# 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, 2023**

**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, 2023, Cardlytics, Inc. (the "Company") issued a press release announcing its financial results for the three months ended March 31, 2023, 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, 2023, 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

| Exhibit | Exhibit Description |
|---|---|
| 99.1 | Press release dated May 4, 2023 |
| 99.2 | Presentation titled "Earnings Presentation Q1 2023" |
| 104 | The cover page from Cardlytics, Inc.'s Form 8-K filed on May 4, 2023, formatted in Inline XBRL. |

**SIGNATURES**

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

**Cardlytics, Inc.**

| | | | |
|---|---|---|---|
| Date: | May 4, 2023 | By: | /s/ Andrew Christiansen |
| | | | Andrew Christiansen<br>Chief Financial Officer<br>*(Principal Financial and Accounting Officer)* |

**Exhibit 99.1**

# Cardlytics Announces First Quarter 2023 Financial Results

**Atlanta, GA** – May 4, 2023 – Cardlytics Inc. (NASDAQ: CDLX), a digital advertising platform, today announced financial results for the first quarter ended March 31, 2023. Supplemental information is available on the Investor Relations section of Cardlytics' website at http://ir.cardlytics.com/.

"We are excited to move past the determination of the First Anniversary Earnout Payment." said Karim Temsamani, Chief Executive Officer. "As I have said in prior quarters, our success hinges on our ability to execute with a disciplined approach. It also hinges on our teams being laser focused on supporting our product initiatives and the needs of our partners. We are not stopping in our journey to create the best possible version of Cardlytics."

"While the economy is still uncertain, I am confident there is tremendous opportunity in front of Cardlytics," said Andy Christiansen, Chief Financial Officer." There is more work to be done, but I know the current team is in control of the business and correctly prioritizing our strategic goals. Our renewed focus on product leadership and partnership is positioning Cardlytics for a bright future, and our cost-discipline and responsible investments will allow my successor to hit the ground running."

**First Quarter 2023 Financial Results**

- Revenue was $64.3 million, a decrease of (5)% year-over-year, compared to $67.9 million in the first quarter of 2022.
- Billings, a non-GAAP metric, was $95.6 million, a decrease of (3)% year-over-year, compared to $98.2 million in the first quarter of 2022.
- Gross profit was $24.5 million, a decrease of (7)% year-over-year, compared to $26.2 million in the first quarter of 2022.
- Adjusted contribution, a non-GAAP metric, was $30.9 million, a decrease of (6)% year-over-year, compared to $32.8 million in the first quarter of 2022.
- Net income attributable to common stockholders was $13.6 million, or $0.40 per diluted share, based on 36.7 million fully diluted weighted-average common shares, compared to a net income attributable to common stockholders of $33.0 million, or $0.91 per diluted share, based on 37.2 million fully diluted weighted-average common shares in the first quarter of 2022.
- Non-GAAP net loss was $(9.2) million, or $(0.25) per diluted share, based on 36.7 million fully diluted weighted-average common shares, compared to non-GAAP net loss of $(14.2) million, or $(0.38) per diluted share, based on 37.2 million fully diluted weighted-average common shares in the first quarter of 2022.
- Adjusted EBITDA, a non-GAAP metric, was a loss of $(6.1) million compared to a loss of $(10.5) million in the first quarter of 2022.

**Key Metrics**

- Cardlytics MAUs were 188.8 million, an increase of 6% year-over-year, compared to 178.5 million in the first quarter of 2022.
- Cardlytics ARPU was $0.34 and $0.36 in the first quarter of 2023 and 2022, respectively.
- Bridg ARR was $21.8 million in the first quarter of 2023.

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

**Second Quarter 2023 Financial Expectations**

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

| | Q2 2023 Guidance |
|---|---|
| Billings(1) | $98.0 - $109.0 |
| Revenue | $65.0 - $74.0 |
| Adjusted contribution(2) | $32.0 - 38.0 |
| Adjusted EBITDA(2) | ($10.0) - ($6.0) |

(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 gross profit and a reconciliation of adjusted EBITDA to 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.

**Earnings Teleconference Information**

Cardlytics will discuss its first quarter 2023 financial results during a teleconference today, May 4, 2023, at 5:00 PM ET / 2:00 PM PT. A live dial-in will be available after registering at http://ir.cardlytics.com/. Shortly after the conclusion of the call, a replay of this conference call will be available through 8:00 PM ET on May 11, 2023 on the Cardlytics Investor Relations website 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 Menlo Park, New York, Los Angeles, and London. Learn more at www.cardlytics.com.

**Cautionary Language Concerning Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, our financial guidance for the second quarter of 2023, 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 unfavorable conditions in the global economy and the industries that we serve; risks related to the fact that 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, Bridg and Entertainment with our company; potential payments under the Merger Agreement with Bridg; risks related to our substantial dependence on our Cardlytics platform; risks related to our substantial dependence on JPMorgan Chase Bank, National Association ("Chase"), Bank of America, National Association ("Bank of America"), Wells Fargo Bank, National Association ("Wells Fargo") and a limited number of other financial institution ("FI") partners; risks related to our ability to maintain relationships with Chase, Wells Fargo and Bank of America; the amount and timing of budgets by marketers, which are affected by budget cycles, economic conditions and other factors, 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, 2023 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, 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, 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 platforms generates incremental amounts to support our sales and marketing, research and development, delivery costs, general and administration and other investments. Adjusted contribution is calculated by taking our total revenue less our Partner Share and other third-party costs. 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, delivery costs, 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 income before income taxes; interest expense, net; depreciation and amortization expense; stock-based compensation expense; foreign currency gain (loss); acquisition and integration cost (benefit); and change in fair value of contingent consideration. We define non-GAAP net loss as our net income before stock-based compensation expense; foreign currency (gain) loss; acquisition and integration cost (benefit); amortization of acquired intangibles; and change in fair value of contingent consideration. Notably, any impacts related to minimum Partner Share commitments in connection with agreements with certain partners are not added back to net income 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, 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, opened an email containing an offer, or redeemed an offer from the Cardlytics platform during a monthly period. We then calculate a monthly average of these MAUs for the periods presented. We 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)**

| | March 31, 2023 | December 31, 2022 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 139,194 | $ 121,905 |
| Restricted cash | 82 | 80 |
| Accounts receivable and contract assets, net | 93,707 | 115,609 |
| Other receivables | 5,143 | 4,470 |
| Prepaid expenses and other assets | 8,261 | 7,978 |
| Total current assets | 246,387 | 250,042 |
| Long-term assets: | | |
| Property and equipment, net | 4,755 | 5,916 |
| Right-of-use assets under operating leases, net | 7,295 | 6,571 |
| Intangible assets, net | 50,006 | 53,475 |
| Goodwill | 352,721 | 352,721 |
| Capitalized software development costs, net | 20,811 | 19,925 |
| Other long-term assets, net | 2,621 | 2,586 |
| Total assets | $ 684,596 | $ 691,236 |
| **Liabilities and stockholders' equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 2,073 | $ 3,765 |
| Accrued liabilities: | | |
| Accrued compensation | 7,457 | 10,486 |
| Accrued expenses | 21,990 | 21,335 |
| Partner Share liability | 38,950 | 48,593 |
| Consumer Incentive liability | 43,354 | 53,983 |
| Deferred revenue | 2,769 | 1,751 |
| Current operating lease liabilities | 4,713 | 4,910 |
| Current contingent consideration | 69,537 | 104,121 |
| Total current liabilities | 190,843 | 248,944 |
| Long-term liabilities: | | |
| Convertible senior notes, net | 226,407 | 226,047 |
| Deferred liabilities | 93 | 334 |
| Long-term operating lease liabilities | 4,933 | 4,306 |
| Long-term debt | 30,000 | — |
| Total liabilities | 452,276 | 479,631 |
| **Stockholders’ equity:** | | |
| Common stock, $0.0001 par value—100,000 shares authorized and 33,671 and 33,477 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively. | 9 | 9 |
| Additional paid-in capital | 1,190,949 | 1,182,568 |
| Accumulated other comprehensive income | 4,324 | 5,598 |
| Accumulated deficit | (962,962) | (976,570) |
| Total stockholders’ equity | 232,320 | 211,605 |
| Total liabilities and stockholders’ equity | $ 684,596 | $ 691,236 |

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

| | Three Months Ended March 31, 2023 | Three Months Ended March 31, 2022 |
|---|---|---|
| Revenue | $ 64,331 | $ 67,928 |
| Costs and expenses: | | |
| Partner Share and other third-party costs | 33,384 | 35,153 |
| Delivery costs | 6,424 | 6,533 |
| Sales and marketing expense | 13,948 | 17,648 |
| Research and development expense | 11,564 | 12,291 |
| General and administration expense | 13,070 | 20,425 |
| Acquisition and integration cost (benefit) | 1,723 | (4,599) |
| Change in fair value of contingent consideration | (34,584) | (65,050) |
| Depreciation and amortization expense | 6,575 | 9,871 |
| Total costs and expenses | 52,104 | 32,272 |
| Operating income (loss) | 12,227 | 35,656 |
| Other expense (income): | | |
| Interest expense, net | (8) | (947) |
| Foreign currency gain (loss) | 1,389 | (1,671) |
| Total other expense (income) | 1,381 | (2,618) |
| Income before income taxes | 13,608 | 33,038 |
| Income tax benefit | — | — |
| Net income | 13,608 | 33,038 |
| Net income attributable to common stockholders | $ 13,608 | $ 33,038 |
| Net income per share attributable to common stockholders, basic | $ 0.41 | $ 0.98 |
| Net income per share attributable to common stockholders, diluted | $ 0.40 | $ 0.91 |
| Weighted-average common shares outstanding, basic | 33,595 | 33,741 |
| Weighted-average common shares outstanding, diluted | 36,727 | 37,185 |

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

| | Three Months Ended March 31, 2023 | Three Months Ended March 31, 2022 |
|---|---|---|
| Delivery costs | $ 568 | $ 582 |
| Sales and marketing | 3,053 | 3,704 |
| Research and development | 4,085 | 3,204 |
| General and administration | 262 | 6,095 |
| Total stock-based compensation | $ 7,968 | $ 13,585 |

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

| | Three Months Ended March 31, 2023 | Three Months Ended March 31, 2022 |
|---|---|---|
| **Operating activities** | | |
| Net income | $ 13,608 | $ 33,038 |
| Adjustments to reconcile net income to net cash used in operating activities: | | |
| Credit (gain) loss expense | (246) | 346 |
| Depreciation and amortization | 6,575 | 9,871 |
| Amortization of financing costs charged to interest expense | 407 | 402 |
| Amortization of right-of-use assets | 1,235 | 1,516 |
| Stock-based compensation expense | 7,968 | 13,585 |
| Change in fair value of contingent consideration | (34,584) | (65,050) |
| Other non-cash (income) expense, net | (905) | 1,574 |
| Change in operating assets and liabilities: | | |
| Accounts receivable | 21,405 | 15,279 |
| Prepaid expenses and other assets | (369) | (725) |
| Accounts payable | (1,691) | (855) |
| Other accrued expenses | (3,136) | (11,569) |
| Partner Share liability | (9,701) | (9,600) |
| Consumer Incentive liability | (10,630) | (7,503) |
| Net cash used in operating activities | (10,064) | (19,691) |
| **Investing activities** | | |
| Acquisition of property and equipment | (360) | (397) |
| Acquisition of patents | — | (49) |
| Capitalized software development costs | (2,442) | (2,314) |
| Business acquisitions, net of cash acquired | — | (2,274) |
| Net cash used in investing activities | (2,802) | (5,034) |
| **Financing activities** | | |
| Proceeds from issuance of debt | 30,000 | — |
| Principal payments of debt | (4) | (13) |
| Proceeds from issuance of common stock | — | 195 |
| Deferred debt costs | (15) | — |
| Net cash provided for by financing activities | 29,981 | 182 |
| Effect of exchange rates on cash, cash equivalents and restricted cash | 176 | (634) |
| Net increase (decrease) in cash, cash equivalents and restricted cash | 17,291 | (25,177) |
| Cash, cash equivalents, and restricted cash — Beginning of period | 121,985 | 233,562 |
| Cash, cash equivalents, and restricted cash — End of period | $ 139,276 | $ 208,385 |

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

| | Three Months Ended March 31, 2023 | Three Months Ended March 31, 2022 | Change $ | Change % |
|---|---|---|---|---|
| Billings[1] | $ 95,626 | $ 98,225 | $ (2,599) | (3)% |
| Consumer Incentives | 31,295 | 30,297 | 998 | 3 |
| Revenue | 64,331 | 67,928 | (3,597) | (5) |
| Partner Share and other third-party costs[1] | 33,384 | 35,153 | (1,769) | (5) |
| Adjusted contribution[1] | 30,947 | 32,775 | (1,828) | (6) |
| Delivery costs | 6,424 | 6,533 | (109) | (2) |
| Gross profit | $ 24,523 | $ 26,242 | $ (1,719) | (7)% |
| Net income | $ 13,608 | $ 33,038 | $ (19,430) | 59 % |
| Adjusted EBITDA[1] | $ (6,091) | $ (10,537) | $ 4,446 | 42 % |

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

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

| | Three Months Ended March 31, 2023 | | | Three Months Ended March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Cardlytics Platform | Bridg Platform | Consolidated | Cardlytics Platform | Bridg Platform | Consolidated |
| Revenue | $ 59,030 | $ 5,301 | $ 64,331 | $ 63,983 | $ 3,945 | $ 67,928 |
| Plus: | | | | | | |
| Consumer Incentives | 31,295 | — | 31,295 | 30,297 | — | 30,297 |
| Billings | $ 90,325 | $ 5,301 | $ 95,626 | $ 94,280 | $ 3,945 | $ 98,225 |

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

| | Three Months Ended March 31, 2023 | | | Three Months Ended March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Cardlytics Platform | Bridg Platform | Consolidated | Cardlytics Platform | Bridg Platform | Consolidated |
| Revenue | $ 59,030 | $ 5,301 | $ 64,331 | $ 63,983 | $ 3,945 | $ 67,928 |
| Minus: | | | | | | |
| Partner Share and other third-party costs | 33,175 | 209 | 33,384 | 35,027 | 126 | 35,153 |
| Delivery costs[1] | 4,693 | 1,731 | 6,424 | 4,907 | 1,626 | 6,533 |
| Gross profit | 21,162 | 3,361 | 24,523 | 24,049 | 2,193 | 26,242 |
| Plus: | | | | | | |
| Delivery costs[1] | 4,693 | 1,731 | 6,424 | 4,907 | 1,626 | 6,533 |
| Adjusted contribution | $ 25,855 | $ 5,092 | $ 30,947 | $ 28,956 | $ 3,819 | $ 32,775 |

(1) Stock-based compensation expense recognized in consolidated delivery costs totaled $0.6 million and $0.6 million for the three months ended March 31, 2023 and 2022, respectively.

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

| | Three Months Ended March 31, 2023 | Three Months Ended March 31, 2022 |
|---|---|---|
| Net income | $ 13,608 | $ 33,038 |
| Plus: | | |
| Income tax benefit | — | — |
| Interest expense, net | 8 | 947 |
| Depreciation and amortization | 6,575 | 9,871 |
| Stock-based compensation expense | 7,968 | 13,585 |
| Foreign currency (gain) loss | (1,389) | 1,671 |
| Acquisition and integration cost (benefit) | 1,723 | (4,599) |
| Change in fair value of contingent consideration | (34,584) | (65,050) |
| Adjusted EBITDA | $ (6,091) | $ (10,537) |

**CARDLYTICS, INC.**
**RECONCILIATION OF ADJUSTED CONTRIBUTION TO ADJUSTED EBITDA (UNAUDITED)**
**(Amounts in thousands)**

| | Three Months Ended March 31, 2023 | | | Three Months Ended March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Cardlytics Platform | Bridg Platform | Consolidated | Cardlytics Platform | Bridg Platform | Consolidated |
| Adjusted Contribution | $ 25,855 | $ 5,092 | $ 30,947 | $ 28,956 | $ 3,819 | $ 32,775 |
| Minus: | | | | | | |
| Delivery costs | 4,693 | 1,731 | 6,424 | 4,907 | 1,626 | 6,533 |
| Sales and marketing expense | 11,547 | 2,401 | 13,948 | 16,384 | 1,264 | 17,648 |
| Research and development expense | 10,327 | 1,237 | 11,564 | 11,313 | 978 | 12,291 |
| General and administration expense | 13,330 | (260) | 13,070 | 19,391 | 1,034 | 20,425 |
| Stock-based compensation expense | (8,103) | 135 | (7,968) | (12,382) | (1,203) | (13,585) |
| Adjusted EBITDA | $ (5,939) | $ (152) | $ (6,091) | $ (10,657) | $ 120 | $ (10,537) |

**CARDLYTICS, INC.**
**RECONCILIATION OF GAAP NET INCOME 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, 2023 | Three Months Ended March 31, 2022 |
|---|---|---|
| Net income | $ 13,608 | $ 33,038 |
| Plus: | | |
| Stock-based compensation expense | 7,968 | 13,585 |
| Foreign currency (gain) loss | (1,389) | 1,671 |
| Acquisition and integration cost (benefit) | 1,723 | (4,599) |
| Amortization of acquired intangibles | 3,458 | 7,145 |
| Change in fair value of contingent consideration | (34,584) | (65,050) |
| Non-GAAP net loss | $ (9,216) | $ (14,210) |
| Weighted-average number of shares of common stock used in computing non-GAAP net loss per share: | | |
| Non-GAAP weighted-average common shares outstanding, diluted | 36,727 | 37,185 |
| Non-GAAP net loss per share attributable to common stockholders, diluted | $ (0.25) | $ (0.38) |

**CARDLYTICS, INC.**

**RECONCILIATION OF FORECASTED GAAP REVENUE TO BILLINGS (UNAUDITED)**
**(Amounts in thousands)**

| | |
|---|---|
| Revenue | $65.0 - $74.0 |
| Plus: | |
| Consumer Incentives | $33.0 - $35.0 |
| Billings | $98.0 - $109.0 |

**Contacts:**

Public Relations:
Robert Robinson
pr@cardlytics.com

Investor Relations:
Robert Robinson
ir@cardlytics.com

CARDLYTICS Q1 2023

# Earnings Presentation

May 4, 2023

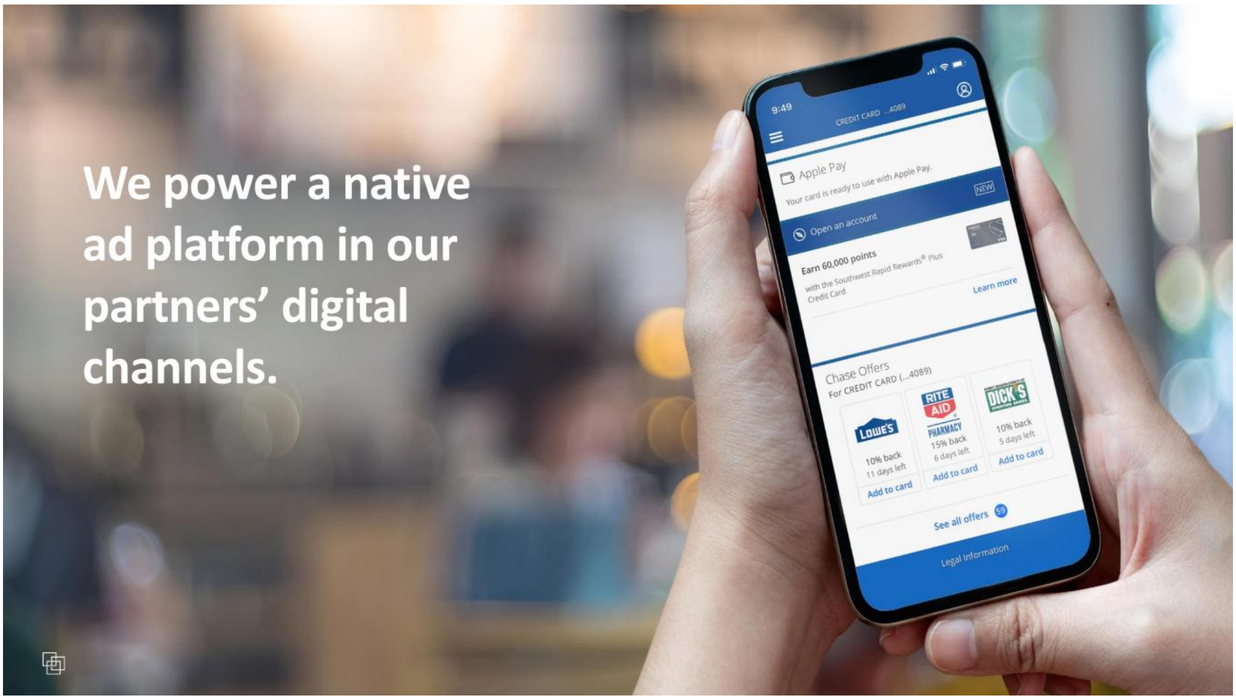
# Disclaimer

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), such as including the potential benefits of our acquisitions of Dosh, Bridg and Entertainment, becoming cash flow positive by the second half of 2023, earnings guidance for the [second quarter of 2023], our path to modest growth, the short- and long-term success of our product initiatives, our ability to achieve liquidity, long-term growth and profitability, Bridg's future gross margin, the anticipated impact of our strategic initiatives to create shareholder value and 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 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, Bridg and Entertainment with our company; potential payments under the Merger Agreement with Bridg; risks related to our substantial dependence on our Cardlytics platform; risks related to our substantial dependence on JPMorgan Chase Bank, National Association (“Chase”), Bank of America, National Association ("Bank of America"), Wells Fargo Bank, National Association (“Wells Fargo”) and a limited number of other financial institution (“FI”) partners; risks related to our ability to maintain relationships with Chase, Wells Fargo and Bank of America; the amount and timing of budgets by marketers, which are affected by budget cycles, economic conditions and other factors, 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, 2023. 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 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.
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

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

**188M+**
Monthly Active Users[1]

**$4.1T+**
in Annual Spend[2]

**1 in 2**
U.S. Purchase Transactions[3]

(1) Monthly active users ("MAUs") during the three months ended March 31, 2023. Please see appendix for definitions.
(2) Based on data from our partners during the three months ended March 31, 2023.
(3) Based on aggregated data of our current partners from the June 2022 Nielson Report.

# Cardlytics is focused on five strategic initiatives to create shareholder value

| | |
|---|---|
| Ad Server and Ads Manager adoption | + Connecting nearly all of MAUs to new Ad Server by the end of 2023<br>+ Increasing adoption by agency, middle market and SMB clients |
| Next-gen customer experience | + Upgraded UI / UX for more content and better offer constructs, and engagement solutions to drive engagement and spend |
| Product & category offers | + Delivering product-level offers across wider retail to provide advertisers enhanced flexibility and optionality |
| Grocery & CPG at scale | + Scaled product-level offers from leading brands with a friction-free customer experience |
| Drive long-term growth & operating leverage | + Becoming cash flow positive as soon as possible with continued self-funding of growth initiatives |

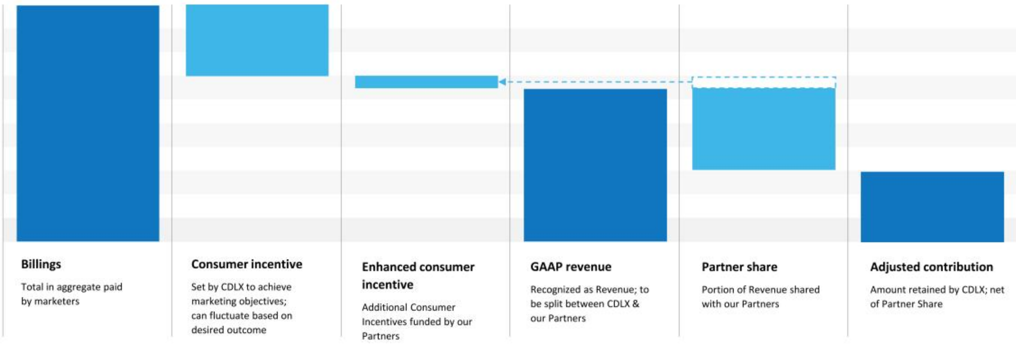
# 02

## Financial information & operating metrics

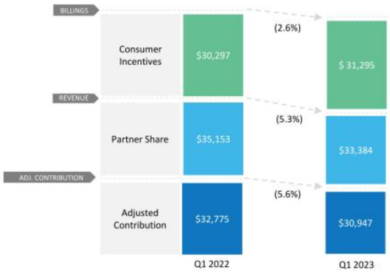
# Trended consolidated results


(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



# Q1 2023 year-over-year consolidated results




*(Amounts in thousands)*

| | Three Months Ended March 31, | | Change | |
|---|---|---|---|---|
| | 2022 | 2023 | $ | % |
| Billings(1) | $98,225 | $95,626 | ($2,599) | (2.6%) |
| Consumer Incentives | 30,297 | 31,295 | 998 | 3.3% |
| Revenue | $67,928 | $64,331 | ($3,597) | (5.3%) |
| Partner Share and other third-party costs | 35,153 | 33,384 | (1,769) | (5.0%) |
| Adjusted contribution(1) | $32,775 | $30,947 | ($1,828) | (5.6%) |
| Delivery costs | 6,533 | 6,424 | (109) | (1.7%) |
| Gross profit | $26,242 | $24,523 | ($1,719) | (6.6%) |
| Net income | $33,038 | $13,608 | ($19,430) | (58.8%) |
| Adjusted EBITDA(1) | ($10,537) | ($6,091) | $4,446 | 42.2% |

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

# Cardlytics platform advertiser spend by industry

| Industry | % Change<br>Three Months Ended March 31, | | % of Advertiser Spend | | |
|---|---|---|---|---|---|
| | vs 2022 | vs 2021 | 2023 | 2022 | 2021 |
| Grocery & Gas | > 35% | > 105% | > 10% | < 10% | < 10% |
| Restaurant | > (45%) | > (50%) | < 15% | > 25% | > 35% |
| Retail | > 5% | > 30% | < 30% | > 25% | > 25% |
| Travel & Entertainment | > 55% | > 285% | > 10% | < 10% | < 5% |
| Other | n/a | n/a | < 5% | > 0% | > 0% |
| DTC | > (15%) | > 25% | < 30% | > 30% | > 25% |

# Cardlytics platform engagement metrics[1]

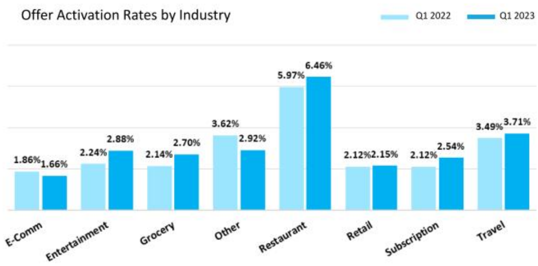
There may be variation in future quarters due to factors such as global economic events, bank launches, new advertisers with significant spend, and growth in nascent or new verticals.

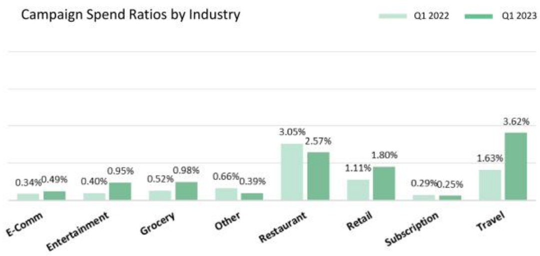
**Monthly log-in days**[2] show that MAUs logged in 10 days per month in Q1 2023 and Q1 2022.

**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.




(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

# Q1 2023 results

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

| | Three Months Ended March 31, | | Change | |
|---|---|---|---|---|
| | 2023 | 2022 | AMT | % |
| Revenue | $64,331 | $67,928 | ($3,597) | (5.3%) |
| Billings[1] | 95,626 | 98,225 | (2,599) | (2.6%) |
| Gross Profit | 24,523 | 26,242 | (1,719) | (6.6%) |
| Adjusted contribution[1] | 30,947 | 32,775 | (1,828) | (5.6%) |
| Net income attributable to common stockholders | 13,608 | 33,038 | (19,430) | (58.8%) |
| Net income per share (EPS), diluted | $0.40 | $0.91 | ($0.51) | (56.0%) |
| Adjusted EBITDA[1] | ($6,091) | ($10,537) | $4,446 | (42.2%) |
| Adjusted EBITDA margin[1][2] | (9.5%) | (15.5%) | 10.2% | (65.8%) |
| Non-GAAP net loss[1] | ($9,216) | ($14,210) | $4,994 | (35.1%) |
| Non-GAAP net loss per share[1] | ($0.25) | ($0.38) | $0.13 | (34.0%) |
| Cardlytics MAUs (in millions) | 188.8 | 178.5 | 10.3 | 5.8% |
| Cardlytics ARPU | $0.34 | $0.36 | ($0.02) | (5.6%) |
| Bridg ARR | $21,817 | $14,017 | $7,800 | 55.6% |

(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)*

| | Q2 2023 Guidance |
|---|---|
| Billings[1] | \$98.0 - \$109.0 |
| Revenue | \$65.0 - \$74.0 |
| Adjusted Contribution[1] | \$32.0 - 38.0 |
| Adjusted EBITDA[1] | (\$10.0) - (\$6.0) |

(1) Billings, adjusted contribution and adjusted EBITDA 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 and 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.

# Reconciliation of GAAP revenue to billings

*(Amounts in thousands)*

| | Three Months Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Mar 31, 2021 | Jun 30, 2021 | Sept 30, 2021 | Dec 31, 2021 | Mar 31, 2022 | Jun 30, 2022 | Sept 30, 2022 | Dec 31, 2022 | Mar 31, 2023 |
| **Cardlytics Platform** | | | | | | | | | |
| Revenue | $53,230 | $56,763 | $62,075 | $86,686 | $63,983 | $69,270 | $67,285 | $76,647 | $59,030 |
| Plus: | | | | | | | | | |
| Consumer Incentives | 23,087 | 26,484 | 33,464 | 43,924 | 30,297 | 32,339 | 37,686 | 43,613 | 31,295 |
| Billings | $76,317 | $83,247 | $95,539 | $130,610 | $94,280 | $101,609 | $104,971 | $120,260 | $90,325 |
| **Bridg Platform** | | | | | | | | | |
| Revenue | - | $2,090 | $2,909 | $3,363 | $3,945 | $6,135 | $5,421 | $5,856 | $5,301 |
| Plus: | | | | | | | | | |
| Consumer Incentives | - | - | - | - | - | - | - | - | - |
| Billings | - | $2,090 | $2,909 | $3,363 | $3,945 | $6,135 | $5,421 | $5,856 | $5,301 |
| **Consolidated** | | | | | | | | | |
| Revenue | $53,230 | $58,853 | $64,984 | $90,049 | $67,928 | $75,405 | $72,706 | $82,503 | $64,331 |
| Plus: | | | | | | | | | |
| Consumer Incentives | 23,087 | 26,484 | 33,464 | 43,924 | 30,297 | 32,339 | 37,686 | 43,613 | 31,295 |
| Billings | $76,317 | $85,337 | $98,448 | $133,973 | $98,225 | $107,744 | $110,392 | $126,116 | $95,626 |

# Reconciliation of GAAP gross profit to adjusted contribution

*(Amounts in thousands)*

| | Three Months Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Cardlytics Platform** | Mar 31, 2021 | Jun 30, 2021 | Sept 30, 2021 | Dec 31, 2021 | Mar 31, 2022 | Jun 30, 2022 | Sept 30, 2022 | Dec 31, 2022 | Mar 31, 2023 |
| Revenue | $53,230 | $56,763 | $62,075 | $86,686 | $63,983 | $69,270 | $67,285 | $76,647 | $59,030 |
| Minus: | | | | | | | | | |
| Partner Share and other third-party costs | 29,771 | 29,890 | 33,929 | 47,274 | 35,027 | 39,403 | 37,399 | 42,375 | 33,175 |
| Delivery costs | 3,938 | 4,837 | 4,777 | 4,618 | 4,907 | 6,311 | 7,623 | 5,271 | 4,693 |
| Gross Profit | $19,521 | $22,036 | $23,369 | $34,794 | $24,049 | $23,556 | $22,263 | $29,001 | $21,162 |
| Plus: | | | | | | | | | |
| Delivery costs | 3,938 | 4,837 | 4,777 | 4,618 | 4,907 | 6,311 | 7,623 | 5,271 | 4,693 |
| Deferred implementation costs | 882 | 730 | 731 | 1,442 | - | - | - | - | - |
| Adjusted contribution | $24,341 | $27,603 | $28,877 | $40,854 | $28,956 | $29,867 | $29,886 | $34,272 | $25,855 |
| **Bridg Platform** | | | | | | | | | |
| Revenue | - | $2,090 | $2,909 | $3,363 | $3,945 | $6,135 | $5,421 | $5,856 | $5,301 |
| Minus: | | | | | | | | | |
| Partner Share and other third-party costs | - | 63 | 161 | 185 | 126 | 877 | 164 | 136 | 209 |
| Delivery costs | - | 911 | 1,613 | 1,809 | 1,626 | 1,851 | 1,502 | 1,312 | 1,731 |
| Gross Profit | - | $1,116 | $1,135 | $1,369 | $2,193 | $3,407 | $3,755 | $4,408 | $3,361 |
| Plus: | | | | | | | | | |
| Delivery costs | - | 911 | 1,613 | 1,809 | 1,626 | 1,851 | 1,502 | 1,312 | 1,731 |
| Adjusted contribution | - | $2,027 | $2,748 | $3,178 | $3,819 | $5,258 | $5,257 | $5,720 | $5,092 |
| **Consolidated** | | | | | | | | | |
| Revenue | $53,230 | $58,853 | $64,984 | $90,049 | $67,928 | $75,405 | $72,706 | $82,503 | $64,331 |
| Minus: | | | | | | | | | |
| Partner Share and other third-party costs | 29,771 | 29,953 | 34,090 | 47,459 | 35,153 | 40,280 | 37,563 | 42,511 | 33,384 |
| Delivery costs | 3,938 | 5,748 | 6,390 | 6,427 | 6,533 | 8,162 | 9,125 | 6,583 | 6,424 |
| Gross Profit | $19,521 | $23,152 | $24,504 | $36,163 | $26,242 | $26,963 | $26,018 | $33,409 | $24,523 |
| Plus: | | | | | | | | | |
| Delivery costs | 3,938 | 5,748 | 6,390 | 6,427 | 6,533 | 8,162 | 9,125 | 6,583 | 6,424 |
| Deferred implementation costs | 882 | 730 | 731 | 1,442 | - | - | - | - | - |
| Adjusted contribution | $24,341 | $29,630 | $31,625 | $44,032 | $32,775 | $35,125 | $35,143 | $39,992 | $30,947 |

# 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 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Cardlytics Platform** | Mar 31, 2021 | Jun 30, 2021 | Sept 30, 2021 | Dec 31, 2021 | Mar 31, 2022 | Jun 30, 2022 | Sept 30, 2022 | Dec 31, 2022 | Mar 31, 2023 |
| Partner Share and other third-party costs | $29,771 | $29,890 | $33,929 | $47,274 | $35,027 | $39,403 | $37,399 | $42,375 | $33,175 |
| Minus: | | | | | | | | | |
| Deferred implementation costs | 882 | 730 | 731 | 1,442 | - | - | - | - | - |
| Adjusted Partner Share and other third-party costs | $28,889 | $29,160 | $33,198 | $45,832 | $35,027 | $39,403 | $37,399 | $42,375 | $33,175 |
| **Bridg Platform** | | | | | | | | | |
| Partner Share and other third-party costs | - | $63 | $161 | $185 | $126 | $877 | $164 | $136 | $209 |
| Minus: | | | | | | | | | |
| Deferred implementation costs | - | - | - | - | - | - | - | - | - |
| Adjusted Partner Share and other third-party costs | - | $63 | $161 | $185 | $126 | $877 | $164 | $136 | $209 |
| **Consolidated** | | | | | | | | | |
| Partner Share and other third-party costs | $29,771 | $29,953 | $34,090 | $47,459 | $35,153 | $40,280 | $37,563 | $42,511 | $33,384 |
| Minus: | | | | | | | | | |
| Deferred implementation costs | 882 | 730 | 731 | 1,442 | - | - | - | - | - |
| Adjusted Partner Share and other third-party costs | $28,889 | $29,223 | $33,359 | $46,017 | $35,153 | $40,280 | $37,563 | $42,511 | $33,384 |

# Reconciliation of GAAP net (loss) income to adjusted EBITDA

*(Amounts in thousands)*

| | Three Months Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Mar 31, 2021 | Jun 30, 2021 | Sept 30, 2021 | Dec 31, 2021 | Mar 31, 2022 | Jun 30, 2022 | Sept 30, 2022 | Dec 31, 2022 | Mar 31, 2023 |
| Net (loss) income | ($24,895) | ($47,306) | ($44,529) | ($11,834) | $33,038 | ($126,290) | $6,267 | ($378,279) | $13,608 |
| Plus: | | | | | | | | | |
| Income tax benefit | - | - | - | (7,864) | - | (1,446) | - | - | - |
| Interest expense, net | 3,045 | 3,078 | 3,193 | 3,247 | 947 | 879 | 580 | 150 | 8 |
| Depreciation and amortization expense | 3,065 | 8,833 | 8,375 | 9,598 | 9,871 | 10,356 | 10,468 | 6,849 | 6,575 |
| Stock-based compensation expense | 7,248 | 13,337 | 16,830 | 12,849 | 13,585 | 12,842 | 5,767 | 12,492 | 7,968 |
| Foreign currency (gain) loss | (319) | - | 1,543 | 43 | 1,671 | 4,538 | 4,673 | (4,506) | (1,389) |
| Deferred implementation costs | 882 | 730 | 731 | 1,442 | - | - | - | - | - |
| Acquisition and integration costs (benefit) | 7,030 | 14,182 | 1,714 | 1,446 | (4,599) | 2,197 | (1,867) | 1,395 | 1,723 |
| Change in fair value of contingent consideration | - | 1,480 | 6,261 | (6,367) | (65,050) | (2,968) | (46,126) | (14,030) | (34,584) |
| Impairment of goodwill and intangible assets | - | - | - | - | - | 83,149 | - | 370,139 | - |
| Restructuring and reduction of force | - | - | 713 | - | - | 958 | 7,530 | (347) | - |
| Adjusted EBITDA | ($3,944) | ($5,666) | ($5,169) | $2,560 | ($10,537) | ($15,785) | ($12,708) | ($6,137) | ($6,091) |

# Reconciliation of adjusted contribution to adjusted EBITDA

*(Amounts in thousands)*

| | Three Months Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Mar 31, 2021 | Jun 30, 2021 | Sept 30, 2021 | Dec 31, 2021 | Mar 31, 2022 | Jun 30, 2022 | Sept 30, 2022 | Dec 31, 2022 | Mar 31, 2023 |
| **Cardlytics Platform** | | | | | | | | | |
| Adjusted Contribution | $24,341 | $27,603 | $28,877 | $40,854 | $28,956 | $29,867 | $29,886 | $34,272 | $25,855 |
| Minus: | | | | | | | | | |
| Delivery costs | 3,938 | 4,837 | 4,777 | 4,618 | 4,907 | 6,311 | 7,623 | 5,271 | 4,693 |
| Sales and marketing expense | 13,202 | 16,665 | 15,469 | 17,435 | 16,384 | 20,908 | 16,529 | 14,484 | 11,547 |
| Research and development expense | 6,218 | 8,481 | 10,163 | 10,531 | 11,313 | 11,936 | 11,682 | 13,002 | 10,327 |
| General and administration expense | 12,175 | 16,454 | 19,039 | 15,708 | 19,391 | 21,232 | 19,558 | 19,070 | 13,330 |
| Stock-based compensation expense | (7,248) | (13,179) | (15,627) | (11,169) | (12,382) | (13,944) | (5,302) | (12,309) | (8,103) |
| Restructuring and reduction of force | - | - | (713) | - | - | (958) | (7,530) | 347 | - |
| Adjusted EBITDA | ($3,944) | ($5,656) | ($4,231) | $3,731 | ($10,657) | ($15,618) | ($12,674) | ($5,593) | ($5,939) |
| **Bridg Platform** | | | | | | | | | |
| Adjusted Contribution | - | $2,027 | $2,748 | $3,178 | $3,819 | $5,258 | $5,257 | $5,720 | $5,092 |
| Minus: | | | | | | | | | |
| Delivery costs | - | 911 | 1,613 | 1,809 | 1,626 | 1,851 | 1,502 | 1,312 | 1,731 |
| Sales and marketing expense | - | 398 | 1,264 | 1,564 | 1,264 | 1,075 | 1,760 | 2,341 | 2,401 |
| Research and development expense | - | 453 | 978 | 1,280 | 978 | 1,645 | 2,080 | 1,799 | 1,237 |
| General and administration expense | - | 434 | 1,034 | 1,376 | 1,034 | (248) | 414 | 995 | (260) |
| Stock-based compensation expense | - | (158) | (1,203) | (1,681) | (1,203) | 1,102 | (465) | (183) | 135 |
| Restructuring and reduction of force | - | - | - | - | - | - | - | - | - |
| Adjusted EBITDA | - | ($11) | ($938) | ($1,170) | $120 | ($167) | ($34) | ($544) | ($152) |
| **Consolidated** | | | | | | | | | |
| Adjusted Contribution | $24,341 | $29,630 | $31,625 | $44,032 | $32,775 | $35,125 | $35,143 | $39,992 | $30,947 |
| Minus: | | | | | | | | | |
| Delivery costs | 3,938 | 5,748 | 6,390 | 6,427 | 6,533 | 8,162 | 9,125 | 6,583 | 6,424 |
| Sales and marketing expense | 13,202 | 17,063 | 16,733 | 18,998 | 17,648 | 21,983 | 18,289 | 16,825 | 13,948 |
| Research and development expense | 6,218 | 8,934 | 11,141 | 11,811 | 12,291 | 13,581 | 13,762 | 14,801 | 11,564 |
| General and administration expense | 12,175 | 16,888 | 20,073 | 17,085 | 20,425 | 20,984 | 19,972 | 20,065 | 13,070 |
| Stock-based compensation expense | (7,248) | (13,337) | (16,830) | (12,849) | (13,585) | (12,842) | (5,767) | (12,492) | (7,968) |
| Restructuring and reduction of force | - | - | (713) | - | - | (958) | (7,530) | 347 | - |
| Adjusted EBITDA | ($3,944) | ($5,666) | ($5,169) | $2,560 | ($10,537) | ($15,785) | ($12,708) | ($6,137) | ($6,091) |

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

*(Amounts in thousands, except per share amounts)*

| | Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Net income | $13,608 | $33,038 |
| Plus: | | |
| Stock-based compensation expense | 7,968 | 13,585 |
| Foreign currency (gain) loss | (1,389) | 1,671 |
| Acquisition and integration benefit | 1,723 | (4,599) |
| Amortization of acquired intangibles | 3,458 | 7,145 |
| Change in fair value of contingent consideration | (34,584) | (65,050) |
| Non-GAAP net loss | ($9,216) | ($14,210) |
| Weighted-average number of shares of common stock used in computing non-GAAP net loss per share: | | |
| Weighted-average common shares outstanding, diluted | 36,727 | 37,185 |
| Non-GAAP net loss per share attributable to common stockholders, diluted | ($0.25) | ($0.38) |

# Reconciliation of forecasted GAAP revenue to billings

*(Amounts in millions)*

| | Q2 2023 Guidance |
|---|---|
| Revenue | \$65.0 - \$74.0 |
| Plus: | |
| Consumer Incentives | \$33.0 - \$35.0 |
| Billings | \$98.0 - \$109.0 |

# 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 on our platform generates incremental amounts to support our sales and marketing, research and development, delivery costs, 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, delivery costs, 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 (loss) income before income taxes; interest expense, net; depreciation and amortization expense; stock-based compensation expense; foreign currency gain (loss); deferred implementation costs; restructuring and reduction of force; acquisition and integration cost (benefit); Impairment of goodwill and intangible assets; 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, opened an email containing an offer, or redeemed an offer from the Cardlytics platform during a monthly period. We then calculate a monthly average of these MAUs for the periods presented.

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 income before stock-based compensation expense; foreign currency loss (gain); acquisition and integration cost (benefit); amortization of acquired intangibles; and change in fair value of contingent considerations. 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 | 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 |
| Entertainment | Amusement Parks, Cinema/Video, Concerts/Theater, Gaming, Golf, Miscellaneous Recreation Services, Museums/Parks, Radio, Sporting & Sporting Venues/Other, Ticket Providers |
| Grocery & Gas | 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 & Entertainment | 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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