefit	162	(9,947)	162	(8,224)
Change in contingent consideration	(5,808)	11,258	9	(23,326)
Adjusted EBITDA	$ (2,285)	$ (4,073)	$ (2,059)	$ (10,164)

CARDLYTICS, INC.

RECONCILIATION OF ADJUSTED CONTRIBUTION TO ADJUSTED EBITDA (UNAUDITED)

(Amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Consolidated				
Adjusted Contribution	$ 36,378	$ 37,531	$ 73,443	$ 68,478
Minus:				
Delivery costs	7,661	7,015	13,834	13,439
Sales and marketing expense	14,025	15,205	28,143	29,153
Research and development expense	13,470	14,847	26,518	26,411
General and administration expense	16,151	16,276	30,636	29,346
Stock-based compensation expense	(12,644)	(11,739)	(23,629)	(19,707)
Adjusted EBITDA	$ (2,285)	$ (4,073)	$ (2,059)	$ (10,164)
Cardlytics platform				
Adjusted Contribution	$ 31,137	$ 31,640	$ 62,958	$ 57,495
Minus:				
Delivery costs	6,102	5,217	10,825	9,910
Sales and marketing expense	11,621	12,834	23,035	24,382
Research and development expense	11,251	13,399	22,366	23,726
General and administration expense	14,776	15,117	28,204	28,447
Stock-based compensation expense	(11,067)	(10,605)	(20,846)	(18,708)
Adjusted EBITDA	$ (1,546)	$ (4,322)	$ (626)	$ (10,262)
Bridg platform				
Adjusted Contribution	$ 5,241	$ 5,891	$ 10,485	$ 10,983
Minus:				
Delivery costs	1,559	1,798	3,009	3,529
Sales and marketing expense	2,404	2,371	5,108	4,771
Research and development expense	2,219	1,448	4,152	2,685
General and administration expense	1,375	1,159	2,432	899
Stock-based compensation expense	(1,577)	(1,134)	(2,783)	(999)
Adjusted EBITDA	$ (739)	$ 249	$ (1,433)	$ 98

CARDLYTICS, INC.
RECONCILIATION OF GAAP NET LOSS TO ADJUSTED NET LOSS AND ADJUSTED NET LOSS PER SHARE (UNAUDITED)
(Amounts in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Loss	$ (4,257)	$ (23,508)	$ (28,532)	$ (9,900)
Plus:				
Stock-based compensation expense	12,644	11,739	23,629	19,707
Foreign currency (gain) loss	(99)	(1,389)	531	(2,778)
Gain on debt extinguishment	(13,017)	—	(13,017)	—
Acquisition, integration and divestiture benefit	162	(9,947)	162	(8,224)
Amortization of acquired intangibles	2,785	3,441	5,574	6,898
Change in contingent consideration	(5,808)	11,258	9	(23,326)
Adjusted Net Loss	$ (7,590)	$ (8,406)	$ (11,644)	$ (17,623)
Weighted-average number of shares of common stock used in computing Adjusted Net Loss per share:				
Weighted-average common shares outstanding, diluted	49,056	34,880	46,168	34,241
Adjusted Net Loss per share, diluted	$ (0.15)	$ (0.24)	$ (0.25)	$ (0.51)

CARDLYTICS, INC.
RECONCILIATION OF NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO FREE CASH FLOW (UNAUDITED)
(Amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net cash provided by (used in) operating activities	$ 4,430	$ 5,750	$ (13,188)	$ (4,313)
Plus:				
Acquisition of property and equipment	(281)	8	(932)	(352)
Capitalized software development costs	(4,577)	(2,764)	(8,673)	(5,207)
Free Cash Flow	$ (428)	$ 2,994	$ (22,793)	$ (9,872)

CARDLYTICS, INC.
RECONCILIATION OF FORECASTED GAAP REVENUE TO BILLINGS (UNAUDITED)
(Amounts in thousands)

	Q3 2024
Revenue	$56.0 - $63.0
Plus:	
Consumer Incentives	$43.0 - $44.0
Billings	$100.0 - $106.0

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Cardlytics Appoints Amit Gupta as CEO

Atlanta, GA – August 7, 2024 – Cardlytics, Inc. (NASDAQ: CDLX), a digital advertising platform, today announced that the Board of Directors has appointed Amit Gupta, Chief Operating Officer and General Manager of Bridg, as its next Chief Executive Officer of Cardlytics, effective August 16, 2024. He will also join the Cardlytics Board of Directors on that date. Mr. Gupta will succeed Karim Temsamani, who is stepping down as Chief Executive Officer and from the Board of Directors to pursue another professional opportunity.

“Amit is the right person to lead Cardlytics in its next stage of growth,” said Jack Klinck, Chair of the Cardlytics Board. “For the last year and a half, Amit has worked closely with Karim and the rest of the leadership team to set the course for our transformation and long-term growth plans. With his deep product and technology experience and industry relationships, Amit is the natural choice to be our next CEO.”

“I am incredibly energized about the opportunity to lead Cardlytics at this inflection point,” commented Gupta. “Since I joined Cardlytics, we have laid a strong engineering and data-driven foundation to scale the company. We have the right team and long-term strategy to modernize and evolve our tech platform and to execute on our revenue diversification strategy with Bridg. I have full confidence in our ability to build on our market-leading position and deliver significant value to our stakeholders. I’d like to thank Karim for his contributions and we wish him the best in his future endeavors.”

“I am proud of what we have accomplished as a team over the last two years,” said Temsamani. “We solved many of the financial and legal challenges facing the company while also modernizing our tech stack and investing in new business opportunities. I look forward to rooting for Amit and the team as he furthers the significant progress we have made together.”

Amit Gupta joined Cardlytics in January 2023 as COO, and additionally served as the General Manager of Bridg, leading the team to bring the new retail media product to market. Before joining Cardlytics, he served as Head of Strategy and Operations for Global Partnerships at Stripe. Prior to that, Gupta worked for four years at Google, including as Director of Strategy, New Products and Operations for Google’s Geo division. Gupta has also founded and served as the CEO of a series of startups. He began his career in the tech practice at Booz Allen Hamilton, where he was made partner. He holds a B.S. in Electrical Engineering from The Ohio State University and an M.B.A. from the NYU Stern School of Business.

About Cardlytics

Cardlytics (NASDAQ: CDLX) is a digital advertising platform. We partner with financial institutions to run their rewards programs that promote customer loyalty and deepen relationships. In turn, we have a secure view into approximately 1 in every 2 card-based transactions in the U.S., allowing us to see where and when consumers are spending their money. We use these insights to help marketers identify, reach, and influence likely buyers at scale, as well as measure the true sales impact of marketing campaigns. Headquartered in Atlanta, Cardlytics has offices in Menlo Park, Los Angeles, New York, and London. Learn more at www.cardlytics.com.

Cautionary Language Concerning Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements related to our executive transition plans, our revenue diversification strategy and our ability to expand our market position and deliver significant value to cardholders. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Words such as "expect," "anticipate," "should," "believe," "hope," "target," "project," "goals," "estimate," "potential," "predict," "may," "will," "might," "could," "intend," or variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control.

Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to the risks detailed in the "Risk Factors" section of our Form 10-Q filed with the Securities and Exchange Commission on May 8, 2024 and in subsequent periodic reports that we file with the Securities and Exchange Commission. Past performance is not necessarily indicative of future results.

The forward-looking statements included in this press release represent our views as of the date of this press release. We anticipate that subsequent events and developments will cause our views to change. We undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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