

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): **November 2, 2021**



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

Delaware
(State or other jurisdiction of
incorporation or organization)
675 Ponce de Leon Avenue NE, Suite 6000

001-38386
(Commission
File Number)
Atlanta Georgia
(Address of principal executive offices, including zip code)
(888) 798-5802
(Registrant's telephone, including area code)

26-3039436
(I.R.S. Employer
Identification No.)
30308

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:

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
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 November 2, 2021, Cardlytics, Inc. (the "Company") issued a press release announcing its financial results for the three and nine months ended September 30, 2021, 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, or the Exchange Act, regardless of any general incorporation language in such filing.

ITEM 7.01 OTHER EVENTS

On November 2, 2021, the Company is also posting a slide presentation on its website, which the Company will reference during the conference call described above.

A copy of the slide presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K. The information in this Item 7.01 and Exhibit 99.2 hereto shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit</u>	<u>Exhibit Description</u>
99.1	Press release dated November 2, 2021
99.2	Presentation titled "Earnings Presentation Q3 2021"

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: November 2, 2021

By: /s/ Andrew Christiansen
Andrew Christiansen
Chief Financial Officer
(Principal Financial and Accounting Officer)



Cardlytics Announces Third Quarter 2021 Financial Results

Atlanta, GA – November 2, 2021 – Cardlytics, Inc. (NASDAQ: CDLX), a digital advertising platform, today announced financial results for the third quarter ended September 30, 2021. Supplemental information is available on the Investor Relations section of Cardlytics' website at <http://ir.cardlytics.com/>.

"We had a solid quarter and delivered results above our guidance," said Lynne Laube, CEO & Co-Founder of Cardlytics. "Execution remains our primary focus, and we have the team and resources to achieve our financial goals, be a strategic partner for our banks and continue our progress on our product and technology initiatives."

"We saw the core business strengthen through the quarter as we achieved sequential billings growth each month," said Andy Christiansen, CFO of Cardlytics. "We remain focused on the things we can control — developing and maintaining strong relationships with all of our partners and developing a technology platform that will unlock the massive potential of our channel."

Third Quarter 2021 Financial Results

- Revenue was \$65.0 million, an increase of 41% year-over-year, compared to \$46.1 million in the third quarter of 2020.
- Billings, a non-GAAP metric, was \$98.4 million, an increase of 59% year-over-year, compared to \$62.1 million in the third quarter of 2020.
- Gross profit was \$24.5 million, an increase of 68% year-over-year, compared to \$14.6 million in the third quarter of 2020.
- Adjusted contribution, a non-GAAP metric, was \$31.6 million, an increase of 60% year-over-year, compared to \$19.7 million in the third quarter of 2020.
- Net loss attributable to common stockholders was \$(44.5) million, or \$(1.35) per diluted share, based on 33.1 million weighted-average common shares outstanding, compared to a net loss attributable to common stockholders of \$(15.4) million, or \$(0.56) per diluted share, based on 27.3 million weighted-average common shares outstanding in the third quarter of 2020.
- Non-GAAP net loss was \$(11.0) million, or \$(0.33) per diluted share, based on 33.1 million weighted-average common shares outstanding, compared to a non-GAAP net loss of \$(4.5) million, or \$(0.16) per diluted share, based on 27.3 million weighted-average common shares outstanding in the third quarter of 2020.
- Adjusted EBITDA, a non-GAAP metric, was a loss of \$(5.2) million compared to a loss of \$(0.6) million in the third quarter of 2020.

Key Metrics

- Cardlytics MAUs were 170.6 million, an increase of 6%, compared to 161.6 million in the third quarter of 2020.
- Cardlytics ARPU was \$0.36, an increase of 24%, compared to \$0.29 in the third quarter of 2020.
- Bridg ARR was \$12.7 million in the third quarter of 2021.

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

Fourth Quarter 2021 Financial Expectations

Cardlytics anticipates billings, revenue, and adjusted contribution to be in the following ranges (in millions):

	Q4 2021 Guidance	FY 2021 Guidance
Billings ⁽¹⁾	\$105.0 - \$120.0	\$365.1 - \$380.1
Revenue	\$70.0 - \$80.0	\$247.1 - \$257.1
Adjusted contribution ⁽²⁾	\$33.0 - \$38.0	\$118.6 - \$123.6

(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 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.

Earnings Teleconference Information

Cardlytics will discuss its third quarter 2021 financial results during a teleconference today, November 2, 2021, at 5:00 PM ET / 2:00 PM PT. The conference call can be accessed at (866) 385-4179 (domestic) or (210) 874-7775 (international), conference ID# 2781489. A replay of the conference call will be available through 8:00 PM ET / 5:00 PM PT on November 9, 2021 at (855) 859-2056 (domestic) or (404) 537-3406 (international). The replay passcode is 2781489. The call will also be broadcast simultaneously at <http://ir.cardlytics.com/>. 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 banking rewards programs that promote customer loyalty and deepen banking relationships. In turn, we have a secure view into 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, we have offices in London, New York, San Francisco, Austin and Visakhapatnam. In March 2021, we acquired Dosh, a transaction-based advertising platform, and in May 2021 we acquired Bridg, a customer data platform. 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, our financial guidance for the fourth quarter of 2021 and full year of 2021, future growth and achievement of long-range goals. 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 the uncertain impacts that COVID-19 may have on our business, financial condition, results of operations; 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 the integration of Dosh and Bridg with our company; 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") 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, including the impact of the COVID-19 pandemic; our ability to generate sufficient revenue to offset contractual commitments to FIs; 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 November 2, 2021 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: billings, adjusted contribution, adjusted EBITDA, adjusted Partner Share and other third party costs, non-GAAP net loss and non-GAAP net loss per share as well as certain other performance metrics, such as monthly active users ("MAUs"), average revenue per user ("ARPU") and annualized recurring revenue ("ARR").

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 Partner Share and other third-party costs, non-GAAP net loss and non-GAAP net loss per share as non-GAAP financial measures in this press release. Billings represents the gross amount billed to customers and marketers for advertising campaigns 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. We define adjusted contribution as a measure 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 marketing spend on our platform 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. We define adjusted EBITDA as our net loss before income tax benefit; interest expense, net; depreciation and amortization expense; stock-based compensation expense; foreign currency loss (gain); deferred implementation costs; restructuring costs, acquisition and integration costs and change in fair value of contingent consideration. We define adjusted Partner Share and other third-party costs as our Partner Share and other third-party costs excluding non-cash equity expense and amortization of deferred implementation costs. We define non-GAAP net loss income as our net loss before stock-based compensation expense; foreign currency loss (gain); acquisition and integration costs; amortization of acquired intangibles; change in fair value of contingent consideration; and restructuring costs. Notably, any impacts related to minimum Partner Share commitments in connection with agreements with certain partners are not added back to net loss in order to calculate adjusted EBITDA, adjusted contribution and non-GAAP net loss. We define non-GAAP net loss per share as non-GAAP net loss divided by weighted-average common shares outstanding, basic and diluted.

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 or accounts that have logged in and visited online or mobile applications containing offers from, opened an email containing offers from, 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 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. We define ARR as the annualized GAAP revenue of the final month in the period presented for the Bridg platform. ARR should not be considered in isolation from, or as an alternative to, revenue prepared in accordance with GAAP. We believe that ARR is an indicator of the Bridg platform’s ability to generate future revenue from existing clients

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

	September 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 237,372	\$ 293,239
Restricted cash	108	110
Accounts receivable, net	83,841	81,249
Other receivables	6,450	5,306
Prepaid expenses and other assets	7,761	5,687
Total current assets	335,532	385,591
Long-term assets:		
Property and equipment, net	12,367	13,865
Right-of-use assets under operating leases, net	11,299	10,764
Intangible assets, net	130,692	447
Goodwill	718,952	—
Capitalized software development costs, net	11,734	6,299
Deferred implementation costs, net	1,442	3,785
Other long-term assets, net	2,563	1,786
Total assets	\$ 1,224,581	\$ 422,537
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 3,806	\$ 1,363
Accrued liabilities:		
Accrued compensation	10,705	7,582
Accrued expenses	6,054	5,502
Partner Share liability	35,285	37,457
Consumer Incentive liability	42,925	24,290
Deferred revenue	2,627	349
Current operating lease liabilities	5,589	4,718
Current finance lease liabilities	35	13
Current contingent consideration	167,430	—
Total current liabilities	274,456	81,274
Long-term liabilities:		
Convertible senior notes, net	181,733	174,011
Long-term operating lease liabilities	7,800	9,381
Long-term finance lease liabilities	61	—
Long-term contingent consideration	71,232	—
Other long-term liabilities	679	679
Total liabilities	535,961	265,345
Stockholders' equity:		
Common stock, \$0.0001 par value—100,000 shares authorized and 33,154 and 27,861 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively.	8	8
Additional paid-in capital	1,198,780	551,429
Accumulated other comprehensive income (loss)	615	(192)
Accumulated deficit	(510,783)	(394,053)
Total stockholders' equity	688,620	157,192
Total liabilities and stockholders' equity	\$ 1,224,581	\$ 422,537

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 64,984	\$ 46,079	\$ 177,067	\$ 119,810
Costs and expenses:				
Partner Share and other third-party costs	34,090	27,971	93,814	70,920
Delivery costs	6,390	3,498	16,076	10,403
Sales and marketing expense	16,733	11,432	46,998	32,805
Research and development expense	11,141	4,627	26,293	12,444
General and administration expense	20,073	12,757	49,136	35,235
Acquisition and integration costs	1,714	—	22,926	—
Change in fair value of contingent consideration	6,261	—	7,741	—
Depreciation and amortization expense	8,375	1,933	20,273	5,809
Total costs and expenses	104,777	62,218	283,257	167,616
Operating loss	(39,793)	(16,139)	(106,190)	(47,806)
Other (expense) income:				
Interest expense, net	(3,193)	(283)	(9,316)	(9)
Foreign currency (loss) gain	(1,543)	1,066	(1,224)	(830)
Total other (expense) income	(4,736)	783	(10,540)	(839)
Loss before income taxes	(44,529)	(15,356)	(116,730)	(48,645)
Income tax benefit	—	—	—	—
Net loss	(44,529)	(15,356)	(116,730)	(48,645)
Net loss attributable to common stockholders	\$ (44,529)	\$ (15,356)	\$ (116,730)	\$ (48,645)
Net loss per share attributable to common stockholders, basic and diluted	\$ (1.35)	\$ (0.56)	\$ (3.67)	\$ (1.80)
Weighted-average common shares outstanding, basic and diluted	33,101	27,343	31,802	27,048

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Delivery costs	\$ 552	\$ 365	\$ 1,382	\$ 897
Sales and marketing	3,841	3,791	9,928	7,627
Research and development	3,170	1,510	7,132	3,514
General and administration	9,267	5,912	18,973	12,773
Total stock-based compensation	\$ 16,830	\$ 11,578	\$ 37,415	\$ 24,811

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

	Nine Months Ended September 30,	
	2021	2020
Operating activities		
Net loss	\$ (116,730)	\$ (48,645)
Adjustments to reconcile net loss to net cash used in operating activities:		
Credit loss expense	1,440	1,281
Depreciation and amortization	20,273	5,809
Amortization of financing costs charged to interest expense	701	290
Accretion of debt discount and non-cash interest expense	7,078	—
Amortization of right-of-use assets	3,770	2,639
Stock-based compensation expense	37,415	24,811
Change in fair value of contingent consideration	7,741	—
Other non-cash expense, net	1,275	1,166
Deferred implementation costs	2,343	3,640
Change in operating assets and liabilities:		
Accounts receivable	(757)	25,010
Prepaid expenses and other assets	(1,296)	(1,412)
Accounts payable	42	115
Other accrued expenses	(2,626)	(6,871)
Partner Share liability	(2,171)	(15,479)
Consumer Incentive liability	3,534	(5,568)
Net cash used in operating activities	<u>(37,968)</u>	<u>(13,214)</u>
Investing activities		
Acquisition of property and equipment	(2,145)	(2,691)
Acquisition of patents	(68)	(50)
Capitalized software development costs	(6,937)	(3,519)
Business acquisition, net of cash acquired	(494,131)	—
Net cash used in investing activities	<u>(503,281)</u>	<u>(6,260)</u>
Financing activities		
Principal payments of debt	—	(17)
Proceeds from issuance of convertible senior notes, net of issuance costs paid of \$6,900	—	223,100
Purchase of capped calls related to convertible senior notes	—	(26,450)
Proceeds from issuance of common stock	486,163	6,380
Deferred equity issuance costs	(190)	—
Debt issuance costs	(200)	—
Net cash received from financing activities	<u>485,773</u>	<u>203,013</u>
Effect of exchange rates on cash, cash equivalents and restricted cash	(393)	(378)
Net increase (decrease) in cash, cash equivalents and restricted cash	(55,869)	183,161
Cash, cash equivalents, and restricted cash — Beginning of period	293,349	104,587
Cash, cash equivalents, and restricted cash — End of period	<u>\$ 237,480</u>	<u>\$ 287,748</u>

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

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	\$	%	2021	2020	\$	%
	Billings ⁽¹⁾	\$ 98,448	\$ 62,093	\$ 36,355	59 %	\$ 260,102	\$ 169,390	\$ 90,712
Consumer Incentives	33,464	16,014	17,450	109	83,035	49,580	33,455	67
Revenue	64,984	46,079	18,905	41	177,067	119,810	57,257	48
Adjusted Partner Share and other third-party costs ⁽¹⁾	33,359	26,330	7,029	27	91,471	67,280	24,191	36
Adjusted contribution ⁽¹⁾	31,625	19,749	11,876	60	85,596	52,530	33,066	63
Delivery costs	6,390	3,498	2,892	83	16,076	10,403	5,673	55
Deferred implementation costs	731	1,641	(910)	(55)	2,343	3,640	(1,297)	(36)
Gross profit	\$ 24,504	\$ 14,610	\$ 9,894	68 %	\$ 67,177	\$ 38,487	\$ 28,690	75 %
Net loss	\$ (44,529)	\$ (15,356)	\$ (29,173)	190 %	\$ (116,730)	\$ (48,645)	\$ (68,085)	140 %
Adjusted EBITDA ⁽¹⁾	\$ (5,169)	\$ (596)	\$ (4,573)	767 %	\$ (14,779)	\$ (12,273)	\$ (2,506)	20 %

(1) Billings, adjusted Partner Share and other third-party costs, 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 to Adjusted EBITDA."

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

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 62,075	\$ 2,909	\$ 64,984	\$ 46,079	\$ —	\$ 46,079
Plus:						
Consumer Incentives	33,464	—	33,464	16,014	—	16,014
Billings	\$ 95,539	\$ 2,909	\$ 98,448	\$ 62,093	\$ —	\$ 62,093

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 172,068	\$ 4,999	\$ 177,067	\$ 119,810	\$ —	\$ 119,810
Plus:						
Consumer Incentives	83,035	—	83,035	49,580	—	49,580
Billings	\$ 255,103	\$ 4,999	\$ 260,102	\$ 169,390	\$ —	\$ 169,390

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

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 62,075	\$ 2,909	\$ 64,984	\$ 46,079	\$ —	\$ 46,079
Minus:						
Partner Share and other third-party costs	33,929	161	34,090	27,971	—	27,971
Delivery costs ⁽¹⁾	4,777	1,613	6,390	3,498	—	3,498
Gross profit	<u>23,369</u>	<u>1,135</u>	<u>24,504</u>	<u>14,610</u>	<u>—</u>	<u>14,610</u>
Plus:						
Delivery costs ⁽¹⁾	4,777	1,613	6,390	3,498	—	3,498
Deferred implementation costs ⁽²⁾	731	—	731	1,641	—	1,641
Adjusted contribution	<u>\$ 28,877</u>	<u>\$ 2,748</u>	<u>\$ 31,625</u>	<u>\$ 19,749</u>	<u>\$ —</u>	<u>\$ 19,749</u>

(1) Stock-based compensation expense recognized in consolidated delivery costs totaled \$0.6 million and \$0.4 million for the three months ended September 30, 2021 and 2020, respectively.

(2) Deferred implementation costs is excluded from adjusted Partner Share and other third-party costs as follows (in thousands):

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated	Cardlytics Platform	Bridg Platform	Consolidated
Partner Share and other third-party costs	\$ 33,929	\$ 161	\$ 34,090	\$ 27,971	\$ —	\$ 27,971
Minus:						
Deferred implementation costs	731	—	731	1,641	—	1,641
Adjusted Partner Share and other third-party costs	<u>\$ 33,198</u>	<u>\$ 161</u>	<u>\$ 33,359</u>	<u>\$ 26,330</u>	<u>\$ —</u>	<u>\$ 26,330</u>

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

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 172,068	\$ 4,999	\$ 177,067	\$ 119,810	\$ —	\$ 119,810
Minus:						
Partner Share and other third-party costs	93,590	224	93,814	70,920	—	70,920
Delivery costs ⁽¹⁾	13,552	2,524	16,076	10,403	—	10,403
Gross profit	64,926	2,251	67,177	38,487	—	38,487
Plus:						
Delivery costs ⁽¹⁾	13,552	2,524	16,076	10,403	—	10,403
Deferred implementation costs ⁽²⁾	2,343	—	2,343	3,640	—	3,640
Adjusted contribution	<u>\$ 80,821</u>	<u>\$ 4,775</u>	<u>\$ 85,596</u>	<u>\$ 52,530</u>	<u>\$ —</u>	<u>\$ 52,530</u>

(1) Stock-based compensation expense recognized in consolidated delivery costs totaled \$1.4 million and \$0.9 million for the nine months ended September 30, 2021 and 2020, respectively.

(2) Deferred implementation costs is excluded from adjusted Partner Share and other third-party costs as follows (in thousands):

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated	Cardlytics Platform	Bridg Platform	Consolidated
Partner Share and other third-party costs	\$ 93,590	\$ 224	\$ 93,814	\$ 70,920	\$ —	\$ 70,920
Minus:						
Deferred implementation costs	2,343	—	2,343	3,640	—	3,640
Adjusted Partner Share and other third-party costs	<u>\$ 91,247</u>	<u>\$ 224</u>	<u>\$ 91,471</u>	<u>\$ 67,280</u>	<u>\$ —</u>	<u>\$ 67,280</u>

CARDLYTICS, INC.
RECONCILIATION OF GAAP NET LOSS TO ADJUSTED EBITDA (UNAUDITED)
(Amounts in thousands)

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated	Cardlytics Platform	Bridg Platform	Consolidated
Net loss	\$ (39,473)	\$ (5,056)	\$ (44,529)	\$ (15,356)	\$ —	\$ (15,356)
Plus:						
Interest expense, net	3,193	—	3,193	283	—	283
Depreciation and amortization expense	5,554	2,821	8,375	1,933	—	1,933
Stock-based compensation expense	15,627	1,203	16,830	11,578	—	11,578
Foreign currency loss (gain)	1,543	—	1,543	(1,066)	—	(1,066)
Deferred implementation costs	731	—	731	1,641	—	1,641
Restructuring costs	713	—	713	391	—	391
Acquisition and integration costs	1,620	94	1,714	—	—	—
Change in fair value of contingent consideration	6,261	—	6,261	—	—	—
Adjusted EBITDA	<u>\$ (4,231)</u>	<u>\$ (938)</u>	<u>\$ (5,169)</u>	<u>\$ (596)</u>	<u>\$ —</u>	<u>\$ (596)</u>

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated	Cardlytics Platform	Bridg Platform	Consolidated
Net loss	\$ (109,696)	\$ (7,034)	\$ (116,730)	\$ (48,645)	\$ —	\$ (48,645)
Plus:						
Interest expense, net	9,316	—	9,316	8	—	8
Depreciation and amortization expense	15,712	4,561	20,273	5,809	—	5,809
Stock-based compensation expense	36,054	1,361	37,415	24,811	—	24,811
Foreign currency loss	1,224	—	1,224	828	—	828
Deferred implementation costs	2,343	—	2,343	3,640	—	3,640
Restructuring costs	713	—	713	1,276	—	1,276
Acquisition and integration costs	22,765	161	22,926	—	—	—
Change in fair value of contingent consideration	7,741	—	7,741	—	—	—
Adjusted EBITDA	<u>\$ (13,828)</u>	<u>\$ (951)</u>	<u>\$ (14,779)</u>	<u>\$ (12,273)</u>	<u>\$ —</u>	<u>\$ (12,273)</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net loss	\$ (44,529)	\$ (15,356)	\$ (116,730)	\$ (48,645)
Plus:				
Stock-based compensation expense	16,830	11,578	37,415	24,811
Foreign currency loss (gain)	1,543	(1,066)	1,224	828
Acquisition and integration costs	1,714	—	22,926	—
Amortization of acquired intangibles	6,497	—	13,009	—
Change in fair value of contingent consideration	6,261	—	7,741	—
Restructuring costs	713	391	713	1,276
Non-GAAP net loss	<u>\$ (10,971)</u>	<u>\$ (4,453)</u>	<u>\$ (33,702)</u>	<u>\$ (21,730)</u>
Weighted-average number of shares of common stock used in computing non-GAAP net loss per share:				
GAAP weighted-average common shares outstanding, diluted	<u>33,101</u>	<u>27,343</u>	<u>31,802</u>	<u>27,048</u>
Non-GAAP net loss per share attributable to common stockholders, diluted	<u>\$ (0.33)</u>	<u>\$ (0.16)</u>	<u>\$ (1.06)</u>	<u>\$ (0.80)</u>

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

	Q4 2021 Guidance	FY 2021 Guidance
Revenue	\$70.0 - \$80.0	\$247.1 - \$257.1
Plus:		
Consumer Incentives	\$35.0 - \$40.0	\$118.0 - \$123.0
Billings	<u>\$105.0 - \$120.0</u>	<u>\$365.1 - \$380.1</u>

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CARDLYTICS Q3 2021

Earnings Presentation

November 2, 2021



Disclaimer

This presentation includes forward-looking statements. All statements contained in this presentation other than statements of historical facts, including statements regarding expectations about future financial performance or results of Cardlytics, Inc. ("Cardlytics," "we," "us," or "our") including our financial guidance for the three and twelve months ending December 31, 2021, the potential benefits of our acquisitions of Dosh and Bridg, the anticipated impact of our strategic initiatives to create shareholder value, growth in MAUs and ARPU are forward looking statements. The words "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "will" and similar expressions are intended to identify forward-looking statements. The future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the 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 the uncertain impacts that COVID-19 may have on our business, financial condition, results of operations; 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 sustain our revenue and billings growth; risks related the integration of Dosh and Bridg with our company; risks related to our substantial dependence on our Cardlytics platform product; 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, Bank of America and Wells Fargo; the amount and timing of budgets by marketers, which are affected by budget cycles, economic conditions and other factors, including the impact of the COVID-19 pandemic; our ability to generate sufficient revenue to offset contractual commitments to Fis; our ability to attract new partners, which include 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 November 2, 2021. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. We are under no duty to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations, except as required by law.

In addition to U.S. GAAP financial information, this presentation includes billings, adjusted contribution, adjusted Partner Share and other third-party costs, adjusted EBITDA, adjusted EBITDA margin, non-GAAP net loss and non-GAAP net loss per share, each of which is a non-GAAP financial measure. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. Reconciliations of billings, adjusted contribution, adjusted Partner Share and other third-party costs, adjusted EBITDA, adjusted EBITDA margin, non-GAAP net loss and non-GAAP net loss per share to the most directly comparable GAAP measures are included in the appendix to this presentation. Please see appendix for definitions.

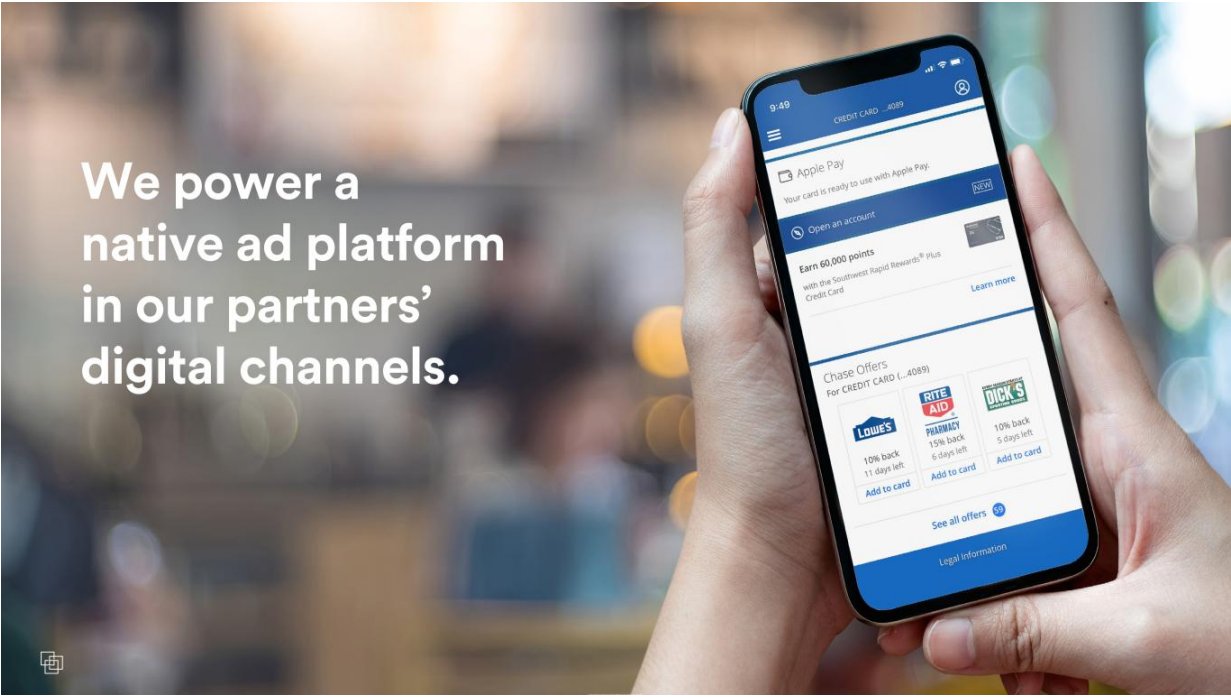


01

Company overview



We power a
native ad platform
in our partners'
digital channels.



Cardlytics provides a scaled solution based on purchase intelligence

Distinctive benefits for marketers

- + Reach valuable banking customers
- + Operate in a brand-safe, privacy-protected, trusted digital channel
- + Market to the most valuable customers based on their actual spending
- + Drive in-store and online traffic
- + Closed-loop solution measures marketing results to the penny



170M+
Monthly Active Users⁽¹⁾

\$3.5T+
in Annual Spend⁽²⁾

1 IN 2
U.S. Purchase Transactions⁽³⁾

(1) Monthly active users ("MAUs") during the three months ended September 30, 2021. Please see appendix for definitions.

(2) Based on data from our partners during the twelve months ended September 30, 2021.

(3) Based on aggregated data of our current partners from the June 2020 Nielsen Report.

Cardlytics is focused on five strategic initiatives to create shareholder value

Drive long-term growth & operating leverage

- + Continued expansion of MAUs and advertising budgets while realizing the value of our operating investments

Self-service portal

- + Provide a solution for SMBs and agencies

Grocery & CPG at scale

- + Scaled product-level offers from leading brands with a friction-free customer experience

Product & category offers

- + Product-level offers across wider retail to provide advertisers enhanced flexibility and optionality

Next gen customer experience

- + Upgraded UI / UX for more content and better offer constructs and engagement solutions to drive engagement and spend
-



Dosh overview

Founded: 2016 | HQ: Austin, TX

Converting high-value
customers on behalf
of new advertiser and
fintech partners while
helping more consumers
save money



Innovative platform

- + Dosh's technology complements Cardlytics' product and technology roadmap
- + Modern, efficient platform that can quickly integrate with neo-banks, fintechs, smaller banks, and consumer-facing organizations

Partnerships with long-term potential

- + Dosh brings partnerships with multiple neo-banks and fintech players, including Venmo, Betterment and Ellevest
- + Increased exposure with millennial and younger consumer audiences

New advertising solutions

- + Potential to enable new content desired by existing partners, such as travel and local offers
- + Unique ways for advertisers to connect directly with consumers

Customer engagement

- + A test and learn DTC app to better understand engagement and drive advertiser ROI
- + Results utilized by partners to drive faster scaled deployments

Bridg overview

Founded: 2010 | HQ: Los Angeles, CA

A customer data
platform working with
leading retailers to help
them understand and
reach customers using
product-level insights



Product-level Insights that differentiate from CDP peers	<ul style="list-style-type: none">+ Access to SKU and UPC data through its client relationships+ Connects to all of a merchant's customers point-of-sale through proprietary technology+ Capable of connecting to most point of sale systems in the U.S.+ Ability to ingest, clean and categorize product-level data to create usable insights
Partnerships with leading businesses	<ul style="list-style-type: none">+ Strong relationships in the restaurant vertical+ Expansion into retail and grocery with several key contracts signed in 2020 and 2021
Potential new advertising solutions	<ul style="list-style-type: none">+ Ability to target on other digital media platforms, including Cardlytics+ Potential to enable product-level offers for partners+ Once integrated, Bridg could move to deterministic modeling+ Possibility for measurement business
Privacy focused	<ul style="list-style-type: none">+ Built from the ground up to protect consumer privacy and security+ Not reliant on cookies or other sources for data ingestion+ Data never leaves the platform and is never sold

02

Financial information & operating metrics



Trended consolidated results

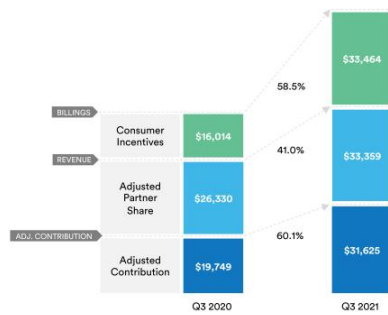


⁽¹⁾ Adjusted contribution and billings are non-GAAP measures. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included in the appendix to this presentation, as well as the definitions of these non-GAAP measures.

Billings and adjusted contribution best reflect performance



Q3 2021 year-over-year consolidated results



(Amounts in thousands)


	Three Months Ended September 30		Change	
	2020	2021	\$	%
Billings ⁽¹⁾	\$62,093	\$98,448	\$36,355	58.5%
Consumer Incentives	16,014	33,464	17,450	109.0%
Revenue	\$46,079	\$64,984	\$18,905	41.0%
Adjusted Partner Share and other third-party costs ⁽¹⁾	26,330	33,359	7,029	26.7%
Adjusted contribution ⁽¹⁾	\$19,749	\$31,625	\$11,876	60.1%
Delivery costs	3,498	6,390	2,892	82.7%
Deferred implementation costs	1,641	731	(910)	(55.5%)
Gross profit	\$14,610	\$24,504	\$9,894	67.7%
Net loss	(\$15,356)	(\$44,529)	(\$29,173)	190.0%
Adjusted EBITDA ⁽¹⁾	(\$596)	(\$5,169)	(\$4,573)	767.3%



(1) Billings, adjusted Partner Share and other third-party costs, 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 to Adjusted EBITDA."

Cardlytics platform advertiser spend by industry

Industry	% Change		% of Total Advertiser Spend		
	Three Months Ended September 30, 2021		Three Months Ended September 30,		
	vs 2020	vs 2019	2019	2020	2021
Grocery & Gas	> 45%	> 75%	< 10%	> 10%	> 10%
Restaurant	> 40%	> 20%	> 25%	> 30%	< 30%
Retail	> 105%	> 0%	> 30%	< 20%	> 25%
Travel & Entertainment	< (5)%	< (70)%	> 20%	< 10%	< 5%
Direct to Consumer	> 45%	> 115%	< 15%	> 30%	> 25%

-  Advertising spend from agency accounts grew >150% during the third quarter of 2021 compared to the third quarter of 2020. Agency accounts represented <10% of total advertising spend during the third quarter of 2021 compared to >5% during the third quarter of 2020.



Cardlytics platform engagement metrics⁽¹⁾

There may be variation in future quarters due to factors such as global economic events, bank launches, new advertisers with significant spend, and growth in nascent or new verticals.

Monthly log-in days⁽²⁾ show that MAUs logged in 10.4 days per month in Q3 2021 versus 11 days per month in Q3 2020.

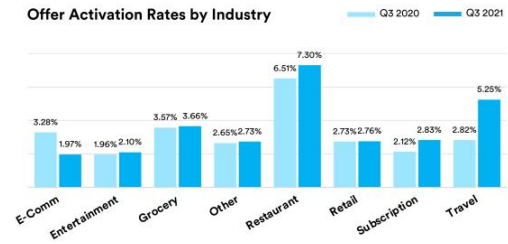
Offer activation rates⁽²⁾ show higher rates for small-ticket, volume-heavy offers versus large-ticket and subscription offers.

Campaign spend ratios⁽²⁾ show Cardlytics currently targets a small proportion of total MAU spend.

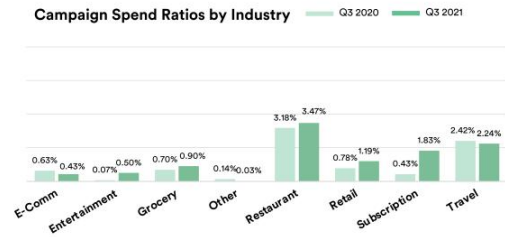
+ As budgets increase and more advertisers come onto the platform, more spend from MAUs can be targeted with offers.

+ There remains considerable room to target larger audiences in light of existing MAU engagement levels.

Offer Activation Rates by Industry



Campaign Spend Ratios by Industry



(1) Metrics include US users only

(2) Please see appendix for definitions.

Significant MAU increase precedes opportunity for expected billings growth and future ARPU expansion for the Cardlytics platform



(1) Please see appendix for definitions.

03

Appendix



Q3 2021 results

(Amounts in thousands, except MAUs and per share amounts)

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	AMT	%	2021	2020	AMT	%
Revenue	\$64,984	\$46,079	\$18,905	41.0%	\$177,067	\$119,810	\$57,257	47.8%
Billings ⁽¹⁾	98,448	62,093	36,355	58.5%	260,102	169,390	90,712	53.6%
Gross Profit	24,504	14,610	9,894	67.7%	67,177	38,487	28,690	74.5%
Adjusted contribution ⁽¹⁾	31,625	19,749	11,876	60.1%	85,596	52,530	33,066	62.9%
Net loss attributable to common stockholders	(44,529)	(15,356)	(29,173)	190.0%	(116,730)	(48,645)	(68,085)	140.0%
Net loss per share (EPS)	(\$1.35)	(\$0.56)	(\$0.79)	141.1%	(\$3.67)	(\$1.80)	(\$1.87)	103.9%
Adjusted EBITDA ⁽¹⁾	(\$5,169)	(\$596)	(\$4,573)	767.3%	(\$14,779)	(\$12,273)	(\$2,506)	20.4%
Adjusted EBITDA margin ⁽¹⁾⁽²⁾	(8.0%)	(1.3%)	(6.7%)	515.0%	(8.3%)	(10.2%)	1.9%	(18.6%)
Non-GAAP net loss ⁽¹⁾	(\$10,971)	(\$4,453)	(\$6,518)	146.4%	(\$33,702)	(\$21,730)	(\$11,972)	55.1%
Non-GAAP net loss per share ⁽¹⁾	(\$0.33)	(\$0.16)	(\$0.17)	106.3%	(\$1.06)	(\$0.80)	(\$0.26)	32.5%
Cardlytics MAUs (in millions)	170.6	161.6	9.0	5.6%	167.5	153.2	14.3	9.3%
Cardlytics ARPU	\$0.36	\$0.29	\$0.07	24.1%	\$1.03	\$0.78	\$0.25	32.1%
Bridg ARR	\$12,734	\$ -	\$12,734	NM	\$12,734	\$ -	\$12,734	NM

(1) Billings, adjusted contribution, adjusted EBITDA, non-GAAP net loss and non-GAAP net loss per share are non-GAAP measures. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included in the appendix to this presentation, as well as definitions of these non-GAAP terms.

(2) Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.



Guidance

(Amounts in millions)

	Q4 2021 Guidance	FY 2021 Guidance
Billings⁽¹⁾	\$105.0 - \$120.0	\$365.1 - \$380.1
Revenue	\$70.0 - \$80.0	\$247.1 - \$257.1
Adjusted Contribution⁽¹⁾	\$33.0 - \$38.0	\$118.6 - \$123.6



⁽¹⁾ Billings and adjusted contribution are non-GAAP measures. Definitions of these non-GAAP measures are included in the appendix to this presentation. 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." A reconciliation of adjusted contribution to GAAP gross profit 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.

Reconciliation of GAAP revenue to billings

(Amounts in thousands)

	Three Months Ended										
	Mar 31, 2019	Jun 30, 2019	Sept 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sept 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sept 30, 2021
Cardlytics Platform											
Revenue	\$35,988	\$48,730	\$56,419	\$69,293	\$45,509	\$28,222	\$46,079	\$67,082	\$53,230	\$56,763	\$62,075
Plus:											
Consumer Incentives	22,562	25,046	26,373	31,642	22,267	11,299	16,014	26,883	23,087	26,484	33,464
Billings	\$58,550	\$73,776	\$82,792	\$100,935	\$67,776	\$39,521	\$62,093	\$93,965	\$76,317	\$83,247	\$95,539
Bridg Platform											
Revenue	-	-	-	-	-	-	-	-	-	\$2,090	\$2,909
Plus:											
Consumer Incentives	-	-	-	-	-	-	-	-	-	-	-
Billings	-	-	-	-	-	-	-	-	-	\$2,090	\$2,909
Consolidated											
Revenue	\$35,988	\$48,730	\$56,419	\$69,293	\$45,509	\$28,222	\$46,079	\$67,082	\$53,230	\$58,853	\$64,984
Plus:											
Consumer Incentives	22,562	25,046	26,373	31,642	22,267	11,299	16,014	26,883	23,087	26,484	33,464
Billings	\$58,550	\$73,776	\$82,792	\$100,935	\$67,776	\$39,521	\$62,093	\$93,965	\$76,317	\$85,337	\$98,448



Reconciliation of GAAP gross profit to adjusted contribution

(Amounts in thousands)

	Three Months Ended										
	Mar 31, 2019	Jun 30, 2019	Sept 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sept 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sept 30, 2021
Cardlytics Platform											
Revenue	\$35,988	\$48,730	\$56,419	\$69,293	\$45,509	\$28,222	\$46,079	\$67,082	\$53,230	\$56,763	\$62,075
Minus:											
Partner Share and other third-party costs	19,004	27,620	33,470	38,986	26,158	16,811	27,971	38,388	29,771	29,890	33,929
Delivery costs	3,246	3,370	3,070	3,207	3,406	3,499	3,498	3,907	3,938	4,837	4,777
Gross Profit	\$13,738	\$17,740	\$20,879	\$27,100	\$15,965	\$7,912	\$14,610	\$24,787	\$19,521	\$22,036	\$23,369
Plus:											
Delivery costs	3,246	3,370	3,070	3,207	3,406	3,499	3,498	3,907	3,938	4,837	4,777
Deferred implementation costs	653	731	789	696	1,008	991	1,641	958	882	730	731
Adjusted contribution	\$17,637	\$21,841	\$24,738	\$31,003	\$20,379	\$12,402	\$19,749	\$29,652	\$24,341	\$27,603	\$28,877
Bridg Platform											
Revenue	-	-	-	-	-	-	-	-	-	\$2,090	\$2,909
Minus:											
Partner Share and other third-party costs	-	-	-	-	-	-	-	-	-	63	161
Delivery costs	-	-	-	-	-	-	-	-	-	911	1,613
Gross Profit	-	-	-	-	-	-	-	-	-	\$1,116	\$1,135
Plus:											
Delivery costs	-	-	-	-	-	-	-	-	-	911	1,613
Adjusted contribution	-	-	-	-	-	-	-	-	-	\$2,027	\$2,748
Consolidated											
Revenue	\$35,988	\$48,730	\$56,419	\$69,293	\$45,509	\$28,222	\$46,079	\$67,082	\$53,230	\$58,853	\$64,984
Minus:											
Partner Share and other third-party costs	19,004	27,620	33,470	38,986	26,158	16,811	27,971	38,388	29,771	29,953	34,090
Delivery costs	3,246	3,370	3,070	3,207	3,406	3,499	3,498	3,907	3,938	5,748	6,390
Gross Profit	\$13,738	\$17,740	\$20,879	\$27,100	\$15,965	\$7,912	\$14,610	\$24,787	\$19,521	\$23,152	\$24,504
Plus:											
Delivery costs	3,246	3,370	3,070	3,207	3,406	3,499	3,498	3,907	3,938	5,748	6,390
Deferred implementation costs	653	731	789	696	1,008	991	1,641	958	882	730	731
Adjusted contribution	\$17,637	\$21,841	\$24,738	\$31,003	\$20,379	\$12,402	\$19,749	\$29,652	\$24,341	\$29,630	\$31,655



Reconciliation of GAAP partner share and other third-party costs to adjusted partner share and other third-party costs

(Amounts in thousands)

	Three Months Ended										
	Mar 31, 2019	Jun 30, 2019	Sept 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sept 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sept 30, 2021
Cardlytics Platform											
Partner Share and other third-party costs	\$19,004	\$27,620	\$32,470	\$38,986	\$26,138	\$16,811	\$27,971	\$38,388	\$29,771	\$29,890	\$33,929
Minus:											
Deferred implementation costs	653	731	789	696	1,008	991	1,641	958	882	730	731
Adjusted Partner Share and other third-party costs	\$18,351	\$26,889	\$31,681	\$38,290	\$25,130	\$15,820	\$26,330	\$37,430	\$28,889	\$29,160	\$33,198
Bridg Platform											
Partner Share and other third-party costs	-	-	-	-	-	-	-	-	-	\$63	\$161
Minus:											
Deferred implementation costs	-	-	-	-	-	-	-	-	-	-	-
Adjusted Partner Share and other third-party costs	-	-	-	-	-	-	-	-	-	\$63	\$161
Consolidated											
Partner Share and other third-party costs	\$19,004	\$27,620	\$32,470	\$38,986	\$26,138	\$16,811	\$27,971	\$38,388	\$29,771	\$29,953	\$34,090
Minus:											
Deferred implementation costs	653	731	789	696	1,008	991	1,641	958	882	730	731
Adjusted Partner Share and other third-party costs	\$18,351	\$26,889	\$31,681	\$38,290	\$25,130	\$15,820	\$26,330	\$37,430	\$28,889	\$29,223	\$33,359



Reconciliation of GAAP net (loss) income to adjusted EBITDA

(Amounts in thousands)

	Three Months Ended										
	Mar 31, 2019	Jun 30, 2019	Sept 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sept 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sept 30, 2021
Cardlytics Platform											
Net (loss) income	(\$6,314)	(\$6,910)	(\$7,747)	\$3,427	(\$15,531)	(\$19,758)	(\$15,356)	(\$6,777)	(\$24,895)	(\$46,328)	(\$39,473)
Plus:											
Income tax benefit	-	-	-	-	-	-	-	-	-	-	-
Interest expense (income), net	304	338	218	(310)	(294)	10	283	3,039	3,045	3,078	3,192
Depreciation and amortization expense	961	1,053	1,167	1,354	2,331	1,545	1,933	2,017	3,065	7,592	5,554
Stock-based compensation expense	1,708	3,072	7,486	3,585	4,126	9,108	11,578	7,584	7,248	13,179	15,627
Foreign currency (gain) loss	(491)	667	903	(1,859)	1,886	8	(1,046)	(2,377)	(319)	-	1,543
Deferred implementation costs	653	731	789	696	1,008	991	1,641	968	882	730	721
Costs associated with financing events	-	-	123	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	23	28	-	-	-	-	-	-	-	-
Restructuring costs	-	-	-	-	482	403	391	47	-	-	713
Acquisition and integration costs	-	-	-	-	-	-	-	-	7,030	14,114	1,620
Change in fair value of contingent consideration	-	-	-	-	-	-	-	-	-	1,480	6,261
Adjusted EBITDA	(\$3,179)	(\$626)	\$2,967	\$6,891	(\$3,982)	(\$7,693)	(\$596)	\$4,491	(\$3,944)	(\$5,655)	(\$4,231)
Bridge Platform											
Net (loss) income	-	-	-	-	-	-	-	-	-	(\$1,978)	(\$5,056)
Plus:											
Depreciation and amortization expense	-	-	-	-	-	-	-	-	-	1,761	2,821
Stock-based compensation expense	-	-	-	-	-	-	-	-	-	158	1,203
Acquisition and integration costs	-	-	-	-	-	-	-	-	-	68	94
Adjusted EBITDA	-	-	-	-	-	-	-	-	-	(\$1)	(\$928)
Consolidated											
Net (loss) income	(\$6,314)	(\$6,910)	(\$7,747)	\$3,427	(\$15,531)	(\$19,758)	(\$15,356)	(\$6,777)	(\$24,895)	(\$47,306)	(\$44,529)
Plus:											
Income tax benefit	-	-	-	-	-	-	-	-	-	-	-
Interest expense (income), net	304	338	218	(310)	(294)	10	283	3,039	3,045	3,078	3,193
Depreciation and amortization expense	961	1,053	1,167	1,354	2,331	1,545	1,933	2,017	3,065	8,833	8,375
Stock-based compensation expense	1,708	3,072	7,486	3,585	4,126	9,108	11,578	7,584	7,248	13,337	16,830
Foreign currency (gain) loss	(491)	667	903	(1,859)	1,886	8	(1,046)	(2,377)	(319)	-	1,543
Deferred implementation costs	653	731	789	696	1,008	991	1,641	968	882	730	721
Costs associated with financing events	-	-	123	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	23	28	-	-	-	-	-	-	-	-
Restructuring costs	-	-	-	-	482	403	391	47	-	-	713
Acquisition and integration costs	-	-	-	-	-	-	-	-	7,030	14,182	1,714
Change in fair value of contingent consideration	-	-	-	-	-	-	-	-	-	1,480	6,261
Adjusted EBITDA	(\$3,179)	(\$626)	\$2,967	\$6,891	(\$3,982)	(\$7,693)	(\$596)	\$4,491	(\$3,944)	(\$5,656)	(\$5,169)



Reconciliation of GAAP net loss to non-GAAP net loss and non-GAAP net loss per share

(Amounts in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Net loss	(\$44,529)	(\$15,356)	(\$116,730)	(\$48,645)
Plus:				
Stock-based compensation expense	16,830	11,578	37,415	24,811
Foreign currency loss (gain)	1,543	(1,066)	1,224	828
Acquisition and integration costs	1,714	-	22,926	-
Amortization of acquired intangibles	6,497	-	13,009	-
Change in fair value of contingent consideration	6,261	-	7,741	-
Restructuring costs	713	391	713	1276
Non-GAAP net loss	(\$10,971)	(\$4,453)	(\$53,702)	(\$21,730)
Weighted-average number of shares of common stock used in computing non-GAAP net loss per share:				
Weighted-average common shares outstanding, diluted	33,101	27,343	31,802	27,048
Non-GAAP net loss per share attributable to common stockholders, diluted	(\$0.33)	(\$0.16)	(\$1.06)	(\$0.80)



Reconciliation of forecasted GAAP revenue to billings

(Amounts in millions)

	Q4 2021 Guidance	FY 2021 Guidance
Revenue	\$70.0 - \$80.0	\$247.1 - \$257.1
Plus:		
Consumer Incentives	\$35.0 - \$40.0	\$118.0 - \$123.0
Billings	\$105.0 - \$120.0	\$365.1 - \$380.1



Definitions

Adjusted contribution: We define adjusted contribution measures of 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 marketing spend on our platform 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.

Adjusted EBITDA: We define adjusted EBITDA as our net loss before income tax benefit; interest expense, net; depreciation and amortization expense; stock-based compensation expense; foreign currency gain (loss); deferred implementation costs; restructuring costs; acquisition and integration costs; and change in fair value of contingent considerations.

Bridg ARR: We define ARR as the annualized GAAP revenue of the final month in the period presented for the Bridg platform. ARR should not be considered in isolation from, or as an alternative to, revenue prepared in accordance with GAAP. We believe that ARR is an indicator of the Bridg platform's ability to generate future revenue from existing clients.

Cardlytics ARPU: We define ARPU as the total Cardlytics platform revenue generated in the applicable period calculated in accordance with GAAP, divided by the average number of MAUs in the applicable period.

Billings: Billings represents the gross amount billed to customers and marketers for advertising campaigns 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.

Campaign spend ratio: We define campaign spend ratio as the amount of spend from MAUs that is associated with the campaigns in which they were targeted with offers divided by the total amount of spend from MAUs in the industries in which MAUs were targeted with offers during the applicable period.

Cardlytics MAUs: We define MAUs as targetable customers or accounts that have logged in and visited online or mobile applications containing offers from, opened an email containing offers from, 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.

Monthly log-in days: We define monthly log-in days as the number of days in which MAUs logged in and visited the online or mobile banking applications of, or opened an email containing our offers from, our partners during a monthly period. We then calculate an average of the monthly log-in days for the periods presented.

Non-GAAP net loss: We define non-GAAP net loss as our net loss income before stock-based compensation expense; foreign currency (gain) loss; acquisition and integration costs; amortization of acquired intangibles; change in fair value of contingent considerations; and restructuring costs. Notably, any impacts related to minimum Partner Share commitments in connection with agreements with certain Partners are not added back to net loss in order to calculate adjusted EBITDA.

Non-GAAP net loss per share: We define non-GAAP net loss per share as non-GAAP net loss divided by GAAP weighted-average common shares outstanding, diluted.

Offer activation rate: We define offer activation rate as the total number of offers activated by MAUs divided by the total number of offers served to MAUs in the applicable period.



Industry and account definitions

Segment	Segment Constituents
Agency Accounts	Merchants on the Cardlytics platform in which we interact with an advertising agency that we believe holds significant influence over the decision-making process as it relates to the design and management of advertising campaigns
DTC	Direct to consumer
Entertainment	Amusement Parks, Cinema/Video, Concerts/Theater, Gaming, Golf, Miscellaneous Recreation Services, Museums/Parks, Radio, Sporting & Sporting Venues/Other, Ticket Providers
Exclusions	Antique/Pawn, Charitable and Social Service Organizations, Courier/Freight/Storage, Gambling, Government, Lifestyle/ Social, Medical Services, Other Educational, Schools
Grocery	Convenience, Grocery
Other	Business Services, Financial Institutions, Gyms/Fitness, Home/ Maintenance, Online Education/ Distance Learning, Other Services, Salon/Spa
Restaurant	Banquet/Caterers, Bars/Night Clubs/Taverns, Fast Food/ Quick Serve, Full Service Restaurants, Quick Serve Light Fares
Retail	Accessories, Apparel, Auto Services and Products, Beauty Products/Cosmetics, Books/ Magazine, Child/ Infant Care, Drug Store/Pharmacy, General/Multi-Line, Home & Garden, Office Supplies, Other Retail, Pets, Shoes & Athletic Footwear, Specialty Gifts, Sporting & Outdoor Goods
Subscription	Bundled, Insurance/Real Estate, Internet, Phone, Professional Services, Television
Travel	Airlines, Car Rental, Cruise Lines, Gas Stations, Hotels/Lodging, Other Travel, Parking Services, Personal Transportation, Tour Operators/Agencies, Travel Aggregators and Agencies





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