

August 8, 2019

# Earnings Presentation

## Q2 2019



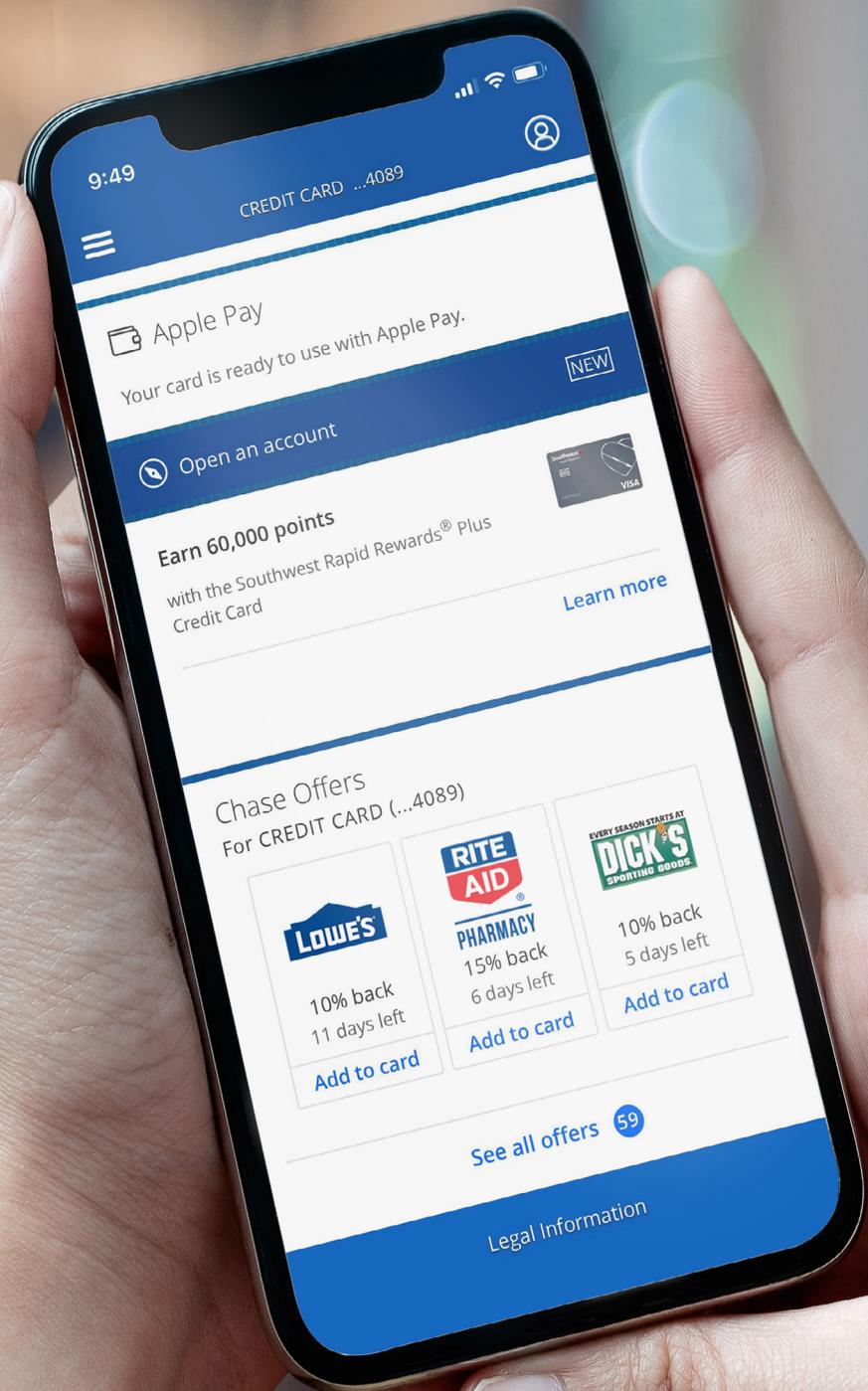
# Disclaimer

This presentation includes forward-looking statements. All statements contained in this presentation other than statements of historical facts, including statements regarding future results of operations and the financial position of Cardlytics, Inc. (“Cardlytics,” “we,” “us” or “our”), our business strategy and plans, our objectives for future operations, including our long-term model, our target adjusted EBITDA in 2020 and our target MAUs and ARPU in 2021 and our financial guidance for the quarter ended September 30, 2019 and the year ended December 31, 2019 are forward-looking statements. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “will” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks and uncertainties. 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. 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 FI 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 FI 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.



**We power a native  
ad platform for  
marketers in banks'  
digital channels.**



# Cardlytics provides a scaled solution based on purchase intelligence



**> 120M**

Monthly Active Users



**\$2.4T**

in Annual Spend



**2 IN 5**

Card Swipes

## Distinctive Benefits for Marketers

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Reach valuable banked customers

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Operate in a brand-safe, privacy-protected, trusted digital channel

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Market to the most valuable customers based on their actual spending

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Drive in-store and online traffic

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Closed-loop solution measures marketing results to the penny

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# In 2019, we are focused on unlocking the value of prior years' investments

## Accelerate Top-Line Growth

Leverage significant increase in scale to land new clients, expand into new industry verticals, and grow budgets with current clients

## Demonstrate Operating Leverage

Realize the value of technology, infrastructure, and personnel investments to support >200M MAUs

## Evolve the Platform

Move to an always-on, highly automated platform that can reduce buying friction, be extended to third parties, and support richer media

## Estimated FY 2020

Positive adjusted EBITDA in 2020 through exhibited operating leverage\*

## Estimated FY 2021

A return to normalized ARPU levels by the end of 2021

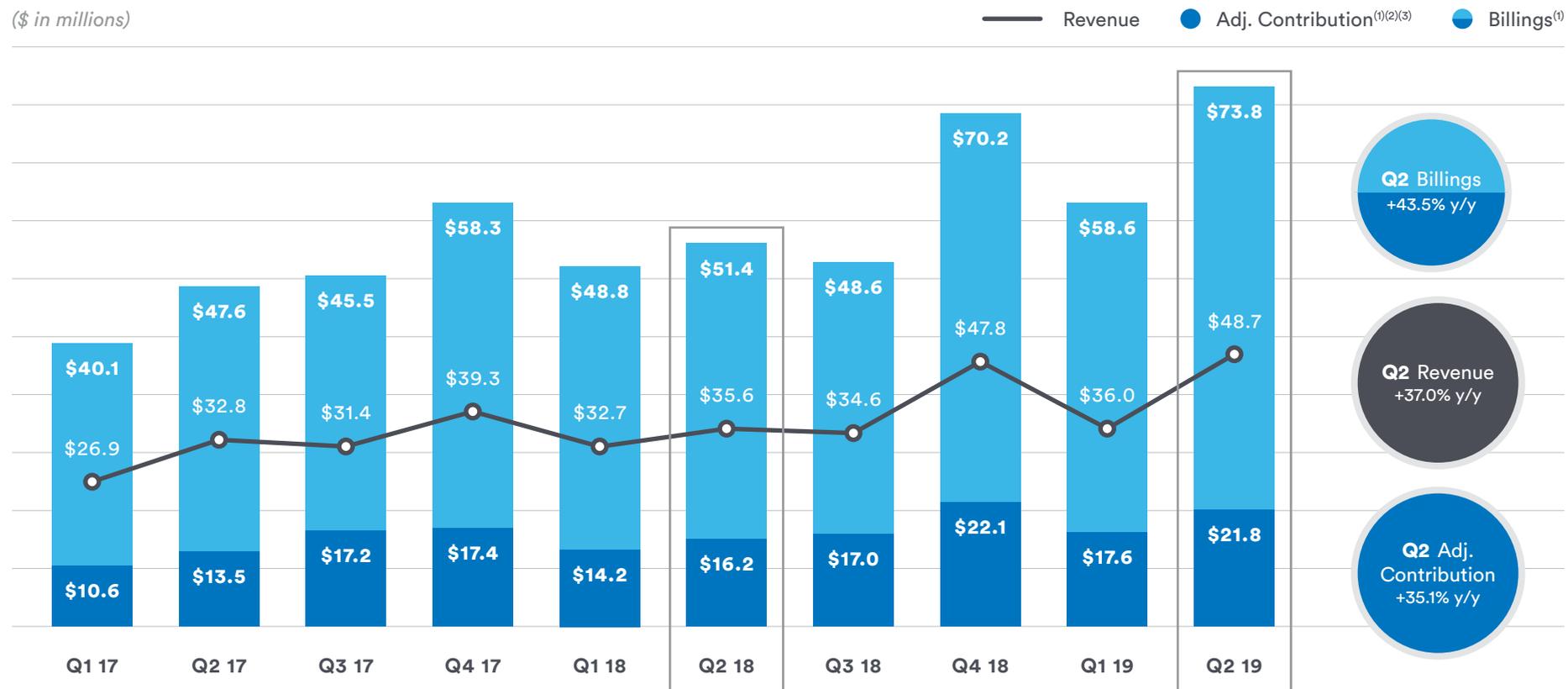
\* A reconciliation of non-GAAP adjusted EBITDA to GAAP net loss on a forward-looking basis is not available without unreasonable efforts due to the high variability, complexity and low visibility with respect to the items excluded from this non-GAAP measure.

# Financial Information & Operating Metrics



# Positive year-over-year growth

(\$ in millions)



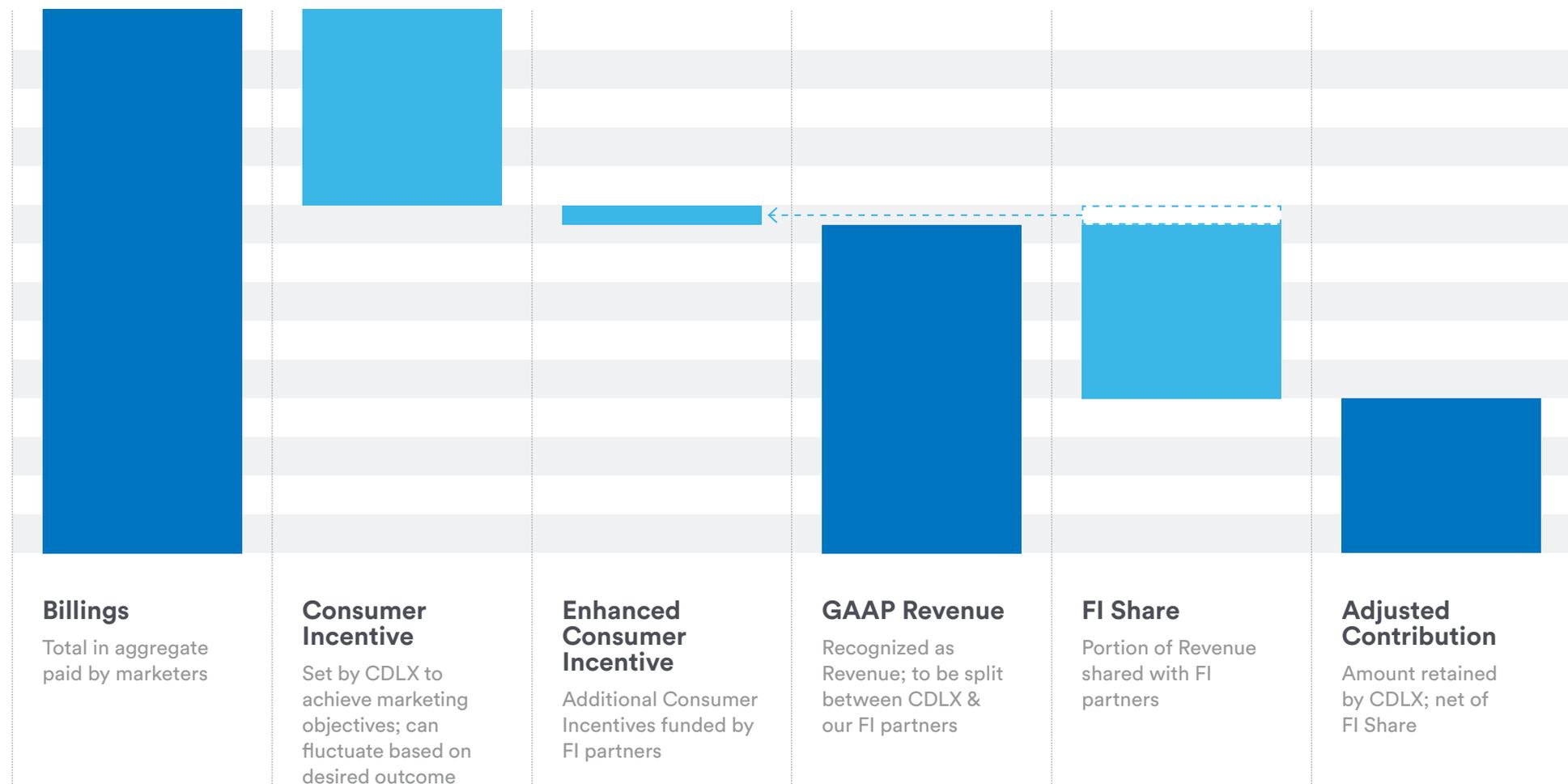
(1) Adjusted contribution and billings are non-GAAP measures. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included in the appendix to this presentation.

(2) Adjusted contribution includes the impact of an accrued expense totaling \$1.5 million during both the first and second quarters of 2017 related to an expected shortfall in meeting a minimum FI Share commitment. The accrued expense was reversed during the third quarter of 2017, resulting in a non-cash gain totaling \$3.0 million.

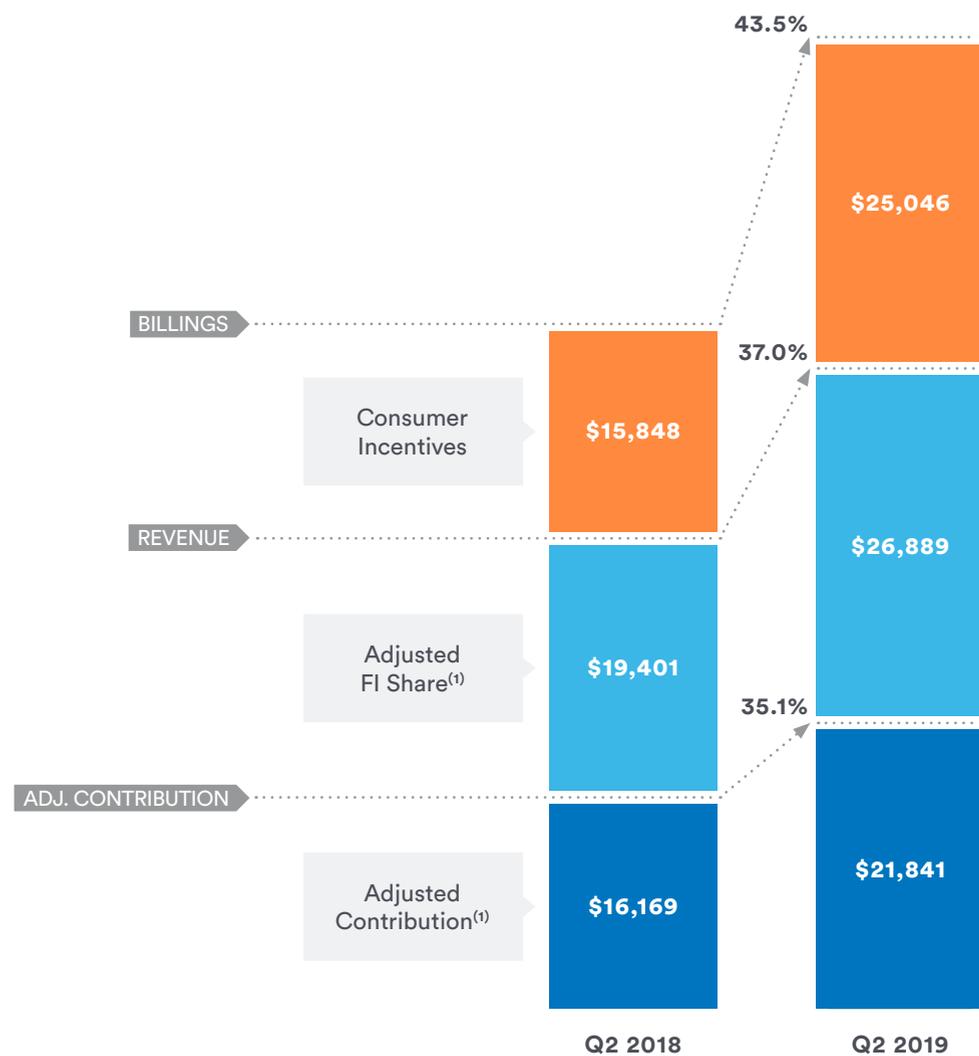
(3) Adjusted contribution includes the impact of a \$0.8 million gain during the third quarter of 2018 related to the renewal of our agreement with Lloyds, which contains certain amendments that are retroactively applied as of 1/1/2018.



# Billings and Adjusted Contribution best reflect performance



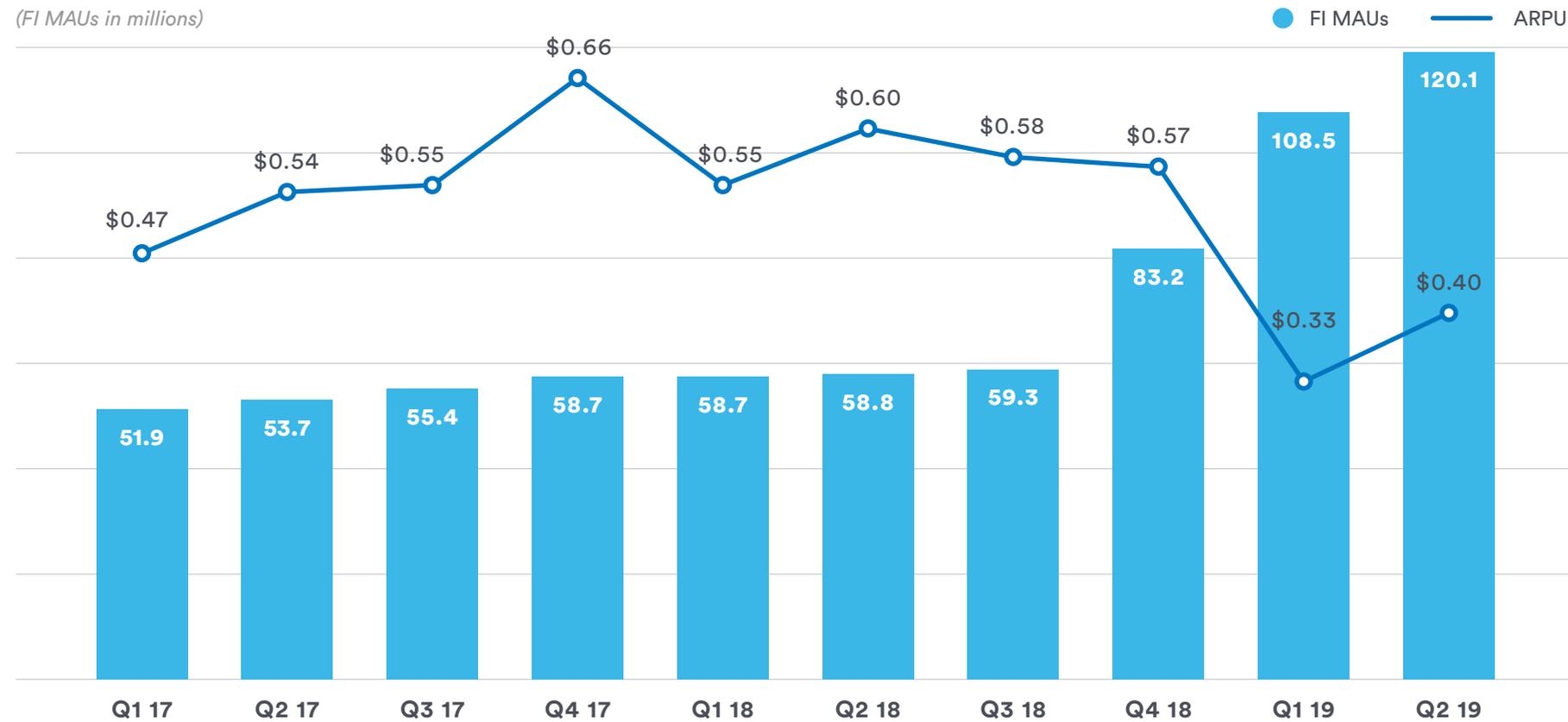
# Q2 2019 Results



(\$ in millions)	Three Months Ended June 30,		Change	
	2018	2019	\$	%
Billings <sup>(1)</sup>	\$51,418	\$73,776	\$22,358	43.5%
Consumer Incentives	15,848	25,046	9,198	58.0
Revenue	\$35,570	\$48,730	\$13,160	37.0%
Adjusted FI Share and other third-party costs <sup>(1)</sup>	19,401	26,889	7,488	38.6
Adjusted Contribution <sup>(1)</sup>	\$16,169	\$21,841	\$5,672	35.1%

(1) Billings, adjusted FI share and other third-party costs and adjusted contribution are non-GAAP measures. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included in the appendix to this presentation

# Significant FI MAU increase precedes expected Billings growth and future ARPU expansion



# Appendix



# Appendix

## Q2 2019 Results (unaudited)

(Amounts in thousands, except per share amounts)

	Three Months Ended				Six Months Ended			
	June 30,		Change		June 30,		Change	
	2018	2019	AMT	%	2018	2019	AMT	%
<b>Billings<sup>(1)</sup></b>	\$51,418	\$73,776	\$22,358	43.5%	\$100,180	\$132,326	\$32,146	32.1%
Consumer Incentives	15,848	25,046	9,198	58.0	31,897	47,608	15,711	49.3
Revenue	\$35,570	\$48,730	\$13,160	37.0	\$68,283	\$84,718	\$16,435	24.1
Adjusted FI Share and other third-party costs <sup>(1)</sup>	19,401	26,889	7,488	38.6	37,890	45,240	7,350	19.4
Adjusted contribution <sup>(1)</sup>	\$16,169	\$21,841	\$5,672	35.1	\$30,393	\$39,478	\$9,085	29.9
Net loss attributable to common stockholders	\$(13,053)	\$(6,510)	\$6,543	-50.1	\$(33,265)	\$(12,824)	\$20,441	-61.4
Net loss per share (EPS)	\$(0.64)	\$(0.29)	\$0.35	-54.7	\$(1.99)	\$(0.57)	\$1.42	-71.4
Adjusted EBITDA <sup>(1)</sup>	\$(2,164)	\$(626)	\$1,538	-71.1	\$(5,240)	\$(3,805)	\$1,435	-27.4
Adjusted EBITDA margin <sup>(1)</sup>	-6.08%	-1.28%	-	-	-7.67%	-4.49%	-	-
Non-GAAP net loss <sup>(1)</sup>	\$(4,286)	\$(2,748)	\$1,538	-35.9	\$(10,433)	\$(7,845)	\$2,588	-24.8
Non-GAAP net loss per share <sup>(1)</sup>	\$(0.21)	\$(0.12)	\$(0.12)	-42.4	\$(0.55)	\$(0.35)	\$0.20	-36.9
FI MAUs	58,808	120,125	61,317	104.3	58,746	114,297	55,551	94.6
ARPU	\$0.60	\$0.40	\$0.40	-33.3%	\$1.14	\$0.74	\$(0.40)	-35.2%

(1) Billings, adjusted FI share and other third-party costs, adjusted contribution, adjusted EBITDA, adjusted EBITDA margin, 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.

# Appendix

## Guidance

(Amounts in millions)

	Q3 2019	FY 2019
Billings <sup>(1)</sup>	\$70.0 - \$76.0	\$275.0 - \$290.0
Revenue	\$46.0 - \$50.0	\$180.0 - \$190.0
Adjusted contribution <sup>(2)</sup>	\$20.0 - \$22.0	\$83.0 - \$88.0
Adjusted EBITDA <sup>(3)</sup>	\$(1.5) - \$(0.5)	\$(7.0) - \$(5.0)

(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 revenue on a forward-looking basis is presented below under the heading “Reconciliation of Forecasted GAAP Revenue to Adjusted Contribution.”

(3) A reconciliation of adjusted EBITDA to GAAP net loss 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.

# Appendix

## Reconciliation of GAAP Revenue to Billings (unaudited)

(Amounts in thousands)

	Three Months Ended									
	Mar 31,	Jun 30,	Sept 30,	Dec 31,	Mar 31,	Jun 30,	Sept 30,	Dec 31,	Mar 31,	Jun 30,
	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019
Revenue	\$26,881	\$32,812	\$31,406	\$39,266	\$32,713	\$35,570	\$34,582	\$47,819	\$35,988	\$48,730
Plus:										
Consumer Incentives	13,229	14,750	14,114	19,068	16,049	15,848	14,002	22,397	22,562	25,046
Billings (non-GAAP)	\$40,110	\$47,562	\$45,520	\$58,334	\$48,762	\$51,418	\$48,584	\$70,216	\$58,550	\$73,776

# Appendix

## Reconciliation of GAAP Revenue to Adjusted Contribution (unaudited)

(Amounts in thousands)

	Three Months Ended									
	Mar 31, 2017	Jun 30, 2017	Sept 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sept 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019
Revenue	\$26,881	\$32,812	\$31,406	\$39,266	\$32,713	\$35,570	\$34,582	\$47,819	\$35,988	\$48,730
Minus:										
FI Share and other third-party costs (non-GAAP) <sup>(1)(2)(3)</sup>	16,286	19,326	14,164	21,845	18,489	19,401	17,604	25,740	18,351	26,889
Adjusted contribution (non-GAAP)	\$10,595	\$13,486	\$17,242	\$17,421	\$14,224	\$16,169	\$16,978	\$22,079	\$17,637	\$21,841

(1) Adjusted contribution includes the impact of an accrued expense totaling \$1.5 million during both the first and second quarters of 2017 related to an expected shortfall in meeting a minimum FI Share commitment. The accrued expense was reversed during the third quarter of 2017, resulting in a non-cash gain totaling \$3.0 million.

(2) Adjusted contribution includes the impact of a \$0.8 million gain during the third quarter of 2018 related to the renewal of our agreement with Lloyds, which contains certain amendments that are retroactively applied as of January 1, 2018.

(3) The following table presents a reconciliation of adjusted FI Share and other third-party costs to FI Share and other third-party costs, the most directly comparable GAAP measure:

	Three Months Ended									
	Mar 31, 2017	Jun 30, 2017	Sept 30, 2017	Dec 31, 2017	Mar 31, 2018	Jun 30, 2018	Sept 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019
FI Share and other third-party costs	\$16,677	\$19,680	\$14,529	\$22,361	\$21,420	\$19,747	\$17,982	\$26,222	\$19,004	\$27,620
Minus:										
Non-cash equity expense included in FI Share	-	-	-	-	2,519	-	-	-	-	-
Amortization of deferred FI implementation costs	391	354	365	516	412	346	378	482	653	731
Adjusted FI Share and other third-party costs (non-GAAP)	\$16,286	\$19,326	\$14,164	\$21,845	\$18,489	\$19,401	\$17,604	\$25,740	\$18,351	\$26,889

# Appendix

## Reconciliation of GAAP Net Loss to Adjusted EBITDA (unaudited)

(Amounts in thousands)

	Three Months Ended									
	Mar 31,	Jun 30,	Sept 30,	Dec 31,	Mar 31,	Jun 30,	Sept 30,	Dec 31,	Mar 31,	Jun 30,
	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019
Net loss	\$(12,463)	\$(648)	\$(2,474)	\$(4,056)	\$(20,055)	\$(13,053)	\$(8,368)	\$(11,566)	\$(6,314)	\$(6,510)
Plus:										
Income tax benefit	-	-	-	-	-	-	-	-	-	-
Interest expense, net	2,644	2,020	1,763	1,812	1,749	992	254	269	304	338
Depreciation and amortization expense	765	767	771	725	910	784	777	811	961	1,053
Stock-based compensation expense	983	1,242	1,482	1,440	2,900	8,345	5,723	9,822	1,708	3,072
Foreign currency (loss) gain	(165)	(579)	(455)	(119)	(683)	1,109	256	490	(491)	667
Amortization of deferred FI implementation costs	391	354	365	516	412	346	378	482	653	731
Costs associated with financing events	-	129	-	-	-	-	118	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	924	-	-	-	23
Change in fair value of warrant liabilities, net	327	1,466	(1,381)	169	9,172	(1,611)	(801)	-	-	-
Change in fair value of convertible promissory notes	2,606	(7,575)	-	-	-	-	-	-	-	-
Non-cash equity expense included in FI Share	-	-	-	-	2,519	-	-	-	-	-
Adjusted EBITDA (non-GAAP)	\$(4,912)	\$(2,824)	\$71	\$487	\$(3,076)	\$(2,164)	\$(1,663)	\$308	\$(3,179)	\$(626)

# Appendix

## 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		Six Months Ended	
	June 30,		June 30,	
	2018	2019	2018	2019
Net loss	\$(13,053)	\$(6,510)	\$(33,108)	\$(12,824)
Plus:		-		-
Stock-based compensation expense	8,345	3,072	11,245	4,780
Foreign currency loss	1,109	667	426	176
Loss on extinguishment of debt	924	23	924	23
Change in fair value of warrant liabilities, net	(1,611)	-	7,561	-
Non-cash equity expense included in FI Share	-	-	2,519	-
Non-GAAP net loss	\$(4,286)	\$(2,748)	\$(10,433)	\$(7,845)
Weighted-average number of shares of common stock used in computing non-GAAP net loss per share:				
GAAP weighted-average common shares outstanding, diluted	20,300	22,731	-	16,716
Weighted-average preferred shares, assuming conversion	-	-	2,235	-
Non-GAAP weighted-average common shares outstanding, diluted	20,300	22,731	-	18,951
Non-GAAP net loss per share attributable to common stockholders, diluted	\$(0.21)	\$(0.12)	\$(0.55)	\$(0.35)

# Appendix

## Reconciliation of Forecasted GAAP Revenue to Billings *(unaudited)*

*(Amounts in millions)*

	Q3 2019 Guidance	FY 2019 Guidance
Revenue	\$46.0 - \$50.0	\$180.0 - \$190.0
Plus:		
Consumer Incentives	\$20.0 - \$30.0	\$85.0 - \$110.0
Billings (non-GAAP)	\$70.0 - \$76.0	\$275.0 - \$290.0

## Reconciliation of Forecasted GAAP Revenue to Adjusted Contribution *(unaudited)*

*(Amounts in millions)*

	Q3 2019 Guidance	FY 2019 Guidance
Revenue	\$46.0 - \$50.0	\$180.0 - \$190.0
Minus:		
Adjusted FI Share and other third-party costs (non-GAAP) <sup>(1)</sup>	\$24.0 - \$30.0	\$92.0 - \$107.0
Adjusted contribution (non-GAAP)	\$20.0 - \$22.0	\$83.0 - \$88.0

(1) Adjusted FI Share and other third-party costs presented above excludes amortization of deferred FI implementation costs, which is not available without unreasonable efforts due to high variability, complexity and low visibility.

