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): **May 4, 2021**

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 6000	**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 May 4, 2021, Cardlytics, Inc. (the "Company") issued a press release announcing its financial results for the three months ended March 31, 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 May 4, 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 filed herewith as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit	Exhibit Description
99.1	Press release dated May 4, 2021
99.2	Presentation titled "Earnings Presentation Q1 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:	May 4, 2021	By:	/s/ Andrew Christiansen
			Andrew Christiansen Chief Financial Officer *(Principal Financial and Accounting Officer)*

Cardlytics Announces First Quarter 2021 Financial Results

Atlanta, GA – May 4, 2021 – Cardlytics, Inc. (NASDAQ: CDLX), an advertising platform in banks' digital channels, today announced financial results for the first quarter ended March 31, 2021. Supplemental information is available on the Investor Relations section of the Cardlytics' website at http://ir.cardlytics.com/.

“We had a strong start to the year with Q1 billings and revenue exceeding our expectations. Our results reflect a continued positive trajectory in our business,” said Lynne Laube, CEO & Co-Founder of Cardlytics. “The Dosh acquisition is already proving out our acquisition thesis and we believe the upcoming Bridg acquisition has the potential to be transformational given its technology and unique position in the CDP market."

“We are extremely pleased with our results in Q1, which marked our return to year-over-year growth,” said Andy Christiansen, CFO of Cardlytics. “Our legacy business is strong and has a lot of momentum, and the acquisitions of Dosh and Bridg will not only sustain that momentum for years to come, but will also open up new avenues for future growth.”

First Quarter 2021 Financial Results

- Revenue was $53.2 million, an increase of 17% year-over-year, compared to $45.5 million in the first quarter of 2020.
- Billings, a non-GAAP metric, was $76.3 million, an increase of 13% year-over-year, compared to $67.8 million in the first quarter of 2020.
- Gross profit was $19.5 million, an increase of 22% year-over-year, compared to $16.0 million in the first quarter of 2020.
- Adjusted contribution, a non-GAAP metric, was $24.3 million, an increase of 19% year-over-year, compared to $20.4 million in the first quarter of 2020.
- Net loss attributable to common stockholders was $(24.9) million, or $(0.85) per diluted share, based on 29.3 million weighted-average common shares outstanding, compared to a net loss attributable to common stockholders of $(13.5) million, or $(0.51) per diluted share, based on 26.7 million weighted-average common shares outstanding in the first quarter of 2020.
- Non-GAAP net loss was $(9.9) million, or $(0.34) per diluted share, based on 29.3 million weighted-average common shares outstanding, compared to a non-GAAP net loss of $(7.0) million, or $(0.26) per diluted share, based on 26.7 million weighted-average common shares outstanding in the first quarter of 2020.
- Adjusted EBITDA, a non-GAAP metric, was a loss of $(3.9) million compared to a loss of $(4.0) million in the first quarter of 2020.

Key Metrics

- MAUs were 168.6 million, an increase of 20%, compared to 140.8 million in the first quarter of 2020.
- ARPU was $0.32 in the first quarter of both 2020 and 2021.

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

Second Quarter and Full Year 2021 Financial Expectations

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

	Q2 2021 Guidance	FY 2021 Guidance
Billings(1)	$85.0 - $95.0	$380.0 - $420.0
Revenue	$58.0 - $65.0	$260.0 - $285.0
Adjusted contribution(2)	$26.0 - $30.0	$117.5 - $132.5

(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 first quarter 2021 financial results during a teleconference today, May 4, 2021, at 5:00 PM ET / 2:00 PM PT. The conference call can be accessed at (877) 407-3982 (domestic) or (201) 493-6780 (international), conference ID# 13719188. A replay of the conference call will be available through 8:00 PM ET / 5:00 PM PT on May 11, 2021 at (844) 512-2921 (domestic) or (412) 317-6671 (international). The replay passcode is 13719188. 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, Cardlytics has offices in London, New York, San Francisco, Austin and Visakhapatnam. In March 2021, Cardlytics acquired Dosh, a transaction-based advertising platform, and has entered into a definitive agreement to acquire 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 second quarter and full year of 2021, future growth, potential benefits of the acquisition of Dosh, potential benefits of the planned acquisition of Bridg, 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 closing the acquisition of Bridg and the integration of Dosh and Bridg with our company; risks related to our substantial dependence on our Cardlytics Direct product; 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; the timing of the phased launch of the Cardlytics platform by U.S. Bank; 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 May 4, 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") 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 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 marketers for advertising campaigns in order to generate revenue. Billings is reported gross of both Consumer Incentives and Partner Share. Our GAAP revenue is recognized net of Consumer Incentives and gross of Partner Share. 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 gain (loss); deferred implementation costs; restructuring costs, and acquisition and integration costs. 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 gain (loss); acquisition and integration costs; amortization of acquired intangibles; 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 non-GAAP weighted-average common shares outstanding, basic and diluted, which includes our GAAP weighted-average common shares outstanding, basic and diluted, and our weighted-average preferred shares outstanding, assuming conversion.

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.

CARDLYTICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Amounts in thousands)

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 613,548	$ 293,239
Restricted cash	111	110
Accounts receivable, net	75,334	81,249
Other receivables	5,911	5,306
Prepaid expenses and other assets	7,669	5,687
Total current assets	702,573	385,591
Long-term assets:		
Property and equipment, net	14,118	13,865
Right-of-use assets under operating leases, net	10,810	10,764
Intangible assets, net	78,981	447
Goodwill	203,181	—
Capitalized software development costs, net	7,788	6,299
Deferred implementation costs, net	2,903	3,785
Other long-term assets, net	2,681	1,786
Total assets	$ 1,023,035	$ 422,537
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,249	$ 1,363
Accrued liabilities:		
Accrued compensation	8,334	7,582
Accrued expenses	8,714	5,502
Partner Share liability	30,708	37,457
Consumer Incentive liability	35,318	24,290
Deferred revenue	259	349
Current operating lease liabilities	5,448	4,718
Current finance lease liabilities	7	13
Total current liabilities	92,037	81,274
Long-term liabilities:		
Convertible senior notes, net	176,540	174,011
Long-term operating lease liabilities	8,887	9,381
Other long-term liabilities	679	679
Total liabilities	278,143	265,345
Stockholders' equity:		
Common stock, $0.0001 par value—100,000 shares authorized and 27,861 and 31,770 shares issued and outstanding as of December 31, 2020 and March 31, 2021, respectively.	8	8
Additional paid-in capital	1,164,320	551,429
Accumulated other comprehensive income	(488)	(192)
Accumulated deficit	(418,948)	(394,053)
Total stockholders' equity	744,892	157,192
Total liabilities and stockholders' equity	$ 1,023,035	$ 422,537

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

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Revenue	$ 53,230	$ 45,509
Costs and expenses:		
Partner Share and other third-party costs	29,771	26,138
Delivery costs	3,938	3,406
Sales and marketing expense	13,202	10,968
Research and development expense	6,218	3,851
General and administration expense	12,175	10,744
Acquisition and integration costs	7,030	—
Depreciation and amortization expense	3,065	2,331
Total costs and expenses	75,399	57,438
Operating loss	(22,169)	(11,929)
Other income (expense):		
Interest (expense) income, net	(3,045)	284
Foreign currency gain (loss)	319	(1,886)
Total other expense	(2,726)	(1,602)
Loss before income taxes	(24,895)	(13,531)
Income tax benefit	—	—
Net loss	(24,895)	(13,531)
Net loss attributable to common stockholders	$ (24,895)	$ (13,531)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.85)	$ (0.51)
Weighted-average common shares outstanding, basic and diluted	29,313	26,725

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

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Delivery costs	$ 309	$ 175
Sales and marketing expense	2,432	1,269
Research and development expense	1,514	603
General and administrative expense	2,993	2,078
Total stock-based compensation expense	$ 7,248	$ 4,125

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

	Three Months Ended March 31,	
	2021	2020
Operating activities		
Net loss	$ (24,895)	$ (13,531)
Adjustments to reconcile net loss to net cash used in operating activities:		
Credit loss expense	1,004	1,477
Depreciation and amortization	3,065	2,349
Amortization of financing costs charged to interest expense	219	24
Accretion of debt discount and non-cash interest expense	2,321	—
Amortization of right-of-use assets	1,073	879
Stock-based compensation expense	7,248	4,125
Other non-cash expense, net	(141)	1,905
Amortization of deferred implementation costs	882	1,008
Change in operating assets and liabilities:		
Accounts receivable	7,867	22,149
Prepaid expenses and other assets	(1,845)	(509)
Accounts payable	495	252
Other accrued expenses	996	(6,988)
Partner Share liability	(6,749)	(10,908)
Consumer Incentive liability	(4,072)	(5,638)
Net cash used in operating activities	(12,532)	(3,406)
Investing activities		
Acquisition of property and equipment	(1,377)	(492)
Acquisition of patents	(28)	(23)
Capitalized software development costs	(1,923)	(922)
Business acquisition, net of cash acquired	(148,634)	—
Net cash used in investing activities	(151,962)	(1,437)
Financing activities		
Principal payments of debt	(6)	(6)
Proceeds from issuance of common stock	484,713	3,145
Debt issuance costs	(42)	—
Net cash received from financing activities	484,665	3,139
Effect of exchange rates on cash, cash equivalents and restricted cash	139	(588)
Net increase in cash, cash equivalents and restricted cash	320,310	(2,292)
Cash, cash equivalents, and restricted cash — Beginning of period	293,349	104,587
Cash, cash equivalents, and restricted cash — End of period	$ 613,659	$ 102,295

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

	Three Months Ended March 31,		Change	
	2021	2020	$	%
Billings[1]	$ 76,317	$ 67,776	$ 8,541	13 %
Consumer Incentives	23,087	22,267	820	4
Revenue	53,230	45,509	7,721	17
Adjusted Partner Share and other third-party costs[1]	28,889	25,130	3,759	15
Adjusted contribution[1]	24,341	20,379	3,962	19
Delivery costs	3,938	3,406	532	16
Deferred implementation costs	882	1,008	(126)	(13)
Gross profit	$ 19,521	$ 15,965	$ 3,556	22 %

(1) Billings, adjusted Partner 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 presented below under the headings "Reconciliation of GAAP Revenue to Billings" and "Reconciliation of GAAP Gross Profit to Adjusted Contribution."

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

	Three Months Ended March 31,	
	2021	2020
Revenue	$ 53,230	$ 45,509
Plus:		
Consumer Incentives	23,087	22,267
Billings	$ 76,317	$ 67,776

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

	Three Months Ended March 31,	
	2021	**2020**
Revenue	$ 53,230	$ 45,509
Minus:		
Partner Share and other third-party costs	29,771	26,138
Delivery costs[1]	3,938	3,406
Gross profit	19,521	15,965
Plus:		
Delivery costs[1]	3,938	3,406
Deferred implementation costs[2]	882	1,008
Adjusted contribution	$ 24,341	$ 20,379

(1) Stock-based compensation expense recognized in delivery costs totaled $0.3 million and $0.2 million for the three months ended March 31, 2021 and 2020, respectively.
(2) Deferred implementation costs are excluded from adjusted Partner Share and other third party costs as shown below (in thousands):

	Three Months Ended March 31,	
	2021	**2020**
Partner Share and other third-party costs	$ 29,771	$ 26,138
Minus:		
Deferred implementation costs	882	1,008
Adjusted Partner Share and other third-party costs	$ 28,889	$ 25,130

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

	Three Months Ended March 31,	
	2021	**2020**
Net loss	$ (24,895)	$ (13,531)
Plus:		
Income tax benefit	—	—
Interest expense, net	3,045	(284)
Depreciation and amortization expense	3,065	2,331
Stock-based compensation expense	7,248	4,126
Foreign currency (gain) loss	(319)	1,886
Deferred implementation costs	882	1,008
Restructuring costs	—	482
Acquisition and integration costs	7,030	—
Adjusted EBITDA	$ (3,944)	$ (3,982)

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 March 31,	
	2021	**2020**
Net loss	$ (24,895)	$ (13,531)
Plus:		
Stock-based compensation expense	7,248	4,125
Foreign currency (gain) loss	(319)	1,886
Acquisition and integration costs	7,030	—
Amortization of acquired intangibles	989	—
Restructuring costs	—	482
Non-GAAP net loss	$ (9,947)	$ (7,038)
Weighted-average number of shares of common stock used in computing non-GAAP net loss per share:		
GAAP weighted-average common shares outstanding, diluted	29,313	26,725
Non-GAAP net loss per share attributable to common stockholders, diluted	$ (0.34)	$ (0.26)

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

	Q2 2021 Guidance	FY 2021 Guidance
Revenue	$58.0 - $65.0	$260.0 - $285.0
Plus:		
Consumer Incentives	$27.0 - $30.0	$120.0 - $135.0
Billings	$85.0 - $95.0	$380.0 - $420.0

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May 4, 2021

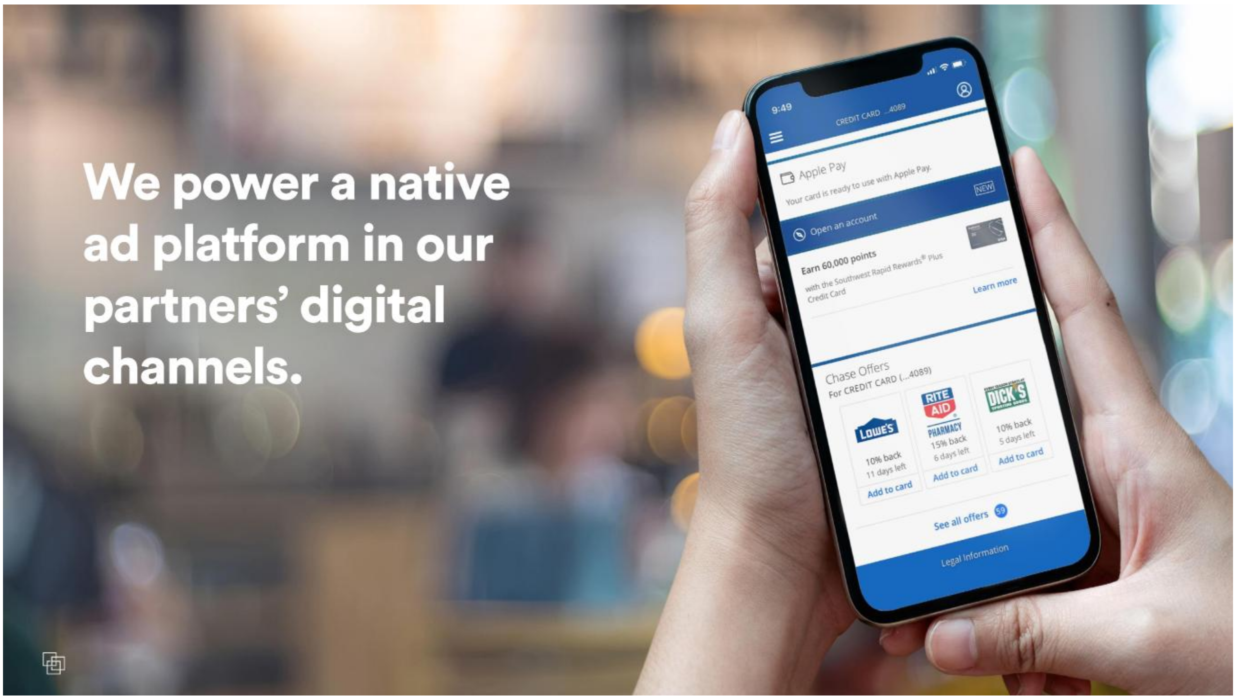
Earnings Presentation Q1 2021

cardlytics

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 months ending June 30, 2021 and the year ended December 31, 2021, the potential benefits of our acquisition of Dosh, the potential benefits of the planned acquisition of 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 to the closing of our acquisition of Bridg and the integration of Dosh and Bridg with our company; the timing of the phased launch of the Cardlytics platform by U.S. Bank; 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") 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, 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 May 4, 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.


We power a native ad platform in our partners' digital channels.
Apple Pay
Open an account
Earn 60,000 points
Learn more
Chase Offers
10% back
15% back
Add to card
See all offers
Legal Information

Cardlytics provides a scaled solution based on purchase intelligence

›168M
Monthly Active Users(1)

›$3.5T
in Annual Spend(2)

1 IN 2
U.S. Purchase Transactions(3)

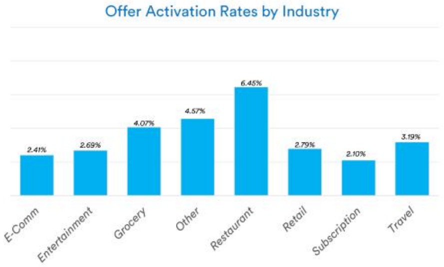
Distinctive Benefits for Marketers

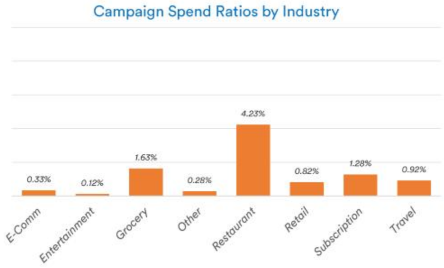
- Reach valuable banked customers
- Operate in a brand-safe, privacy-protected, trusted digital channel
- Market to the most valuable customers based on their actual spending
- Drive in-store and online traffic
- Closed-loop solution measures marketing results to the penny

(1) Monthly active users ("MAUs") during the three months ended March 31, 2021. Please see appendix for definitions.
(2) Based on data from our partners during the twelve months ended December 31, 2020.
(3) Based on aggregated data of our current partners from the June 2020 Nielson Report.

Q1 2021 U.S. Engagement Metrics

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(1) show that MAUs are logging in 10.8 days per month on average.

Offer activation rates(1) show higher rates for small-ticket, volume-heavy offers versus large-ticket and subscription offers.

Campaign spend ratios(1) 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.

(1) Please see appendix for definitions.

Cardlytics is focused on five strategic initiatives to create shareholder value

1	**Drive long-term growth & operating leverage**	Continued expansion of MAUs and advertising budgets while realizing the value of our operating investments
2	**Self-service portal**	Provide a solution for SMBs and agencies
3	**Grocery & CPG at scale**	Scaled SKU-level offers from leading brands with a friction-free customer experience
4	**Product & category offers**	Product-level offers across wider retail to provide advertisers enhanced flexibility and optionality
5	**Next gen customer experience**	Upgraded UI / UX for more content and better offer constructs and engagement solutions to drive engagement and spend

Dosh Overview

DO$H | Founded in 2016 | Headquartered in 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

Selected Customers

Walmart, adidas, instacart, Papa John's, proactiv, Disney+, Dunkin', GNC, Backcountry, philosophy, ollie, Sephora, Costco, World Market, Thrive Market, Finish Line

Bridg Overview

Bridg | Founded in 2010 | Headquartered in Los Angeles, CA

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

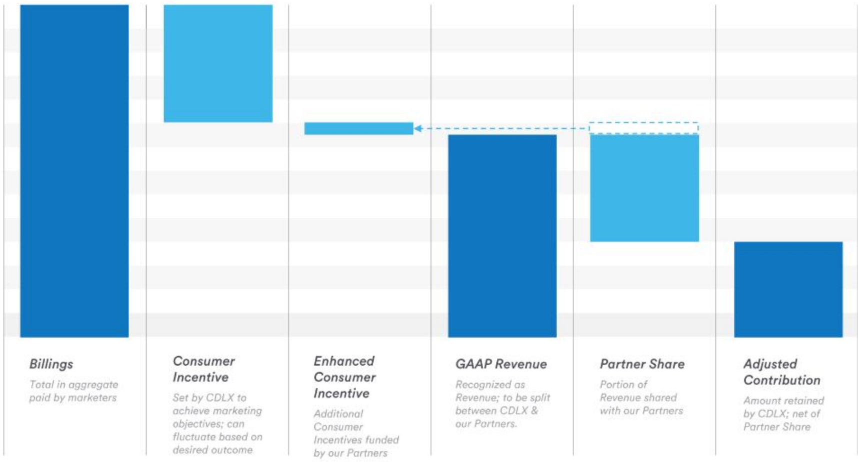
Product-level Insights that Differentiate from CDP Peers	• Access to SKU and UPC data through its client relationships • Connects to all of a merchant's customers point-of-sale through proprietary technology • Capable of connecting to most point of sale systems in the U.S. • Ability to ingest, clean and categorize SKU data to create usable insights
Partnerships with Leading Businesses	• Strong relationships in the restaurant vertical • Expansion into retail and grocery with several key contracts signed in 2020 and 2021
Potential New Advertising Solutions	• 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	• 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

Financial Information & Operating Metrics

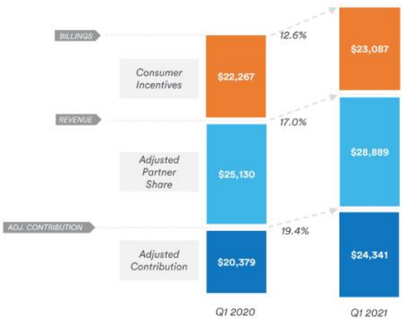
Q1 2021 year-over-year results

(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



Q1 2021 Results

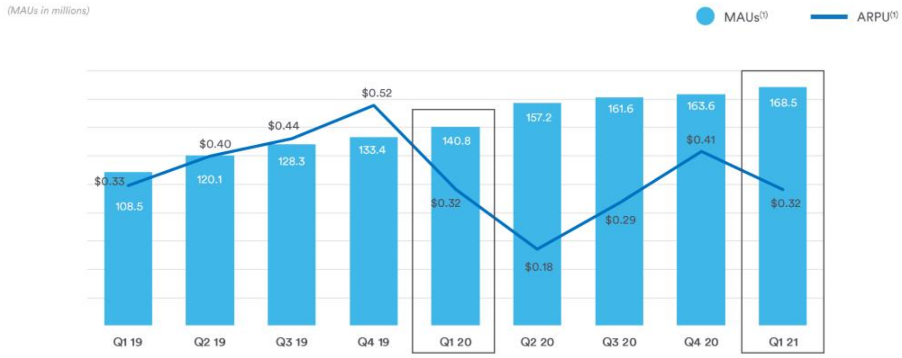


(Amounts in thousands)

	Three Months Ended March 31		Change	
	2020	2021	$	%
Billings[1]	$67,776	$76,317	$8,541	12.6%
Consumer Incentives	22,267	23,087	820	3.7%
Revenue	$45,509	$53,230	$7,721	17.0%
Adjusted Partner Share and other third-party costs[1]	25,130	28,889	3,759	15.0%
Adjusted contribution[1]	$20,379	$24,341	$3,962	19.4%
Delivery costs	3,406	3,938	532	15.6%
Deferred implementation costs	1,008	882	(126)	(12.5%)
Gross Profit	$15,965	$19,521	$3,556	22.3%

(1) Billings, adjusted Partner 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 presented below under the headings "Reconciliation of GAAP Revenue to Billings" and "Reconciliation of GAAP Partner Share and Other Third-Party Costs to Adjusted Partner Share and Other Third-Party Costs" and "Reconciliation of GAAP Gross Profit to Adjusted Contribution." Please see appendix for definitions.

Significant MAU increase precedes opportunity for expected Billings growth and future ARPU expansion



(1) Please see appendix for definitions.

Appendix

Appendix

Q1 2021 Results

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

	Three Months Ended March 31,		Change	
	2021	2020	AMT	%
Revenue	$53,230	$45,509	$7,721	17.0%
Billings[1]	76,317	67,776	8,541	12.6%
Gross Profit	19,521	15,965	3,556	22.3%
Adjusted contribution[1]	24,341	20,379	3,962	19.4%
Net loss attributable to common stockholders	(24,895)	(13,531)	(11,364)	84.0%
Net loss per share (EPS)	($0.85)	($0.51)	($0.34)	67.2%
Adjusted EBITDA[1]	($3,944)	($3,982)	38	(1.0%)
Adjusted EBITDA margin[1][2]	(7.6%)	(8.7%)	1.2%	
Non-GAAP net loss[1]	($9,938)	($7,038)	(2,900)	41.2%
Non-GAAP net loss per share[1]	($0.34)	($0.26)	($0.08)	30.8%
MAUs (in millions)	168.6	140.8	27.8	19.7%
ARPU	$0.32	$0.32	-	-

(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.

Appendix

Guidance

(Amounts in millions)

	Q2 2021 Guidance	FY 2021 Guidance
Billings(1)	$85.0 - $95.0	$380.0 - $420.0
Revenue	$58.0 - $65.0	$260.0 - $285.0
Adjusted Contribution(1)	$26.0 - $30.0	$117.5 - $132.5

(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.

Appendix

Reconcilation 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
Revenue	$35,988	$48,730	$56,419	$69,293	$45,509	$28,222	$46,079	$67,082	$53,230
Plus:									
Consumer Incentives	22,562	25,046	26,373	31,642	22,267	11,299	16,014	26,883	23,087
Billings	$58,550	$73,776	$82,792	$100,935	$67,776	$39,521	$62,093	$93,965	$76,317

Appendix

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
Revenue	$35,988	$48,730	$56,419	$69,293	$45,509	$28,222	$46,079	$67,082	$53,230
Minus:									
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
Delivery costs[1]	3,246	3,370	3,070	3,207	3,406	3,499	3,498	3,907	3,938
Gross Profit	$13,738	$17,740	$20,879	$27,100	$15,965	$7,912	$14,610	$24,787	$19,521
Plus:									
Delivery costs[1]	3,246	3,370	3,070	3,207	3,406	3,499	3,498	3,907	3,938
Deferred implementation costs	653	731	789	696	1,008	991	1,641	958	882
Adjusted contribution	$17,637	$21,841	$24,738	$31,003	$20,379	$12,402	$19,749	$29,652	$24,341

(1) Delivery costs include stock-based compensation

	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
Delivery costs: Stock-based compensation expense	$164	$199	$176	$172	$175	$357	$365	$283	$309

Appendix

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
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
Minus:									
Deferred implementation costs	653	731	789	696	1,008	991	1,641	958	882
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

Appendix

Reconcilation of GAAP Net (Loss) Income to Adjusted EBITDA *(unaudited)*

(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
Net (loss) income	($6,314)	($6,510)	($7,747)	$3,427	($13,531)	($19,758)	($15,356)	($6,777)	($24,895)
Plus:									
Income tax benefit	-	-	-	-	-	-	-	-	-
Interest expense (income), net	304	338	218	(312)	(284)	10	283	3,039	3,045
Depreciation and amortization expense	961	1,053	1,167	1,354	2,331	1,545	1,933	2,017	3,065
Stock-based compensation expense	1,708	3,072	7,486	3,585	4,126	9,108	11,578	7,584	7,248
Foreign currency (gain) loss	(491)	667	903	(1,859)	1,886	8	(1,066)	(2,377)	(319)
Deferred implementation costs	653	731	789	696	1,008	991	1,641	958	882
Costs associated with financing events	-	-	123	-	-	-	-	-	-
Loss on extinguishment of debt	-	23	28	-	-	-	-	-	-
Restructuring costs	-	-	- -	-	482	403	391	47	-
Acquisition and integration costs	-	-	-	-	-	-	-	-	7,030
Adjusted EBITDA	($3,179)	($626)	$2,967	$6,891	($3,982)	($7,693)	($596)	$4,491	($3,944)

Appendix

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 March 31, 2021	Three Months Ended March 31, 2020
Net loss	($24,895)	($13,531)
Plus:		
Stock-based compensation expense	7,248	4,125
Foreign currency (gain) loss	(319)	1,886
Acquisition and integration costs	7,030	-
Amortization of acquired intantibles	998	-
Restructuring costs	-	482
Non-GAAP net loss	($9,938)	($7,038)
Weighted-average number of shares of common stock used in computing non-GAAP net loss per share:		
Weighted-average common shares outstanding, diluted	29,313	26,725
Non-GAAP net loss per share attributable to common stockholders, diluted	($0.34)	($0.26)

Appendix

Reconcilation of Forecasted GAAP Revenue to Billings

(Amounts in millions)

	Q2 2021 Guidance	FY 2021 Guidance
Revenue	$58.0 - $65.0	$260.0 $285.0
Plus:		
Consumer Incentives	$27.0 - $30.0	$120.0 - $135.0
Billings	$85.0 - $95.0	$380.0 - $420.0

Appendix

Definitions

Adjusted contribution: We define 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 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; and acquisition and integration costs.

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 marketers for advertising campaigns in order to generate revenue. Billings is reported gross of both Consumer Incentives and Partner Share. Our GAAP revenue is recognized net of Consumer Incentives and gross of Partner Share.

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.

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; 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.

Appendix

Industry Definitions

Industry	Segment Families
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
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
Exclusions	Antique/Pawn, Charitable and Social Service Organizations, Courier/Freight/Storage, Gambling, Government, Lifestyle/ Social, Medical Services, Other Educational, Schools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