
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-38386**



CARDLYTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of incorporation or organization)

675 Ponce de Leon Ave. NE, Suite 4100

Atlanta Georgia

(Address of principal executive offices, including zip code)

(888) 798-5802

(Registrant's telephone number, including area code)

26-3039436

(I.R.S. Employer Identification No.)

30308

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock	CDLX	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 31, 2024, there were 50,822,443 shares outstanding of the registrant's common stock, par value \$0.0001.

CARDLYTICS, INC.
QUARTERLY REPORT ON FORM 10-Q
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RISK FACTORS SUMMARY

Our business is subject to a number of risks and uncertainties, including those risks discussed at-length in the section below titled "Risk Factors." These risks include, among others, the following:

Risks Related to our Business and Industry

- Unfavorable conditions, including inflationary pressure, in the global economy or the industries we serve could limit our ability to grow our business and negatively affect our operating results.
- Our quarterly operating results have fluctuated and may continue to vary from period to period, which could result in our failure to meet expectations with respect to operating results and cause the trading price of our stock to decline.
- We may not be able to sustain our revenue and billings growth rate in the future.
- We are dependent upon the Cardlytics platform.
- If we fail to identify and respond effectively to rapidly changing technology and industry needs, our solutions may become less competitive or obsolete.
- We are substantially dependent on Chase, Bank of America, Wells Fargo and a limited number of other FI partners.
- The market in which we participate is competitive, and we may not be able to compete successfully with our current or future competitors.

Risks Related to our Indebtedness

- Servicing our debt may require a significant amount of cash. We may not have sufficient cash flow from our business to pay our indebtedness, and we may not have the ability to raise the funds necessary to settle for cash conversions of the convertible notes or to repurchase convertible notes for cash upon a fundamental change, which could adversely affect our business and results of operations.

Risks Related to Regulatory and Intellectual Property Matters

- We and our FI partners are subject to stringent and changing privacy and data security laws, rules, contractual obligations, self-regulatory schemes, government regulation, policies and other obligations related to data privacy and security. The actual or perceived failure by us, our customers, our partners, or other third parties whom we rely upon to comply with such obligations could lead to regulatory investigations or actions, litigation, disruptions of our business operations, loss of customers or sales, harm our reputation, result in significant expense, loss of revenue or profits, subject us to significant fines and liability or otherwise adversely affect our business.
- Failure to protect our proprietary technology and intellectual property rights could substantially harm our business, financial condition and operating results.

Risks Related to Ownership of our Common Stock

- The market price of our common stock has been and is likely to continue to be volatile.
- Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 66,988	\$ 91,830
Accounts receivable and contract assets, net	105,587	120,622
Other receivables	3,968	5,379
Prepaid expenses and other assets	6,787	6,097
Total current assets	183,330	223,928
Long-term assets:		
Property and equipment, net	2,847	3,323
Right-of-use assets under operating leases, net	6,933	7,310
Intangible assets, net	12,826	35,003
Goodwill	159,429	277,202
Capitalized software development costs, net	31,859	24,643
Other long-term assets, net	2,169	2,735
Total assets	\$ 399,393	\$ 574,144
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 3,927	\$ 4,425
Accrued liabilities:		
Accrued compensation	8,250	11,662
Accrued expenses	8,359	9,587
Short-term debt	45,789	—
Partner Share liability	30,783	48,867
Consumer Incentive liability	49,912	52,678
Deferred revenue	2,064	2,405
Current operating lease liabilities	2,361	2,127
Current contingent consideration	4,463	39,398
Total current liabilities	155,908	171,149
Long-term liabilities:		
Convertible senior notes, net	167,448	227,504
Long-term operating lease liabilities	6,323	6,391
Long-term deferred revenue	—	67
Line of Credit	—	30,000
Long-term contingent consideration	—	4,162
Other long-term liabilities	17	73
Total liabilities	\$ 329,696	\$ 439,346
Stockholders' equity:		
Common stock, \$0.0001 par value—100,000 shares authorized, 50,342 and 39,728 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	\$ 9	\$ 9
Additional paid-in capital	1,356,173	1,243,594
Accumulated other comprehensive (loss) income	(1,498)	2,467
Accumulated deficit	(1,284,987)	(1,111,272)
Total stockholders' equity	69,697	134,798
Total liabilities and stockholders' equity	\$ 399,393	\$ 574,144

See notes to the condensed consolidated financial statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 67,057	\$ 79,005	\$ 204,301	\$ 220,037
Costs and expenses:				
Partner Share and other third-party costs	30,675	36,144	94,476	108,698
Delivery costs	7,830	7,012	21,664	20,451
Sales and marketing expense	13,163	14,161	41,306	43,314
Research and development expense	13,194	12,430	39,712	38,841
General and administration expense	12,076	15,561	42,712	44,907
Acquisition, integration and divestiture costs (benefit)	—	78	162	(8,146)
Change in contingent consideration	100	8,281	110	(15,045)
Impairment of goodwill and intangible assets	131,595	—	131,595	—
Depreciation and amortization expense	6,970	5,990	19,749	19,765
Total costs and expenses	215,603	99,657	391,486	252,785
Operating Loss	(148,546)	(20,652)	(187,185)	(32,748)
Other (expense) income:				
Interest expense, net	(1,479)	(915)	(3,859)	(1,497)
Foreign currency gain (loss)	4,843	(2,399)	4,312	379
Gain on debt extinguishment	—	—	13,017	—
Total other income (expense)	3,364	(3,314)	13,470	(1,118)
Loss before income taxes	(145,182)	(23,966)	(173,715)	(33,866)
Net Loss	\$ (145,182)	\$ (23,966)	\$ (173,715)	\$ (33,866)
Net Loss per share, basic and diluted	\$ (2.90)	\$ (0.63)	\$ (3.66)	\$ (0.95)
Weighted-average common shares outstanding, basic and diluted	50,028	37,982	47,469	35,502

See notes to the condensed consolidated financial statements

CARDLYTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
(Amounts in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Loss	\$ (145,182)	\$ (23,966)	\$ (173,715)	\$ (33,866)
Other Comprehensive (Loss) Income:				
Foreign currency translation adjustments	(4,451)	2,261	(3,965)	(294)
Total Comprehensive Loss	<u>\$ (149,633)</u>	<u>\$ (21,705)</u>	<u>\$ (177,680)</u>	<u>\$ (34,160)</u>

See notes to the condensed consolidated financial statements

CARDLYTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(Amounts in thousands)

Nine Months Ended September 30, 2024:

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount				
Balance – December 31, 2023	39,728	\$ 9	\$ 1,243,594	\$ 2,467	\$ (1,111,272)	\$ 134,798
Exercise of common stock options	3	—	5	—	—	5
Stock-based compensation	—	—	35,396	—	—	35,396
Settlement of restricted stock	2,869	—	—	—	—	—
Issuance of common stock, net of issuance costs	3,592	—	27,451	—	—	27,451
Issuance of common stock, net of issuance costs - ATM Offering Program (as defined below)	3,908	—	48,151	—	—	48,151
Issuance of common stock pursuant to the 2018 ESPP (as defined below)	242	—	1,461	—	—	1,461
Termination of capped calls related to 2020 Convertible Senior Notes	—	—	115	—	—	115
Other comprehensive loss	—	—	—	(3,965)	—	(3,965)
Net Loss	—	—	—	—	(173,715)	(173,715)
Balance – September 30, 2024	50,342	\$ 9	\$ 1,356,173	\$ (1,498)	\$ (1,284,987)	\$ 69,697

Three Months Ended September 30, 2024:

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Shares	Amount				
Balance – June 30, 2024	49,402	\$ 9	\$ 1,346,876	\$ 2,953	\$ (1,139,805)	\$ 210,033
Stock-based compensation	—	—	9,297	—	—	9,297
Settlement of restricted stock	940	—	—	—	—	—
Other comprehensive loss	—	—	—	(4,451)	—	(4,451)
Net Loss	—	—	—	—	(145,182)	(145,182)
Balance – September 30, 2024	50,342	\$ 9	\$ 1,356,173	\$ (1,498)	\$ (1,284,987)	\$ 69,697

See notes to the condensed consolidated financial statements

Nine Months Ended September 30, 2023:

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Shares	Amount				
Balance – December 31, 2022	33,477	\$ 9	\$ 1,182,568	\$ 5,598	\$ (976,570)	\$ 211,605
Exercise of common stock options	10	—	54	—	—	54
Stock-based compensation	—	—	31,561	—	—	31,561
Settlement of restricted stock	2,004	—	—	—	—	—
Issuance of common stock	2,755	—	15,171	—	—	15,171
Issuance of common stock pursuant to the 2018 ESPP (as defined below)	282	—	1,104	—	—	1,104
Other comprehensive loss	—	—	—	(294)	—	(294)
Net Loss	—	—	—	—	(33,866)	(33,866)
Balance – September 30, 2023	38,528	\$ 9	\$ 1,230,458	\$ 5,304	\$ (1,010,436)	\$ 225,335

Three Months Ended September 30, 2023:

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Shares	Amount				
Balance – June 30, 2023	37,088	\$ 9	\$ 1,219,530	\$ 3,043	\$ (986,470)	\$ 236,112
Exercise of common stock options	6	—	44	—	—	44
Stock-based compensation	—	—	10,884	—	—	10,884
Settlement of restricted stock	1,434	—	—	—	—	—
Other comprehensive income	—	—	—	2,261	—	2,261
Net Loss	—	—	—	—	(23,966)	(23,966)
Balance – September 30, 2023	38,528	\$ 9	\$ 1,230,458	\$ 5,304	\$ (1,010,436)	\$ 225,335

See notes to the condensed consolidated financial statements

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

	Nine Months Ended September 30,	
	2024	2023
Operating activities		
Net Loss	\$ (173,715)	\$ (33,866)
Adjustments to reconcile net loss to net cash used in operating activities:		
Credit loss expense	3,980	1,153
Depreciation and amortization	19,749	19,765
Amortization of financing costs charged to interest expense	1,235	1,234
Amortization of right-of-use assets	1,627	2,807
Gain on debt extinguishment	(13,017)	—
Stock-based compensation expense	31,694	29,956
Impairment of goodwill and intangible assets	131,595	—
Change in contingent consideration	110	(15,044)
Other non-cash income, net	(4,136)	(613)
Change in operating assets and liabilities:		
Accounts receivable	12,909	10,991
Prepaid expenses and other assets	(229)	1,114
Accounts payable	820	(265)
Other accrued expenses	(3,192)	(10,282)
Partner Share liability	(18,330)	(4,994)
Consumer Incentive liability	(2,903)	(5,075)
Net cash used in operating activities	<u>(11,803)</u>	<u>(3,119)</u>
Investing activities		
Acquisition of property and equipment	(1,439)	(393)
Capitalized software development costs	(13,423)	(8,302)
Business divestiture	202	—
Net cash used in investing activities	<u>(14,660)</u>	<u>(8,695)</u>
Financing activities		
Proceeds from issuance of debt	172,500	30,000
Settlement of contingent consideration	(14,167)	(50,050)
Principal payment of debt	(199,291)	(21)
Proceeds from termination of capped calls related to convertible notes	115	—
Proceeds from issuance of common stock	48,634	55
Equity issuance costs	(309)	(58)
Debt issuance costs	(5,836)	—
Net cash provided by (used in) financing activities	<u>1,646</u>	<u>(20,074)</u>
Effect of exchange rates on cash, cash equivalents and restricted cash	(25)	43
Net decrease in cash, cash equivalents and restricted cash	<u>(24,842)</u>	<u>(31,845)</u>
Cash, cash equivalents, and restricted cash — Beginning of period	91,830	121,985
Cash, cash equivalents, and restricted cash — End of period	<u>\$ 66,988</u>	<u>\$ 90,140</u>

See notes to the condensed consolidated financial statements

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

	Nine Months Ended September 30,	
	2024	2023
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheet:		
Cash and cash equivalents	\$ 66,988	\$ 90,067
Restricted cash	—	73
Total cash, cash equivalents and restricted cash — End of period	<u>\$ 66,988</u>	<u>\$ 90,140</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 2,453	\$ 2,958
Amounts accrued for property and equipment	\$ 20	\$ —
Amounts accrued for capitalized software development costs	\$ 203	\$ —
Issuance of common stock, net of issuance costs - Settlement Agreement (as defined below)	\$ 27,451	\$ —

See notes to the condensed consolidated financial statements

CARDLYTICS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. OVERVIEW OF BUSINESS AND BASIS OF PRESENTATION

Cardlytics, Inc. ("we," "our," "us," the "Company," or "Cardlytics") is a Delaware corporation and was formed on June 26, 2008. Our company's mission is to make commerce smarter and rewarding for everyone. We work to accomplish this mission by operating an advertising platform within our own and our partners' digital channels, which includes online, mobile applications, email and various real-time notifications (the "Cardlytics platform"). We also operate a customer data platform that utilizes point-of-sale ("POS") data, including product-level purchase data, to enable marketers to perform analytics and targeted loyalty marketing and also measure the impact of their marketing (the "Bridg platform"). The partners for the Cardlytics platform are predominantly financial institutions ("FI partners") that provide us with access to their anonymized purchase data and digital banking customers. The partners for the Bridg platform are predominantly merchants ("merchant data partners") that provide us with access to their POS data, including product-level purchase data. By applying advanced analytics to the purchase data we receive, we make it actionable, helping marketers reach potential buyers at scale and measure the true sales impact of their marketing spend. We have strong relationships with leading marketers across a variety of industries, including retail, restaurant, travel and entertainment, direct-to-consumer, and grocery and gas. Using our purchase intelligence, we enable marketers to reach potential customers across our network of FI partners through their digital banking accounts and present them relevant offers to save money when they are thinking about their finances.

We also operate through (1) Dosh Holdings LLC, a wholly owned and operated subsidiary in the United States and (2) Cardlytics UK Limited, a wholly owned and operated subsidiary registered as a private limited company in England and Wales.

Unaudited Interim Results

The accompanying unaudited interim condensed consolidated financial statements and information have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and disclosures required by GAAP for complete financial statements. In the opinion of management, these financial statements contain all normal and recurring adjustments considered necessary to present fairly the financial position, results of operations and cash flows for the periods presented. The results for interim periods presented are not necessarily indicative of the results to be expected for the full year due to the seasonality of our business, which has been historically impacted by higher consumer spending during the fourth quarter. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included on our Annual Report on Form 10-K ("Annual Report") for the fiscal year ended December 31, 2023.

2024 Convertible Senior Notes

On April 1, 2024, we issued \$172.5 million principal amount of its 4.25% Convertible Senior Notes due in 2029 (the "2024 Convertible Senior Notes") in a private offering, including the exercise in full of the initial purchasers' option to purchase up to an additional \$22.5 million principal amount of the 2024 Convertible Senior Notes. Refer to Note 7—Debt and Financing Arrangements for further details.

Equity Distribution Agreement

On January 29, 2024, we filed a shelf registration statement on Form S-3 with the SEC, which was declared effective by the SEC on February 9, 2024. This shelf registration statement, which includes a base prospectus, allows us to offer and sell up to a maximum aggregate offering amount of \$100.0 million of our registered common stock, preferred stock, debt securities, warrants, or any combination of securities described in the prospectus in one or more offerings.

On March 18, 2024, we entered into an equity distribution agreement (the "Equity Distribution Agreement") with Evercore Group L.L.C., BofA Securities, Inc. and Cantor Fitzgerald & Co., as sales agents, pursuant to which we may issue and sell, from time to time, shares of our common stock up to a maximum aggregate offering amount of \$50.0 million in "at-the-market" offerings (the "ATM Offering Program"). On March 18, 2024, we sold 3,907,600 shares of our common stock at a weighted average price per share of \$12.80, for aggregate net proceeds of \$48.3 million after deducting commissions and estimated offering expenses payable by us, pursuant to the Equity Distribution Agreement and completed the ATM Offering Program.

Divestitures

On December 7, 2023, we sold and transferred substantially all of the assets of HSP EPI Acquisition, LLC, a wholly-owned subsidiary ("Entertainment"), for \$6.0 million in cash, subject to a combined \$1.1 million held in escrow for indemnities and sales and use taxes, as well as customary post-closing adjustment. During the nine months ended September 30, 2024, we received \$0.2 million of cash from the escrow and recorded a \$0.1 million divestiture expense associated with the net working capital adjustment.

Contingent Consideration for the Acquisition of Bridg

As part of our acquisition of Bridg and pursuant to the terms of the Agreement and Plan of Merger dated as of April 12, 2021, as amended (the "Merger Agreement"), we agreed to make two earnout payments: the First Anniversary Payment Amount and the Second Anniversary Payment Amount, based on the First Anniversary ARR and the Second Anniversary ARR of Bridg (as defined in the Merger Agreement), respectively.

As of December 31, 2023, we had paid the First Anniversary Payment Amount consisting of \$50.1 million of cash and 2,740,418 shares of our common stock to the Stockholder Representative, inclusive of brokerage fees and transaction bonuses and accounting for all true-ups and credits.

On January 25, 2024, we entered into a settlement agreement (the "Settlement Agreement") with the Stockholder Representative to resolve all outstanding disputes related to the Merger Agreement, pursuant to which we agreed to pay \$25.0 million in cash and issue 3,600,000 shares of our common stock to the Stockholder Representative, inclusive of broker fees and transaction bonuses. Pursuant to the Settlement Agreement we paid the Stockholder Representative \$20.0 million in cash on January 26, 2024 and we issued 3,600,000 shares of our common stock on February 1, 2024. The remaining cash payments related to the Settlement Agreement will be paid in two tranches with \$3.0 million to be paid by January 31, 2025 and \$2.0 million to be paid by June 30, 2025, which are presented in our consolidated balance sheet as current contingent consideration. Refer to Note 9—Fair Value Measurements and Refer to Note 10—Commitments and Contingencies for further information about the Bridg acquisition and related contingent consideration.

On June 10, 2024, PNC Financial Services Group, Inc., which acted as the paying agent in connection with payments made in connection with the Merger Agreement and the Settlement Agreement, notified us of a balance of approximately \$5.9 million from a payment account related to the Merger Agreement and transferred the balance to us. We have recorded the \$5.9 million as a gain that was realized during the quarter ended June 30, 2024. The gain is reflected as change in contingent consideration in the condensed consolidated statements of operation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Significant items subject to such estimates and assumptions include revenue recognition, internal-use software development costs, stock-based compensation, allowance for doubtful accounts, valuation of acquired intangible assets of Bridg, valuation of contingent consideration for Bridg, valuation of long-lived assets, goodwill valuation, income tax including valuation allowance and contingencies. We base our estimates on historical experience and on assumptions that we believe are reasonable. Changes in facts or circumstances may cause us to change our assumptions and estimates in future periods and it is possible that actual results could differ from our current or revised future estimates.

Macroeconomic Considerations

Unfavorable conditions in the economy both in the United States and abroad may negatively affect the growth of our business and our results of operations. For example, macroeconomic events, including the changes in inflation, the U.S. Federal Reserve raising interest rates, disruptions in access to bank deposits or lending commitments due to bank failures, the Russia-Ukraine war and the Middle East conflict have led to economic uncertainty globally. Historically, during periods of economic uncertainty and downturns, businesses may slow spending on advertising, which may impact our business and our customers' businesses.

The effect of macroeconomic conditions may not be fully reflected in our results of operations until future periods. If, however, economic uncertainty increases or the global economy worsens, our business, financial condition and results of operations may be harmed. For further discussion of the potential impacts of macroeconomic events on our business, financial condition and operating results, see the section titled "Risk Factors."

2. SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING STANDARDS

Significant Accounting Policies

There have been no changes to our significant accounting policies other than the standards adopted below. These unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with that used to prepare our audited annual consolidated financial statements for the year ended December 31, 2023, and include, in the opinion of management, all adjustments, consisting of normal recurring items, necessary for the fair statement of the condensed consolidated financial statements.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2023-07, Segment Reporting (Topic 280). The new standard requires enhanced disclosures about significant segment expenses and other segment items and requires companies to disclose all annual disclosures about segments in interim periods. The new standard also permits companies to disclose more than one measure of segment profit or loss, requires disclosure of the title and position of the Chief Operating Decision Maker, and requires companies with a single reportable segment to provide all disclosures required by Topic 280. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and companies are required to apply the ASU retrospectively to all periods presented. We are currently evaluating the impact that the adoption of this standard will have on our financial statements and related disclosures.

3. BUSINESS COMBINATIONS AND DIVESTITURES

Our historical acquisitions were accounted for as business combinations and the total purchase consideration of each was allocated to the net tangible and intangible assets and liabilities acquired based on their fair values on the acquisition dates with the remaining amounts recorded as goodwill.

During the nine months ended September 30, 2024 and 2023 we recognized an expense of \$0.2 million and a gain of \$8.1 million, respectively, primarily in connection with our acquisition of Bridg due to the changes in the estimated brokerage fees and transaction bonuses and accounting for all true-ups and credits related to the acquisition of Bridg. These expenses and gains are included in acquisition, integration and divestiture costs (benefit) on our condensed consolidated statements of operations.

Divestitures

On December 7, 2023, we sold and transferred substantially all of the assets of Entertainment, for \$6.0 million in cash, subject to a combined \$1.1 million held in escrow for indemnities and sales and use taxes, as well as customary post-closing adjustment. During the nine months ended September 30, 2024, we received \$0.2 million of cash from the escrow and recorded a \$0.1 million divestiture expense associated with the net working capital adjustment.

4. GOODWILL AND ACQUIRED INTANGIBLES

Goodwill

Goodwill is tested annually for impairment, unless certain triggering events require an interim impairment analysis, including macroeconomic conditions, industry and market considerations, costs factors, overall financial performance, and other relevant entity-specific events and changes. These considerations are evaluated holistically to assess whether it is more likely than not that a reporting unit's carrying value exceeds its fair value. Our reporting units consist of the Cardlytics platform in the U.S., the Cardlytics platform in the U.K. and the Bridg platform. There is no goodwill recorded within the Cardlytics platform in the U.K.

The carrying amounts of goodwill as of September 30, 2024 were as follows (in thousands):

	Cardlytics Platform	Bridg Platform	Consolidated
Gross goodwill	\$ 159,429	\$ 117,773	\$ 277,202
Accumulated impairments	—	(117,773)	(117,773)
Goodwill	<u>\$ 159,429</u>	<u>\$ —</u>	<u>\$ 159,429</u>

We have assessed the triggering events criteria along with related conditions and developments as of September 30, 2024, and we have concluded that we had a triggering event as a result of a sustained decline in our stock price during the three months ended September 30, 2024. We have, therefore, performed a quantitative impairment test as of September 30, 2024, and determined that the carrying value of the Bridg platform exceeded its fair value. As such, we recognized a goodwill impairment of \$117.8 million for the Bridg platform. As of September 30, 2024, there is no remaining goodwill associated with the Bridg platform.

Acquired Intangibles

We evaluate the recoverability of our finite-lived intangible assets and other long-lived assets whenever events or substantive changes in circumstances indicate that the carrying amount may not be recoverable. Prior to the quantitative goodwill impairment test, we evaluated the recoverability of these long-lived assets for our asset groups. The evaluation is based on the cash flows generated by the underlying asset groups, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows were less than the carrying amount of the asset group, we would recognize an impairment charge to the extent the carrying amount of the asset group exceeded its estimated fair value.

We have assessed the triggering events criteria along with related conditions and developments as of September 30, 2024. As a result of a triggering event as discussed above, we performed an impairment test as of September 30, 2024, and determined that the carrying value of the Bridg platform Developed technology intangible asset exceeded its fair values. As such, we recognized an acquired intangible asset impairment of \$13.7 million during the three months ended September 30, 2024.

2024 Acquired Intangibles

Acquired intangible assets subject to amortization as of September 30, 2024 were as follows:

	Gross Carrying Amount	Accumulated Amortization	Impairment of Intangible Assets	Net	Weighted Average Remaining Useful Life
	(in thousands)				(in years)
Developed technology	\$ 63,621	\$ (40,539)	\$ (13,748)	\$ 9,334	2.8
Merchant relationships	21,930	(18,438)	—	3,492	1.7
Total other intangible assets	<u>\$ 85,551</u>	<u>\$ (58,977)</u>	<u>\$ (13,748)</u>	<u>\$ 12,826</u>	

2023 Acquired Intangibles

Acquired intangible assets subject to amortization as of December 31, 2023 were as follows:

	Gross Carrying Amount	Accumulated Amortization	Divestiture of Entertainment	Net	Weighted Average Remaining Useful Life
	(in thousands)				(in years)
Trade name	\$ 2,315	\$ (1,802)	\$ (513)	\$ —	0.0
Developed technology	64,070	(33,838)	(449)	29,783	3.4
Merchant relationships	25,915	(16,784)	(3,985)	5,146	2.4
Total other intangible assets	<u>\$ 92,300</u>	<u>\$ (52,424)</u>	<u>\$ (4,947)</u>	<u>\$ 34,929</u>	

Amortization expense of acquired intangibles during the three months ended September 30, 2024 and 2023 was \$2.8 million and \$3.4 million, respectively. Amortization expense of acquired intangibles during the nine months ended September 30, 2024 and 2023 was \$8.4 million and \$10.3 million, respectively.

As of September 30, 2024, we expect amortization expense in future periods to be as follows (in thousands):

	Amount
2024 (remaining three months)	1,453
2025	5,813
2026	4,370
2027	1,190
Thereafter	—
Total expected future amortization expense	<u>\$ 12,826</u>

5. REVENUE

The Cardlytics platform

The Cardlytics platform is our proprietary native bank advertising channel that enables marketers to reach consumers through the FI partners' trusted and frequently visited digital banking channels. Working with the marketer, we design a campaign that targets customers based on their purchase history. The consumer is offered an incentive to make a purchase from the marketer within a specified period. We use a portion of the fees that we collect from marketers to provide these Consumer Incentives to our FI partners' customers after they make qualifying purchases ("Consumer Incentives"). Leveraging our powerful purchase intelligence platform, we are able to create compelling Consumer Incentives that have the potential to increase return on advertising spend for marketers and measure the effectiveness of the advertising. Consumer Incentives totaled \$44.9 million and \$37.6 million during the three months ended September 30, 2024 and 2023, respectively. Consumer Incentives totaled \$123.3 million and \$101.4 million during the nine months ended September 30, 2024 and 2023, respectively. We pay certain partners a negotiated and fixed percentage of our Billings to marketers less any Consumer Incentives that we pay to partners' customers and certain third-party data costs ("Partner Share"). Revenue on our consolidated statements of operation is presented net of Consumer Incentives and gross of Partner Share.

The Cardlytics platform is priced predominantly in two ways: (1) Cost per Served Sale ("CPS"), and (2) Cost per Redemption ("CPR").

- **CPS.** As of September 30, 2024, our primary pricing model is CPS. We generate Revenue by charging a percentage, which we refer to as the CPS Rate, of all purchases from the marketer by consumers who (1) are served marketing and (2) subsequently make a purchase from the marketer during the campaign period, regardless of whether consumers select the marketing and thereby becomes eligible to earn the applicable Consumer Incentive. We set CPS Rates for marketers based on our expectation of the marketer's return on spend for the relevant campaign. Additionally, we set the amount of the Consumer Incentives payable for each campaign based on our estimation of our ability to drive incremental sales for the marketer. We seek to optimize the level of Consumer Incentives to retain a greater portion of Billings. However, if the amount of Consumer Incentives exceeds the amount of Billings that we are paid by the applicable marketer we are still responsible for paying the total Consumer Incentive. In some instances, we may also charge the marketer the Consumer Incentive, in which case the marketer determines the level of Consumer Incentive for the campaign.
- **CPR.** Under our CPR pricing model, marketers generally specify and fund the Consumer Incentive and pay us a separate negotiated, fixed marketing fee for each purchase that we generate. We also refer to this pricing model as Cost-per-Transaction ("CPT"). We generally generate Revenue if the consumer (1) is served marketing, (2) selects the marketing and thereby becomes eligible to earn the applicable Consumer Incentive, and (3) makes a qualifying purchase from the marketer during the campaign period. We set the CPR fee for marketers based on our estimation of the marketers' return on spend for the relevant campaign. CPR and CPT are both part of our strategy to move to Engagement-based pricing.

The following table summarizes Revenue from the Cardlytics platform by pricing model (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost per Served Sale	\$ 36,127	\$ 49,957	\$ 116,664	\$ 138,664
Cost per Redemption	23,196	20,842	66,150	58,305
Other Revenue ⁽¹⁾	1,787	2,265	4,531	5,851
Cardlytics Platform Revenue	\$ 61,110	\$ 73,064	\$ 187,345	\$ 202,820

- (1) Other Revenue during the three and nine months ended September 30, 2024 primarily includes pricing models that do not relate to CPS and CPR, which includes proof-of-concept pricing models that we are exploring and hosting fees that we charge our FI partners to support the costs required to host our services. Other Revenue during the three and nine months ended September 30, 2023 primarily consists of revenue from Entertainment.

The Bridg platform

The Bridg platform primarily generates Revenue through the sale of subscriptions to our cloud-based customer-data platform and the delivery of professional services, such as implementation, onboarding and technical support in connection with each subscription. We recognize subscription Revenue on a ratable basis over the contract term beginning on the date that our service is made available to the customer. For non-recurring services or transactional based fees dependent on system usage, Revenue is recognized as services are delivered. Our subscription contracts are generally 6 to 60 months in duration and are generally billed in advance on a monthly, quarterly or annual basis.

The following table summarizes Revenue from the Bridg platform (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Bridg Platform Revenue	\$ 5,947	\$ 5,941	\$ 16,956	\$ 17,217

The following table summarizes contract balances from the Bridg platform (in thousands):

Contract Balance Type	Consolidated Balance Sheets Location	September 30, 2024	December 31, 2023
Contract assets, current	Accounts receivable and contract assets, net	\$ 116	\$ 41
Total contract assets		\$ 116	\$ 41
Contract liabilities, current	Deferred revenue	\$ 2,063	\$ 2,204
Contract liabilities, long-term	Long-term deferred revenue	—	67
Total contract liabilities		\$ 2,063	\$ 2,271

During the nine months ended September 30, 2024, we recognized \$2.1 million of Revenue related to amounts that were included in Deferred revenue as of December 31, 2023.

The following information represents the total transaction price for the remaining performance obligations as of September 30, 2024 related to contracts expected to be recognized over future periods. This includes Deferred revenue on our consolidated balance sheets and contracted amounts that will be invoiced and recognized as Revenue in future periods. As of September 30, 2024, we had \$37.9 million of remaining performance obligations through June 2028, of which \$17.6 million is expected to be recognized in the next twelve months, with the remaining amount recognized thereafter. The remaining performance obligations exclude future transaction revenue of variable consideration that are allocated to wholly unsatisfied distinct services that form part of a single performance obligation and meets certain variable allocation criteria.

6. LEASES

We have various non-cancellable operating and finance leases for our office spaces, data centers and operational assets with lease periods expiring between 2024 and 2032.

Lease assets and liabilities, net, are as follows (in thousands):

Lease Type	Consolidated Balance Sheets Location	September 30, 2024	December 31, 2023
Operating lease assets	Right-of-use assets under operating leases, net	\$ 6,933	\$ 7,310
Finance lease assets	Property and equipment, net	22	14
Total lease assets		\$ 6,955	\$ 7,324
Operating lease liabilities, current	Current operating lease liabilities	2,361	2,127
Operating lease liabilities, long-term	Long-term operating lease liabilities	6,323	6,391
Finance lease liabilities, current	Accrued expenses	7	10
Finance lease liabilities, long-term	Other long-term liabilities	17	—
Total lease liabilities		\$ 8,708	\$ 8,528

7. DEBT AND FINANCING ARRANGEMENTS

Our debt consists of the following (in thousands):

	September 30, 2024	December 31, 2023
Line of Credit	\$ —	\$ 30,000
2024 Convertible Senior Notes, net	167,448	—
2020 Convertible Senior Notes, net	45,789	227,504
Total debt	<u>\$ 213,237</u>	<u>\$ 257,504</u>

Accrued interest is included within accrued expenses in our consolidated balance sheet. We had accrued interest related to our 2024 Convertible Senior Notes and 2020 Convertible Senior Notes of \$3.7 million and \$0.7 million, respectively, as of September 30, 2024 and December 31, 2023.

2024 Convertible Senior Notes

On April 1, 2024, we issued \$172.5 million principal amount of its 4.25% Convertible Senior Notes due in 2029 (the "2024 Convertible Senior Notes") in a private offering, including the exercise in full of the initial purchasers' option to purchase up to an additional \$22.5 million principal amount of the 2024 Convertible Senior Notes. The net proceeds from this offering were \$166.8 million, after deducting the initial purchasers' discounts, commissions and the offering expense payable by us. The 2024 Convertible Senior Notes were issued pursuant to, and are governed by, an indenture, dated as of April 1, 2024 (the "2024 Indenture"), between us and U.S. Bank Trust Company, National Association, as Trustee.

The 2024 Convertible Senior Notes will accrue interest at a rate of 4.25% per annum, payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2024. The 2024 Convertible Senior Notes will mature on April 1, 2029, unless earlier converted or repurchased by us. Before January 2, 2029, noteholders will have the right to convert their 2024 Convertible Senior Notes only in the following circumstances: (i) during any calendar quarter (and only during such calendar quarter) commencing after the calendar quarter ending on June 30, 2024, if the last reported sale price per share of our common stock, exceeds 130% of the conversion price for each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (ii) during the five consecutive business days immediately after any 10 consecutive trading day period (such 10 consecutive trading day period, the "measurement period") if the trading price per \$1,000 principal amount of 2024 Convertible Senior Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of the common stock on such trading day and the conversion rate on such trading day; (iii) upon the occurrence of certain corporate events or distributions on the common stock, as described in the 2024 Indenture; and (iv) at any time from, and including, January 2, 2029 until the close of business on the scheduled trading day immediately before the maturity date. We will settle conversions by paying or delivering, as applicable, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. The initial conversion rate is 55.4939 shares of common stock per \$1,000 principal amount of 2024 Convertible Senior Notes, which represents an initial conversion price of approximately \$18.02 per share of common stock. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events. In addition, if certain corporate events that constitute a "Make-Whole Fundamental Change" (as defined in the 2024 Indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time.

If a "Fundamental Change" (as defined in the 2024 Indenture) occurs, then, subject to a limited exception for certain cash mergers, noteholders may require us to repurchase their 2024 Convertible Senior Notes at a cash repurchase price equal to the principal amount of the 2024 Convertible Senior Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. The definition of Fundamental Change includes certain business combination transactions involving us and certain de-listing events with respect to the common stock.

The net carrying amount of the liability component of the 2024 Convertible Senior Notes is as follows (in thousands):

	September 30, 2024
Principal	\$ 172,500
Minus:	
Unamortized issuance costs	(5,052)
Net carrying amount	<u>\$ 167,448</u>

Interest expense recognized related to the 2024 Convertible Senior Notes is as follows (in thousands):

	Three Months Ended September 30,	Nine Months Ended September 30,
	2024	2024
Contractual interest expense (due in cash)	\$ 1,833	\$ 3,645
Amortization of debt issuance costs	281	558
Total interest expense related to the 2024 Convertible Senior Notes	\$ 2,114	\$ 4,203
Effective interest rate	4.90 %	4.90 %

2020 Convertible Senior Notes

On September 22, 2020, we issued convertible senior notes with an aggregate principal amount of \$230.0 million bearing an interest rate of 1.00% due in September 2025 (the "2020 Convertible Senior Notes"), including the exercise in full of the initial purchasers' option to purchase up to an additional \$30.0 million principal amount of the 2020 Convertible Senior Notes. The 2020 Convertible Senior Notes were issued pursuant to an indenture, dated September 22, 2020 (the "2020 Indenture"), between us and U.S. Bank National Association, as trustee.

In April 2024, we used approximately \$169.3 million, consisting of the net proceeds from the 2024 Convertible Senior Notes offering, together with cash on hand, to repurchase for cash approximately \$183.9 million in aggregate principal amount of the 2020 Convertible Senior Notes, together with accrued and unpaid interest, in privately negotiated transactions below par and entered into concurrently with the pricing of the offering through one of the initial purchasers or one of its affiliates, as our agents. As a result of the extinguishment of the 2020 Convertible Senior Notes, we have recorded a gain of \$13.0 million, which is recorded as a Gain on debt extinguishment on the condensed consolidated statement of operations.

The 2020 Convertible Senior Notes are general senior, unsecured obligations and will mature on September 15, 2025, unless earlier converted, redeemed or repurchased. The 2020 Convertible Senior Notes bear interest at a rate of 1.00% per year, payable semiannually in arrears on March 15 and September 15 of each year, which began on March 15, 2021. The 2020 Convertible Senior Notes are convertible at the option of the holders at any time prior to the close of business on the business day immediately preceding June 15, 2025, only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2020 (and only during such calendar quarter), if the last reported sale price of our common stock, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the 2020 Convertible Senior Notes on each applicable trading day; (2) during the five business day period after any ten consecutive trading day period (the "measurement period") in which the trading price (as defined in the 2020 Indenture) per \$1,000 principal amount of the 2020 Convertible Senior Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of common stock and the conversion rate for the 2020 Convertible Senior Notes on each such trading day; (3) if we call such 2020 Convertible Senior Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events as set forth in the 2020 Indenture. The closing trading price of our common stock was not in excess of 130% of the conversion price for more than 20 trading days during the preceding 30 consecutive trading days as of September 30, 2024, and thus the 2020 Convertible Senior Notes are not convertible at the option of the holders during the quarter ending December 31, 2023 based on the stock price conditions. The 2020 Convertible Senior Notes may be convertible in the future if the stock price condition is satisfied during future measurement periods or if another conversion condition is satisfied. On or after June 15, 2025 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders of the 2020 Convertible Senior Notes may convert all or any portion of their 2020 Convertible Senior Notes at any time, regardless of the foregoing circumstances. Upon conversion, we may satisfy our conversion obligation by paying and/or delivering, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at our election, in the manner and subject to the terms and conditions provided in the 2020 Indenture.

The conversion rate for the 2020 Convertible Senior Notes is initially 11.7457 shares of common stock per \$1,000 principal amount of 2020 Convertible Senior Notes, which is equivalent to an initial conversion price of approximately \$85.14 per share of common stock. The conversion rate for the 2020 Convertible Senior Notes is subject to adjustment under certain circumstances in accordance with the terms of the 2020 Indenture. In addition, following certain corporate events that occur prior to the maturity date of the 2020 Convertible Senior Notes or if we deliver a notice of redemption in respect of the 2020 Convertible Senior Notes, we will, in certain circumstances, increase the conversion rate of the 2020 Convertible Senior Notes for a holder who elects to convert its 2020 Convertible Senior Notes in connection with such a corporate event or convert its notes called for redemption during the related redemption period (as defined in the 2020 Indenture), as the case may be.

We may redeem for cash all or any portion of the 2020 Convertible Senior Notes, at our option, prior to the 36th scheduled trading day immediately preceding the maturity date, if the last reported sale price of our common stock has been at least 130% of the conversion price for the 2020 Convertible Senior Notes then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the 2020 Convertible Senior Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the 2020 Convertible Senior Notes. If we elect to redeem less than all of the 2020 Convertible Senior Notes, at least \$75.0 million aggregate principal amount of 2020 Convertible Senior Notes must be outstanding and not subject to redemption as of the relevant redemption notice date.

If we undergo a Fundamental Change (as defined in the 2020 Indenture), then, except as set forth in the 2020 Indenture, holders may require, subject to certain exceptions, us to repurchase for cash all or any portion of their 2020 Convertible Senior Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2020 Convertible Senior Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The net carrying amount of the liability component of the 2020 Convertible Senior Notes is as follows (in thousands):

	September 30, 2024	December 31, 2023
Principal	\$ 46,070	\$ 230,000
Minus:		
Unamortized issuance costs	(281)	(2,496)
Net carrying amount of the liability component	<u>\$ 45,789</u>	<u>\$ 227,504</u>

Interest expense recognized related to the 2020 Convertible Senior Notes is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Contractual interest expense (due in cash)	\$ 115	\$ 575	\$ 805	\$ 1,725
Amortization of debt issuance costs	73	365	511	1,096
Total interest expense related to the 2020 Convertible Senior Notes	<u>\$ 188</u>	<u>\$ 940</u>	<u>\$ 1,316</u>	<u>\$ 2,821</u>
Effective interest rate	1.64 %	1.64 %	1.64 %	1.64 %

Capped Call Transactions

In connection with the issuance of the 2020 Convertible Senior Notes, we entered into privately negotiated capped call transactions (the "Capped Calls") with an affiliate of one of the initial purchasers or the 2020 Convertible Senior Notes and certain other financial institutions. The Capped Calls are recorded in stockholders' equity and were not accounted for as derivatives.

The Capped Calls each had an initial strike price of \$85.14 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2020 Convertible Senior Notes. The Capped Calls had an initial cap price of \$128.51 per share, subject to certain adjustments. On May 29, 2024, we entered into agreements to terminate all remaining Capped Calls associated with the 2020 Convertible Senior Notes. The Capped Calls were separate transactions, entered into by the Company with the counterparties, and were not part of the terms of the 2020 Convertible Senior Notes. Cash proceeds from the termination of the Capped Calls totaled \$0.1 million, which we received on June 3, 2024. The \$0.1 million cash proceeds from the termination of the Capped Calls were recorded as a credit to additional paid in capital on our consolidated balance sheet.

2018 Loan Facility

In April 2022, we amended our loan facility with Pacific Western Bank (the "2018 Loan Facility") to increase the capacity of our asset-backed revolving line of credit (the "2018 Line of Credit") from \$50.0 million to \$60.0 million with an option to increase to \$75.0 million upon syndication. This amendment also extended the maturity date of the 2018 Loan Facility from December 31, 2022 to April 29, 2024, and further stated that if we had positive Adjusted EBITDA by December 31, 2023, we could extend the maturity date of the loan to April 29, 2025. Additionally with this amendment, the former cash covenant, as described below, was removed and was replaced with a requirement to maintain a minimum level of Adjusted Contribution and a minimum adjusted cash of \$25.0 million, which is reduced by eligible accounts receivable in excess of the loan capacity. In November 2022, we amended our 2018 Loan Facility to modify the eligible account receivable to exclude U.K. accounts, reduce the ability to borrow up to 85% of the amount of our eligible accounts receivable to 50% and adjusted the required minimum level of Adjusted Contribution. In February 2023, we amended our 2018 Loan Facility to remove and replace the former Adjusted Contribution covenant with a requirement to maintain a minimum level of Adjusted EBITDA. In May 2023, we amended our 2018 Loan Facility to modify the covenants related to the maximum amount of cash we are allowed to pay for the First Anniversary Payment Amount and Second Anniversary Payment Amount under the Merger Agreement. In February 2024, we amended our 2018 Loan Facility to increase the ability to borrow up to 75% of the amount of our eligible accounts receivable, adjusted the required minimum level of Adjusted EBITDA and increased the interest rate to the prime rate plus 0.25%. We also confirmed the extension of the maturity date of the loan to April 29, 2025.

The 2018 Loan Facility includes customary representations, warranties and covenants (affirmative and negative), including restrictive covenants that prohibit mergers, acquisitions, dispositions of assets, incurrence of indebtedness, encumbrances on our assets and the payment or declaration of dividends, in each case subject to specified exceptions.

The 2018 Loan Facility also includes standard events of default, including in the event of a material adverse change. Upon the occurrence of an event of default, the lender may declare all outstanding obligations immediately due and payable and take such other actions as are set forth in the 2018 Loan Facility and increase the interest rate otherwise applicable to advances under the 2018 Line of Credit by an additional 3.00%. All of our obligations under the 2018 Loan Facility are secured by a first priority lien on substantially all of our assets. The 2018 Loan Facility does not include any prepayment penalties.

In April 2024, we repaid in full \$30.0 million of the principal balance of the 2018 Line of Credit. Interest on advances under the 2018 Line of Credit bore an interest rate equal to the prime rate plus 0.25%. During the nine months ended September 30, 2024, we incurred approximately \$0.7 million of interest expense associated with the 2018 Loan Facility. In addition, we were required to pay an unused line fee of 0.15% per annum on the average daily unused amount of the revolving commitment.

In July 2024, we amended our 2018 Loan Facility, which increased the ability to borrow up to 85% of the amount of our U.S. eligible accounts receivable and 30% of the amount of our U.K. eligible accounts receivable, decreased our required minimum level of Adjusted EBITDA, and decreased the interest rate to prime rate plus 0.125%. The amendment also establishes a reserve in an amount equal to a percentage of the amount needed to retire the outstanding 2020 Convertible Notes. The amendment also includes extension of the maturity date of the loan to July 31, 2026.

In September 2024, we entered into an amended and restated Loan and Security Agreement, which amended and restated the original Loan and Security Agreement to consolidate the original agreement and all subsequent amendments thereto into a single document.

As of September 30, 2024, we had \$60.0 million of unused available borrowings under our 2018 Line of Credit. We believe we are in compliance with all financial covenants as of September 30, 2024.

8. STOCK-BASED COMPENSATION

Our 2018 Equity Incentive Plan ("2018 Plan") became effective in February 2018. Prior to the 2018 Plan, we granted awards under our 2008 Stock Plan ("2008 Plan"). Any awards granted under the 2008 Plan remain subject to the terms of our 2008 Plan and applicable award agreements, and shares subject to awards granted under our 2008 Plan that are forfeited, canceled or expired prior to vesting become available for use under our 2018 Plan. As of December 31, 2023, there were 961,558 shares of our common stock reserved for issuance under our 2018 Plan. The number of shares of our common stock reserved for issuance under our 2018 Plan will automatically increase on January 1 of each year through 2028 by 5% of the total number of shares of our capital stock outstanding on December 31 of the preceding calendar year or a lesser number of shares determined by our Board of Directors. Accordingly, the number of shares of our common stock reserved for issuance under our 2018 Plan increased by 1,986,417 shares on January 1, 2024.

On July 18, 2022, our Board of Directors adopted the Cardlytics, Inc. 2022 Inducement Plan ("2022 Inducement Plan"). Our Board of Directors also adopted a form of stock option grant notice and agreement and a form of restricted stock unit grant notice and agreement for use with the 2022 Inducement Plan. We reserved a total of 1,500,000 shares of our Common Stock under the 2022 Inducement Plan. On January 18, 2023, our Board of Directors approved an amendment to the 2022 Inducement Plan to reserve an additional 350,000 shares of our common stock. On July 13, 2023, our Board of Directors approved an amendment to the 2022 Inducement Plan to reserve an additional 800,000 shares of our common stock. As of September 30, 2024, there were 709,849 shares available under the 2022 Inducement Plan. Subsequent to September 30, 2024 our Board of Directors approved an amendment to the 2022 Inducement Plan to reserve an additional 2,500,000 shares of our common stock.

The following table summarizes the allocation of stock-based compensation in the condensed consolidated statements of operations (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Delivery costs	\$ 675	\$ 667	\$ 2,039	\$ 1,800
Sales and marketing expense	2,096	2,683	8,140	9,487
Research and development expense	3,448	3,661	12,031	12,248
General and administration expense	1,846	3,238	9,484	6,421
Total stock-based compensation expense	\$ 8,065	\$ 10,249	\$ 31,694	\$ 29,956

During the three months ended September 30, 2024 and 2023, we capitalized \$1.2 million and \$0.6 million of stock-based compensation expense for software development, respectively. During the nine months ended September 30, 2024 and 2023, we capitalized \$3.7 million and \$1.6 million of stock-based compensation expense for software development, respectively.

Restricted Stock Units

We grant restricted stock units ("RSUs") to certain employees and our non-employee directors. The following table summarizes changes in RSUs, inclusive of performance-based RSUs:

	Shares (in thousands)	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (in years)	Unamortized Compensation Costs (in thousands)
Unvested — December 31, 2023	5,485	\$ 15.70	2.01	\$ 68,092
Granted	4,262	10.53		
Vested	(2,869)	12.78		
Forfeited	(2,193)	11.23		
Unvested — September 30, 2024	4,685	\$ 14.88	1.42	\$ 53,788

During the nine months ended September 30, 2024, we granted 4,262,166 RSUs to employees and non-employee directors, which have vesting periods ranging from vesting immediately to vesting in four years.

Subsequent to September 30, 2024, we granted 680,600 RSUs to employees and non-employee directors, which have a two year vesting period. Unamortized stock-based compensation expense related to these RSUs totaled \$2.9 million.

Performance-based RSUs

In July 2022, we granted 100,990 PSUs which included two tranches that vest on the achievement of specific Revenue-based performance metrics ("2022 Bridg PSUs"). During the three months ended September 30, 2024, we reassessed the likelihood of achieving the second tranche of the 2022 Bridg PSUs and concluded that the achievement is no longer probable. As a result of the change in estimate, we have reversed the previously recognized cumulative expense associated with this grant as a benefit to stock-based compensation during the three months ended September 30, 2024.

In March 2022 and August 2022, we granted 269,202 and 25,248 performance-based restricted stock units ("2022 PSUs"), respectively, consisting of three tranches. The first two tranches each represent 25% of the grant, and each vest upon the achievement of certain milestones related to the installation of our Ad Server at our FI Partners. In December 2022, the compensation committee of our Board of Directors certified that the first tranche's milestone related to the installation of our Ad Server at our FI partners had been achieved, which resulted in the immediate vesting of the first tranche representing 25% of the grant. 50% of the third tranche vests upon the achievement of a certain number of advertisers purchasing both the Cardlytics and Bridg platforms at a target incremental Billings amount over the 2021 Billings amount, and the remaining 50% of the tranche vests six months after this target is achieved. During the three months-ended September 30, 2024, we reassessed the likelihood of achieving this PSU and concluded that the achievement is no longer probable. As a result of the change in estimate, we have reversed the previously recognized cumulative expense associated with this grant as a benefit to stock-based compensation during the three months ended September 30, 2024.

In September 2021, we granted 6,666 PSUs that have the same unmet vesting conditions of the 2020 PSUs, 6,667 PSUs which have the same unmet Revenue target vesting condition of the 2021 PSUs and 2020 PSUs which have the same unmet different Revenue target vesting condition of the 2021 PSUs as described below. As discussed below, we concluded that the achievement of the 2020 PSUs and 2021 PSUs is no longer probable and have reversed the previously recognized cumulative expense in the respective period in which the 2020 PSUs and 2021 PSUs were determined to no longer be achievable. As of April 1, 2024, the 2020 PSU was forfeited as the performance condition was not met during the performance period.

In July 2021, we granted 34,344 performance-based restricted stock units ("Bridg PSUs") that have performance-based vesting conditions based on the achievement of a minimum ARR target by the first anniversary of the Bridg acquisition. Vesting is tied to the percentage of the ARR target achieved during the specified period with 50% of the units vesting between 80% - 99.999% achievement and 100% of the units vesting upon 100% achievement. During 2023, the compensation committee of our Board of Directors certified the vesting of shares associated with the 50% attainment of the units based on the achieved annual run rate during the specified period.

In April 2021, we granted 110,236 performance-based restricted stock units ("2021 PSUs") consisting of two tranches. The first tranche consists of 55,118 units that have a performance-based vesting condition based on a minimum Revenue target over a trailing 12-month period. The units in this first tranche fully vest upon achievement. The second tranche consists of 55,118 units with a performance-based vesting condition based on a different minimum Revenue target over a trailing 12-month period. Half of the units in the second tranche vest upon achievement and the remaining units vest six months after the achievement date, subject to continued service. Each performance-based vesting condition within the two tranches must be achieved within four years of the grant date and are subject to certification by the compensation committee of our Board of Directors. During the year-ended December 31, 2023, we reassessed the likelihood of achieving the 2021 PSUs performance-based vesting condition and concluded that the achievement is no longer probable. As a result of the change in estimate, we have reversed the previously recognized cumulative expense associated with the 2021 PSUs since the grant date as a benefit to stock-based compensation during the year ended December 31, 2023.

Additionally, in April 2021, we granted 10,000 performance-based restricted stock units that have the same unmet vesting condition as the 2020 PSUs based on a minimum ARPU target over a trailing 12-month period as described below.

In April 2020, we granted 476,608 performance-based restricted stock units ("2020 PSUs"), of which 443,276 units have a performance-based vesting condition based on a minimum average Revenue per user ("ARPU") target over a trailing 12-month period and 33,332 units have the same performance-based vesting conditions as those that unmet at the time under the 2019 PSUs described above. ARPU is a performance metric defined within Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations." The ARPU vesting condition must be achieved within four years of the grant date. Upon the vesting event, 50% of the award vests immediately, 25% of the award vests six months after achievement date and 25% of the award vests 12 months after the achievement date. During the year-ended December 31, 2022, we reassessed the likelihood of achieving the 2020 PSUs performance-based vesting condition and concluded the achievement is no longer probable. As a result of the change in estimate, we have recognized the cumulative expense associated with the 2020 PSUs from the grant date as a benefit to stock-based compensation during the year ended December 31, 2022. On April 1, 2024, the 2020 PSU was forfeited as the performance condition was not met during the performance period.

With the exception of the 2021 PSUs, the third tranche of the 2022 PSUs, the second tranche of the 2022 Bridg PSUs and any other PSUs tied to these vesting conditions, we believe that the achievement of all of the above referenced performance-based vesting conditions are probable before the awards' respective expiration dates.

Employee Stock Purchase Plan

Our 2018 Employee Stock Purchase Plan ("2018 ESPP") enables eligible employees to purchase shares of our common stock at a discount. Purchases are accomplished through participation in discrete offering periods. On each purchase date, participating employees purchase our common stock at a price per share equal to 85% of the lesser of the fair market value of our common stock on the first trading day of the offering period or the date of purchase.

As of December 31, 2023, 657,826 shares of common stock were reserved for issuance pursuant to our 2018 ESPP. Additionally, the number of shares of our common stock reserved for issuance under our 2018 ESPP will automatically increase on January 1 of each year, which began on January 1, 2019 and will continue through and including January 1, 2026, by the lesser of (i) 1% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year, (ii) 500,000 shares of our common stock or (iii) such lesser number of shares of common stock as determined by our Board of Directors. Accordingly, the number of shares of our common stock reserved for issuance under our 2018 ESPP increased by 397,283 shares on January 1, 2024. Shares subject to purchase rights granted under our 2018 ESPP that terminate without having been issued in full will not reduce the number of shares available for issuance under our 2018 ESPP. During the nine months ended September 30, 2024, we issued 242,255 shares under the 2018 ESPP.

9. FAIR VALUE MEASUREMENTS

We record the fair value of assets and liabilities in accordance with ASC 820, Fair Value Measurement ("ASC 820"). ASC 820 defines fair value as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

In addition to defining fair value, ASC 820 expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels, which is determined by the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of our reporting units was classified in Level 3 of the fair value hierarchy due to the significance of unobservable inputs developed using company-specific information. Refer to Note 4 - Goodwill and Acquired Intangibles for further details.

These levels are:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
- Level 3 - unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability at fair value.

Included in the fair value table are cash equivalents and contingent consideration. Cash equivalents are comprised of money market funds and U.S. treasury bills stated at amortized cost, which approximates fair value at the balance sheet dates, due to the short period of time to maturity. The fair value of cash equivalents are as follows (in thousands):

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market funds	\$ 27,352	\$ —	\$ —	\$ 27,352
US Treasury Bills	17,914	—	—	17,914
Total cash equivalents at fair value	<u>\$ 45,266</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 45,266</u>

The contingent consideration for the acquisition of Bridg is composed of the payments per the Settlement Agreement. The fair value of contingent consideration in connection with the Bridg acquisition were as follows (in thousands):

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Current contingent consideration	\$ —	\$ —	\$ 39,398	\$ 39,398
Long-term contingent consideration	—	—	4,162	4,162
Total liabilities	\$ —	\$ —	\$ 43,560	\$ 43,560

The following table shows a reconciliation of the beginning and ending fair value measurements of our contingent consideration, which we have valued using level 3 inputs:

	Nine Months Ended September 30,	
	2024	2023
Beginning balance	\$ 43,560	\$ 104,121
Decrease due to earnout settlement	(45,114)	(61,808)
Change in fair value of contingent consideration	\$ 5,817	(15,045)
Reclassification due to remaining payments being fixed per Settlement Agreement	(4,263)	—
Ending balance	\$ —	\$ 27,268

As part of our acquisition of Bridg and pursuant to the terms of the Merger Agreement, we agreed to make two earnout payments: the First Anniversary Payment Amount and the Second Anniversary Payment Amount, based on the First Anniversary ARR and the Second Anniversary ARR of Bridg (as defined in the Merger Agreement), respectively.

As of December 31, 2023, we had paid the First Anniversary Payment Amount consisting of \$50.1 million of cash and 2,740,418 shares of our common stock to the Stockholder Representative, inclusive of brokerage fees and transaction bonuses and accounting for all true-ups and credits.

On January 25, 2024, we entered into the Settlement Agreement with the Stockholder Representative to resolve all outstanding disputes related to the Merger Agreement, pursuant to which we agreed to pay \$25.0 million in cash and issue 3,600,000 shares of our common stock to the Stockholder Representative, inclusive of broker fees and transaction bonuses. Pursuant to the Settlement Agreement we paid the Stockholder Representative \$20.0 million in cash on January 26, 2024 and we issued 3,600,000 shares of our common stock on February 1, 2024. The remaining cash payments related to the Settlement Agreement will be paid in two tranches with \$3.0 million to be paid by January 31, 2025 and \$2.0 million to be paid by June 30, 2025, which are presented in our consolidated balance sheet as current contingent consideration.

As of September 30, 2024, the contingent consideration is valued at \$4.5 million, exclusive of \$0.3 million in broker fees and other costs, which is included in accrued expenses on our consolidated balance sheets. We determined the present value of the contingent consideration by discounting the future payments to be paid by January 31, 2025 and June 30, 2025. As the remaining payments are fixed as per the Settlement Agreement, the contingent consideration is no longer subject to ASC 820, Fair Value Measurement.

10. COMMITMENTS AND CONTINGENCIES

Commitments

We had a minimum Partner Share commitment to a certain FI partner totaling \$10.0 million over a 12-month period which ended on March 31, 2023. We had accrued \$4.5 million for the Partner Share shortfall, included within Partner Share liability on our condensed consolidated balance sheet. As of September 30, 2024, we paid \$4.5 million of our shortfall extinguishing our minimum Partner Share liability. During the nine months ended September 30, 2024 and 2023, we recognized zero and \$1.3 million of expected minimum Partner Share commitment shortfalls within Partner Share and other third-party costs on our condensed consolidated statement of operations.

Other Commitments

In January 2023, we renewed a cloud hosting arrangement guaranteeing an aggregated spend of \$13.5 million over a 12 month period. In January 2024, we renewed our agreement guaranteeing an aggregated spend of \$17.0 million each year over the next 36 month period.

We lease property and equipment under non-cancelable operating lease agreements. Refer to Note 6—Leases for further details. In September 2020, we issued convertible senior notes with an aggregate principal amount of \$230.0 million bearing an interest rate of 1.00% due in September 2025. During the nine months ended September 30, 2024, we partially paid down the 2020 Convertible Senior Notes and issued 2024 Convertible Senior Notes with an aggregate principal amount of \$172.5 million bearing an interest rate of 4.25% due on April 1, 2029. Refer to Note 7—Debt and Financing Arrangements for further details.

Litigation

From time to time, we may become involved in legal actions arising in the ordinary course of business including, but not limited to, intellectual property infringement and collection matters. We make assumptions and estimates concerning the likelihood and amount of any potential loss relating to these matters using the latest information available. We record a liability for litigation if an unfavorable outcome is probable and the amount of loss or range of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, we accrue the best estimate within the range. If no amount within the range is a better estimate than any other amount, we accrue the minimum amount within the range. If an unfavorable outcome is probable but the amount of the loss cannot be reasonably estimated, we disclose the nature of the litigation and indicates that an estimate of the loss or range of loss cannot be made. If an unfavorable outcome is reasonably possible and the estimated loss is material, we disclose the nature and estimate of the possible loss of the litigation. We do not disclose information with respect to litigation where an unfavorable outcome is considered to be remote or where the estimated loss would not be material.

As part of the acquisition of Bridg, and pursuant to the terms of the Merger Agreement, we agreed to make two earnout payments: the First Anniversary Payment Amount and the Second Anniversary Payment Amount, based on the First Anniversary ARR and the Second Anniversary ARR of Bridg, respectively. We were unable to reach an agreement with respect to the First Anniversary Payment Amount with the Stockholder Representative and submitted our dispute to an independent accountant as contemplated by the Merger Agreement.

On April 28, 2023, the independent accountant made its determination of the appropriate amount of the First Anniversary ARR, determining the First Anniversary ARR to be \$23.2 million. After review of the determination by the independent accountant, we filed a verified complaint in the Delaware Court of Chancery in May 2023 seeking declaratory judgment that a certain portion of the independent accountant's determination related to the First Anniversary ARR be stricken as null and void. Subsequently, on January 25, 2024, we entered into the Settlement Agreement with the Stockholder Representative to resolve all outstanding disputes related to the Merger Agreement, including the First Anniversary Payment Amount, pursuant to which we agreed to pay \$25 million in cash and issue 3,600,000 shares of our common stock to the Stockholder Representative, inclusive of broker fees and transaction bonuses and to dismiss our verified complaint in the Delaware Court of Chancery.

We are not presently a party to any other legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. Refer to Note 9—Fair Value Measurements for further information about the Bridg acquisition and related contingent consideration.

11. EARNINGS PER SHARE

Diluted net loss per share is the same as basic net loss per share for the three and nine months ended September 30, 2024 and 2023 because the effects of potentially dilutive items were anti-dilutive, given our net losses during these periods. The following securities as of September 30, 2024 and 2023 have been excluded from the calculation of diluted weighted-average common shares outstanding because the effect is anti-dilutive (in thousands):

	September 30,	
	2024	2023
Common stock options	57	86
2020 Convertible Senior Notes	541	2,701
2024 Convertible Senior Notes	9,573	—
Unvested restricted stock units	4,685	6,166
Common stock issuable pursuant to the 2018 ESPP	324	82

12. SEGMENTS

As of September 30, 2024, we have three operating segments: the Cardlytics platform in the U.S., the Cardlytics platform in the U.K. and the Bridg platform, as determined by the information that our Chief Executive Officer, who we consider our chief operating decision maker ("CODM"), uses to make strategic goals and operating decisions. Our Cardlytics platform operating segments in the U.S. and U.K. represent our proprietary advertising channels and are aggregated into one reportable segment given their similar economic characteristics, nature of service, types of customers and method of distribution. Subsequent to the acquisition of Bridg, our CODM began reviewing Bridg's Revenue and operating expenses. Therefore, we consider the Bridg platform to be a separate operating segment. Our CODM allocates resources to, and evaluates the performance of, our operating segments based on Revenue and Adjusted Contribution. Our CODM does not review assets by operating segment for the purposes of evaluating performance or allocating resources.

The following tables provide information regarding the Cardlytics platform and the Bridg platform reportable segments (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cardlytics platform				
Revenue	\$ 61,110	\$ 73,064	\$ 187,343	\$ 202,820
Minus: Partner Share and other third-party costs	30,293	36,011	93,570	108,272
Adjusted Contribution	\$ 30,817	\$ 37,053	\$ 93,773	\$ 94,548
Bridg platform				
Revenue	\$ 5,947	\$ 5,941	\$ 16,958	\$ 17,217
Minus: Partner Share and other third-party costs	382	133	906	426
Adjusted Contribution	\$ 5,565	\$ 5,808	\$ 16,052	\$ 16,791
Consolidated				
Revenue	\$ 67,057	\$ 79,005	\$ 204,301	\$ 220,037
Minus: Partner Share and other third-party costs	30,675	36,144	94,476	108,698
Adjusted Contribution	\$ 36,382	\$ 42,861	\$ 109,825	\$ 111,339

Adjusted Contribution

Adjusted Contribution measures the degree by which revenue generated from our marketers exceeds the cost to obtain the purchase data and the digital advertising space from our partners. Adjusted Contribution demonstrates how incremental Revenue on our platforms generates incremental amounts to support our sales and marketing, research and development, general and administration and other investments. Adjusted Contribution is calculated by taking our total Revenue less our Partner Share and other third-party costs exclusive of deferred implementation costs, which is a non-cash cost. Adjusted Contribution does not take into account all costs associated with generating Revenue from advertising campaigns, including sales and marketing expenses, research and development expenses, general and administrative expenses and other expenses, which we do not take into consideration when making decisions on how to manage our advertising campaigns. Management views Adjusted Contribution as the most relevant metric to measure the financial performance as it reflects the dollars we keep after all of our partners are paid.

The following table presents a reconciliation of loss before income taxes presented in accordance with GAAP to Adjusted Contribution (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Adjusted Contribution	\$ 36,382	\$ 42,861	\$ 109,825	\$ 111,339
Minus:				
Delivery costs	7,830	7,012	21,664	20,451
Sales and marketing expense	13,163	14,161	41,306	43,314
Research and development expense	13,194	12,430	39,712	38,841
General and administration expense	12,076	15,561	42,712	44,907
Acquisition, integration and divestiture benefit	—	78	162	(8,146)
Change in contingent consideration	100	8,281	110	(15,045)
Impairment of goodwill and intangible assets	131,595	—	131,595	—
Depreciation and amortization expense	6,970	5,990	19,749	19,765
Total other expense	(3,364)	3,314	(13,470)	1,118
Loss before income taxes	\$ (145,182)	\$ (23,966)	\$ (173,715)	\$ (33,866)

The following tables provide geographical information (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue:				
United States	\$ 61,440	\$ 74,798	\$ 188,060	\$ 208,523
United Kingdom	5,617	4,207	16,241	11,514
Total	\$ 67,057	\$ 79,005	\$ 204,301	\$ 220,037

	September 30, 2024	December 31, 2023
Property and equipment, net:		
United States	\$ 2,791	\$ 3,244
United Kingdom	56	79
Total	\$ 2,847	\$ 3,323

Capital expenditures within the United States totaled \$0.8 million and zero for the nine months ended September 30, 2024 and 2023, respectively. Capital expenditures within the United Kingdom totaled less than \$0.1 million for each period during the nine months ended September 30, 2024 and 2023.

Concentrations of Risk

Cash and Cash Equivalents

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. A significant portion of our cash and cash equivalents are held in fully FDIC-insured money market accounts, demand deposit accounts and U.S. Treasury Bills that distribute funds, and credit risk, over a vast number of financial institutions. Our remaining cash and cash equivalents are held with six financial institutions, which are of high credit quality.

Marketers

Beginning in the period ended December 31, 2023, we define a marketer as a customer who has a distinct contractual relationship with us, rather than aggregating by parent company. We believe this is a more accurate representation for how marketing budgets are managed at our customer level. This methodology change in our aggregation impacts how we calculate our revenue and accounts receivable concentration and we changed the prior year presentation to be in conformity.

Our Revenue and accounts receivable are diversified among a large number of marketers segregated by both geography and industry. During the nine months ended September 30, 2024 and 2023, our top five marketers accounted for 12% and 17% of our Revenue, respectively, with no marketer accounting for over 10%. As of September 30, 2024 and 2023, our top five marketers accounted for 20% and 16% of our accounts receivable, respectively, with no marketer accounting for over 10%.

FI Partners

Our business is substantially dependent on a limited number of FI partners. We require participation from our FI partners in the Cardlytics platform and access to their purchase data in order to offer our solutions to marketers and their agencies. We must have FI partners with a sufficient number of customers and levels of customer engagement to ensure that we have robust purchase data and marketing space to support a broad array of incentive programs for marketers. Our agreements with a substantial majority of our FI partners have terms of three to seven years but are generally terminable by the FI partner on 90 days or less prior notice. The agreements generally have auto-renewal provisions that allow for the agreements to extend past their originally contemplated end date, unless terminated earlier in accordance with the terms of the agreement. If an FI partner terminates its agreement with us, we would lose that FI partner as a source of purchase data and online banking customers.

During the nine months ended September 30, 2024 and 2023 our top three FI partners combined to account for over 95% and 85% of the total Partner Share we paid to all partners, respectively, with the top FI partner representing over 50% for each period and the second and third largest FI partners combined to represent over 30% of Partner Share in each period. No other partner accounted for over 10% of Partner Share during these periods.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with (1) our consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and (2) the audited consolidated financial statements and the related notes and management's discussion and analysis of financial condition and results of operations for the fiscal year ended December 31, 2023 included in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on March 14, 2024.

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements are often identified by the use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "project," "will," "would" or the negative or plural of these words or similar expressions or variations, and such forward-looking statements include, but are not limited to, statements with respect to our business strategy, plans and objectives for future operations, including our expectations regarding our expenses; continued enhancements of our platform and new product offerings; our future financial and business performance; and anticipated payments under the Merger Agreement with Bridg. The events described in these forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified herein, and those discussed in the section titled "Risk Factors," set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q and in our other SEC filings. You should not rely upon forward-looking statements as predictions of future events. Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Overview

Our company's mission is to make commerce smarter and rewarding for everyone. We work to accomplish this mission by operating an advertising platform within our own and our partners' digital channels, which includes online, mobile applications, email and various real-time notifications (the "Cardlytics platform"). We also operate a customer data platform that utilizes point-of-sale ("POS") data, including product-level purchase data, to enable marketers to perform analytics and targeted loyalty marketing and also measure the impact of their marketing (the "Bridg platform"). The partners for the Cardlytics platform are predominantly financial institutions ("FI partners") that provide us with access to their anonymized purchase data and digital banking customers. The partners for the Bridg platform are predominantly merchants ("merchant data partners") that provide us with access to their POS data, including product-level purchase data. By applying advanced analytics to the purchase data we receive, we make it actionable, helping marketers reach potential buyers at scale and measure the true sales impact of their marketing spend. We have strong relationships with leading marketers across a variety of industries, including retail, restaurant, travel and entertainment, direct-to-consumer, and grocery and gas.

Working with a marketer, we design a campaign that targets consumers based on their purchase history. The consumer is offered an incentive to make a purchase from the marketer within a specified period. We use a portion of the fees that we collect from marketers to provide these Consumer Incentives to customers after they make qualifying purchases ("Consumer Incentives"). We report our Revenue on our consolidated statements of operations net of Consumer Incentives since we do not provide the goods or services that are purchased by customers from the marketers to which the Consumer Incentives relate.

We pay certain partners a negotiated and fixed percentage of our Billings to marketers less any Consumer Incentives that we pay to customers and certain third-party data costs ("Partner Share"). We report our Revenue gross of Partner Share. Partner Share costs are included in Partner Share and other third-party costs in our consolidated statements of operations, rather than as a reduction of Revenue, because we and not our partners act as the principal in our arrangements with marketers.

We run campaigns offering compelling Consumer Incentives to drive an expected rate of return on advertising spend for marketers. At times, we may collaborate with a partner to enhance the level of Consumer Incentives to their respective customers, funded by their Partner Share. We believe that these investments by our partners positively impact our platforms by making their customers more highly engaged with our platforms. However, these investments negatively impact our GAAP Revenue, which is reported net of Consumer Incentives.

Non-GAAP Measures and Other Performance Metrics

We regularly monitor a number of financial and operating metrics in order to measure our current performance and estimate our future performance. Our metrics may be calculated in a manner different than similar metrics used by other companies.

Key Performance Metrics

in thousands except ARPU amounts	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cardlytics MAUs	166,409	162,467	166,813	160,204
Cardlytics ARPU	\$ 0.40	\$ 0.49	\$ 1.22	\$ 1.37

Cardlytics Monthly Active Users ("MAUs")

We define MAUs as targetable customers that have logged in and visited online or mobile applications containing offers, opened an email containing an offer, or redeemed an offer from the Cardlytics platform during a monthly period. We then calculate a monthly average of these MAUs for the periods presented. We believe that MAUs is an indicator of the Cardlytics platform's ability to drive engagement and is reflective of the marketing base that we offer to marketers. We are reporting only the total number of unique targetable customers within each FI.

in thousands	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	#	%	2024	2023	#	%
Cardlytics MAUs	166,409	162,467	3,942	2	166,813	160,204	6,609	4

During the three months ended September 30, 2024, Cardlytics MAUs increased by 3.9 million compared to the three months ended September 30, 2023 primarily driven by organic growth of the existing FI partners in the U.K. and U.S. and a new FI Partner in the U.K.

During the nine months ended September 30, 2024, Cardlytics MAUs increased by 6.6 million compared to the nine months ended September 30, 2023 primarily driven by organic growth of the existing FI partners in the U.K. and U.S. and a new FI Partner in the U.K.

Cardlytics Average Revenue per User ("ARPU")

We define ARPU as the total Revenue generated in the applicable period calculated in accordance with generally accepted accounting principles in the United States ("GAAP"), divided by the average number of MAUs in the applicable period. We believe that ARPU is an indicator of the value of our relationships with our FI partners with respect to the Cardlytics platform.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
	Cardlytics ARPU	\$ 0.40	\$ 0.49	\$ (0.09)	(18)	\$ 1.22	\$ 1.37	\$ (0.15)

During the three months ended September 30, 2024, Cardlytics ARPU decreased by \$0.09 compared to the three months ended September 30, 2023 as a result of an \$7.5 million increase in Consumer Incentives due to high engagement by our customers.

During the nine months ended September 30, 2024, Cardlytics ARPU decreased by \$0.15 compared to the three months ended September 30, 2023 as a result of an \$21.8 million increase in Consumer Incentives due to high engagement by our customers.

Key Financial Metrics (Including Non-GAAP Metrics)

in thousands	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 67,057	\$ 79,005	\$ 204,301	\$ 220,037
Consumer Incentives	\$ 44,901	\$ 37,425	\$ 123,260	\$ 101,443
Billings	\$ 111,958	\$ 116,430	\$ 327,561	\$ 321,480
Gross Profit	\$ 28,552	\$ 35,849	\$ 88,161	\$ 90,888
Adjusted Contribution	\$ 36,382	\$ 42,861	\$ 109,825	\$ 111,339
Net Loss	\$ (145,182)	\$ (23,966)	\$ (173,715)	\$ (33,866)
Adjusted EBITDA	\$ (1,816)	\$ 3,946	\$ (3,875)	\$ (6,218)
Adjusted Net (Loss) Income	\$ (7,480)	\$ 474	\$ (19,128)	\$ (17,147)
Net cash provided by (used in) operating activities	\$ 1,388	\$ 1,194	\$ (11,803)	\$ (3,119)
Free Cash Flow	\$ (3,869)	\$ (1,951)	\$ (26,665)	\$ (11,814)

Definitions of Non-GAAP Measures

Billings

Billings represents the gross amount billed to customers and marketers for services in order to generate revenue. Cardlytics platform Billings is recognized gross of both Consumer Incentives and Partner Share. Cardlytics platform GAAP Revenue is recognized net of Consumer Incentives and gross of Partner Share. Bridg platform Billings is the same as Bridg platform GAAP Revenue.

We review Billings for internal management purposes. We believe Billings is an important indicator for the current health of the business because it directly represents our ability to bill customers for our services before any Consumer Incentives are paid. Nevertheless, our use of Billings has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. Other companies, including companies in our industry that have similar business arrangements, may address the impact of Consumer Incentives differently. You should consider Billings alongside our other GAAP financial results.

Adjusted Contribution

Adjusted Contribution measures the degree by which revenue generated from our marketers exceeds the cost to obtain the purchase data and the digital advertising space from our partners. Adjusted Contribution demonstrates how incremental Revenue on our platforms generates incremental amounts to support our sales and marketing, research and development, general and administration and other investments. Adjusted Contribution is calculated by taking our total Revenue less our Partner Share and other third-party costs exclusive of deferred implementation costs, which is a non-cash cost. Adjusted Contribution does not take into account all costs associated with generating Revenue from advertising campaigns, including sales and marketing expenses, research and development expenses, general and administrative expenses and other expenses, which we do not take into consideration when making decisions on how to manage our advertising campaigns. Management views Adjusted Contribution as the most relevant metric to measure the financial performance as it reflects the dollars we keep after all of our partners are paid.

We use Adjusted Contribution extensively to measure the efficiency of our advertising platform, make decisions to manage advertising campaigns and evaluate our operational performance. We view Adjusted Contribution as an important operating measure of our financial results. We believe that Adjusted Contribution provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management and Board of Directors. Adjusted Contribution should not be considered in isolation from, or as an alternative to, measures prepared in accordance with GAAP. Adjusted Contribution should be considered together with other operating and financial performance measures presented in accordance with GAAP. Also, Adjusted Contribution may not necessarily be comparable to similarly titled measures presented by other companies. Refer to Note 12 - Segments to our condensed consolidated financial statements for further details on our Adjusted Contribution by segment.

Adjusted EBITDA

Adjusted EBITDA represents our Net Loss before interest expense, net; depreciation and amortization; stock-based compensation expense; foreign currency (gain) loss; gain on debt extinguishment; acquisition, integration and divestiture costs (benefit); change in contingent consideration; and impairment of goodwill and intangible assets and, in applicable periods, certain other income and expense items, such as loss on divestiture; restructuring and reduction of force; income tax benefit; and deferred implementation costs. We do not consider these excluded items to be indicative of our core operating performance. Of these items depreciation and amortization expense, stock-based compensation expense, and foreign currency loss (gain) are non-cash impacting. 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 EBITDA is a key measure used by management to understand and evaluate our core operating performance and trends and to generate future operating plans, make strategic decisions regarding the allocation of capital and invest in initiatives that are focused on cultivating new markets for our solution. In particular, the exclusion of certain expenses in calculating adjusted EBITDA facilitates comparisons of our operating performance on a period-to-period basis. Adjusted EBITDA is not a measure calculated in accordance with GAAP.

We believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors. Nevertheless, use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. Some of these limitations are: (1) Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs; (2) Adjusted EBITDA does not reflect the potentially dilutive impact of stock-based compensation and equity instruments issued to our partners; (3) Adjusted EBITDA does not reflect tax payments or receipts that may represent a reduction or increase in cash available to us; and (4) other companies, including companies in our industry, may calculate adjusted EBITDA or similarly titled measures differently, which reduces the usefulness of the metric as a comparative measure. Because of these and other limitations, you should consider Adjusted EBITDA alongside our net loss and other GAAP financial results.

Adjusted Net (Loss) Income

We define Adjusted Net (Loss) Income as our Net Loss before stock-based compensation expense; foreign currency (gain) loss; gain on debt extinguishment; acquisition, integration and divestiture costs (benefit); amortization of acquired intangibles; change in contingent consideration; and impairment of goodwill and intangible assets and, in applicable periods, certain other income and expense items, such as loss on divestiture; restructuring and reduction of force; and income tax benefit. We define Adjusted Net (Loss) Income per share as Adjusted Net (Loss) Income divided by our weighted-average common shares outstanding, diluted.

Free Cash Flow

We define Free Cash Flow as net cash used in operating activities, plus acquisition of property and equipment and capitalized software development costs and, in applicable periods, acquisition of patents. We believe free cash flow is useful to measure the funds generated in a given period that are available for distribution or to sustain the business. We believe this supplemental information enhances stockholders' ability to evaluate our performance.

Results of Non-GAAP Measures
Billings

in thousands	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Cardlytics Billings	\$ 111,958	\$ 116,430	\$ (4,472)	(4)	\$ 327,561	\$ 321,480	\$ 6,081	2

During the three months ended September 30, 2024, Billings decreased by \$(4.5) million compared to the three months ended September 30, 2023 primarily driven by a \$6.9 million decrease in net sales to existing marketers, partially offset by an increase of \$2.4 million in sales to new marketers.

During the nine months ended September 30, 2024, Billings increased by \$6.1 million compared to the nine months ended September 30, 2023 primarily driven by an increase of \$24.6 million in sales to new marketers, partially offset by a \$18.5 million decrease in net sales to existing marketers.

The following table presents a reconciliation of Billings to Revenue, the most directly comparable GAAP measure, for each of the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Consolidated				
Revenue	\$ 67,057	\$ 79,005	\$ 204,301	\$ 220,037
Plus:				
Consumer Incentives	44,901	37,425	123,260	101,443
Billings	\$ 111,958	\$ 116,430	\$ 327,561	\$ 321,480
Cardlytics platform				
Revenue	\$ 61,110	\$ 73,064	\$ 187,345	\$ 202,820
Plus:				
Consumer Incentives	44,901	37,425	123,260	101,443
Billings	\$ 106,011	\$ 110,489	\$ 310,605	\$ 304,263
Bridg platform				
Revenue	\$ 5,947	\$ 5,941	\$ 16,956	\$ 17,217
Plus:				
Consumer Incentives	—	—	—	—
Billings	\$ 5,947	\$ 5,941	\$ 16,956	\$ 17,217

Adjusted Contribution

The following table presents a reconciliation of Adjusted Contribution to gross profit, the most directly comparable GAAP measure, for each of the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Consolidated				
Revenue	\$ 67,057	\$ 79,005	\$ 204,301	\$ 220,037
Minus:				
Partner Share and other third-party costs	30,675	36,144	94,476	108,698
Delivery costs ⁽¹⁾	7,830	7,012	21,664	20,451
Gross Profit	28,552	35,849	88,161	90,888
Plus:				
Delivery costs ⁽¹⁾	7,830	7,012	21,664	20,451
Adjusted Contribution	\$ 36,382	\$ 42,861	\$ 109,825	\$ 111,339
Cardlytics platform				
Revenue	\$ 61,110	\$ 73,064	\$ 187,345	\$ 202,820
Minus:				
Partner Share and other third-party costs	30,292	36,011	93,569	108,272
Delivery costs ⁽¹⁾	6,011	5,510	16,837	15,420
Gross Profit	24,807	31,543	76,939	79,128
Plus:				
Delivery costs ⁽¹⁾	6,011	5,510	16,837	15,420
Adjusted Contribution	\$ 30,818	\$ 37,053	\$ 93,776	\$ 94,548
Bridg platform				
Revenue	\$ 5,947	\$ 5,941	\$ 16,956	\$ 17,217
Minus:				
Partner Share and other third-party costs	383	133	907	426
Delivery costs ⁽¹⁾	1,819	1,502	4,827	5,031
Gross Profit	3,745	4,306	11,222	11,760
Plus:				
Delivery costs ⁽¹⁾	1,819	1,502	4,827	5,031
Adjusted Contribution	\$ 5,564	\$ 5,808	\$ 16,049	\$ 16,791

(1) Stock-based compensation expense recognized in consolidated delivery costs totaled \$0.7 million for each the three months ended September 30, 2024 and 2023. Stock based compensation expense recognized in consolidated delivery costs totaled \$2.0 million and \$1.8 million for the nine months ended September 30, 2024 and 2023, respectively.

Adjusted EBITDA

The following table presents a reconciliation of adjusted EBITDA to Net Loss, the most directly comparable GAAP measure (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Loss	\$ (145,182)	\$ (23,966)	\$ (173,715)	\$ (33,866)
Plus:				
Interest expense, net	1,479	915	3,859	1,497
Depreciation and amortization	6,970	5,990	19,749	19,765
Stock-based compensation expense	8,065	10,249	31,694	29,956
Foreign currency (gain) loss	(4,843)	2,399	(4,312)	(379)
Gain on debt extinguishment	—	—	(13,017)	—
Acquisition, integration and divestiture costs (benefit)	—	78	162	(8,146)
Change in contingent consideration	100	8,281	110	(15,045)
Impairment of goodwill and intangible assets	131,595	—	131,595	—
Adjusted EBITDA	\$ (1,816)	\$ 3,946	\$ (3,875)	\$ (6,218)

The following table presents a reconciliation of adjusted EBITDA to Adjusted Contribution, the most directly comparable segment income measure, for each of the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Consolidated				
Adjusted Contribution	\$ 36,382	\$ 42,861	\$ 109,825	\$ 111,339
Minus:				
Delivery costs	7,830	7,012	21,664	20,451
Sales and marketing expense	13,163	14,161	41,306	43,314
Research and development expense	13,194	12,430	39,712	38,841
General and administration expense	12,076	15,561	42,712	44,907
Stock-based compensation expense	(8,065)	(10,249)	(31,694)	(29,956)
Adjusted EBITDA	<u>\$ (1,816)</u>	<u>\$ 3,946</u>	<u>\$ (3,875)</u>	<u>\$ (6,218)</u>
Cardlytics platform				
Adjusted Contribution	\$ 30,818	\$ 37,053	\$ 93,776	\$ 94,549
Minus:				
Delivery costs	6,011	5,510	16,837	15,420
Sales and marketing expense	11,047	12,041	34,082	36,422
Research and development expense	11,153	11,046	33,519	34,772
General and administration expense	11,312	14,874	39,516	43,321
Stock-based compensation expense	(7,066)	(9,127)	(27,912)	(27,835)
Adjusted EBITDA	<u>\$ (1,639)</u>	<u>\$ 2,709</u>	<u>\$ (2,266)</u>	<u>\$ (7,551)</u>
Bridg platform				
Adjusted Contribution	\$ 5,564	\$ 5,808	\$ 16,049	\$ 16,790
Minus:				
Delivery costs	1,819	1,502	4,827	5,031
Sales and marketing expense	2,116	2,120	7,224	6,892
Research and development expense	2,041	1,384	6,193	4,069
General and administration expense	764	687	3,196	1,586
Stock-based compensation expense	(999)	(1,122)	(3,782)	(2,121)
Adjusted EBITDA	<u>\$ (177)</u>	<u>\$ 1,237</u>	<u>\$ (1,609)</u>	<u>\$ 1,334</u>

Adjusted Net (Loss) Income

The following table presents a reconciliation of Adjusted Net Loss to Net Loss, the most directly comparable GAAP measure, for each of the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Loss	\$ (145,182)	\$ (23,966)	\$ (173,715)	\$ (33,866)
Plus:				
Stock-based compensation expense	8,065	10,249	31,694	29,956
Foreign currency (gain) loss	(4,843)	2,399	(4,312)	(379)
Gain on debt extinguishment	—	—	(13,017)	—
Acquisition, integration and divestiture costs (benefit)	—	78	162	(8,146)
Amortization of acquired intangibles	2,785	3,433	8,355	10,333
Change in contingent consideration	100	8,281	110	(15,045)
Impairment of goodwill and intangible assets	131,595	—	131,595	—
Adjusted Net (Loss) Income	\$ (7,480)	\$ 474	\$ (19,128)	\$ (17,147)
Weighted-average number of shares of common stock used in computing Adjusted Net (Loss) Income per share:				
Weighted-average common shares outstanding, diluted	50,028	37,982	47,469	35,502
Adjusted Net (Loss) Income per share, diluted	\$ (0.15)	\$ 0.01	\$ (0.40)	\$ (0.48)

Free Cash Flow

The following is a reconciliation of free cash flow to net cash provided by (used in) operating activities, the most directly comparable GAAP measure, for each of the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net cash provided by (used in) operating activities	\$ 1,388	\$ 1,194	\$ (11,803)	\$ (3,119)
Plus:				
Acquisition of property and equipment	(507)	(51)	(1,439)	(393)
Capitalized software development costs	(4,750)	(3,094)	(13,423)	(8,302)
Free Cash Flow	\$ (3,869)	\$ (1,951)	\$ (26,665)	\$ (11,814)

Components of Results of Operations

Revenue

We sell our Cardlytics platform solution by entering into agreements directly with marketers or their marketing agencies, generally through the execution of insertion orders. The insertion orders state the terms of the arrangement, the negotiated fee, payment terms and the fixed period of time of the campaign. We invoice marketers monthly based on the qualifying purchases of our partners' customers as reported by our partners during the month. We report our Revenue net of Consumer Incentives and gross of Partner Share and other third-party costs. The Bridg platform generates Revenue through the sale of subscriptions to our cloud-based customer-data platform and the delivery of professional services, such as implementation, onboarding and technical support in connection with each subscription. We recognize subscription Revenue on a ratable basis over the contract term beginning on the date that our service is made available to the customer.

Cost and Expense

We classify our expenses into the following categories: Partner Share and other third-party costs; delivery costs; sales and marketing expense; research and development expense; general and administrative expense; and depreciation and amortization expense.

Partner Share and Other Third-Party Costs

Partner Share and other third-party costs consist primarily of the Partner Share that we pay our partners, media and data costs and deferred implementation costs incurred pursuant to our agreements with certain partners. To the extent that we use a specific partners' customer's anonymized purchase data in the delivery of our solutions, we generally pay the applicable partner a Partner Share calculated based on the relative contribution of the data provided by the partner to the overall delivery of the services. We expect that our Partner Share and other third-party costs will increase in absolute dollars as a result of our Revenue growth.

Delivery Costs

Delivery costs consist primarily of personnel costs of our campaign, data operations and production support teams, including salaries, benefits, bonuses, stock-based compensation and payroll taxes. Delivery costs also include hosting costs, purchased or licensed software costs, outsourcing costs and professional services costs. As we continue to migrate our technology to the cloud, our delivery costs will increase in absolute dollars and if such anticipated Revenue growth does not occur, our delivery costs as a percentage of Revenue will be adversely affected. Over time, we expect delivery costs will decline as a percentage of Revenue.

Sales and Marketing Expense

Sales and marketing expense consists primarily of personnel costs of our sales, account management, marketing and analytics teams, including salaries, benefits, bonuses, commissions, stock-based compensation and payroll taxes. Sales and marketing expense also includes professional fees, marketing programs such as trade shows, marketing materials, public relations, sponsorships and other brand building expenses, as well as outsourcing costs, travel and entertainment expenses and company-funded consumer testing expenses for certain marketers that are not current customers. We expect that our sales and marketing expense will increase in absolute dollars over time as a result of hiring new sales representatives and as we invest to enhance our brand. Over time, we expect sales and marketing expenses will decline as a percentage of Revenue.

Research and Development Expense

Research and development expense consists primarily of personnel costs of our information technology ("IT") engineering, IT architecture and product development teams, including salaries, benefits, bonuses, stock-based compensation and payroll taxes. Research and development expense also includes outsourcing costs, software licensing costs, professional fees and travel expenses. We focus our research and development efforts on improving our solutions and developing new ones. We expect research and development expense to increase in absolute dollars as we continue to create new solutions and improve the functionality of our existing solutions.

General and Administrative Expense

General and administrative expense consists of personnel costs of our executive, finance, legal, compliance, IT support and human resources teams, including salaries, benefits, bonuses, stock-based compensation and payroll taxes. General and administrative expense also includes professional fees for external legal, accounting and consulting services, financing transaction costs, facilities costs such as rent and utilities, royalties, bad debt expense, travel expense, property taxes and franchise taxes. We expect that general and administrative expenses will increase over time on an absolute dollar basis but decrease as a percentage of Revenue as we focus on processes, systems and controls to enable our internal support functions to scale with the growth of our business.

Acquisition, Integration and Divestiture Costs (Benefit)

Acquisition costs primarily represent diligence efforts, legal and advisory costs, broker fees and insurance premiums. Integration costs primarily represent integration-related employee compensation, advisory costs and travel costs. Divestiture costs primarily represent legal and other professional fees.

Change in Contingent Consideration

Our acquisition of Bridg included a component of contingent consideration to be paid to the sellers if certain performance levels were achieved by Bridg over a specific period of time. Contingent consideration is initially recorded at fair value on the acquisition date based, in part, on a range of estimated probabilities for achievement of these performance levels. The fair value is periodically adjusted as actual performance levels become known and updates are made to the estimated probabilities for future performance. A gain or loss is recognized in the income statement for fair value adjustments. If we make additional acquisitions, it is possible that we will incur gains or losses in the future due to the change in contingent consideration.

Depreciation and Amortization Expense

Depreciation and amortization expense includes depreciation of property and equipment over the estimated useful life of the applicable asset as well as amortization of acquired intangible assets, deferred patent costs and capitalized internal-use software development costs.

Interest Expense, Net

Interest expense, net consists of interest incurred on our debt facilities, as well as related discount amortization and financing costs, partially offset by interest income on our cash balances.

Foreign Currency Gain (Loss)

Foreign currency gain (loss) consists primarily of gains and losses on foreign currency transactions.

Gain on Debt Extinguishment

Gain on debt extinguishment is associated with debt extinguishment including the write off of the unamortized debt issuance costs. These are primarily non-cash and are associated with debt payment transactions which are non-recurring.

Results of Operations

The following table presents our condensed consolidated statements of operations (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 67,057	\$ 79,005	\$ 204,301	\$ 220,037
Costs and expenses:				
Partner Share and other third-party costs	30,675	36,144	94,476	108,698
Delivery costs	7,830	7,012	21,664	20,451
Sales and marketing expense	13,163	14,161	41,306	43,314
Research and development expense	13,194	12,430	39,712	38,841
General and administrative expense	12,076	15,561	42,712	44,907
Acquisition, integration and divestiture benefit	—	78	162	(8,146)
Change in contingent consideration	100	8,281	110	(15,045)
Impairment of goodwill and intangible assets	131,595	—	131,595	—
Depreciation and amortization expense	6,970	5,990	19,749	19,765
Total costs and expenses	215,603	99,657	391,486	252,785
Operating Loss	(148,546)	(20,652)	(187,185)	(32,748)
Other (expense) income:				
Interest expense, net	(1,479)	(915)	(3,859)	(1,497)
Foreign currency gain (loss)	4,843	(2,399)	4,312	379
Gain on debt extinguishment	—	—	13,017	—
Total other income	3,364	(3,314)	13,470	(1,118)
Net Loss before income taxes	(145,182)	(23,966)	(173,715)	(33,866)
Net Loss	\$ (145,182)	\$ (23,966)	\$ (173,715)	\$ (33,866)

Comparison of Three and Nine Months Ended September 30, 2024 and 2023
Revenue

in thousands	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024	2023	Change		2024	2023	Change	
	\$	\$	\$	%	\$	\$	\$	%
Billings	\$ 111,958	\$ 116,430	\$ (4,472)	(4)%	\$ 327,561	\$ 321,480	\$ 6,081	2 %
Consumer Incentives	44,901	37,425	7,476	20	123,260	101,443	21,817	22
Revenue	\$ 67,057	\$ 79,005	\$ (11,948)	(15)%	\$ 204,301	\$ 220,037	\$ (15,736)	(7)%
% of Billings	60 %	68 %			62 %	68 %		

The \$11.9 million decrease in Revenue during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 was comprised of a \$4.5 million decrease in Billings and a \$7.5 million increase in Consumer Incentives. Consumer Incentives grew at a higher rate than Billings during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily due to higher engagement than previous years.

The \$15.7 million decrease in Revenue during the nine months ended September 30, 2024 compared to the three months ended September 30, 2023 was comprised of a \$6.1 million increase in Billings and a \$21.8 million increase in Consumer Incentives. Consumer Incentives grew at a higher rate than Billings during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 primarily due to higher engagement.

Costs and Expenses
Partner Share and Other Third-Party Costs

in thousands	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024	2023	Change		2024	2023	Change	
	\$	\$	\$	%	\$	\$	\$	%
Partner Share and other third-party costs	\$ 30,675	\$ 36,144	\$ (5,469)	(15)%	\$ 94,476	\$ 108,698	\$ (14,222)	(13)%
% of Revenue	46 %	46 %			46 %	49 %		

Partner Share and other third-party costs decreased by \$5.5 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023, primarily driven by a renegotiation of terms with a certain FI Partner and changes in Partner Share mix.

Partner Share and other third-party costs decreased by \$14.2 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, partially due to a decrease of \$1.3 million from a Partner Share commitment shortfall accrual in 2023 that did not reoccur in 2024. Excluding this shortfall commitment, the balance in Partner Share and other third-party costs decreased by \$12.9 million. The decrease is primarily driven by a renegotiation of terms with a certain FI Partner and changes in Partner Share mix.

Delivery Costs

in thousands	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024	2023	Change		2024	2023	Change	
	\$	\$	\$	%	\$	\$	\$	%
Delivery costs excluding stock-based compensation expense	\$ 7,155	\$ 6,345	\$ 810	13 %	\$ 19,625	\$ 18,651	\$ 974	5 %
Plus:								
Stock-based compensation expense	675	667	8	1	2,039	1,800	239	12
Total delivery costs	\$ 7,830	\$ 7,012	\$ 818	12 %	\$ 21,664	\$ 20,451	\$ 1,213	6 %
% of Revenue	12 %	9 %			11 %	9 %		

Total delivery costs increased by \$0.8 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023. Delivery costs excluding stock-based compensation increased by \$0.8 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023, driven by \$0.9 million increase in data storage costs, partially offset by a \$0.1 million decrease in staff expenses.

Total delivery costs increased by \$1.2 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. Delivery costs excluding stock-based compensation increased by \$1.0 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, driven by a \$0.9 million increase in data storage costs and a \$0.1 million increase in staff expenses.

Sales and Marketing Expense

in thousands	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
	Sales and marketing expense excluding stock-based compensation expense	\$ 11,067	\$ 11,478	\$ (411)	(4)%	\$ 33,166	\$ 33,827	\$ (661)
Plus:								
Stock-based compensation expense	2,096	2,683	(587)	(22)	8,140	9,487	(1,347)	(14)
Total sales and marketing expense	\$ 13,163	\$ 14,161	\$ (998)	(7)%	\$ 41,306	\$ 43,314	\$ (2,008)	(5)%
% of Revenue	20 %	18 %			20 %	20 %		

Total sales and marketing expenses decreased by \$1.0 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023. Sales and marketing expenses excluding the impact of stock-based compensation decreased by \$0.4 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily due to a \$0.4 million decrease in staff expenses and a \$0.2 million decrease in professional fees, partially offset by a \$0.2 million increase in software licenses.

Total sales and marketing expenses decreased by \$2.0 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. Sales and marketing expenses excluding the impact of stock-based compensation decreased by \$0.7 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 primarily due to a \$1.0 million decrease in staff expenses and a \$0.3 million decrease in professional fees, partially offset by a \$0.5 million increase in marketing expense and a \$0.1 million increase in software licenses.

Research and Development Expense

in thousands	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
	Research and development expense excluding stock-based compensation expense	\$ 9,746	\$ 8,769	\$ 977	11 %	\$ 27,681	\$ 26,593	\$ 1,088
Plus:								
Stock-based compensation expense	3,448	3,661	(213)	(6)	12,031	12,248	(217)	(2)
Total research and development expense	\$ 13,194	\$ 12,430	\$ 764	6 %	\$ 39,712	\$ 38,841	\$ 871	2 %
% of Revenue	20 %	16 %			19 %	18 %		

Total research and development expenses increased by \$0.8 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023. Research and development expense excluding stock-based compensation increased by \$1.0 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2024, primarily due to a \$1.1 million increase in staff expenses and a \$0.2 million increase in data storage and software licenses, partially offset by a \$0.2 million decrease in consulting fees and a \$0.1 million decrease in travel expenses. The staff expense increase was primarily driven by a decrease in a tax benefit we expected to receive.

Total research and development expenses increased by \$0.9 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. Research and development expense excluding stock-based compensation decreased by \$1.1 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, primarily due to a \$1.1 million increase in staff expenses and a \$1.0 million increase in data storage and software licenses, partially offset by a \$0.8 million decrease in professional fees and a \$0.2 million decrease in administrative expenses. The staff expense increase was primarily driven by a decrease in a tax benefit we expected to receive.

General and Administrative Expense

in thousands	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
General and administrative expense excluding stock-based compensation expense	\$ 10,230	\$ 12,323	\$ (2,093)	(17)%	\$ 33,228	\$ 38,486	\$ (5,258)	(14)%
Plus:								
Stock-based compensation expense	1,846	3,238	(1,392)	(43)	9,484	6,421	3,063	n/a
Total general and administrative expense	\$ 12,076	\$ 15,561	\$ (3,485)	(22)%	\$ 42,712	\$ 44,907	\$ (2,195)	(5)%
% of Revenue	18 %	20 %			21 %	20 %		

Total general and administrative expenses decreased by \$3.5 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023. General and administrative expense excluding stock-based compensation decreased by \$2.1 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023, primarily due to a \$1.1 million decrease in professional fees, a \$0.5 million decrease in software licenses, a \$0.2 million in administrative expenses, a \$0.2 million decrease in bad debt and a \$0.2 million decrease in staff expenses, partially offset by a \$0.1 million increase in travel expenses.

Total general and administrative expenses decreased by \$2.2 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. General and administrative expense excluding stock-based compensation decreased by \$5.3 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, primarily due to a \$3.7 million decrease in professional fees, a \$3.1 million decrease in software licenses, a \$1.0 million decrease in facility expenses a \$0.4 million decrease in staff expenses and a \$0.1 million decrease in administrative expenses, partially offset by a \$3.0 million increase in bad debt.

Stock-based Compensation Expense

The following table summarizes the allocation of stock-based compensation in the condensed consolidated statements of operations (in thousands):

in thousands	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Delivery costs	\$ 675	\$ 667	\$ 8	1 %	\$ 2,039	\$ 1,800	\$ 239	13 %
Sales and marketing expense	2,096	2,683	(587)	(22)	8,140	9,487	(1,347)	(14)
Research and development expense	3,448	3,661	(213)	(6)	12,031	12,248	(217)	(2)
General and administrative expense	1,846	3,238	(1,392)	(43)	9,484	6,421	3,063	n/a
Total stock-based compensation expense	\$ 8,065	\$ 10,249	\$ (2,184)	(21)%	\$ 31,694	\$ 29,956	\$ 1,738	6 %
% of Revenue	12 %	13 %			16 %	14 %		

Stock-based compensation expense decreased by \$2.2 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023, primarily driven by the reversal of expense associated with the 2022 PSUs and the second tranche of the 2022 Bridg PSUs and the departure of a key executive during the three months ended September 30, 2024.

Stock-based compensation expense increased by \$1.7 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, primarily driven by the reversal of expense associated with the 2021 PSUs and award forfeitures associated with executive departures in the nine months ended September 2023, partially offset by the reversal of the 2022 PSUs and the second tranche of the 2022 Bridg PSUs and the departure of a key executive in the nine months ended September 30, 2024.

Acquisition, integration and divestiture benefit

in thousands	Three Months Ended September 30,				Nine Months Ended September 30,									
	2024		2023		2024		2023							
Acquisition, integration and divestiture costs (benefit)	\$	—	\$	78	\$	(78)	(100)	\$	162	\$	(8,146)	\$	8,308	(102)
% of Revenue		— %		— %					— %		(4)%			

During the three months ended September 30, 2024 and 2023 we realized an expense of zero and a gain of \$0.1 million primarily due to the changes in the estimated brokerage fees and transaction bonuses and accounting for all true-ups and credits related to the acquisition of Bridg. Refer to Note 3 - Business Combinations to our consolidated financial statements for additional information.

During the nine months ended September 30, 2024 and 2023 we realized an expense of \$0.2 million and a gain of \$8.1 million primarily due to the changes in the estimated brokerage fees and transaction bonuses and accounting for all true-ups and credits related to the acquisition of Bridg. Refer to Note 3 - Business Combinations to our consolidated financial statements for additional information.

Change in contingent consideration

in thousands	Three Months Ended September 30,				Nine Months Ended September 30,									
	2024		2023		2024		2023							
Change in contingent consideration	\$	100	\$	8,281	\$	(8,181)	(99)	\$	110	\$	(15,045)	\$	15,155	n/a
% of Revenue		— %		— %					— %		(4)%			

During the three months ended September 30, 2024 we realized a gain of \$0.1 million primarily related to interest accretion associated with the contingent consideration. During the three months ended September 30, 2023 we realized a cost of \$8.3 million primarily due to the change in value of contingent consideration to the former Bridg shareholders. Refer to Note 9—Fair Value Measurements to our consolidated financial statements for additional information regarding the contingent consideration.

During the nine months ended September 30, 2024, the change in contingent consideration is less than a \$0.1 million benefit as a result of the \$5.9 million gain we recognized due to the Settlement Agreement, almost entirely offset by the \$5.8 million loss related to the change in value of contingent consideration to the former Bridg shareholders. During the nine months ended September 30, 2023 we realized a gain of \$15.0 million primarily due to the change in value of contingent consideration to the former Bridg shareholders. Refer to Note 9—Fair Value Measurements to our consolidated financial statements for additional information regarding the contingent consideration.

Impairment of goodwill and intangible assets

in thousands	Three Months Ended September 30,				Nine Months Ended September 30,									
	2024		2023		2024		2023							
Impairment of goodwill and intangible assets	\$	131,595	\$	—	\$	131,595	n/a	\$	131,595	\$	—	\$	131,595	n/a
% of Revenue		196 %		— %					64 %		— %			

Impairment of goodwill and intangible assets increased by \$131.6 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023, primarily due to a goodwill impairment of \$117.8 million for the Bridg platform and an acquired intangible asset impairment of \$13.7 million. Refer to Note 4 - Goodwill and Acquired Intangibles to our consolidated financial statements for additional information regarding the contingent consideration.

Impairment of goodwill and intangible assets increased by \$131.6 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, primarily due to a goodwill impairment of \$117.8 million for the Bridg platform and an acquired intangible asset impairment of \$13.7 million. Refer to Note 4 - Goodwill and Acquired Intangibles to our consolidated financial statements for additional information regarding the contingent consideration.

Depreciation and Amortization Expense

in thousands	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2024	2023	\$	%	2024	2023	\$	%
Depreciation and amortization expense	\$ 6,970	\$ 5,990	\$ 980	16 %	\$ 19,749	\$ 19,765	\$ (16)	— %
% of Revenue	10 %	8 %			10 %	9 %		

Depreciation and amortization expense increased by \$1.0 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023, primarily due to amortization on capitalized software.

Depreciation and amortization expense did not change during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Interest Expense, Net

in thousands	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2024	2023	\$	%	2024	2023	\$	%
Interest expense	\$ (2,356)	\$ (1,731)	\$ (625)	36 %	\$ (6,532)	\$ (4,475)	\$ (2,057)	46 %
Interest income	877	816	61	7	2,673	2,978	(305)	(10)%
Interest expense, net	\$ (1,479)	\$ (915)	\$ (564)	n/a	\$ (3,859)	\$ (1,497)	\$ (2,362)	n/a
% of Revenue	(2)%	(1)%			(2)%	(1)%		

Interest expense, net increased by \$0.6 million during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily due to an increase in our interest expense related to our 2024 Convertible Senior Notes, partially offset by repayment of our 2018 Line of Credit. Refer to Note 7—Debt and Financing Arrangements to our consolidated financial statements for additional information regarding the 2024 Convertible Senior Notes.

Interest expense, net increased by \$2.4 million during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 primarily due to an increase in our interest expense related to our 2024 Convertible Senior Notes, partially offset by repayment of our 2018 Line of Credit. Refer to Note 7—Debt and Financing Arrangements to our consolidated financial statements for additional information regarding the 2024 Convertible Senior Notes.

Foreign Currency Gain (Loss)

in thousands	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2024	2023	\$	%	2024	2023	\$	%
Foreign currency gain (loss)	\$ 4,843	\$ (2,399)	\$ 7,242	(302)%	\$ 4,312	\$ 379	\$ 3,933	n/a
% of Revenue	7 %	(3)%			(1)%	— %		

Foreign currency gain (loss) was a gain of \$4.8 million during the three months ended September 30, 2024 compared to a loss of \$2.4 million during the three months ended September 30, 2023, primarily due to the increase in the value of the British pound relative to the U.S. dollar.

Foreign currency gain (loss) was a gain of \$4.3 million during the nine months ended September 30, 2024 compared to a gain of \$0.4 million during the nine months ended September 30, 2023, primarily due to the increase in the value of the British pound relative to the U.S. dollar.

Gain on Debt Extinguishment

in thousands	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Gain on debt extinguishment	\$ —	\$ —	\$ —	n/a	\$ 13,017	\$ —	\$ 13,017	n/a
% of Revenue	— %	— %			6 %	— %		

Gain on debt extinguishment was a gain of \$13.0 million during the nine months ended September 30, 2024 compared to zero during the nine months ended September 30, 2023, due to the aggregated payment towards the 2020 Convertible Senior Notes in April 2024. Refer to Note 7—Debt and Financing Arrangements to our consolidated financial statements for additional information regarding the 2020 Convertible Senior Notes.

Liquidity and Capital Resources

The following table summarizes our cash and cash equivalents, accounts receivable, working capital and unused available borrowings (in thousands):

	September 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 66,988	\$ 91,830
Working capital ⁽¹⁾	27,422	52,779
Accounts receivable and contract assets, net	105,587	120,622
Unused available borrowings	60,000	16,688

(1) We define working capital as current assets less current liabilities. See our consolidated financial statements for further details regarding our current assets and current liabilities.

Our cash and cash equivalents are available for working capital purposes. We do not enter into investments for trading purposes, and our investment policy is to invest any excess cash in short-term, highly liquid investments that limit the risk of principal loss. Currently, a significant portion of our cash and cash equivalents are held in fully FDIC-insured money market accounts, demand deposit accounts and U.S. Treasury Bills. As of September 30, 2024, our demand deposit accounts and our money market account earned approximately 4.7% annual rate of interest. As of September 30, 2024, our U.S. Treasury Bills earned approximately 4.7% annual rate of interest. As of September 30, 2024, \$4.1 million of our cash and cash equivalents were in the United Kingdom. While our investment in Cardlytics U.K. Limited is not considered indefinitely invested, we do not have any current plans to repatriate these funds.

Through September 30, 2024, we have incurred accumulated net losses of \$1,285.0 million since inception, including net loss of \$145.2 million for the three months ended September 30, 2024. We have historically financed our operations and capital expenditures through convertible note financings, private placements of our redeemable convertible preferred stock, public offerings of our common stock as well as lines of credit and term loans.

Our other future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support research and development efforts, our merger and acquisition efforts, the continued expansion of sales and marketing activities, the enhancement of our platforms, the introduction of new solutions, the continued market acceptance of our solutions and the extent of the impact of macroeconomic events on the global economy. We expect to incur additional operating losses in the near term as we continue our efforts to grow our business and may require additional capital resources to continue to grow our business. We believe that we have sufficient liquidity to fund our operations and capital requirements for at least the next 12 months and in the long-term following the date our consolidated financial statements were issued. However, if our access to capital is restricted or our borrowing costs increase, our operations and financial condition could be materially and adversely impacted. In the event that additional financing is required from outside sources, we may not be able to raise such financing on terms acceptable to us or at all.

Sources of Material Cash Requirements

2020 Convertible Senior Notes

On September 22, 2020, we issued convertible senior notes with an aggregate principal amount of \$230.0 million bearing an interest rate of 1.00% due in September 2025 (the "2020 Convertible Senior Notes"), including the exercise in full of the initial purchasers' option to purchase up to an additional \$30.0 million principal amount of the 2020 Convertible Senior Notes. The 2020 Convertible Senior Notes were issued pursuant to an indenture, dated September 22, 2020, between us and U.S. Bank National Association, as trustee. The net proceeds from this offering were \$222.7 million, after deducting the initial purchasers' discounts and commissions and the offering expenses payable by us. We used \$26.5 million of the net proceeds to pay the cost of the capped call transactions. Refer to Note 7—Debt and Financing Arrangements to our consolidated financial statements for additional information regarding the contingent consideration.

On April 1, 2024, we partially paid down the 2020 Convertible Senior Notes at prices below par and issued the 2024 Convertible Senior Notes (as defined below) with an aggregate principal amount of \$172.5 million bearing an interest rate of 4.25% due on April 1, 2029 as described below. The remaining portion not paid down on the 2020 Convertible Senior Notes are due on April 1, 2025.

Partner Share Commitment

We had a minimum Partner Share commitment to a certain FI partner totaling \$10.0 million over a 12-month period which ended on March 31, 2023. We had accrued \$4.5 million for the Partner Share shortfall, included within Partner Share liability on our condensed consolidated balance sheet. As of September 30, 2024, we paid \$4.5 million of our shortfall extinguishing our minimum Partner Share liability. During the nine months ended September 30, 2024 and 2023, we recognized zero and \$1.3 million of expected minimum Partner Share commitment shortfalls within Partner Share and other third-party costs on our condensed consolidated statement of operations.

Contingent consideration for the acquisition of Bridg

On January 25, 2024, we entered into a settlement agreement (the "Settlement Agreement") with the Stockholder Representative to resolve all outstanding disputes related to the Merger Agreement, pursuant to which we agreed to pay \$25.0 million in cash and issue 3,600,000 shares of our common stock to the Stockholder Representative, inclusive of broker fees and transaction bonuses. Pursuant to the Settlement Agreement we paid the Stockholder Representative \$20.0 million in cash on January 26, 2024 and we issued 3,600,000 shares of our common stock on February 1, 2024. The remaining cash payments related to the Settlement Agreement will be paid in two tranches with \$3.0 million to be paid by January 31, 2025 and \$2.0 million to be paid by June 30, 2025, which is presented in our consolidated balance sheet as long-term contingent consideration.

As of September 30, 2024, the contingent consideration is valued at \$4.5 million, exclusive of \$0.3 million in broker fees and other costs, which is included in accrued expenses on our consolidated balance sheets. We determined the present value of the contingent consideration by discounting the future payments to be paid by January 31, 2025 and June 30, 2025. As the remaining payments are fixed as per the Settlement Agreement, the contingent consideration is no longer subject to ASC 820, Fair Value Measurement.

Other Commitments

In January 2024, we renewed our agreement guaranteeing an aggregated spend of \$17.0 million each year over the next 36 month period. As of September 30, 2024 we have paid \$8.5 million towards our cloud hosting arrangement guarantee.

Sources of Funds

Equity Distribution Agreement

On January 29, 2024, we filed a shelf registration statement on Form S-3 with the SEC, which was declared effective by the SEC on February 9, 2024. This shelf registration statement, which includes a base prospectus, allows us to offer and sell up to a maximum aggregate offering amount of \$100.0 million of our registered common stock, preferred stock, debt securities or warrants, or any combination of securities described in the prospectus in one or more offerings.

On March 18, 2024, we entered into an equity distribution agreement (the "Equity Distribution Agreement") with Evercore Group L.L.C., BofA Securities, Inc. and Cantor Fitzgerald & Co., as sales agents, pursuant to which we may issue and sell, from time to time, shares of our common stock up to a maximum aggregate offering amount of \$50.0 million in "at-the-market" offerings (the "ATM Offering Program"). On March 18, 2024, we sold 3,907,600 shares of our common stock at a weighted average price per share of \$12.80, for aggregate net proceeds of \$48.3 million after deducting commissions and estimated offering expenses payable by us, pursuant to the Equity Distribution Agreement and completed the ATM Offering Program.

2024 Convertible Senior Notes

On April 1, 2024, we issued of \$172.5 million principal amount of its 4.25% Convertible Senior Notes due in 2029 (the "2024 Convertible Senior Notes" and together with the 2020 Convertible Senior Notes, the "Notes") in a private offering, including the exercise in full of the initial purchasers' option to purchase up to an additional \$22.5 million principal amount of 2024 Convertible Senior Notes. The net proceeds from the offering were an \$166.8 million, after deducting the initial purchasers' discounts, commissions and the offering expenses payable by us. The 2024 Convertible Senior Notes were issued pursuant to, and are governed by, an indenture, dated as of April 1, 2024, between us and U.S. Bank Trust Company, National Association, as trustee. We used approximately \$169.3 million, consisting of the net proceeds from the offering, together with cash on hand, to repurchase for cash approximately \$183.9 million in aggregate principal amount of the 2020 Convertible Senior Notes, together with accrued and unpaid interest, in privately negotiated transactions below par and entered into concurrently with the pricing of the offering through one of the initial purchasers or one of its affiliates, as our agents.

2018 Loan Facility

In April 2022, we amended our loan facility with Pacific Western Bank (the "2018 Loan Facility") to increase the capacity of our asset-backed revolving line of credit (the "2018 Line of Credit") from \$50.0 million to \$60.0 million with an option to increase to \$75.0 million upon syndication. This amendment also extended the maturity date of the 2018 Loan Facility from December 31, 2022 to April 29, 2024, and further stated that if we had positive Adjusted EBITDA by December 31, 2023, we could extend the maturity date of the loan to April 29, 2025. Additionally with this amendment, the former cash covenant, as described below, was removed and was replaced with a requirement to maintain a minimum level of Adjusted Contribution and a minimum adjusted cash of \$25.0 million, which is reduced by eligible accounts receivable in excess of the loan capacity. In November 2022, we amended our 2018 Loan Facility to modify the eligible account receivable to exclude UK accounts, reduce the ability to borrow up to 85% of the amount of our eligible accounts receivable to 50% and adjusted the required minimum level of Adjusted Contribution. In February 2023, we amended our 2018 Loan Facility to remove and replace the former Adjusted Contribution covenant with a requirement to maintain a minimum level of Adjusted EBITDA. In May 2023, we amended our 2018 Loan Facility to modify the covenants related to the maximum amount of cash we are allowed to pay for the First Anniversary Payment Amount and Second Anniversary Payment Amount under the Merger Agreement. In February 2024, we amended our 2018 Loan Facility to increase the ability to borrow up to 75% of the amount of our eligible accounts receivable, adjusted the required minimum level of Adjusted EBITDA and increased the interest rate to the prime rate plus 0.25%. We also confirmed the extension of the maturity date of the loan to April 29, 2025.

In April 2024, we repaid in full \$30.0 million of the principal balance of the 2018 Line of Credit. Interest on advances under the 2018 Line of Credit bore an interest rate equal to the prime rate plus 0.25%. During the nine months ended September 30, 2024, we incurred approximately \$0.7 million of interest expense associated with the 2018 Loan Facility. In addition, we are required to pay an unused line fee of 0.15% per annum on the average daily unused amount of the revolving commitment.

In July 2024, we amended our 2018 Loan Facility, which increased the ability to borrow up to 85% of the amount of our U.S. eligible accounts receivable and 30% of the amount of our U.K. eligible accounts receivable, decreased our required minimum level of Adjusted EBITDA, and decreased the interest rate to prime rate plus 0.125%. The amendment also establishes a reserve in an amount equal to a percentage of the amount needed to retire the outstanding 2020 Convertible Notes. The amendment also includes extension of the maturity date of the loan to July 31, 2026.

In September 2024, we entered into an amended and restated Loan and Security Agreement, which amended and restated the original Loan and Security Agreement to consolidate the original agreement and all subsequent amendments thereto into a single document.

As of September 30, 2024, we had \$60.0 million of unused available borrowings under our 2018 Line of Credit. We believe we are in compliance with all financial covenants as of September 30, 2024.

Uses of Funds

Our collection cycles can vary from period to period based on the payment practices of our marketers and their agencies. We are generally obligated to pay Consumer Incentives between one and four months following redemption, regardless of whether we have collected payment from a marketer or its agency. We are generally obligated to pay our FI partners' Partner Share by the end of the month following our collection of payment from the applicable marketer or its agency. As a result, timing of cash receipts from our marketers can significantly impact our operating cash flows for any period. Further, the timing of payment of commitments and implementation fees to our FI partners may also result in variability of our operating cash flows for any period.

Our operating cash flows also vary from quarter to quarter due to the seasonal nature of our marketers' advertising spending. Many marketers tend to devote a significant portion of their marketing budgets to the fourth quarter of the calendar year to coincide with consumer holiday spending and reduce marketing spend in the first quarter of the calendar year. Any lag between the timing of our payment of Consumer Incentives and our receipt of payment from marketers and their agencies can exacerbate our need for working capital during the first quarter of the calendar year.

The following table summarizes our cash flows for the periods presented (in thousands):

	Nine Months Ended September 30,	
	2024	2023
Cash, cash equivalents and restricted cash — Beginning of period	\$ 91,830	\$ 121,985
Net cash used in operating activities	(11,803)	(3,119)
Net cash used in investing activities	(14,660)	(8,695)
Net cash provided by (used in) financing activities	1,646	(20,074)
Effect of exchange rates on cash, cash equivalents and restricted cash	(25)	43
Cash, cash equivalents and restricted cash — End of period	<u>\$ 66,988</u>	<u>\$ 90,140</u>

Operating Activities

Operating activities used \$11.8 million of cash during the nine months ended September 30, 2024, which reflected our Net Loss of \$173.7 million, including \$172.7 million of non-cash charges, offset by a \$10.9 million change in our net operating assets and liabilities. The non-cash charges primarily related to stock-based compensation expense, depreciation and amortization expense, amortization of right-of-use assets, amortization of financing costs charged to interest expense and credit losses expense. The change in our net operating assets and liabilities was primarily due to a \$2.9 million decrease in our Consumer Incentive liability, a \$18.3 million decrease in Partner Share liability, a \$3.2 million decrease in other accrued expense and a \$0.2 million increase in prepaid expenses and other assets, partially offset by a \$12.9 million decrease in accounts receivable and a \$0.8 million increase in accounts payable. These fluctuations are primarily driven by the quarterly seasonality of our business.

Operating activities used \$3.1 million of cash during the nine months ended September 30, 2023, which reflected our net loss of \$33.9 million, including \$54.3 million of non-cash charges offset by a \$15.0 million change in estimated contingent consideration, and a \$8.5 million change in our net operating assets and liabilities. The non-cash charges primarily related to stock-based compensation expense, depreciation and amortization expense, amortization of right-of-use assets, amortization of financing costs charged to interest expense and credit losses expense. The change in our net operating assets and liabilities was primarily due to a \$5.1 million decrease in our Consumer Incentive liability, a \$5.0 million decrease in Partner Share liability and a \$10.3 million decrease in other accrued expense, a \$0.3 million decrease in accounts payable and a \$1.1 million decrease in prepaid expenses and other assets, partially offset by a \$11.0 million decrease in accounts receivable. These fluctuations are primarily driven by the quarterly seasonality of our business.

Investing Activities

Investing activities used \$14.7 million and \$8.7 million and in cash during the nine months ended September 30, 2024 and 2023, respectively. Our investing cash flows during the nine months ended September 30, 2024 and 2023 primarily consisted of funds used for the purchases of technology hardware and capitalization of costs to develop internal-use software.

Financing Activities

Financing activities provided \$1.6 million in cash during the nine months ended September 30, 2024, which consisted of aggregated net proceeds of \$166.8 million from issuance of our 2024 Convertible Senior Notes offering (\$172.5 million gross proceeds from the issuance of the 2024 Convertible Senior Notes offset by \$5.6 million in debt issuance costs) and \$48.6 million proceeds from issuance of common stock, partially offset by \$199.3 million principal payment of debt and \$14.2 million paid in cash related to the settlement agreement with the Stockholder Representative to resolve all outstanding disputes related to the Merger Agreement, inclusive of brokerage fees and transaction bonuses and accounting for all true-ups and credit.

Financing activities used \$20.1 million in cash during the nine months ended September 30, 2023, consisting of \$50.1 million paid for the First Anniversary Payment, partially offset by \$30.0 million borrowed under our 2018 Line of Credit.

Critical Accounting Estimates

Our condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, Revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis.

We believe that the assumptions and estimates associated with the evaluation of Revenue recognition criteria, including the determination of Revenue recognition as net versus gross in our Revenue arrangements, the assumptions used in the valuation models to determine the fair value of equity awards and stock-based compensation expense, the assumptions used both in the initial valuation and ongoing impairment analysis of goodwill and acquired intangible assets of Bridg and Entertainment, the assumptions used in the valuation of contingent consideration related to the acquisition of Bridg, and the assumptions required in determining any valuation allowance recorded against deferred tax assets have the greatest potential impact on our condensed consolidated financial statements.

Therefore, we consider these to be our critical accounting policies and estimates. By their nature, estimates are subject to an inherent degree of uncertainty. Actual results could differ materially from these estimates. There have been no material changes to our critical accounting policies and estimates from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, except as it relates to our adoption of ASU 2020-06. Refer to Note 2 - Significant Account Policies and Recent Accounting Standards to our condensed consolidated financial statements for a description of the impact of our adoption of ASU 2020-06.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign exchange rates.

Interest Rate Risk

The interest rates under the 2018 Line of Credit are variable. Interest on advances under the 2018 Line of Credit bears an interest rate of the prime rate of 8.00% plus 0.25%. In July, we amended our 2018 Loan Facility, which decreased the interest rate to prime rate plus 0.125%. As of September 30, 2024, the prime rate was 8.00% and a 10% increase in the current prime rate would, for example, result in a \$0.5 million annual increase in interest expense if the maximum amount under the 2018 Line of Credit was outstanding for an entire year. The interest rate on the 2020 Convertible Senior Notes is fixed at 1.00%. On April 1, 2024 we issued the 2024 Convertible Senior Notes bearing an interest rate of 4.25%.

Foreign Currency Exchange Risk

Both Revenue and operating expense of Cardlytics U.K. Limited are denominated in British pounds. We bear foreign currency risks related to the extent that any unfavorable fluctuation in the exchange rate between U.S. dollars and the British pound could result in an adverse impact to either Revenue or expense. For example, if the average value of the British pound had been 10% lower relative to the U.S. dollar during the nine months ended September 30, 2024 and 2023, our Revenue would have decreased by \$2.1 million and \$1.4 million, respectively. The overall impact to net loss would be partially mitigated by decreases in operating expense of \$1.3 million for each period in the nine months ended September 30, 2024 and 2023, respectively.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) under the Securities Exchange Act of 1934, as amended ("Exchange Act"), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our principal executive officer and principal financial officer has concluded that as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this report, and in our other public filings in evaluating our business. Our business, financial condition, operating results, cash flow, and prospects could be materially and adversely affected by any of these risks or uncertainties. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to our Business and Industry

Unfavorable conditions, including inflationary pressure, in the global economy or the industries we serve could limit our ability to grow our business and negatively affect our operating results.

General worldwide economic conditions have created significant instability in recent years. For example, inflation rates have fluctuated significantly in recent periods, and increased inflation may result in decreased demand for our products and solutions, increases in our operating costs (including our labor costs), reduced liquidity and limitations on our ability to access credit or otherwise raise capital. In addition, the Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation, which coupled with reduced government spending and volatility in financial markets may have the effect of further increasing economic uncertainty and heightening these risks. Additionally, financial markets around the world experienced volatility following the invasion of Ukraine by Russia in February 2022 and escalating conflicts in the Middle East in late 2023. Further, concerns have recently arisen with respect to the financial condition of a number of banking organizations in the United States, in particular those with exposure to certain types of depositors and large portfolios of investment securities. While we do not have any exposure to banking organizations that have entered receivership or become insolvent, we do maintain our cash at financial institutions, at times in balances that exceed the current insurance limits set forth by the Federal Deposit Insurance Corporation (the "FDIC"). If other banks and financial institutions enter receivership or become insolvent in the future due to financial conditions affecting the banking system and financial markets, our ability to access our cash, cash equivalents and investments, including our ability to transfer funds, make payments or receive funds, may be threatened and could have a material adverse effect on our business and financial condition. These conditions make it extremely difficult for marketers and us to accurately forecast and plan future business activities and could cause marketers to begin or continue to reduce or delay their marketing spending. Historically, economic downturns have resulted in overall reductions in marketing spending. If macroeconomic conditions deteriorate or are characterized by uncertainty or volatility, marketers may curtail or freeze spending on marketing in general and for services such as ours specifically, which could have a material and adverse impact on our business, financial condition and operating results.

In addition, our business may be materially and adversely affected by weak economic conditions in the industries that we serve. We have historically generated a substantial majority of our revenue from marketers in the restaurant, brick and mortar retail, telecommunications and cable industries, and have expanded into new industries such as travel and entertainment, direct-to-consumer, grocery and gas. All of these industries have been negatively impacted by inflationary pressure and certain precautions taken to control inflationary pressure. We cannot predict the timing, strength or duration of any economic slowdown or recovery. In addition, even if the overall economy is robust, we cannot assure you that the market for services such as ours will experience growth or that we will experience growth.

Our quarterly operating results have fluctuated and may continue to vary from period to period, which could result in our failure to meet expectations with respect to operating results and cause the trading price of our stock to decline.

Our operating results have historically fluctuated, and our future operating results may vary significantly from quarter to quarter due to a variety of factors, many of which are beyond our control. Period-to-period comparisons of our operating results should not be relied upon as an indication of our future performance. Given our relatively short operating history and the rapidly evolving purchase intelligence industry, our historical operating results may not be useful in predicting our future operating results.

Factors that may impact our quarterly operating results include the factors set forth in this "Risk Factors" section, as well as the following:

- our ability to attract and retain marketers and partners;
- the amount and timing of revenue, operating costs and capital expenditures related to the operations and expansion of our business, particularly with respect to our efforts to attract new marketers and partners to our network;
- the revenue mix revenue generated from our operations in the U.S. and U.K.;
- the revenue mix generated from the operations of Cardlytics and its subsidiaries;
- decisions made by our FI partners to increase Consumer Incentives or use their Partner Share to fund their Consumer Incentives;

- changes in the economic prospects of marketers, the industries that we primarily serve, or the economy generally, which could alter marketers' spending priorities or budgets;
- the termination or alteration of relationships with our partners in a manner that impacts ongoing or future marketing campaigns;
- reputational harm;
- the amount and timing of expenses required to grow our business, including the timing of our payments of Partner Share and Partner Share commitments as compared to the timing of our receipt of payments from our marketers;
- changes in demand for our solutions or similar solutions;
- seasonal trends in the marketing industry;
- competitive market position, including changes in the pricing policies of our competitors;
- exposure related to our international operations and foreign currency exchange rates;
- quarantine, private travel limitation, or business disruption in regions affecting our operations, stemming from actual, imminent or perceived outbreak of contagious disease;
- other events or factors, including those resulting from war, such as hostilities between Russia and Ukraine, and the current armed conflict in the Middle East, and incidents of terrorism;
- expenses associated with items such as litigation, regulatory changes, cyberattacks or security breaches;
- the introduction of new technologies, products or solution offerings by competitors; and
- costs related to acquisitions of other businesses or technologies.

Fluctuations in our quarterly operating results, non-GAAP and other metrics and the price of our common stock may be particularly pronounced in the current economic environment. Each factor above or discussed elsewhere in this "Risk Factors" section or the cumulative effect of some of these factors may result in fluctuations in our operating results. This variability and unpredictability could result in our failure to meet expectations with respect to operating results, or those of securities analysts or investors, for a particular period. If we fail to meet or exceed expectations for our operating results for these or any other reasons, the market price of our stock could fall and we could face costly lawsuits, including securities class action suits.

We may not achieve or sustain revenue and billings growth in the future.

Our revenue decreased 7.2% to \$204.3 million during the nine months ended September 30, 2024 from \$220.0 million during the nine months ended September 30, 2023. Our billings increased 1.9% to \$327.6 million during the nine months ended September 30, 2024 from \$321.5 million during the nine months ended September 30, 2023. We may not be able to achieve or maintain year-over-year billings growth and may not see revenue growth in the near term or at all, and you should not consider our revenue and billings growth in any specific historical periods as indicative of our future performance. Our revenue and billings may be negatively impacted in future periods due to a number of factors, including, but not limited to, slowing demand for our solutions, increasing competition, decreasing growth of our overall market, inflationary pressure, our inability to engage and retain a sufficient number of marketers or partners, or our failure, for any reason, to capitalize on growth opportunities. If we are unable to maintain consistent revenue, revenue growth or billings growth, our stock price could be volatile, and it may be difficult for us to achieve and maintain profitability.

We are dependent upon the Cardlytics platform.

The majority of our revenue and billings during the nine months ended September 30, 2024 and the full year of 2023 were derived from sales of advertising via the Cardlytics platform. Our operating results could suffer due to:

- lack of continued participation by FI partners in our network or our failure to attract new FI partners;
- any decline in demand for the Cardlytics platform by marketers or their agencies;
- failure by our FI partners to increase engagement with our solutions within their customer bases, adopt our new technology and products, improve their customers' user experience, increase customer awareness, leverage additional customer outreach channels like email or otherwise promote our incentive programs on their websites and mobile applications, including by making the programs difficult to access or otherwise diminishing their prominence;
- our failure to offer compelling incentives to our FI partners' customers;
- FI partners may elect to use their Partner Share to fund their Consumer Incentives;
- the introduction by competitors of products and technologies that serve as a replacement or substitute for, or represent an improvement over, the Cardlytics platform, or an FI partner's decision to implement any existing or future product or technology of a competitor alongside, or in lieu, of the Cardlytics platform;
- FI partners developing, or acquiring, their own technology to support purchase intelligence marketing or other incentive programs;

- technological innovations or new standards that the Cardlytics platform does not address; and
- sensitivity to current or future prices offered by us or competing solutions.

In addition, we are often required to pay Consumer Incentives before we receive payment from the applicable marketer. Accordingly, if we encounter any significant failure to ultimately collect payment, our business, financial condition and operating results could be adversely affected.

If we are unable to grow our revenue and billings from sales of the Cardlytics platform, our business and operating results would be harmed.

We are substantially dependent on Chase, Bank of America, Wells Fargo and a limited number of other FI partners.

We require participation from our FI partners in the Cardlytics platform and access to their purchase data in order to offer our solutions to marketers and their agencies. We must have FI partners with a sufficient number of customers and levels of customer engagement to ensure that we have robust purchase data and marketing space to support a broad array of incentive programs for marketers.

In addition, we pay most of our FI partners a Partner Share, which is a negotiated and fixed percentage of our billings less certain costs. During the nine months ended September 30, 2024 and 2023 our top three FI partners combined to account for over 95% and 85% of the total Partner Share we paid to all partners, respectively, with the top FI partner representing over 50% for each period and the second and third largest FI partners combined to represent over 30% of Partner Share in each period. No other partner accounted for over 10% of Partner Share during these periods.

Our agreements with a substantial majority of our FI partners have three- to seven-year terms but are generally terminable by the FI partner on 90 days or more prior notice. If an FI partner terminates its agreement with us, we would lose that FI partner as a source of purchase data and online banking customers. Our FI partners may elect to withhold from us or limit the use of their purchase data for many reasons, including:

- a change in the business strategy;
- if there is a competitive reason to do so;
- if new technical requirements arise;
- concern by our FI partners or their customers related to our use of purchase data;
- if they choose to develop and use in-house solutions or use a competitive solution in lieu of our solutions; and
- if legislation is passed restricting the dissemination, or our use, of the data that is currently provided to us, or if judicial interpretations result in similar limitations.

To the extent that we breach or are alleged to have breached the terms of our agreement with any FI partner, or a disagreement arises with an FI partner regarding the interpretation of our contractual arrangements, which has occurred in the past and may occur again in the future, such an FI partner may be more likely to cease providing us data or to terminate its agreement with us. The loss of Chase, Bank of America, Wells Fargo or any other significant FI partner would significantly harm our business, results of operations and financial conditions.

We may fail to meet our publicly announced guidance or other expectations about our business and future operating results, which would cause our stock price to decline.

We have provided and may continue to provide guidance about our business, future operating results and other business metrics. In developing this guidance, our management must make certain assumptions and judgments about our future performance. Some of those key assumptions relate to the impact of unfavorable macroeconomic conditions and the associated economic uncertainty on our business and the timing and scope of economic recovery globally, which are inherently difficult to predict. Furthermore, analysts and investors may develop and publish their own projections of our business, which may form a consensus about our future performance. Our business results may vary significantly from such guidance or that consensus due to a number of factors, many of which are outside of our control, which could adversely affect our operations and operating results. Furthermore, if we make downward revisions of any publicly announced guidance, or if our publicly announced guidance of future operating results fails to meet expectations of securities analysts, investors or other interested parties, the price of our common stock may decline.

If we fail to maintain our relationships with current FI partners or attract new FI partners, we may not be able to sufficiently grow our revenue, which could significantly harm our business, results of operations and financial condition.

Our ability to grow our revenue depends on our ability to maintain our relationships with current FI partners and attract new FI partners. A significant percentage of consumer credit and debit card spending is concentrated with the 10 largest FIs in the U.S., five of which are currently part of our network, while the balance of card spending is spread across thousands of smaller FIs. Accordingly, our ability to efficiently grow our revenue will specifically depend on our ability to maintain our relationships with the large FIs that are currently part of our network and establish relationships with the large FIs that are not currently part of our network. We have in the past and may in the future be unsuccessful in attempts to establish and maintain relationships with large FIs. If we are unable to maintain our relationships with current FI partners and attract new FI partners, our business, results of operations and financial condition would be significantly harmed, and we may fail to capture a material portion of the native bank advertising market opportunity.

Our future success will depend, in part, on our ability to expand into new industries.

We have historically generated a substantial majority of our revenue from marketers in the restaurant, brick and mortar retail, telecommunications and cable industries, and have expanded into new industries such as travel and entertainment, direct-to-consumer, grocery and gas, and believe that our future success will depend, in part, on our ability to expand adoption of our solutions in new industries. As we market to a wider group of potential marketers and their agencies, we will need to adapt our marketing strategies to meet the concerns and expectations of customers in these new industries. Our success in expanding sales of our solutions to marketers in new industries will depend on a variety of factors, including our ability to:

- tailor our solutions so that they that are attractive to businesses in such industries;
- hire personnel with relevant industry experience to lead sales and services teams; and
- develop sufficient expertise in such industries so that we can provide effective and meaningful marketing programs and analytics.

If we are unable to successfully market our solutions to appeal to marketers and their agencies in new industries, we may not be able to achieve our growth or business objectives.

An actual or perceived breach of the security of our systems, or those of third parties upon which we rely, could result in adverse consequences resulting from such breach, including but not limited to a disruption of our operations, reputational harm, loss of revenue or profits, loss of customers, regulatory investigations or actions, litigation, fines and penalties and other adverse consequences.

We leverage our FI partners' purchase data and infrastructures to deliver our Cardlytics platform. We do not currently receive or have access to any PII from our FI partners, although we may obtain or have access to PII from our FI partners in the future as our business evolves. Additionally, we receive, collect, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, share and have access to personal data as a result of other aspects of our business. As such, we may be a more visible target for cyberattacks or physical breaches of our systems, databases or data centers, and we may in the future suffer from such attacks or breaches. There is a risk that actors may attempt to gain access to our systems, for the purpose of stealing personal data, sensitive or proprietary data, accessing sensitive information on our network, or disrupting our or their respective operations. Cyberattacks, malicious internet-based activity and online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors.

Some actors now engage and are expected to continue to engage in cyberattacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties upon which we rely, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyberattacks, that could materially disrupt our systems and operations, and ability to provide our service.

In addition to traditional computer "hackers," we and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), threat actors, software bugs, malicious code (such as viruses and worms), employee theft or misuse, denial-of-service attacks, credential attacks, credential harvesting, and ransomware attacks, sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). We also may be the subject of viruses, malware installation, server malfunction, software or hardware failures, loss of data or other computer assets, adware, malicious or unintentional actions or in actions by employees or others with authorized access to our network that create or expose vulnerabilities, attacks enhanced or facilitated by artificial intelligence ("AI"), and other similar threats or other similar issues. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of

funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

Current or future criminal capabilities, discovery of existing or new vulnerabilities in our systems and attempts to exploit those vulnerabilities or other developments may compromise the technology protecting our systems. Due to a variety of both internal and external factors, including defects or misconfigurations of our technology, our services could become vulnerable to security incidents (both from intentional attacks and accidental causes) that cause them to fail to secure networks and detect and block attacks. In the event that our protection efforts are unsuccessful, and our systems are compromised such that a third-party gains entry to our or any of our FI partners' systems, we could suffer substantial harm.

In addition, many of our employees work remotely, which may make us more vulnerable to cyberattacks and has increased risks to our systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. A security breach could result in operational or administrative disruptions, or impair our ability to meet our marketers' requirements, which could result in decreased revenue. Also, our reputation could suffer irreparable harm, causing our current and prospective marketers and FI partners to decline to use our solutions in the future.

We rely on third-party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, and other functions. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their data privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our systems (such as our hardware and software, including that of third parties upon which we rely). We may not, however, detect and remediate all such vulnerabilities, at all or on a timely basis. Further, we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Even if we have issued or otherwise made patches for vulnerabilities in our software applications, products or services, our customers may be unwilling or unable to deploy such patches and use such information effectively and in a timely manner. Vulnerabilities could be exploited and result in a security incident.

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our platform.

Further, we could expend significant financial and operational resources to protect against or in response to a security incident, including repairing system damage, increasing cybersecurity protection costs by deploying additional personnel and protection technologies, dealing with regulatory scrutiny, and litigating and resolving legal claims, all of which could divert resources and the attention of our management and key personnel away from our business operations. Applicable data privacy and security obligations may require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences.

In any event, an actual or perceived breach of the security of our, or the third parties on which we rely, systems or data could materially harm our business, financial condition and operating results. Security incidents and associated consequences may prevent or cause customers to stop using our platform, deter new customers from using our platform, and negatively impact our ability to grow and operate our business.

We cannot assure you that any limitations of liability provisions in our contracts would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim relating to a security lapse or breach. While we maintain cybersecurity insurance, our insurance may be insufficient or may not cover all liabilities incurred by such attacks. We also cannot be certain that our insurance coverage will be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceeds available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results and reputation.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.

Our business could be adversely affected if marketers or their agencies are not satisfied with our solutions or our systems and infrastructure fail to meet their needs.

We derive nearly all of our revenue from marketers and their agencies. Accordingly, our business depends on our ability to satisfy marketers and their agencies with respect to their marketing needs. We are in the process of updating our platforms. Any failure or delays in the performance of our systems could cause service interruptions or impaired system performance. Such failures in our systems could cause us to fail to maximize our earning potential with respect to any given marketing campaign. Such failures in our systems could also cause us to over-run on campaigns, thus committing us to higher redemptions, which may negatively affect the profitability of the affected campaigns. If sustained or repeated, these performance issues could adversely affect our business, financial condition or operating results, and further reduce the attractiveness of our solutions to new and existing marketers and cause existing marketers to reduce or cease using our solutions, which could also adversely affect our business, financial condition or operating results. In addition, negative publicity resulting from issues related to our marketer relationships, regardless of accuracy, may damage our business by adversely affecting our ability to attract new marketers or marketing agencies and maintain and expand our relationships with existing marketers.

If the use of our solutions increases, or if marketers or partners demand more advanced features from our solutions, we will need to devote additional resources to improving our solutions, and we also may need to expand our technical infrastructure at a more rapid pace than we have in the past. This may involve purchasing equipment, additional data storage and maintenance solutions, upgrading our technology and infrastructure and introducing new or enhanced solutions. It may take a significant amount of time to plan, develop and test changes to our infrastructure, and we may not be able to accurately forecast demand or predict the results we will realize from such improvements. There are inherent risks associated with changing, upgrading, improving and expanding our technical infrastructure. Any failure of our solutions to operate effectively with future infrastructure and technologies could reduce the demand for our solutions, resulting in marketer or partner dissatisfaction and harm to our business. Also, any expansion of our infrastructure would likely require that we appropriately scale our internal business systems and services organization, including without limitation implementation and support services, to serve our growing marketer base. If we are unable to respond to these changes or fully and effectively implement them in a cost-effective and timely manner, our solutions may become ineffective, we may lose marketers and/or partners, and our business, financial condition and operating results may be negatively impacted.

We derive a material portion of our revenue from a limited number of marketers, and the loss of one or more of these marketers could adversely impact our business, results of operations and financial conditions.

Our revenue and accounts receivable are diversified among a large number of marketers segregated by both geography and industry. Our revenue and accounts receivable are diversified among a large number of marketers segregated by both geography and industry. Our Revenue and accounts receivable are diversified among a large number of marketers segregated by both geography and industry. During the nine months ended September 30, 2024 and 2023, our top five marketers accounted for 12% and 17% of our Revenue, respectively, with no marketer accounting for over 10%. As of September 30, 2024 and 2023, our top five marketers accounted for 20% and 16% of our accounts receivable, respectively, with no marketer accounting for over 10%.

We do not have material long-term commitments from most of these marketers. If we were to lose one or more of our significant marketers, our revenue may significantly decline. In addition, revenue from significant marketers may vary from period-to-period depending on the timing or volume of marketing spend. Further, our credit risk is concentrated among a limited number of marketers. The loss of one or more of our significant marketers could adversely affect our business, results of operations and financial conditions.

We have a relatively short operating history, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We have a relatively short operating history, which limits our ability to forecast our future operating results and subjects us to a number of uncertainties, including with respect to our ability to plan for and model future growth. We have encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in developing industries. If our assumptions regarding these uncertainties, which we use to manage our business, are incorrect or change in response to changes in our markets, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, our business could suffer and our stock price could decline. Any success that we may experience in the future will depend in large part on our ability to, among other things:

- maintain and expand our network of partners;
- build and maintain long-term relationships with marketers and their agencies;

- develop and offer competitive solutions that meet the evolving needs of marketers;
- expand our relationships with partners to enable us to use their purchase data for new solutions;
- improve the performance and capabilities of our solutions;
- successfully expand our business;
- successfully compete with other companies that are currently in, or may in the future enter, the markets for our solutions;
- increase market awareness of our solutions and enhance our brand;
- manage increased operating expenses as we continue to invest in our infrastructure to scale our business; and
- attract, hire, train, integrate and retain qualified and motivated employees.

Any failure of our partners to effectively deliver and promote the online incentive programs that comprise the Cardlytics platform could materially and adversely affect our business.

We have spent the last several years and significant resources building out technology integrations with our partners to facilitate the delivery of incentive programs to our partners' customers and measure those customers subsequent in-store or digital spending. We are also reliant on our network of partners to promote their digital incentive programs, increase customer awareness and leverage additional customer outreach channels like email, all of which can increase customer engagement. We believe that key factors in the success and effectiveness of our incentive program include the level of accessibility and prominence of the program on the partners' website and mobile applications, as well as the user interface through which a customer is presented with marketing content. In certain cases, we have little control over the prominence of the incentive program and design of the user interface that our partners choose to use. To the extent that our partners de-emphasize incentive programs, make incentive programs difficult to locate on their website or mobile applications or fail to provide a user interface that is appealing to partners' customers, partners' customers may be less likely to engage with the incentive programs, which could negatively impact the amount of fees that we are able to charge our marketer customers in connection with marketing campaigns, and, therefore, our revenue. In addition, a failure by our partners to properly deliver or sufficiently promote marketing campaigns may reduce the efficacy of our solutions and impair our ability to attract and retain marketers and their agencies. As a result, the revenue we generate from our Cardlytics platform may be adversely affected, which would materially and adversely affect our business, financial condition and results of operations.

If we do not effectively grow and train our sales team, we may be unable to add new marketers or increase sales to our existing marketers and our business will be adversely affected.

We continue to be substantially dependent on our sales team to obtain new marketers and to drive sales with respect to our existing marketers. We believe that the characteristics and skills of the best salespeople for our solutions are still being defined, as our market is relatively new. Further, we believe that there is, and will continue to be, significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training, integrating and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training, and it may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, as we continue to grow, a large percentage of our sales team will be new to our company and our solutions. If we are unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new marketers or increasing sales to our existing marketers, our business will be adversely affected.

We generally do not have long-term commitments from marketers, and if we are unable to retain and increase sales of our solutions to marketers and their agencies or attract new marketers and their agencies, our business, financial condition and operating results would be adversely affected.

Most marketers do business with us by placing insertion orders for particular marketing campaigns, either directly or through marketing agencies that act on their behalf. We often do not have any commitment from a marketer beyond the campaigns governed by a particular insertion order, and we frequently must compete to win further business from a marketer. In most circumstances, our insertion orders may be canceled by marketers or their marketing agencies prior to the completion of all the campaigns contemplated in the insertion orders; provided that marketers or their agencies are required to pay us for services performed prior to cancellation. As a result, our success is dependent upon our ability to outperform our competitors and win repeat business from existing marketers, while continually expanding the number of marketers for which we provide services. To maintain and increase our revenue, we must encourage existing marketers and their agencies to increase their use of our solutions and add new marketers. Many marketers and marketing agencies, however, have only just begun using our solutions for a limited number of marketing campaigns, and our future revenue growth will depend heavily on these marketers and marketing agencies expanding their use of our solutions across campaigns and otherwise increasing their spending with us. Even if we are successful in convincing marketers and their agencies to use our solutions, it may take several months or years for them to meaningfully increase the amount that they spend with us. Further, larger marketers with multiple brands typically have individual marketing budgets and marketing decision makers for each of their brands, and we may not be able to leverage our success in securing a portion of the marketing budget of one or more of a marketer's brands into additional business with other brands. Moreover, marketers may place internal limits on the allocation of their marketing budgets to digital marketing, to particular campaigns, to a particular provider or for other reasons. In addition, we are reliant on our FI partner network to have sufficient marketing inventory within the Cardlytics platform to place the full volume of advertisements contracted for by our marketers and their agencies. Any failure to meet these demands may hamper the growth of our business and the attractiveness of our solutions.

Our ability to retain and increase sales of our solutions and attract new marketers and their agencies may be adversely affected by competitive offerings, marketing methods that are lower priced or perceived as more effective than our solutions, or a general continued reduction or decline in spending by marketers due to the global economic uncertainty and financial market conditions. Larger marketers may themselves have a substantial amount of purchase data and they may also seek to augment their own purchase data with additional purchase, impression or demographic data acquired from third-party data providers, which may allow them to develop, individually or with partners, internal targeting and measurement capabilities.

Because many of our agreements with our marketers or their agencies are not long-term, we may not be able to accurately predict future revenue streams, and we cannot guarantee that our current marketers will continue to use our solutions, or that we will be able to replace departing marketers with new marketers that provide us with comparable revenue. If we are unable to retain and increase sales of our solutions to existing marketers and their agencies or attract new marketers and their agencies for any of the reasons above or for other reasons, our business, financial condition and operating results would be adversely affected.

We have a history of losses and may not achieve net income in the future.

We have incurred annual net losses since inception and expect to incur net losses in certain periods in the future. During the nine months ended September 30, 2024 and 2023, our net loss was \$173.7 million and \$33.9 million, respectively. We had an accumulated deficit of \$1.3 billion as of September 30, 2024. We have never achieved net income on an annual basis, and we do not know if we will be able to achieve or sustain net income. We plan to continue to invest in our research and development and sales and marketing efforts, and we anticipate that our operating expenses will continue to increase as we scale our business and expand our operations. Our general and administrative expenses may increase as a result of our growth as well. Our ability to achieve and sustain net income is based on numerous factors, many of which are beyond our control. We may never be able to generate sufficient revenue to achieve or sustain net income.

We operate in an emerging industry and future demand and market acceptance for our solutions is uncertain.

We believe that our future success will depend in large part on the growth, if any, of the market for purchase intelligence. Utilization of consumer purchase data to inform marketing is an emerging industry and future demand and market acceptance for this type of marketing is uncertain. If the market for purchase intelligence does not continue to develop or develops more slowly than we expect, our business, financial condition and operating results could be harmed.

The market in which we participate is competitive and we may not be able to compete successfully with our current or future competitors.

The market for purchase intelligence is nascent and we believe that there is no one company with which we compete directly across our range of solutions. With respect to the Cardlytics platform, we believe that we are the only company that enables marketing through FI channels at scale, although we believe we currently have competition from other companies that deliver similar solutions on a smaller scale. In the future, we may face competition from online retailers, credit card companies, established enterprise software companies, advertising and marketing companies and agencies, digital publishers and mobile pay providers with access to a substantial amount of consumer purchase data. While we may successfully partner with a wide range of companies that are only moderately competitive to us, these companies may become more competitive to us in the future. As we introduce new solutions, as our existing solutions evolve and as other companies introduce new products and solutions, we are likely to face additional competition.

Some of our actual and potential competitors may have advantages over us, such as longer operating histories, significantly greater financial, technical, marketing or other resources, stronger brand and recognition, larger intellectual property portfolios and broader global distribution and presence. In addition, our industry is evolving rapidly and is becoming increasingly competitive. Larger and more established companies may focus on purchase intelligence marketing and could directly compete with us. Smaller companies could also launch new products and services that we do not offer and that could gain market acceptance quickly.

Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. Larger competitors are also often in a better position to withstand any significant reduction in capital spending and will therefore not be as susceptible to economic downturns and inflationary pressure. In addition, current or potential competitors may be acquired by third parties with greater available resources. As a result of such relationships and acquisitions, our current or potential competitors might be able to adapt more quickly to new technologies and customer needs, devote greater resources to the promotion or sale of their products and services, initiate or withstand substantial price competition, take advantage of other opportunities more readily or develop and expand their product and service offerings more quickly than we can. For all of these reasons, we may not be able to compete successfully against our current or future competitors.

If we fail to identify and respond effectively to rapidly changing technology and industry needs, our solutions may become less competitive or obsolete.

Our future success depends on our ability to adapt and innovate. To attract, retain and increase new marketers and partners, we will need to expand and enhance our solutions to meet changing needs, add functionality and address technological advancements. Specifically, we have largely migrated to a cloud-based solution hosted by Amazon Web Services. If we are unable to adapt our solutions to evolving trends in the marketing industry, if we are unable to properly identify and prioritize appropriate solution development projects or if we fail to develop and effectively market new solutions or enhance existing solutions to address the needs of existing and new marketers and partners, we may not be able to achieve or maintain adequate market acceptance and penetration of our solutions, or our solutions may become less competitive or obsolete.

In addition, new, more effective or less costly technologies may emerge that use data sources that we do not have access to, that use entirely different analytical methodologies than we do or that use other indicators of purchases by consumers. If existing and new marketers and their agencies perceive greater value in alternative technologies or data sources, our ability to compete for marketers and their agencies could be materially and adversely affected.

A number of factors could impair our ability to collect the significant amounts of data that we use to deliver our solutions.

Our ability to collect and use data may be restricted or prevented by a number of other factors, including:

- the failure of our network or software systems, or the network or software systems of our partners;
- decisions by our partners to restrict our ability to collect data from them (which decision they may be able to make at their discretion) or to refuse to implement the mechanisms that we request to ensure compliance with our technical requirements or legal obligations;
- decisions by our partners to limit our ability to use their purchase data outside of the applicable banking channel;
- decisions by our partners' customers to opt out of the incentive program or to use technology that reduces our ability to deliver relevant advertisements;
- interruptions, failures or defects in our or our partners' data collection, mining, analysis and storage systems;
- changes in regulations impacting the collection and use of data;
- changes in browser or device functionality and settings, and other new technologies, which impact our partners' ability to collect and/or share data about their customers; and

- changes in international laws, rules, regulations and industry standards or increased enforcement of international laws, rules, regulations, and industry standards.

Any of the above-described limitations on our ability to successfully collect, utilize and leverage data could also materially impair the optimal performance of our solutions and severely limit our ability to target consumers or bill marketers for our services, which would harm our business, financial condition and operating results.

The efficacy of some of our solutions depends upon third-party data providers.

We rely on several third parties to assist us in matching our anonymized identifiers with third-party identifiers. This matching process enables us to, among other things, use purchase intelligence to measure in-store and online campaign sales impact or provide marketers with valuable visibility into the behaviors of current or prospective customers both within and outside the context of their marketing efforts. If any of these key data providers were to withdraw or withhold their identifiers from us, our ability to provide our solutions could be adversely affected, and certain marketers may severely limit their spending on our solutions or stop spending with us entirely. Replacements for any of these third-party identifiers may not fit the needs of certain marketers or be available in a timely manner or under economically beneficial terms.

Defects, errors or delays in our solutions could harm our reputation, which would harm our operating results.

The technology underlying our solutions may contain material defects or errors that could adversely affect our ability to operate our business and cause significant harm to our reputation. This risk is compounded by the complexity of the technology underlying our solutions and the large amounts of data that we leverage and process. In addition, with regard to the Cardlytics platform, if we are unable to attribute Consumer Incentives to our partners' customers in a timely manner, our FI partners may limit or discontinue their use of our solutions. Any such error, failure, malfunction, disruption or delay could result in damage to our reputation and could harm our business, financial condition and operating results.

Significant system disruptions, loss of data center capacity, or changes to our data hosting solutions could adversely affect our business, financial condition and operating results.

Our business is heavily dependent upon highly complex data processing capabilities. We currently contract with Amazon Web Services for our cloud-hosting solutions. We have largely migrated our data storage capabilities to Amazon Web Services' cloud-hosting solution. If we do not complete the migration in a seamless fashion or fail to administer the cloud-hosting solution in a well-managed, secure and effective manner, we may experience unplanned service disruptions or unforeseen costs. If for any reason our arrangements with our data-hosting solutions are terminated, or if we are unable to renew our agreements on commercially reasonable terms, we may be required to transfer that portion of our operations to new data-hosting solutions, and we may incur significant costs and possible service interruption in connection with doing so. Further, protection of our data-hosting solutions against damage or interruption from cyber-attacks, fire, flood, tornadoes, power loss, telecommunications or equipment failure or other disasters and events beyond our control is important to our continued success. Any damage to, or failure of, the systems of the data-hosting solutions that we utilize could result in interruptions to the availability or functionality of our solutions. In addition, the failure of the data-hosting solutions that we utilize to meet our capacity requirements could result in interruptions in the availability or functionality of our solutions or impede our ability to scale our operations. Any damage to the data-hosting solutions that we utilize that causes loss of capacity or otherwise causes interruptions in our operations could materially adversely affect our ability to quickly and effectively respond to our marketers' or partners' requirements, which could result in loss of their confidence, adversely impact our ability to attract new marketers or partners and force us to expend significant resources. The occurrence of any such events could adversely affect our business, financial condition and operating results.

Seasonal fluctuations in marketing activity could adversely affect our cash flows.

We expect our revenue, operating results, cash flows from operations and other key performance metrics to vary from quarter to quarter in part due to the seasonal nature of our marketers' spending on digital marketing campaigns. For example, many marketers tend to devote a significant portion of their budgets to the fourth quarter of the calendar year to coincide with consumer holiday spending and to reduce spend in the first quarter of the calendar year. Seasonality could have a material impact on our revenue, operating results, cash flow from operations and other key performance metrics from period to period.

Our corporate culture has contributed to our success, and if we cannot maintain it as we grow, we could lose the innovation, creativity and teamwork fostered by our culture, and our business may be harmed.

As of September 30, 2024, we had 456 full-time employees. We may further expand our overall headcount and operations, with no assurance that we will be able to do so while effectively maintaining our corporate culture. We believe our corporate culture is one of our fundamental strengths as it enables us to attract and retain top talent and deliver superior results for our customers. As we grow, change and integrate acquired businesses and their employees, we may find it difficult to preserve our corporate culture, which could reduce our ability to innovate and operate effectively. In turn, the failure to preserve our culture could negatively affect our ability to attract, recruit, integrate and retain employees, continue to perform at current levels and effectively execute our business strategy. Additionally, available share count, at current market price, may limit our ability to attract and retain key talent as a part of our equity compensation.

If we are unable to attract, integrate and retain additional qualified personnel, including top technical talent, our business could be adversely affected.

Our future success depends in part on our ability to identify, attract, integrate and retain highly skilled technical, managerial, sales and other personnel, including top technical talent from the industry. We face intense competition for qualified individuals from numerous other companies, including other software and technology companies, many of whom have greater financial and other resources than we do. These companies also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than those we have to offer. In addition, new hires often require significant training and, in many cases, take significant time before they achieve full productivity. We may incur significant costs to attract and retain qualified personnel, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. Additionally, available share count, at current market price, may limit our ability to attract and retain key talent as a part of our equity compensation. Moreover, new employees may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. In addition, as we move into new geographies, we will need to attract and recruit skilled personnel in those areas. We have little experience with recruiting in geographies outside of the U.S. and the U.K., and may face additional challenges in attracting, integrating and retaining international employees. If we are unable to attract, integrate and retain suitably qualified individuals who are capable of meeting our growing technical, operational and managerial requirements, on a timely basis or at all, our business may be adversely affected.

We are dependent on the continued services and performance of our senior management and other key personnel, the loss of any of whom could adversely affect our business.

Our future success depends in large part on the continued contributions of our senior management and other key personnel. In particular, the leadership of key management personnel is critical to the successful management of our company, the development of our solutions and our strategic direction. We do not maintain "key person" insurance for any member of our senior management team or any of our other key employees. Our U.S.-based senior management and key personnel are all employed on an at-will basis, which means that they could terminate their employment with us at any time, for any reason and without notice. The loss of any of our key management personnel could significantly delay or prevent the achievement of our development and strategic objectives and adversely affect our business.

Our international sales and operations subject us to additional risks that can adversely affect our business, operating results and financial condition.

During the nine months ended September 30, 2024 and 2023, we derived 7.9% and 5.2%, respectively, of our revenue from outside the U.S. While substantially all of our operations are located in the U.S., we have an office in the U.K. and may continue to expand our international operations as part of our growth strategy. Our ability to convince marketers to expand their use of our solutions or renew their agreements with us is directly correlated to our direct engagement with such marketers or their agencies. To the extent that we are unable to engage with non-U.S. marketers and agencies effectively with our limited sales force capacity, we may be unable to grow sales to existing marketers to the same degree we have experienced in the U.S.

Our international operations subject us to a variety of risks and challenges, including:

- localization of our solutions, including adaptation for local practices;
- increased management, travel, infrastructure and legal and compliance costs associated with having international operations;
- fluctuations in currency exchange rates and related effects on our operating results;
- longer payment cycles and difficulties in collecting accounts receivable or satisfying revenue recognition criteria;
- increased financial accounting and reporting burdens and complexities;

- general economic conditions in each country or region, including inflationary pressure;
- the global economic uncertainty and financial market conditions;
- reduction in billings associated with the U.K. as well as issues related to foreign currency exchange rates and trade with the U.K.;
- contractual and legislative restrictions or changes;
- economic uncertainty around the world;
- compliance with foreign laws and regulations and the risks and costs of non-compliance with such laws and regulations;
- compliance with applicable laws and regulations for foreign operations, including the Foreign Corrupt Practices Act, the U.K. Bribery Act, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on our ability to sell our products in certain foreign markets, and the risks and costs of non-compliance;
- potential changes in a specific country's or region's political or economic climate, including the current hostilities between Russia and Ukraine and conflict in the Middle East;
- heightened risks of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results, which may also result in restatements of financial statements or irregularities in financial statements;
- difficulties in repatriating or transferring funds from or converting currencies in certain countries;
- cultural differences inhibiting foreign employees from adopting our corporate culture;
- reduced protection for intellectual property rights in some countries and practical difficulties of enforcing rights abroad; and
- compliance with the laws of foreign taxing jurisdictions and overlap of different tax regimes.

Any of these risks could adversely affect our international operations, reduce our international revenues or increase our operating costs, adversely affecting our business, financial condition and operating results.

If we do not manage our growth effectively, the quality of our solutions may suffer, and our business, financial condition and operating results may be negatively affected.

The growth in our business has placed, and is expected to continue to place, a significant strain on our managerial, administrative, operational and financial resources, as well as our infrastructure. We rely heavily on information technology ("IT") systems to manage critical functions such as data storage, data processing, matching and retrieval, revenue recognition, budgeting, forecasting and financial reporting. To manage our growth effectively, we must continue to improve and expand our infrastructure, including our IT, financial and administrative systems and controls. In particular, we may need to significantly expand our IT infrastructure as the amount of data we store and transmit increases over time, which will require that we both utilize existing IT products and adopt new technologies. If we are not able to scale our IT infrastructure in a cost-effective and secure manner, our ability to offer competitive solutions will be harmed and our business, financial condition and operating results may suffer.

We must also continue to manage our employees, operations, finances, research and development and capital investments efficiently in an environment where many employees are working from home. Our productivity and the quality of our solutions may be adversely affected if we do not integrate and train our new employees quickly and effectively or if we fail to appropriately coordinate across our executive, research and development, technology, service development, analytics, finance, human resources, marketing, sales, operations and customer support teams. If we continue our rapid growth, we will incur additional expenses, and our growth may continue to place a strain on our resources, infrastructure and ability to maintain the quality of our solutions. If we do not adapt to meet these evolving challenges, or if the current and future members of our management team do not effectively manage our growth, the quality of our solutions may suffer and our corporate culture may be harmed. Failure to manage our future growth effectively could cause our business to suffer, which, in turn, could have an adverse impact on our business, financial condition and operating results.

If currency exchange rates fluctuate substantially in the future, the results of our operations could be adversely affected.

Due to our international operations, we may be exposed to the effects of fluctuations in currency exchange rates, including inflationary pressure. We generate revenue and incur expenses for employee compensation and other operating expenses at our U.K. office in the local currency. Fluctuations in the exchange rates between the U.S. dollar and British pound could result in the dollar equivalent of such revenue and expenses being lower, which could have a negative net impact on our reported operating results. Although we may in the future decide to undertake foreign exchange hedging transactions to cover a portion of our foreign currency exchange exposure, we currently do not hedge our exposure to foreign currency exchange risks.

Our ability to use net operating losses and certain other tax attributes to offset future taxable income may be limited.

Our net operating loss ("NOL") carry-forwards could expire unused and be unavailable to offset future tax liabilities because of their limited duration or because of restrictions under U.S. tax law. As of December 31, 2023 and December 31, 2022, we had U.S. federal and state NOLs of \$896.0 million and \$879.6 million, respectively. Our federal NOLs generated in tax years beginning before January 1, 2018, are only permitted to be carried forward for 20 years under applicable U.S. tax law. Our federal NOLs generated in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal NOL carry-forwards is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to federal law.

In addition, under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change," which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation's ability to use its pre-change NOL carry-forwards and other pre-change tax attributes to offset its post-change taxable income or taxes may be limited. We have experienced "ownership changes" under Code Section 382 in the past, and future changes in ownership of our stock, including by reason of future offerings, as well as other changes that may be outside of our control, could result in future ownership changes under Code Section 382. If we are or become subject to limitations on our use of federal NOL carry-forwards under IRC Section 382, our federal NOL carry-forwards could expire unutilized or underutilized, even if we earn taxable income against which our federal NOL carry-forwards could otherwise be offset. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. In addition, at the state level, there may be periods during which the use of NOL carry-forwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

Changes in tax laws or regulations could materially adversely affect our company.

New tax laws or regulations could be enacted at any time, and existing tax laws or regulations could be interpreted, modified or applied in a manner that is adverse to us, which could adversely affect our business and financial condition. For instance, the Inflation Reduction Act was passed in the U.S. in 2022, which provides for a minimum tax equal to 15% of the adjusted financial statement income of certain large corporations, as well as a 1% excise tax on certain share buybacks by public corporations, that would be imposed on such corporations. In addition, it is uncertain if and to what extent various states will conform to federal tax legislation. The impact of such changes or future legislation could increase our U.S. tax expense and could have a material adverse impact on our business and financial condition.

Future acquisitions could disrupt our business and adversely affect our business, financial condition and operating results.

We may choose to expand by making acquisitions that could be material to our business, financial condition or operating results. Acquisitions involve many risks, including the following:

- an acquisition may negatively affect our business, financial condition, operating results or cash flows because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- an acquisition, whether or not consummated, may disrupt our ongoing business, divert resources, increase our expenses and distract our management;
- an acquisition may result in a delay or reduction of purchases for both us and the company that we acquired due to uncertainty about continuity and effectiveness of solution from either company;
- we may encounter difficulties in, or may be unable to, successfully sell any acquired products or solutions;
- an acquisition may involve the entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions;
- challenges inherent in effectively managing an increased number of employees in diverse locations;
- potential strain on our financial and managerial controls and reporting systems and procedures;
- potential known and unknown liabilities associated with an acquired company;
- our use of cash to pay for acquisitions would limit other potential uses for our cash;
- if we incur debt to fund such acquisitions, such debt may subject us to material restrictions on our ability to conduct our business as well as financial maintenance covenants;
- the risk of impairment charges related to potential write-downs of acquired assets or goodwill in future acquisitions; and

- to the extent that we issue a significant amount of equity or convertible debt securities in connection with future acquisitions, existing stockholders may be diluted and earnings (loss) per share may decrease (increase).

We may not succeed in addressing these or other risks or any other problems encountered in connection with the integration of any acquired business. The inability to successfully integrate the business, technologies, products, personnel or operations of any acquired business, or any significant delay in achieving integration, could have a material adverse effect on our business, financial condition and operating results.

Charges to earnings resulting from our acquisitions may cause our operating results to suffer.

Under accounting principles, we have allocated the total purchase price of Dosh's and Bridg's net tangible assets and intangible assets based on their fair values as of the date of the acquisitions, and we have recorded the excess of the purchase price over those fair values as goodwill. Our management's estimates of fair value will be based upon assumptions that they believe to be reasonable but that are inherently uncertain. The following factors, among others, could result in material charges that would cause our financial results to be negatively impacted:

- impairment of goodwill and other long-term assets;
- charges for the amortization of identifiable intangible assets and for stock-based compensation; and
- accrual of newly identified pre-acquisition contingent liabilities that are identified subsequent to the finalization of the purchase price allocation.

Additional costs may include costs of employee redeployment, relocation and retention, including salary increases or bonuses, taxes and termination of contracts that provide redundant or conflicting services. Some of these costs may have to be accounted for as expenses that would negatively impact our results of operations.

We may require additional capital to support growth, and such capital might not be available on terms acceptable to us, if at all, which may in turn hamper our growth and adversely affect our business.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new solutions or enhance our solutions, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity, equity-linked or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or equity-linked securities, including convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities that we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, including the ability to pay dividends or repurchase shares of our capital stock. This may make it more difficult for us to obtain additional capital, to pursue business opportunities, including potential acquisitions, or to return capital to our stockholders. We also may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, service our indebtedness and respond to business challenges could be significantly impaired, and our business may be adversely affected.

Through our consumer application, users accumulate rewards that could be deemed subject to abandoned property laws and/or could be deemed to constitute stored value subject to certain legal requirements under applicable state and federal laws and regulations.

The Dosh application enables consumers to accumulate non-monetary rewards ("Dosh Rewards") within the application, which may be converted to U.S. dollars only when certain requirements are met. Dosh Rewards have no cash value but users are able to receive U.S. dollar payouts from Dosh based on Dosh Rewards provided that certain requirements are met. State regulators could deem that Dosh Rewards constitute property that is subject to state property laws, which could potentially create a large liability for us as well as legal and related compliance obligations and costs to manage escheatment of any Dosh Rewards constituting abandoned property. Additionally, state and/or federal regulators could conclude that Dosh Rewards constitute monetary value or money and therefore subject to regulation pursuant to laws regulating the issuance, sale, redemption, and maintenance of stored value, prepaid access, or gift cards (or similar terminology). Such laws and regulations may include, but are not necessarily limited to, U.S. state money-transmitter licensing laws and the federal Bank Secrecy Act (including registration requirements), and our failure to comply with applicable laws could expose us to monetary penalties or damages and adversely affect our ability to operate our business in its current form.

Bringing new FI partners into our network may require considerable time and expense and can be long and unpredictable.

Our FI partners and FI partner prospects engage in highly regulated businesses, are often slow to adopt technological innovation and have rigorous standards with respect to providing third parties, like us, with access to their data. Our operating results depend in part on expanding our FI partner network to maintain and enhance the scale of our solutions. The length of time that it takes to add an FI partner to our network, from initial evaluation to integration into our network, varies substantially from FI to FI and may take several years. Our sales and integration cycle with respect to our FI partners is long and unpredictable, requires considerable time and expense and may not ultimately be successful. It is difficult to predict exactly when, or even if, a new FI partner will join our network and we may not generate revenue from a new FI partner in the same period as we incurred the costs associated with acquiring such FI partner, or at all. Once an FI partner has agreed to work with us, it may take a lengthy period of time for the implementation of our solutions to be prioritized and integrated into the FI partner's infrastructure. Because a substantial portion of our expenses are relatively fixed in the short term, our operating results will suffer if revenue falls below our expectations in a particular quarter, which could cause the price of our stock to decline. Ultimately, if additions to our FI partner's network are not realized in the time period expected or not realized at all, or if an FI partner terminates its agreement with us, our business, financial condition and operating results could be adversely affected.

Bringing new FI partners into our network may impede our ability to accurately forecast the performance of our network.

Bringing new FI partners into our network may impede our ability to accurately predict how certain marketing campaigns will perform, and thus may impede our ability to accurately forecast the performance of our network. Such inaccurate predictions could result in marketing campaigns underperforming, which impacts the total fees we can collect from marketers, or over performing, which may result in us paying certain Consumer Incentives to consumers without adequate compensation from the marketers. The amount of time it will take us to be able to understand the impact of a new FI partner on our network is uncertain and difficult to predict. Additionally, our understanding of the impact of any given FI partner is subject to change at any time, as such understanding can be impacted by factors such as changes to an FI partner's business strategy, changes to an FI partner's user interface, or changes in the behavior or makeup of an FI partner's consumer base.

If we are not able to maintain and enhance our brand, our business, financial condition and operating results may be adversely affected.

We believe that developing and maintaining awareness of the Cardlytics brand in a cost-effective manner is critical to achieving widespread acceptance of our existing solutions and future solutions and is an important element in attracting new marketers and partners. Furthermore, we believe that the importance of brand recognition will increase as competition in our market increases. Successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and on our ability to deliver valuable solutions for our marketers, their agencies and our partners. In the past, our efforts to build our brand have involved significant expense. Brand promotion activities may not yield increased revenue and billings, and even if they do, any increased revenue and billings may not offset the expenses that we incurred in building our brand. If we fail to successfully promote and maintain our brand or incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract enough new marketers or partners or retain our existing marketers or partners and our business could suffer.

Risks Related to our Indebtedness

Servicing our debt may require a significant amount of cash. We may not have sufficient cash flow from our business to pay our indebtedness, and we may not have the ability to raise the funds necessary to settle for cash conversions of the Notes or to repurchase the Notes for cash upon a fundamental change, which could adversely affect our business and results of operations.

In September 2020, we issued convertible senior notes with an aggregate principal amount of \$230.0 million bearing an interest rate of 1.00% due on September 15, 2025 (the "2020 Convertible Senior Notes"). The interest rate for the 2020 Convertible Senior Notes is fixed at 1.00% per annum and is payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2021. In April 2024, we issued of \$172.5 million principal amount of our 4.25% Convertible Senior Notes due 2029 (the "2024 Convertible Senior Notes", and together with the 2020 Convertible Senior Notes, the "Notes"), and used approximately \$169.3 million, consisting of the net proceeds from the offering, together with cash on hand, to repurchase for cash approximately \$183.9 million in aggregate principal amount of the 2020 Convertible Senior Notes. The interest rate for the 2024 Convertible Senior Notes is fixed at 4.25% per annum and is payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2024. Additionally, we had \$60.0 million of unused available borrowings under our 2018 Line of Credit. Borrowings under our 2018 Line of Credit bear an interest rate equal to the prime rate of 8.00% plus 0.125%.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Notes and any borrowings under our 2018 Line of Credit, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flows from operations in the future that are sufficient to service our debt. If we are unable to generate such cash flows, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any existing or future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. In addition, our 2018 Line of Credit contains and our future debt agreements may contain restrictive covenants that may limit our ability to or prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt.

Holders of the Notes have the right to require us to repurchase their Notes upon the occurrence of a fundamental change (as defined in the indentures governing the 2020 Convertible Senior Notes and 2024 Convertible Senior Notes, respectively) at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, as applicable, plus accrued and unpaid interest, if any. Upon conversion, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases in connection with such conversion and our ability to pay may additionally be limited by law, by regulatory authority or by agreements governing our existing and future indebtedness. Our failure to repurchase the Notes at a time when the repurchase is required by the indentures governing the Notes, as applicable, or to pay any cash payable on future conversions as required by such indenture would constitute a default under such indenture. A default under an indenture or the fundamental change itself could also lead to a default under agreements governing our existing and future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or make cash payments upon conversions thereof.

In addition, our indebtedness, combined with our other financial obligations and contractual commitments, could have other important consequences. For example, it could:

- make us more vulnerable to adverse changes in the U.S. and worldwide economic climate;
- negatively expose us to competitive conditions and adverse changes in government regulation;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- place us at a disadvantage compared to our competitors who have less debt;
- limit our ability to borrow additional amounts for working capital, funding future acquisitions, and other general corporate purposes; and
- make an acquisition of our company less attractive or more difficult.

Any of these factors could harm our business, results of operations, and financial condition. In addition, if we incur additional indebtedness, the risks related to our business and our ability to service or repay our indebtedness would increase.

The conditional conversion feature of either series of Notes, if triggered, may adversely affect our financial condition and results of operations.

In the event the conditional conversion feature of either series of Notes is triggered, holders of such Notes will be entitled to convert their Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, as applicable, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the applicable series of Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

Transactions relating to our Notes may affect the value of our common stock.

The conversion of some or all of the Notes would dilute the ownership interests of existing stockholders to the extent we satisfy our conversion obligation by delivering shares of our common stock upon any conversion of such Notes. Our Notes may become in the future convertible at the option of their holders under certain circumstances. If holders of our Notes elect to convert their Notes, we may settle our conversion obligation by delivering to them a significant number of shares of our common stock, which would cause dilution to our existing stockholders.

We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of the Notes or our common stock. In addition, we do not make any representation that the Option Counterparties will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Risks Related to Regulatory and Intellectual Property Matters

We and our FI partners are subject to stringent and evolving U.S. and foreign privacy and data security laws, rules, contractual obligations, regulation, industry standards, policies and other obligations related to data privacy and security. The actual or perceived failure by us, our partners, or other third parties whom we rely upon to comply with such obligations could lead to regulatory investigations or actions, litigation (including class claims), mass arbitration demands, disruptions of our business operations, or loss of customers or sales, harm our reputation, result in significant expense or loss of revenue or profits, subject us to significant fines and liability or otherwise adversely affect our business.

In the ordinary course of business, we collect, receive, store, process, use, generate, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share personal data and other sensitive information including proprietary and confidential business data, trade secrets, and intellectual property ("process" or "processing") necessary to operate our business, for legal and marketing purposes, and for other business-related purposes. We, our FI partners, our marketers and other third parties whom we rely upon are subject to a number of data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy policies, contractual requirements, and other obligations relating to data privacy and security as well as laws and regulations regarding online services and the Internet generally.

In the U.S., the rules and regulations to which we, directly or contractually through our partners, or our marketers may be subject, include but are not limited to those promulgated under the authority of the Federal Trade Commission, the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the Health Insurance Portability and Accountability Act, the Gramm-Leach-Bliley Act and state cybersecurity, privacy and breach notification laws, as well as regulator enforcement positions and expectations reflected in federal and state regulatory actions, settlements, consent decrees and guidance documents.

The regulatory framework for online services and data privacy and security issues worldwide can vary substantially from jurisdiction to jurisdiction, is rapidly evolving and is likely to remain uncertain for the foreseeable future. Many of these obligations conflict with each other, and interpretation of these laws, rules and regulations and their application to our solutions in the U.S. and foreign jurisdictions is ongoing and cannot be fully determined at this time. A number of existing bills are pending in the U.S. Congress that contain provisions that would regulate how companies can use various tracking technologies to collect and utilize user information. Additionally, new legislation proposed or enacted in various states will continue to shape the data privacy environment nationally.

The California Consumer Privacy Act ("CCPA"), which took effect on January 1, 2020, is an example of the trend towards increasingly comprehensive privacy legislation being introduced in the United States. The CCPA gives California residents expanded rights to request access to and deletion of their personal data, opt out of certain personal data sharing, and receive detailed information about how their personal data is used. The CCPA also increases the data privacy and security obligations on entities handling personal data, which is broadly defined under the law. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches, and includes statutorily defined damages of up to \$7,500 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages, which is expected to increase data breach litigation. The CCPA also imposes requirements on businesses that "sell" information (which is defined broadly under the CCPA); there is significant ambiguity regarding what constitutes a sale and many of our or our partner's business practices may qualify. Further the California Privacy Rights Act ("CPRA"), which took effect on January 1, 2023, significantly modifies the CCPA, including by expanding consumers' rights with respect to certain sensitive personal data. The CPRA also created a new state agency that is vested with authority to implement and enforce the CCPA and the CPRA.

In the past few years, other states, including Virginia, Colorado, Utah, Iowa, Montana, Indiana, Tennessee, Oregon, Texas, Delaware, New Jersey, New Hampshire and Connecticut, have also passed comprehensive privacy laws that impose certain obligations on covered businesses, including requiring covered businesses to provide specific disclosures in privacy notices and to afford residents with certain rights concerning their personal data. Similar laws are being considered in several other states, as well as at the federal and local levels. These developments may further complicate compliance efforts, and may increase legal risk and compliance costs for us and the third parties upon whom we rely.

Outside of the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the European Union's General Data Protection Regulation ("EU GDPR") and the United Kingdom's GDPR ("U.K. GDPR") impose strict requirements for processing personal data. For example, under the EU GDPR, companies may face temporary or definitive bans on data processing and other corrective actions, fines of up to 20 million euros or 4% of annual global revenue (whichever is greater), or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. An example of the type of international regulation to which we may be subject is the U.K.'s Privacy and Electronic Communications Regulations 2011 ("PECR"), which implements the requirements of Directive 2009/136/EC (which amended Directive 2002/58/EC), which is known as the ePrivacy Directive. The PECR regulates various types of electronic direct marketing that use cookies and similar technologies. The PECR also imposes sector-specific breach reporting requirements, but these requirements only apply to providers of certain public electronic communications services. Additional European Union member state laws of this type may follow.

In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area ("EEA") and the U.K. have significantly restricted the transfer of personal data to the U.S. and other countries whose privacy laws it believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and U.K. to the U.S. in compliance with law, such as the EEA standard contractual clauses and U.K.'s International Data Transfer Agreement, and the EU-U.S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U.S.-based organizations who self-certify compliance and participate in the framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the U.S. If there is no lawful manner for us to transfer personal data from the EEA, the U.K., or other jurisdictions to the U.S., or if the requirements for a legally compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and U.K. to other jurisdictions, particularly to the U.S., are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of the EEA for allegedly violating GDPR's cross-border data transfer limitations.

Our employees and personnel may use generative AI technologies to perform their work, and the disclosure and use of personal data in generative AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages.

In addition to data privacy and security laws, we are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. We publish privacy policies, marketing materials and other statements regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresent our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to the services, information, technologies, systems and practices of any third parties that process personal data on our behalf. In addition, these obligations may require us to change or business model. We may, for example, be required to, or otherwise may determine that it is advisable to, develop or obtain additional tools and technologies for validation of certain of our limited sales related to online purchases to compensate for a potential lack of cookie data. Even if we are able to do so, such additional tools may be subject to further regulation, time consuming to develop or costly to obtain, and less effective than our current use of cookies.

We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties which we rely upon fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including, but not limited to: government enforcement actions (which could result in investigations, fines, penalties, audits and inspections), litigation (including class-action claims), additional reporting requirements and/or oversight, bans on processing personal data and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class action litigation and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business or financial condition, potentially resulting in negative consequences including, but not limited to loss of customers, interruptions or stoppages in our business operations, inability to process personal data or to operate in certain jurisdictions, limited ability to develop or commercialize our products, expenditure of time and resources to defend any claim or inquiry, adverse publicity or substantial changes to our business model or operations.

Failure to protect our proprietary technology and intellectual property rights could substantially harm our business, financial condition and operating results.

Our future success and competitive position depend in part on our ability to protect our intellectual property and proprietary technologies. To safeguard these rights, we rely on a combination of patent, trademark, copyright and trade secret laws and contractual protections in the U.S. and other jurisdictions, all of which provide only limited protection and may not now or in the future provide us with a competitive advantage.

As of the date of filing, we had sixteen issued patents relating to our software. We cannot assure you that any patents will issue from any patent applications, that patents that issue from such applications will give us the protection that we seek or that any such patents will not be challenged, invalidated or circumvented. Any patents that may issue in the future from our pending or future patent applications may not provide sufficiently broad protection and may not be enforceable in actions against alleged infringements. We have registered, or are registering, the "Cardlytics," "Dosh," "Bridg" and "Ripp!" names and logos in the U.S. and certain other countries. We have registrations and/or pending applications for additional marks in the U.S. and other countries; however, we cannot assure you that any future trademark registrations will be issued for pending or future applications or that any registered trademarks will be enforceable or provide adequate protection of our proprietary rights. We also license software from third parties for integration into our products, including open-source software and other software available on commercially reasonable terms. We cannot assure you that such third parties will maintain such software or continue to make it available.

In order to protect our unpatented proprietary technologies and processes, we rely on trade secret laws and confidentiality agreements with our employees, consultants, vendors and others. Despite our efforts to protect our proprietary technology and trade secrets, unauthorized parties may attempt to misappropriate, reverse engineer or otherwise obtain and use them. Additionally, certain FIs have a right to obtain the source code underlying Cardlytics Ad Server through the release of source code held in escrow upon the occurrence of specified events, which could compromise the proprietary nature of the Cardlytics platform and/or allow these FIs to discontinue the use of our solutions.

In addition, others may independently discover our trade secrets, in which case we would not be able to assert trade secret rights or develop similar technologies and processes. Further, the contractual provisions that we enter into may not prevent unauthorized use or disclosure of our proprietary technology or intellectual property rights and may not provide an adequate remedy in the event of unauthorized use or disclosure of our proprietary technology or intellectual property rights. Moreover, policing unauthorized use of our technologies, trade secrets and intellectual property is difficult, expensive and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the U.S. and where mechanisms for enforcement of intellectual property rights may be weak. We may be unable to determine the extent of any unauthorized use or infringement of our solutions, technologies or intellectual property rights.

From time to time, legal action by us may be necessary to enforce our patents and other intellectual property rights, protect our trade secrets, determine the validity and scope of the intellectual property rights of others or defend against claims of infringement or invalidity. Such legal action could result in substantial costs and diversion of resources and could negatively affect our business, financial condition and operating results.

Assertions by third parties of infringement or other violations by us of their intellectual property rights, whether or not correct, could result in significant costs and harm our business, financial condition and operating results.

Patent and other intellectual property disputes are common in our industry. We have in the past and may in the future be subject to claims alleging that we have misappropriated, misused, or infringed other parties' intellectual property rights. Some companies, including certain of our competitors, own larger numbers of patents, copyrights and trademarks than we do, which they may use to assert claims against us. Third parties may also assert claims of intellectual property rights infringement against our partners, whom we are typically required to indemnify. As the numbers of solutions and competitors in our market increases and overlap occurs, claims of infringement, misappropriation and other violations of intellectual property rights may increase. Any claim of infringement, misappropriation or other violation of intellectual property rights by a third-party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from our business.

The patent portfolios of our most significant competitors are larger than ours. This disparity may increase the risk that they may sue us for patent infringement and may limit our ability to counterclaim for patent infringement or settle through patent cross-licenses. In addition, future assertions of patent rights by third parties, and any resulting litigation, may involve patent holding companies or other adverse patent owners who have no relevant product revenues and against whom our own patents may therefore provide little or no deterrence or protection. There can be no assurance that we will not be found to infringe or otherwise violate any third-party intellectual property rights or to have done so in the past.

An adverse outcome of a dispute may require us to:

- pay substantial damages, including treble damages, if we are found to have willfully infringed a third party's patents or copyrights;
- cease developing or selling solutions that rely on technology that is alleged to infringe or misappropriate the intellectual property of others;
- expend additional development resources to attempt to redesign our solutions or otherwise develop non-infringing technology, which may not be successful;
- enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies or intellectual property rights; and
- indemnify our partners and other third parties.

In addition, royalty or licensing agreements, if required or desirable, may be unavailable on terms acceptable to us, or at all, and may require significant royalty payments and other expenditures. Some licenses may also be non-exclusive, and therefore our competitors may have access to the same technology licensed to us. Any of the foregoing events could seriously harm our business, financial condition and operating results.

Our use of open-source software could negatively affect our ability to sell our solutions and subject us to possible litigation.

We use open-source software to deliver our solutions and expect to continue to use open-source software in the future. Some of these open-source licenses may require that source code subject to the license be made available to the public and that any modifications or derivative works to open-source software continue to be licensed under open-source licenses. This may require that we make certain proprietary code available under an open-source license. We may face claims from others claiming ownership of, or seeking to enforce the license terms applicable to, such open-source software, including by demanding release of the open-source software, derivative works or our proprietary source code that was developed using such software. Few of the licenses applicable to open-source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. These claims could also result in litigation, require us to purchase costly licenses or require us to devote additional research and development resources to change the software underlying our solutions, any of which would have a negative effect on our business, financial condition and operating results and may not be possible in a timely manner. We and our customers may also be subject to suits by parties claiming infringement due to the reliance by our solutions on certain open-source software, and such litigation could be costly for us to defend or subject us to an injunction. In addition, if the license terms for the open-source code change, we may be forced to re-engineer our software or incur additional costs. Finally, we cannot assure you that we have not incorporated open-source software into the software underlying our solutions in a manner that may subject our proprietary software to an open-source license that requires disclosure, to customers or the public, of the source code to such proprietary software. In the event that portions of our proprietary technology are determined to be subject to an open-source license, we could be required to publicly release portions of our source code, re-engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our solutions and technologies and materially and adversely affect our ability to sustain and grow our business. Many open-source licenses also limit our ability to bring patent infringement lawsuits against open-source software that we use without losing our right to use such open-source software. Therefore, the use of open-source software may limit our ability to bring patent infringement lawsuits, to the extent we ever have any patents that cover open-source software that we use.

We are subject to government regulation, including import, export, economic sanctions and anti-corruption laws and regulations that may expose us to liability and increase our costs.

Various of our products are subject to U.S. export controls, including the U.S. Department of Commerce's Export Administration Regulations and economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. These regulations may limit the export of our products and provision of our solutions outside of the U.S., or may require export authorizations, including by license, a license exception or other appropriate government authorizations, including annual or semi-annual reporting. Export control and economic sanctions laws may also include prohibitions on the sale or supply of certain of our products to embargoed or sanctioned countries, regions, governments, persons and entities. In addition, various countries regulate the importation of certain products, through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products. The exportation, reexportation, and importation of our products and the provision of solutions, including by our partners, must comply with these laws or else we may be adversely affected, through reputational harm, government investigations, penalties and a denial or curtailment of our ability to export our products or provide solutions. Complying with export control and sanctions laws may be time consuming and may result in the delay or loss of sales opportunities. Although we take precautions to prevent our products from being provided in violation of such laws, our products may have previously been, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. If we are found to be in violation of U.S. sanctions or export control laws, it could result in substantial fines and penalties for us and for the individuals working for us. Changes in export or import laws or corresponding sanctions may delay the introduction and sale of our products in international markets, or, in some cases, prevent the export or import of our products to certain countries, regions, governments, persons or entities altogether, which could adversely affect our business, financial condition and results of operations.

We are also subject to various domestic and international anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, as well as other similar anti-bribery and anti-kickback laws and regulations. These laws and regulations generally prohibit companies and their employees and intermediaries from authorizing, offering or providing improper payments or benefits to officials and other recipients for improper purposes. We rely on certain third parties to support our sales and regulatory compliance efforts and can be held liable for their corrupt or other illegal activities, even if we do not explicitly authorize or have actual knowledge of such activities. Although we take precautions to prevent violations of these laws, our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in foreign jurisdictions.

Risks Related to Ownership of Our Common Stock

The market price of our common stock has been and is likely to continue to be volatile.

The market price of our common stock may be highly volatile and may fluctuate substantially as a result of a variety of factors, some of which are related in complex ways. Since shares of our common stock were sold in our initial public offering in February 2018 at a price of \$13.00 per share, our stock price has ranged from an intraday low of \$2.60 to an intraday high of \$161.47 through November 6, 2024. Factors that may affect the market price of our common stock include:

- actual or anticipated fluctuations in our financial condition and operating results;
- variance in our financial performance from expectations of securities analysts or investors;
- changes in the prices of our solutions;
- changes in laws or regulations applicable to our solutions;
- announcements by us or our competitors of significant business developments, acquisitions or new offerings;
- our involvement in litigation;
- our sale of our common stock or other securities in the future;
- changes in senior management or key personnel;
- trading volume of our common stock;
- changes in the anticipated future size and growth rate of our market; and
- general economic, regulatory and market conditions.

The stock markets have experienced extreme price and volume fluctuations in recent periods that have affected and continue to affect the market prices of equity securities of many companies, including our own, due to, among other factors, the actions of market participants or other actions outside of our control, including general market volatility caused by expected interest rate changes and inflation. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry fluctuations, as well as general economic, political, regulatory and market conditions, may negatively impact the market price of our common stock. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future, which could result in substantial costs and divert our management's attention.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our Board of Directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change in control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize our Board of Directors to issue preferred stock without further stockholder action and with voting liquidation, dividend and other rights superior to our common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent, and limit the ability of our stockholders to call special meetings;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for director nominees;
- establish that our Board of Directors is divided into three classes, with directors in each class serving three-year staggered terms;
- require the approval of holders of two-thirds of the shares entitled to vote at an election of directors to adopt, amend or repeal our amended and restated bylaws or amend or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors and the ability of stockholders to take action by written consent or call a special meeting;
- prohibit cumulative voting in the election of directors; and
- provide that vacancies on our Board of Directors may be filled only by a majority of directors then in office, even though less than a quorum.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our common stock in an acquisition.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our amended and restated certificate of incorporation, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws or (4) any action asserting a claim governed by the internal affairs doctrine. However, this exclusive forum provision would not apply to suits brought to enforce a duty or liability created by the Securities Act or the Exchange Act. The forum selection clause in our amended and restated certificate of incorporation may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

General Risk Factors

Natural or man-made disasters, pandemics and other similar events may significantly disrupt our business, and negatively impact our business, financial condition and operating results.

A significant public health crisis, epidemic or pandemic, or a natural disaster, such as an earthquake, fire or flood, or a significant power outage could have a material adverse impact on our business, operating results and financial condition. A significant portion of our employee base, operating facilities and infrastructure are centralized in Atlanta, GA; Menlo Park, CA and New York, NY. Any of our facilities may be harmed or rendered inoperable by natural or man-made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, acts of terrorism or other criminal activities, infectious disease outbreaks and power outages, which may render it difficult or impossible for us to operate our business for some period of time. Our facilities would likely be costly to repair or replace, and any such efforts would likely require substantial time. Any disruptions in our operations could negatively impact our business, financial condition and operating results, and harm our reputation. In addition, we may not carry business insurance or may not carry sufficient business insurance to compensate for losses that may occur. Any such losses or damages could have a material adverse effect on our business, financial condition and operating results. In addition, the facilities of significant marketers, partners or third-party data providers may be harmed or rendered inoperable by such natural or man-made disasters, which may cause disruptions, difficulties or material adverse effects on our business.

An active trading market for our common stock may not be sustained.

Although our common stock is listed on the Nasdaq Global Market, we cannot assure you that an active trading market for our shares will be sustained. If an active market for our common stock is not sustained, it may be difficult for investors in our common stock to sell shares without depressing the market price for the shares or to sell the shares at all.

Future sales of our common stock in the public market could cause our share price to decline.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales, particularly sales by our directors, executive officers, and significant stockholders, may have on the prevailing market price of our common stock. All of our outstanding shares of common stock are available for sale in the public market, subject only to the restrictions of Rule 144 under the Securities Act in the case of our affiliates. In addition, the shares of common stock subject to outstanding options under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans, as well as shares issuable upon vesting of restricted stock unit awards, will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. In addition, certain holders of our common stock have the right, subject to various conditions and limitations, to request we include their shares of our common stock in registration statements we may file relating to our securities.

We may issue common stock or other securities if we need to raise additional capital. The number of new shares of our common stock issued in connection with raising additional capital could constitute a material portion of our then-outstanding shares of our common stock.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If our financial performance fails to meet analyst estimates or one or more of the analysts who cover us downgrade our stock or change their opinion of our business or market value, our share price would likely decline. If one or more of these analysts cease providing coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the U.S.

Generally accepted accounting principles in the U.S. are subject to interpretation by the Financial Accounting Standards Board ("FASB"), the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change.

Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism.

Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expenses, hinder the execution of our business and growth strategy and impact the price of our common stock.

In the past, securities class action litigation often has been brought against companies following a decline in the market price of such companies' securities. In addition, stockholder activism, which could take many forms and arise in a variety of situations, has been increasing recently, and new universal proxy rules could significantly lower the cost and further increase the ease and likelihood of stockholder activism. This risk is especially relevant for us as a result of the significant stock price volatility experienced by technology companies in recent years. Volatility in our stock price or other reasons may in the future cause us to become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs, including significant legal fees and other expenses, and divert our management and Board of Directors' attention and resources from our business. Additionally, securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with customers and business partners, adversely affect our reputation, and make it more difficult to attract and retain qualified personnel. Our stock price could also be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer

None.

Recent Issuances of Unregistered Securities

None.

ITEM 5. OTHER INFORMATION

On November 1, 2024, our Board of Directors approved an amendment to the 2022 Inducement Plan (the "Inducement Plan") to increase the number of shares of our common stock reserved for issuance pursuant to Awards (as defined below) from 2,650,000 shares of common stock to 5,150,000 shares of common stock. After taking into account the amendment to the Inducement Plan, we currently have 3,209,849 shares of common stock available for the grant of Awards under the Inducement Plan.

The amendment to the Inducement Plan was adopted without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. An "Award" is any right to receive shares of our common stock or other property pursuant to the Inducement Plan, including nonstatutory stock options, restricted stock awards and restricted stock unit awards. Awards under the Inducement Plan may only be made to individuals not previously employees or directors of our company, or who are returning to employment following a bona fide period of non-employment with our company, in each case as an inducement material to the individual's entry into employment with us within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules.

ITEM 6. EXHIBITS

The exhibits listed below are filed or incorporated by reference into this Quarterly Report on Form 10-Q.

Exhibit	Exhibit Description	Incorporated by Reference				Filed Herewith
		Schedule /Form	File Number	Exhibit	Filing Date	
10.1	Offer Letter between Amit Gupta and the Registrant, dated August 21, 2024.					X
10.2	Assumption Agreement and Eighteenth Amendment to Loan and Security Agreement, dated as of August 29, 2024, by and among Cardlytics, Inc., as Borrower and Banc of California, as Lender					X
10.3	Amended and Restated Loan and Security Agreement dated as of September 30, 2024, by and among Cardlytics, Inc., as Borrower and Banc of California, as Lender					X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.ins	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.sch	XBRL Taxonomy Schema Linkbase Document					X
101.cal	XBRL Taxonomy Calculation Linkbase Document					X
101.def	XBRL Taxonomy Definition Linkbase Document					X
101.lab	XBRL Taxonomy Label Linkbase Document					X
101.pre	XBRL Taxonomy Presentation Linkbase Document					X
104	Cover page formatted as Inline XBRL and contained in Exhibit 101					X

^ Certain portions of this exhibit, indicated by asterisks, have been omitted pursuant to Item 601(b)(10) of Regulation S-K because they are not material and would likely cause competitive harm to the registrant if publicly disclosed.

* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

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

Cardlytics, Inc.

Date: November 6, 2024

By: /s/ Amit Gupta
Amit Gupta
Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2024

By: /s/ Alexis DeSieno
Alexis DeSieno
Chief Financial Officer
(Principal Financial and Accounting Officer)



Congratulations, Amit Gupta!

We are thrilled about you serving as the Chief Executive Officer of Cardlytics and are excited to present this offer to you. Below you will find details regarding your offer.

Position: Chief Executive Officer, reporting to the Company's Board of Directors (the "Board")

Start Date: August 16, 2024 (the "Start Date")

Annual Base Salary: \$550,000.00, subject to applicable withholding. Your salary will be paid on a semi-monthly basis and in accordance with Cardlytics' standard payroll practices. This equates to 24 pay periods per calendar year.

Target Bonus: 100% of your total annual base salary cash compensation, subject to applicable withholding, with potential payout subject to the terms of the Cardlytics bonus plan, the approvals of the Board or the Compensation Committee of the Board (the "Compensation Committee"), and your personal performance during the year.

Promotion Bonus: The Company will pay you a one-time promotion bonus of \$275,000, subject to applicable withholding, to be paid within thirty (30) days after your execution of this offer letter. If you resign from your employment for any reason, or are terminated by the Company without Cause (as defined in your Severance Agreement with the Company dated January 23, 2023 (the "Severance Agreement")) before the twelve (12) month anniversary of your Start Date, then you will be required to repay the entire amount of the Promotion Bonus to the Company within fifteen (15) days after your last day of employment.

2024 Equity Grant: Subject to the approval of the Board or the Compensation Committee, you will be granted 500,000 restricted stock units ("2024 RSUs") pursuant to the terms of an equity incentive plan of the Company (the "Plan"). The 2024 RSUs will vest over a period of 24 months, with 25% of the 2024 RSUs vesting on the six-month anniversary of the Start Date, 25% of the 2024 RSUs vesting on the twelve-month anniversary of the Start Date, 25% of the 2024 RSUs vesting on the eighteen-month anniversary of the Start Date, and 25% of the 2024 RSUs vesting on the twenty-four-month anniversary of the Start Date, subject in each case to your continued service through the vesting date. Your 2024 RSUs shall be subject to the terms and conditions of the Plan and the Company's standard form of equity agreement. You should consult your tax advisor about the tax implications of employee equity grants.

First Expected 2025 Equity Grant: Subject to the approval of the Board or the Compensation Committee, you will be granted 500,000 restricted stock units ("First Tranche of 2025 RSUs") pursuant to the terms of the Plan in January 2025. The First Tranche of 2025 RSUs are expected to vest pursuant to the following schedule: 25% of the First Tranche of 2025 RSUs vesting on or about February 16, 2025, 25% of the First Tranche of 2025 RSUs vesting on or about August 16, 2025, 25% of the First Tranche of 2025 RSUs vesting on or about February 16, 2026, and 25% of the First Tranche of 2025 RSUs vesting on or about August 16, 2026, subject in each case to your continued service through the vesting date. The First Tranche of 2025 RSUs shall be subject to the terms and conditions of the Plan and the Company's standard form of equity agreement. You should consult your tax advisor about the tax implications of employee equity grants.

Second Expected 2025 Equity Grant: Subject to the approval of the Board or the Compensation Committee, you will be granted additional restricted stock units vesting over a period of three years and/or performance stock units, with at least 80% of the award consisting of restricted stock units (collectively, the "Second Tranche of 2025 RSUs"), with a value of \$5,000,000, but in no case more than 1,000,000 shares, pursuant to the terms of the Plan on or before May 31, 2025. The relevant vesting details, stock price, and all other terms of the Second Tranche of 2025 RSUs shall be determined by the Board or the Compensation Committee. The Second

Tranche of 2025 RSUs shall be subject to the terms and conditions of the Plan and the Company's standard form of equity agreement. You should consult your tax advisor about the tax implications of employee equity grants.

Clawback: Notwithstanding the vesting schedule for the 2024 RSUs, the First Tranche of 2025 RSUs, or the Second Tranche of 2025 RSUs, you and the Company agree that the value associated with the vesting of any stock you receive from the 2024 RSUs, the First Tranche of 2025 RSUs, or the Second Tranche of 2025 RSUs in the twelve (12) month period following the Start Date is not considered earned until the twelve (12) month anniversary of the Start Date. Therefore, you agree that in the event you resign from your employment for any reason before the twelve (12) month anniversary of your Start Date, then you will be required to pay the Company an amount in cash equal to the pre-tax value upon vesting of any stock you received from the 2024 RSUs, the First Tranche of 2025 RSUs, or the Second Tranche of 2025 RSUs.

Benefits: Your current benefits that you receive through Cardlytics will remain unchanged, subject to the terms and conditions of the governing plan documents.

Board Service: In consideration for the benefits outlined in this Offer Letter, in the event your employment with the Company ends for any reason, you hereby agree to submit your resignation from the Board to the Board effective on your last day of employment (unless otherwise requested in writing by the Board at the time).

At-Will Employment: As allowed and governed by local, state, and federal law your employment relationship with Cardlytics is at-will, meaning your employment with Cardlytics will continue until the employment relationship is terminated by you or Cardlytics as long as not otherwise prohibited by law. You may terminate your employment at any time and for any reason simply by notifying Cardlytics.

Likewise, Cardlytics may terminate your employment or discipline, transfer, or demote you at any time with or without cause or advanced notice, as long as not otherwise prohibited by law. This at-will relationship between you and Cardlytics cannot be changed except in a writing signed by an officer of Cardlytics. Nothing contained in this offer of employment shall be construed or guaranteeing employment for a specific period of time or for future employment.

Severance: You will continue to remain eligible for severance benefits under the Severance Agreement.

Covenants Agreement: You remain subject to the terms of your Employment Covenants Agreement with the Company dated January 23, 2023 ("Covenants Agreement").

This letter, together with your Covenants Agreement, equity agreements and other agreements referenced herein, forms the complete and exclusive statement of your employment agreement with the Company and supersedes any other agreements or promises made to you by anyone, whether oral or written, with respect to the subject matter hereof (including, without limitation, your offer letter from the Company dated December 16, 2022). This letter may be delivered and executed via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes.

Please sign and date this letter below to indicate your agreement with its terms.

Again, we are truly excited about you serving the Company in your role as Chief Executive Officer. Sincerely,



Jack Klinck
Board Chair | Cardlytics

Signed by:

Amit Gupta

4737EA86036C486...

ACCEPTED AND AGREED TO BY:

Amit Gupta

8/21/2024 | 12:25 PM PDT

Eighteenth Amendment to Loan and Security Agreement

Borrower:

- (1) Cardlytics, Inc., a Delaware corporation (“**Parent**”)
- (2) Dosh Holdings LLC (formerly known as BSpears Merger Sub II, LLC), an Ohio limited liability company
- (3) AFIN Intermediate Holdings, Inc. a Delaware corporation
- (4) AFIN Holdings Inc., a Delaware corporation
- (5) HSP EPI Acquisition, LLC, a Delaware limited liability company

Date: August 29, 2024

This **EIGHTEENTH AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this “**Amendment**”) is entered into among, the borrowers named above (each and collectively, the “**Borrower**”), the lenders from time to time party to the Loan Agreement (“**Lenders**”) and Banc of California, a California state-chartered bank (formerly known as Pacific Western Bank) in its capacity as administrative and collateral agent for the Lenders (“**Agent**”).

Agent, Lenders and Borrower agree to amend the Loan and Security Agreement between them, dated May 21, 2018 (as amended, the “**Loan Agreement**”), as follows, effective as of the date hereof except as otherwise provided below. (Capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Loan Agreement.)

1. Added Definition of Eighteenth Amendment. The definition of “Eighteenth Amendment” is hereby added to Section 8 of the Loan Agreement, in alphabetical order, and shall read as follows:

“**Eighteenth Amendment**” means that Eighteenth Amendment to Loan and Security Agreement, dated as of August 29, 2024 by and between Borrower, Agent and Lenders.

2. Modified Covenant Regarding Amended and Restated Loan Agreement. Section 8(i) of the Schedule to Loan and Security Agreement is hereby amended and restated in its entirety to read as follows:

(i) **Amended and Restated Loan Agreement.** By September 30, 2024, Borrower shall provide Agent for the benefit of Agent and Lenders with a duly executed Amended and Restated Loan and Security Agreement, in form and substance satisfactory to Agent and Lender, along with such other Loan Documents as Agent and Lender may require in connection therewith. Borrower’s failure to deliver such amended and restated loan agreement to Agent as provided for above shall constitute an immediate Event of Default hereunder.

3. Modified Covenant Regarding Opinions of Counsel. Section 8(j) of the Schedule to Loan and Security Agreement is hereby amended and restated to read as follows:

(j) **Opinions of Counsel.** By September 30, 2024, and in conjunction with the Amended and Restated Loan and Security Agreement to be entered into among Borrower, Agent and Lenders and the transaction evidenced thereby, Agent shall have received a legal opinion from the counsel to the Loan Parties, addressed to the Agent for the benefit of the Agent and the Lenders, and in form and substance reasonably satisfactory to the Agent. Borrower’s failure to cause such

legal opinion to be delivered to Agent as provided for above shall constitute an immediate Event of Default hereunder. Without limiting the generality of the foregoing, such legal opinion shall opine as to, among other things, (i) Borrower being duly organized, validly existing, and in good standing under the laws of its state of organization and having all requisite legal power and authority to enter into and perform under the Loan Documents, (ii) Borrower being duly qualified to own and operate its properties and assets and to carry on its businesses as they are currently being conducted and as they are contemplated to be conducted pursuant to the terms of the Loan Documents, and being in good standing in each jurisdiction where the conduct of its businesses or the ownership or operation of its properties and assets makes such qualification necessary, (iii) the Loan Documents, to the extent Borrower is a party thereto, having been duly authorized by all necessary corporate or limited liability company action (as the case may be) on the part of Borrower, under the laws of its state of organization, and have been duly executed and delivered by Borrower, (iv) the Loan Documents, to the extent Borrower is a party thereto, constituting the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency and other similar laws affecting creditors generally, (v) the execution, delivery, and performance of the Loan Documents by Borrower, to the extent it is a party thereto, the compliance with the terms and conditions thereof, and the consummation of the transactions contemplated thereby, do not and will not conflict with, result in a breach of, or constitute a default under (a) any statute, rule, or regulation applicable to Borrower; (b) the certificate of incorporation or operating agreement (as the case may be) of Borrower or its other organizational documents; or (c) to the best of such counsel's knowledge, any material agreement to which Borrower is a party or by which it or its assets are bound, or any order, judgment, or decree which is binding on Borrower and (vi) to the best of such counsel's knowledge, there are no actions, suits, proceedings, or investigations pending or threatened against Borrower. The foregoing list does not constitute an exclusive list, and there may be other matters upon which Agent will request the counsel to provide an opinion.

4. Legal Expenses. Without limitation on the terms of the Loan Documents, Borrower agrees to reimburse Lender for all its documented costs and expenses (including reasonable attorneys' fees) incurred in connection with this Amendment.

5. Representations True. Borrower represents and warrants to Agent and Lenders that all representations and warranties set forth in the Loan Agreement, as amended hereby, are true and correct in all material respects, except as to representations and warranties that relate to a different date, in which case said representations and warranties continue to be true in all material respects as of said date and those representations and warranties that are conditioned by materiality, which shall be true and correct in all respects.

6. General Release. In consideration for Agent and Lenders entering into this Amendment, Borrower hereby irrevocably releases and forever discharges Agent, Lenders, and their successors, assigns, agents, shareholders, directors, officers, employees, agents, attorneys, parent corporations, subsidiary corporations, affiliated corporations, affiliates, participants, and each of them (collectively, the "Releasees"), from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, of every nature and description, known and unknown, which Borrower now has or at any time may hold, by reason of any matter, cause or thing occurred, done, omitted or suffered to be done prior to the date of this Amendment arising under or in any way related to the Loan Agreement, this Amendment or any other Loan Document or any of the transactions contemplated herein or therein (collectively, the "Released Claims"). Borrower hereby irrevocably waives the

benefits of any and all statutes and rules of law to the extent the same provide in substance that a general release does not extend to claims which the creditor does not know or suspect to exist in its favor at the time of executing the release. Borrower represents and warrants that it has not assigned to any other Person any Released Claim, and agrees to indemnify Agent and Lenders against any and all actions, demands, obligations, causes of action, decrees, awards, claims, liabilities, losses and costs, including but not limited to reasonable attorneys' fees of counsel of Lenders' choice and costs, which Lenders may sustain or incur as a result of a breach or purported breach of the foregoing representation and warranty.

7. No Waiver. Nothing herein constitutes a waiver of any default or Event of Default under the Loan Agreement or any other Loan Documents, whether or not known to Agent.

8. Applicable law. THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES (BUT INCLUDING AND GIVING EFFECT TO SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), EXCEPT TO THE EXTENT ANY SUCH OTHER LOAN DOCUMENT EXPRESSLY SELECTS THE LAW OF ANOTHER JURISDICTION AS GOVERNING LAW THEREOF, IN WHICH CASE THE LAW OF SUCH OTHER JURISDICTION SHALL GOVERN.

9. Consent to Jurisdiction. The provisions of Section 9.21 of the Loan Agreement titled: "Consent to Jurisdiction" shall apply to this Amendment, and the terms thereof are incorporated herein by this reference.

10. General Provisions. Borrower (including Converted Entity) hereby ratifies and confirms the continuing validity, enforceability and effectiveness of the Loan Agreement and all other Loan Documents. This Amendment, the Loan Agreement, any prior written amendments to the Loan Agreement signed by Agent, Lenders and Borrower, and the other written documents and agreements between Agent, Lenders and Borrower set forth in full all of the representations and agreements of the parties with respect to the subject matter hereof and supersede all prior discussions, representations, agreements and understandings between the parties with respect to the subject hereof. Except as herein expressly amended, all of the terms and provisions of the Loan Agreement, and all other documents and agreements between Agent and Lenders on the one hand and Borrower on the other hand shall continue in full force and effect and the same are hereby ratified and confirmed. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and/or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

11. Mutual Waiver of Jury Trial. AGENT AND LENDERS AND BORROWER EACH ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED. EACH OF THE PARTIES, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT, WITH COUNSEL OF THEIR CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AMENDMENT, THE LOAN AGREEMENT, OR ANY RELATED INSTRUMENT OR LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AMENDMENT OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), ACTION OR INACTION OF ANY OF THEM. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY ANY PARTY HERETO, EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY EACH OF THEM. IF FOR ANY REASON THE PROVISIONS OF THIS SECTION ARE VOID, INVALID OR UNENFORCEABLE, THE SAME SHALL NOT AFFECT ANY OTHER TERM OR PROVISION OF THIS AMENDMENT, AND ALL OTHER TERMS AND PROVISIONS OF THIS

AMENDMENT SHALL BE UNAFFECTED BY THE SAME AND CONTINUE IN FULL FORCE AND EFFECT.

Borrower:

CARDLYTICS, INC.

By: /s/ Nick Lynton
Name: Nick Lynton
Title: Chief Legal and Privacy Officer

Borrower:

DOSH HOLDINGS LLC

By: /s/ Nick Lynton
Name: Nick Lynton
Title: Manager

Borrower:

AFIN INTERMEDIATE HOLDINGS INC.

By: /s/ Nick Lynton
Name: Nick Lynton
Title: President, Treasurer and Secretary

Borrower:

AFIN HOLDINGS INC.

By: /s/ Nick Lynton
Name: Nick Lynton
Title: President, Treasurer and Secretary

Borrower:

HSP EPI ACQUISITION, LLC

By: /s/ Nick Lynton
Name: Nick Lynton
Title: Manager and President

Agent and Lender:

BANC OF CALIFORNIA

By: /s/ Samantha Mertzel
Name: Samantha Mertzel
Title: Senior Vice President

Amended and Restated Loan and Security Agreement

Borrower: Cardlytics, Inc.
Address: 675 Ponce de Leon Ave. NE, Suite 4100, Atlanta, GA 30308

Borrower: Dosh Holdings LLC, an Ohio limited liability company
Address: 675 Ponce de Leon Ave. NE, Ste 4100, Atlanta, GA 30308

Borrower: AFIN Intermediate Holdings, Inc. a Delaware corporation
Address: 675 Ponce de Leon Ave. NE, Ste 4100, Atlanta, GA 30308

Borrower: AFIN Holdings Inc., a Delaware corporation
Address: 675 Ponce de Leon Ave. NE, Ste 4100, Atlanta, GA 30308

Borrower: HSP EPI Acquisition, LLC, a Delaware limited liability company
Address: 675 Ponce de Leon Ave. NE, Ste 4100, Atlanta, GA 30308

Date: September 30, 2024

THIS AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT is entered into on the above date between Banc of California, a California state-chartered bank (“**BOC**”), whose address is 555 S. Mangum Street, Suite 1000, Durham, North Carolina 27701, and the borrowers named above (the “**Borrower**”), whose chief executive office is located at the above address (“**Borrower’s Address**”). BOC and lenders that may hereafter join as lenders under this Agreement are herein sometimes collectively referred to as “**Lenders**” and individually as a “**Lender**”. BOC, in its capacity as administrative and collateral Agent for the Lenders, is referred to herein as the “**Agent**” (which term shall include any successor Agent in accordance with terms hereof).

The Schedule to Amended and Restated Loan and Security Agreement (the “**Schedule**”) attached hereto shall for all purposes be deemed to be a part of this Agreement, and the same is an integral part of this Agreement. (Definitions of certain terms used in this Agreement are set forth in **Section 8** below and in **Exhibit A** hereto.)

This Agreement amends and restates in its entirety that certain Loan and Security Agreement dated May 21, 2018 between Borrower and BOC (formerly known as Pacific Western Bank) (as amended prior to the date hereof, the “**Prior Loan Agreement**”). Any and all security agreements (including the intellectual property security agreement), pledge agreements, control agreements, certified resolutions, guaranties, subordination agreements, intercreditor agreements, warrants, and other documents, instruments and agreements relating to the Prior Loan Agreement continue in full force and effect and the same are hereby ratified and confirmed and any references therein to the Prior Loan Agreement shall be deemed to refer to this Agreement. All existing loans and other extensions of credit made pursuant to the Prior Loan Agreement (including without limitation, the Term Loan which was repaid in full prior to the date hereof, the Revolving Loans having an unpaid principal balance at the date hereof of \$0 and the Ancillary Services, having an unpaid principal balance at the date hereof of \$1,527,013.50) shall continue in effect and shall be governed by this Agreement and the other Loan Documents, and the present unpaid balances of the same shall, combined, constitute the opening balances of the Loans under this Agreement.

The Borrower hereby reaffirms the charge over shares granted by Cardlytics, Inc. in favor of the Agent (as Security Agent) dated September 17, 2018, over the shares of Cardlytics UK Limited (the “**UK Security Agreement**”) and the security interests granted by Cardlytics, Inc. under such UK Security Agreement, and acknowledges that the Obligations of Cardlytics, Inc. under such UK Security Agreement, in each case after giving effect to this Agreement, include without

Certain information has been excluded from this agreement (indicated by “[***]”) because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

limitation all of the Obligations under this Agreement and are continuing and in full force and effect in favor of the Agent, for the benefit of the Lenders. This Section shall be governed by, and construed in accordance with, English law.

1. LOANS.

1.1 Loans. Each Lender, severally and not jointly, agrees to make loans to Borrower (the “Loans”), in the amounts equal to its Pro Rata Share of all Loans, not to exceed its Pro Rata Share of the limits shown on the Schedule, subject to the provisions of this Agreement and as provided in Exhibit A and subject to the deduction of Reserves for accrued interest and such other Reserves as Agent deems proper from time to time in its Good Faith Business Judgment.

1.2 Interest. All Loans and all other monetary Obligations shall bear interest at the interest rate shown on the Schedule. Accrued interest shall be payable monthly, to Agent for the benefit of Lenders, on the last day of the month, and shall be charged to Borrower’s loan account (and the same shall thereafter bear interest at the same rate as the other Loans).

1.3 Overadvances. If at any time or for any reason the total of all outstanding Revolving Loans exceeds the Revolving Loan Credit Limit or the total amount of all Loans, Ancillary Services and all other monetary Obligations exceeds the Overall Credit Limit (each an “Overadvance”), Borrower shall immediately pay the amount of the Overadvance to Agent, without notice or demand. Without limiting Borrower’s obligation to repay to Agent the amount of any Overadvance, Borrower agrees to pay Agent interest on the outstanding amount of any Overadvance, on demand, at the Default Rate.

1.4 Fees. Borrower shall pay Agent for the benefit of Lenders the fees shown on the Schedule, which are in addition to all interest and other sums payable to Agent and Lenders and are not refundable. Fees shall be allocated among the Lenders as they shall agree in writing from time to time.

1.5 Revolving Loan Requests. To obtain a Revolving Loan, Borrower shall make a request to Agent by submitting a Notice of Borrowing to Agent in the form of Exhibit B hereto (or, if permitted by Bank, through the use of an E-System) or by making the request by telephone confirmed by a Notice of Borrowing on the same day. Revolving Loan requests received after 1:00 PM Eastern Time will be deemed made on the next Business Day. Agent and Lenders may rely on any Notice of Borrowing (or, any request through E-System) or telephone request for a Revolving Loan given by a person whom Agent believes is an authorized representative of Borrower, and Borrower will indemnify Agent and Lenders for any loss they suffer as a result of that reliance.

1.6 Ancillary Services

(a) Ancillary Service--Definitions. As used herein, “Ancillary Services Limit” shall mean, at any time, the Ancillary Services Limit set forth in the Schedule. As used herein, “Ancillary Services” means any of the products or services requested by Borrower and approved by BOC, including, without limitation, Automated Clearing House transactions, corporate credit card services, Letters of Credit, and other treasury management services. As used herein, “Ancillary Services Reserves” shall mean the aggregate of the following: (i) any outstanding and undrawn amounts under all Letters of Credit issued hereunder, (ii) corporate credit card services provided to Borrower, and (iii) the total amount of any Automated Clearing House processing reserves.

(b) Ancillary Services. At any time and from time to time from the date hereof through the Business Day immediately prior to the Maturity Date, Borrower may request the provision of Ancillary Services from BOC. The aggregate amount of the Obligations relating to Ancillary Services at any time shall not exceed the Ancillary Services Limit. BOC may, in its sole discretion, charge as Revolving Loans any amounts for which BOC becomes liable to third parties in connection with the provision of the Ancillary Services, in accordance with the agreements pertaining to the same. The terms and conditions (including repayment and fees) of such Ancillary Services shall be subject to the terms and conditions of BOC’s standard forms of application and agreement for the applicable Ancillary Services, which Borrower hereby agrees to execute, to the extent not already executed. All present and future indebtedness, liabilities and obligations of Borrower to Lender under, in connection with or relating to Letters of Credit or other Ancillary Services shall be included in the term “Obligations” for all purposes of this Agreement.

(c) Letters of Credit. Subject to Sections 1.6(a) and (b), above, at the request of Borrower, BOC may, in its Good Faith Business Judgment, issue or arrange for the issuance of commercial or standby letters of credit (“Letters of Credit”) for the account of Borrower, in each case in form and substance satisfactory to BOC in its Good Faith Business Judgment. Borrower shall pay BOC’s standard fees and charges in connection with all Letters of Credit and all other all bank charges (including charges of BOC’s letter of credit department) in connection with the Letters of Credit (collectively, the

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“**Letter of Credit Fees**”). Each Letter of Credit shall have an expiry date no later than six months after the Maturity Date. Borrower hereby agrees to indemnify and hold Lenders harmless from any loss, cost, expense, or liability, arising out of or in connection with any Letters of Credit (collectively, “**Losses**”), including without limitation payments made by Lenders, expenses, and reasonable attorneys’ fees incurred by Lenders, excluding, however, any Losses resulting from the gross negligence or willful misconduct of Lenders. Borrower agrees to be bound by the regulations and interpretations of the issuer of any Letters of Credit guaranteed by BOC and opened for Borrower’s account or by BOC’s interpretations of any Letter of Credit issued by BOC for Borrower’s account, and Borrower understands and agrees that BOC shall not be liable for any error, negligence, or mistake, whether of omission or commission, in following Borrower’s instructions or those contained in the Letters of Credit or any modifications, amendments, or supplements thereto. Borrower understands that Letters of Credit may require BOC to indemnify the issuing bank for certain costs or liabilities arising out of claims by Borrower against such issuing bank. Borrower hereby agrees to indemnify and hold BOC harmless with respect to any loss, cost, expense, or liability incurred by BOC under any Letter of Credit as a result of BOC’s indemnification of any such issuing bank, excluding, however, any Losses resulting from the gross negligence or willful misconduct of BOC. The provisions of this Loan Agreement, as it pertains to Letters of Credit, and any other Loan Documents relating to Letters of Credit are cumulative.

(d) **Collateralization of Ancillary Services Obligations on Maturity Date.** Without limiting the generality of the provisions of Section 6.3 hereof, if on the Maturity Date, or on any earlier effective date of termination, there are any outstanding Letters of Credit issued by BOC or issued by another institution based upon an application, guarantee, indemnity or similar agreement on the part of BOC, or other Obligations relating to other Ancillary Services, then on such date Borrower shall provide to BOC for the benefit of Lenders cash collateral in an amount equal to [***] of the face amount of all such Letters of Credit, plus the full amount of all other Ancillary Services Reserves, and all interest, fees and costs due or to become due in connection there with (as estimated by Lender in its Good Faith Business Judgment), to secure all of the Obligations relating to said Letters of Credit and other Ancillary Services, pursuant to BOC’s then standard form cash pledge agreement.

(e) **Collateralization of Obligations Extending Beyond Maturity.** If Borrower has not secured to Lenders’ satisfaction its Obligations with respect to any Ancillary Services by the Maturity Date, then, effective as of such date, without limiting Lenders’ other rights and remedies, the balance in any deposit accounts held by any Lender and any certificates of deposit or time deposit accounts issued by any Lender in Borrower’s name (and any interest paid thereon or proceeds thereof, including any amounts payable upon the maturity or liquidation of such certificates or accounts), shall automatically secure such Obligations to the extent of the then continuing or outstanding Ancillary Services. Borrower authorizes Lenders to hold such balances in pledge and to decline to honor any drafts thereon or any requests by Borrower or any other Person to pay or otherwise transfer any part of such balances for so long as the applicable Ancillary Services are outstanding or continue. Without limiting the foregoing, all Obligations relating to Ancillary Services shall be due and payable on the Maturity Date.

(f) **Remedies.** Without limiting the provisions of Section 7.2 of this Agreement or any other provisions of this Agreement, upon the occurrence and during the continuance of any Event of Default, and at any time thereafter, Agent may, at its option, and shall upon the request of Required Lenders, at their option, and without notice or demand of any kind (all of which are hereby expressly waived by Borrower), demand that Borrower: (i) deposit cash with BOC in an amount equal to the amount of any Ancillary Services Reserves, as collateral security for the repayment of all Obligations, and (ii) pay in advance all Letter of Credit fees and other fees relating to Ancillary Services scheduled to be paid or payable over the remaining term of the Letters of Credit or applicable Ancillary Service, and Borrower shall promptly deposit and pay such amounts. Without limiting any of Agent’s or any Lender’s rights and remedies, from and after the occurrence and during the continuance of any Event of Default, Letter of Credit Fees shall be increased by an additional three percent ([**]) per annum.

2. SECURITY INTEREST. To secure the payment and performance of all of the Obligations when due, Borrower hereby grants to Agent for the benefit of Agent and Lenders, a security interest in all of the following (collectively, the “Collateral”): all right, title and interest of Borrower in and to all of the following, whether now owned or hereafter arising or acquired and wherever located: all Accounts; all Inventory; all Equipment; all Deposit Accounts; all General Intangibles (including without limitation all Intellectual Property); all Investment Property; all Other Property; and any and all claims, rights and interests in any of the above, and all guaranties and security for any of the above, and all substitutions and replacements for, additions, accessions, attachments, accessories, and improvements to, and proceeds (including proceeds of any insurance policies, proceeds of proceeds and claims against third parties) of, any and all of the above, and all Borrower’s books relating to any and all of the above.

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Notwithstanding the foregoing, the Collateral shall not include any of the following property (the “Excluded Property”):

(i) property which consists of a license of Intellectual Property to Borrower, pursuant to a license which is nonassignable by its terms without the consent of the licensor thereof (but only to the extent such prohibition on assignability is enforceable under applicable law, including, without limitation, Section 9-408 of the Code), and as to any such licenses, Borrower represents and warrants that they are non-exclusive and replaceable on commercially reasonable terms;

(ii) property which consists of a lease of Equipment leased to Borrower pursuant to a capital lease which by its terms is non-assignable (but only to the extent such prohibition on assignability is enforceable under applicable law, including, without limitation, Sections 9-407 of the Code);

(iii) Equipment as to which the granting of a security interest in it is prohibited by enforceable provisions of applicable law, provided that upon the cessation of any such prohibition, such Equipment shall automatically become part of the Collateral; or

(iv) property that is subject to a Lien that is permitted pursuant to clause (i) of the definition of Permitted Liens, if the grant of a security interest with respect to such property would be prohibited by the agreement creating such Permitted Lien or would otherwise constitute a default thereunder, but only to the extent such prohibition is enforceable under applicable law, and provided, that such property will be deemed “Collateral” hereunder upon the termination and release of such Permitted Lien; or

(v) property that consists of outstanding capital stock of any “controlled foreign corporation” (as that term is defined in the Internal Revenue Code of 1986, as amended) in excess of [***] of the voting power of all classes of capital stock of such controlled foreign corporation entitled to vote;

provided, that any assets excluded from the Collateral in this paragraph shall not include any proceeds, products, substitutions or replacements of such Collateral (unless such proceeds, products, substitutions or replacements would otherwise constitute assets that are excluded from the Collateral pursuant to this definition).

Borrower represents and warrants to Lender that Excluded Property which is material to Borrower’s business or includes Intellectual Property which is licensed by the Borrower to its customers or incorporated in products licensed or sold by the Borrower to its customers is generally available on commercially reasonable terms.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER.

In order to induce Agent and Lenders to enter into this Agreement and to make Loans, Borrower represents and warrants to Agent and Lenders as follows, and Borrower covenants that Borrower will at all times comply with all of the following covenants, throughout the term of this Agreement and until all Obligations (other than inchoate indemnification obligations) have been paid and performed in full:

3.1 Corporate Existence and Authority. Borrower is, and will continue to be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization. Borrower is and will continue to be qualified and licensed to do business in all jurisdictions in which any failure to do so would reasonably be expected to result in a Material Adverse Change. The execution, delivery and performance by Borrower of this Agreement, and all other documents contemplated hereby now are, and in the future will be (i) duly and validly authorized, (ii) not subject to any consents, which have not been obtained, (iii) enforceable against Borrower in accordance with their terms (except as enforcement may be limited by equitable principles and by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to creditors’ rights generally), and (iv) not in violation of Borrower’s articles or certificate of incorporation, or Borrower’s by-laws, or any law or any material agreement or instrument, which is binding upon Borrower or its property, and (v) not grounds for acceleration of any indebtedness or obligations in excess of [***] in the aggregate, under any agreement or instrument which is binding upon Borrower or its property.

3.2 Name; Trade Names and Styles. As of the date hereof, the name of Borrower set forth in the heading to this Agreement is its correct name. Listed in the Representations are all prior names of Borrower and all of Borrower’s present and prior trade names, as of the date hereof. Borrower shall give Agent 30 days’ prior written notice before changing its name, and prompt written notice after starting to do business under any other name. Borrower has complied, and will in the future comply, in all material respects, with all laws relating to the conduct of business under a fictitious business name.

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3.3 Place of Business; Location of Collateral. As of the date hereof, the address set forth in the heading to this Agreement is Borrower's chief executive office. In addition, as of the date hereof, Borrower has places of business and Collateral is located only at the locations set forth in the Representations. Borrower will give Agent written notice within 30 days of changing its chief executive office, or moving any of the Collateral to a location other than Borrower's Address or one of the locations set forth in the Representations, except that Borrower may maintain sales offices in the ordinary course of business at which not more than a total of [***] fair market value of Equipment is located, and Borrower may maintain Equipment at customer locations in the ordinary course of business.

3.4 Title to Collateral; Perfection; Permitted Liens.

(a) Borrower is now, and will at all times in the future be, the sole owner of all the Collateral, except for items of Equipment which are leased to Borrower, and except for non-exclusive licenses granted by Borrower to its customers in the ordinary course of business. The Collateral now is and will remain free and clear of any and all Liens and adverse claims, except for Permitted Liens. Agent for the benefit of Lenders now has, and will continue to have, a first-priority perfected and enforceable security interest in all of the Collateral, subject only to Permitted Liens, and Borrower will at all times defend Agent and Lenders and the Collateral against all claims of others.

(b) Borrower has set forth in the Representations all of Borrower's Deposit Accounts as of the date hereof, and Borrower will give Agent prompt written notice upon establishing any new Deposit Accounts and will cause the institution where any such new Deposit Account is maintained (if such new Deposit Account is maintained within the United States) to execute and deliver to Agent for the benefit of Lenders a control agreement in form sufficient to perfect Agent's security interest in the Deposit Account for the benefit of Agent and Lenders and otherwise satisfactory to Agent in its Good Faith Business Judgment. Nothing herein limits any requirements which may be set forth in the Schedule as to where Deposit Accounts will be maintained.

(c) In the event that Borrower shall at any time after the date hereof have any commercial tort claims against others, which it is asserting or intends to assert, and in which the potential recovery exceeds [***], Borrower shall promptly notify Agent thereof in writing and provide Agent with such information regarding the same as Agent shall request. Such notification to Agent shall constitute a grant of a security interest in the commercial tort claim and all proceeds thereof to Agent for the benefit of Lenders, and Borrower shall execute and deliver all such documents and take all such actions as Agent shall request in connection therewith.

(d) Whenever any Collateral with a value in excess of [***] is located upon premises in which any third party has an interest (other than Equipment maintained at customer locations in the ordinary course of business), Borrower shall, whenever requested by Agent, use commercially reasonable efforts to cause such third party to execute and deliver to Agent, in form reasonably acceptable to Agent, such landlord agreements, waivers, subordinations and other agreements as Agent shall specify in its Good Faith Business Judgment. Borrower will keep in full force and effect, and will comply with all material terms of, any lease of real property where any of the Collateral now or in the future may be located.

(e) Except as disclosed in the Representations, Borrower is not a party to, nor is it bound by, any license or other agreement that is important for the conduct of Borrower's business and that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property important for the conduct of Borrower's business.

(f) Borrower is the sole owner of the Intellectual Property, except for non-exclusive licenses granted by Borrower to its customers in the ordinary course of business. To the best of Borrower's knowledge, each of the Copyrights, Trademarks and Patents is valid and enforceable, and no part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part, and no claim has been made to Borrower that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to result in liability of the Borrower exceeding [***] or cause a Material Adverse Change.

3.5 Maintenance of Collateral. Borrower will maintain the Collateral in good working condition (ordinary wear and tear excepted), and Borrower will not use the Collateral for any unlawful purpose. Borrower will promptly advise Agent in writing of any loss or damage to Collateral in excess of [***].

3.6 Books and Records. Borrower has maintained and will maintain at Borrower's Address books and records, which are complete and accurate in all material respects, and comprise an accounting system in accordance with GAAP.

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3.7 Financial Condition, Statements and Reports. All financial statements now or in the future delivered to Agent or a Lender have been, and will be, prepared in conformity with GAAP, and now and in the future will fairly present the results of operations and financial condition of Borrower, in accordance with GAAP, at the times and for the periods therein stated (except for non-compliance with FAS 123R in monthly financial statements, and, in the case of interim financial statements, for the lack of footnotes and subject to year-end adjustments). Between the last date covered by any such statement provided to Agent and the date hereof, there has been no Material Adverse Change.

3.8 Tax Returns and Payments; Pension Contributions. Borrower has timely filed, and will timely file, all required tax returns and reports, and Borrower has timely paid, and will timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions now or in the future owed by Borrower, except for inadvertent failures to make payments not exceeding [***] which are promptly rectified when discovered. Borrower may, however, defer payment of any contested taxes, provided that Borrower (i) in good faith contests Borrower's obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (ii) notifies Agent in writing of the commencement of, and any material development in, the proceedings, and (iii) posts bonds or takes any other steps required to keep the contested taxes from becoming a Lien upon any of the Collateral. Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid, and shall continue to pay all amounts necessary to fund all present and future pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not and will not withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower exceeding [***], including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

3.9 Compliance with Law.

(a) Borrower has complied, and will in the future comply, in all material respects, with all provisions of all foreign, federal, state and local laws and regulations applicable to Borrower, including, but not limited to, those relating to Borrower's ownership of real or personal property, the conduct and licensing of Borrower's business, and all environmental matters. Borrower has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary for the continued operation of Borrower's business as currently conducted, except where the failure to do so would not reasonably be expected to result in liability of the Borrower in excess of [***] or result in a Material Adverse Change.

(b) Borrower is not in violation and shall not violate any of the country or list based economic and trade sanctions administered and enforced by OFAC or as otherwise published from time to time. Neither Borrower, nor to the knowledge of Borrower, any director, officer, employee, agent, affiliate or representative thereof, (i) is a Sanctioned Person or a Sanctioned Entity, (ii) has its assets located in a Sanctioned Entity, (iii) derives revenues from investments in, or transactions with a Sanctioned Person or a Sanctioned Entity or (iv) is owned or controlled by a Sanctioned Entity or a Sanctioned Person.

(c) Borrower is in compliance with, and will continue to comply with, all applicable Anti-Terrorism Laws. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

3.10 Litigation. As of the date hereof, there is no claim, suit, litigation, proceeding or investigation pending or, to Borrower's knowledge, threatened against or affecting Borrower in any court or before any governmental agency (or any basis therefor known to Borrower) involving any claim against Borrower of more than [***]. Borrower will promptly inform Agent in writing of any claim, proceeding, litigation or investigation in the future threatened or instituted against Borrower involving any claim against Borrower of more than [***].

3.11 Use of Proceeds. All proceeds of all Loans shall be used solely for Borrower's working capital. Borrower is not purchasing or carrying any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System) and no part of the proceeds of any Loan will be used to purchase or carry any "margin stock" or to extend credit to others for the purpose of purchasing or carrying any "margin stock."

3.12 Solvency, Payment of Debts. Borrower is able to pay its debts (including trade debts) as they mature; the fair saleable value of Borrower's assets exceeds the fair value of its liabilities; and Borrower is not left with unreasonably small capital after the transactions contemplated by this Agreement.

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3.13 Broker's Fees. Borrower does not have any obligation to any Person in respect of any finder's, broker's, investment banking or similar fee in connection with any of the transactions contemplated under the Loan Documents (other than fees that will have been paid on or prior to the date hereof).

4. ACCOUNTS.

4.1 Representations Relating to Accounts. Borrower represents and warrants to Agent and Lenders as follows: Each Account with respect to which Revolving Loans are requested by Borrower shall, on the date each Revolving Loan is requested and made, (i) represent an undisputed bona fide existing unconditional obligation of the Account Debtor created by the sale, delivery, and acceptance of goods or the rendition of services, or the non-exclusive licensing of Intellectual Property, in the ordinary course of Borrower's business, and (ii) meet the Minimum Eligibility Requirements and the Minimum UK Eligibility Requirements, as applicable, in each case set forth in Section 8 below.

4.2 Representations Relating to Documents and Legal Compliance. Borrower represents and warrants to Agent and Lenders as follows: All statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing the Accounts are and shall be true and correct in all material respects, and all such invoices, instruments and other documents and all of Borrower's books and records are and shall be genuine and in all respects what they purport to be. All sales and other transactions underlying or giving rise to each Account shall comply in all material respects with all applicable laws and governmental rules and regulations. To the best of Borrower's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Accounts are and shall be genuine, and all such documents, instruments and agreements are and shall be legally enforceable in accordance with their terms.

4.3 Schedules and Documents relating to Accounts. If requested by Agent, Borrower shall furnish Agent with copies (or, at Agent's request, originals) of all contracts, orders, invoices, and other similar documents, and Borrower warrants the genuineness of all of the foregoing. In addition, Borrower shall deliver to Agent, on its request, the originals of all instruments, chattel paper, security agreements, guarantees and other documents and property evidencing or securing any Accounts, in the same form as received, with all necessary endorsements, and copies of all credit memos.

4.4 Cash Collateral Account.

(a) Prior to the date hereof, Borrower shall have established (i) a post office box, as designated by Agent (the "Lockbox"), over which Agent shall have exclusive and unrestricted access; and (ii) a cash collateral account at BOC in Borrower's name (the "Cash Collateral Account"), over which BOC and Agent shall have exclusive and unrestricted access. At all times after the date hereof, Borrower shall immediately deposit any funds received by Borrower from any source (including without limitation all proceeds of Accounts and all other Collateral) into the Cash Collateral Account, and Borrower shall direct all of its Account Debtors (i) to make any wire or other electronic transfer of funds owing to Borrower directly to the Cash Collateral Account, and (ii) to mail or deliver all checks or other forms of payment for amounts owing to Borrower to the Lockbox. Except for funds deposited into the Cash Collateral Account, all funds received by Borrower from any source shall immediately be directed to the Lockbox. Agent shall collect the mail delivered to the Lockbox, open such mail, and endorse and deposit all items to the Cash Collateral Account.

(b) All funds flowing through the Lockbox shall automatically be transferred to the Cash Collateral Account. Borrower shall hold in trust for Agent and Lenders all amounts that Borrower receives from Account Debtors despite the directions to make payments to the Cash Collateral Account, and immediately deliver such payments to BOC in their original form as received from the payor, with proper endorsements for deposit into the Cash Collateral Account. Borrower irrevocably authorizes Agent and Lenders to transfer to the Cash Collateral Account any funds from Account Debtors that have been deposited into any other accounts of Borrower or that Borrower has received by wire transfer, check, cash, or otherwise. Agent for the benefit of Lenders shall have all right, title and interest in all of the items from time to time held in the Cash Collateral Account and their proceeds. Neither Borrower nor any person claiming through Borrower shall have any right or control over the use of, or any right to withdraw any amount from, the Cash Collateral Account, which shall be under the sole control of Agent for the benefit of Lenders.

(c) Agent and BOC shall transfer all sums collected in the Cash Collateral Account into Borrower's operating account maintained with BOC, promptly after receipt of such sums in immediately available funds, provided that if a Default or Event of Default has occurred and is continuing, Agent shall have the right to apply amounts held in the Cash Collateral Account to the outstanding balance of the Obligations on a daily basis.

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4.5 Disputes. Borrower shall not forgive (completely or partially), compromise or settle any Account for less than payment in full, or agree to do any of the foregoing, except that Borrower may do so, provided that: (i) Borrower does so in good faith, in a commercially reasonable manner, in the ordinary course of business, and in arm's length transactions, which are reported to Agent on the regular reports provided to Agent; (ii) no Default or Event of Default has occurred and is continuing; and (iii) taking into account all such discounts, settlements and forgiveness, the total outstanding Revolving Loans will not exceed the Revolving Loan Credit Limit.

4.6 Verification. Agent may, from time to time after the occurrence and during the continuation of an Event of Default, verify directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, by means of mail, telephone or otherwise, either in the name of Borrower or Agent or such other name as Agent may choose, and Agent or its designee may, at any time after the occurrence and during the continuation of an Event of Default, notify Account Debtors that it has a security interest in the Accounts.

4.7 No Liability. Neither Agent nor Lenders shall be responsible or liable for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall Agent or Lenders be deemed to be responsible for any of Borrower's obligations under any contract or agreement giving rise to an Account. Nothing in this Section 4.9 shall, however, relieve Agent or a Lender from liability for its own gross negligence or willful misconduct.

5. ADDITIONAL DUTIES OF BORROWER.

5.1 Financial and Other Covenants. Borrower shall at all times comply with the financial and other covenants set forth in the Schedule.

5.2 Insurance. Borrower shall, at all times insure all of the tangible personal property Collateral and carry such other business insurance, with financially sound and reputable insurance companies, in such form and amounts as Agent may reasonably require and that are customary and in accordance with standard practices for Borrower's industry and locations, and Borrower shall provide evidence of such insurance to Agent. All such insurance policies shall name Agent for the benefit of Lenders as loss payee, and shall contain a lenders loss payee endorsement in form reasonably acceptable to Agent and shall name Agent for the benefit of Lenders as an additional insured with regard to liability coverage. Upon receipt of the proceeds of any such insurance, Agent shall apply such proceeds in reduction of the Obligations as Agent shall determine in its sole discretion, except that, provided no Default or Event of Default has occurred and is continuing, Agent shall release to Borrower insurance proceeds totaling less than [***], which shall be utilized by Borrower for the purchase of assets used or useful in the Borrower's business. Agent may require reasonable assurance that the insurance proceeds so released will be so used. If Borrower fails to provide or pay for any insurance, Agent for the benefit of Lenders may, but is not obligated to, obtain the same at Borrower's expense. Borrower shall promptly deliver to Agent copies of all material reports made to insurance companies.

5.3 Reports. Borrower, at its expense, shall provide Agent with the written reports set forth in the Schedule, and such other written reports with respect to Borrower as Agent shall from time to time reasonably request.

5.4 Access to Collateral, Books and Records. At reasonable times, and on one Business Day's notice, Agent, or its agents, shall have the right to inspect the Collateral, and the right to audit and copy Borrower's books and records. The foregoing inspections and audits shall be at Borrower's expense and the charge therefor shall be Agent's then current standard charge for the same, plus reasonable out-of-pocket expenses (including without limitation any additional costs and expenses of outside auditors retained by Agent), provided that, if no Default or Event of Default has occurred and is continuing, Borrower shall not be obligated to pay for more than two such audits or inspections in any calendar year.

5.5 Negative Covenants. Except as may be permitted in the Schedule, Borrower shall not, without Agent's prior written consent (which shall be a matter of its Good Faith Business Judgment), do any of the following:

(i) merge or consolidate with another corporation or entity (other than mergers or consolidations of a wholly-owned Subsidiary into another wholly-owned Subsidiary or into Borrower, with Borrower being the surviving Person);

(ii) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto;

(iii) acquire all or substantially all of the capital stock of another Person, or all or a substantial part of the business or property of another Person;

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(iv) convey, sell, lease, transfer or otherwise dispose of (collectively, a “Transfer”), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, other than: (i) Transfers of Inventory in the ordinary course of business; (ii) Transfers of non-exclusive licenses and similar arrangements for the use of the property of Borrower or its Subsidiaries in the ordinary course of business and other non-perpetual licenses in the ordinary course of business that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States, in each case not interfering in any material respect with the business of Borrower or its Subsidiaries; provided that the duration of the exclusivity does not extend beyond three (3) years; (iii) Transfers of obsolete, damaged, worn-out or surplus Equipment and Inventory or property and Equipment no longer used or useful in the conduct of Borrower’s business; (iv) Transfers permitted under clauses (vi), (xi), or (xiii) of this Section 5.5; (v) Grants of Liens that constitute Permitted Liens; (vi) transfers or dispositions of Permitted Investments in the ordinary course of business, including the sale or disposition of delinquent notes, charge-offed accounts or accounts receivable for collection purposes in the ordinary course of business; (vii) sales or transfers from Borrower to a wholly-owned Subsidiary that is a co-borrower hereunder or to the extent such sale or transfer constitutes a Permitted Investment; (viii) asset sales in which the sale price is at least equal to the fair market value of the asset sold and the consideration received is cash or cash equivalents of debt of Borrower being assumed by the purchaser, provided, that the aggregate amount of such asset sales does not exceed [***] in any fiscal year and no Event of Default has occurred and continuing at the time of each such sale (before and after giving effect to such asset sale); (ix) dispositions of owned or leased vehicles in the ordinary course of business; and (x) Transfers of other assets of Borrower or its Subsidiaries that do not in the aggregate exceed [***] in any fiscal year;

(v) store any Collateral with any warehouseman or other third party with a total value in excess of [***], unless Borrower has used commercially reasonable efforts to cause such warehouseman or other third party to execute an agreement in favor of Agent for the benefit of Lenders in such form as Agent shall specify in its Good Faith Business Judgment;

(vi) sell any Inventory on a sale-or-return, guaranteed sale, consignment, or other contingent basis;

(vii) make any loans of any money or other assets or any other Investments, other than Permitted Investments;

(viii) create, incur, assume or permit to be outstanding any Indebtedness other than Permitted Indebtedness;

(ix) create, incur, assume or suffer to exist Lien upon any of its property, whether now owned or hereafter acquired, other than Permitted Liens;

(x) guarantee or otherwise become liable with respect to the obligations of another Person, except for guaranties of the obligations of Borrower’s wholly-owned Subsidiaries in the ordinary course of business, which are not for borrowed money;

(xi) pay or declare any dividends or make any other distribution or payment on account of or in redemption, retirement or purchase of any capital stock, or permit any of its Subsidiaries to do so, except that (a) Borrower may repurchase the stock (including restricted stock units) of former employees, consultants or directors pursuant to stock repurchase agreements by the cancellation of indebtedness owed by such former employee, consultant or director to Borrower regardless of whether an Event of Default exists, (b) Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (c) Borrower may pay dividends solely in common stock, (d) Borrower may make payments of cash in lieu of fractional shares upon conversion of convertible securities or upon any stock dividend, stock split or combination or business combination, (e) Borrower may make acquisitions of capital stock (including restricted stock units) of Borrower, solely by issuance of capital stock, in connection with either (i) the exercise of stock options or warrants by way of cashless exercise or (ii) in connection with the satisfaction of withholding tax obligations related to the exercise of stock options, and (f) Borrower may redeem, retire or purchase any capital stock (including restricted stock units) of Borrower from any officer, director, employee or consultant of Borrower or its Subsidiaries upon the resignation, termination or death of such officer, director, employee or consultant in an aggregate amount not to exceed [***] in any fiscal year provided that at the time of such purchase and after giving effect thereto no Event of Default has occurred and is continuing, (g) Borrower may purchase a capped call transaction in connection with the offering of the 2020 Convertible Notes, as provided in clause (x) of the definition of “Permitted Investments” and (h) dividends and distributions made by a Subsidiary of Borrower to Borrower;

(xii) engage, directly or indirectly, in any business other than the businesses currently engaged in by Borrower or reasonably related thereto, or become an “investment company” within the meaning of the Investment Company Act of 1940;

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(xiii) directly or indirectly enter into, or permit to exist, any material transaction with any Affiliate of Borrower, except for (a) transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person, (b) sales of equity securities by Borrower in connection with a bona fide equity financing or capitalization of Borrower, and (c) Investments permitted under sub-clauses (ii) or (vi) of the definition of Permitted Investments; or

(xiv) reincorporate in another state or change its form of organization without giving Agent at least twenty (20) Business Days prior written notice and executing and delivering such documents and taking such actions as Agent shall reasonably request in order to continue this Agreement in full force and effect;

(xv) change its fiscal year (other than a one-time change in Borrower's fiscal year from December 31st to September 30th so long as Borrower has given Agent twenty (20) Business Days prior written notice of such change);

(xvi) create a Subsidiary, unless, within five (5) Business Days after the formation of such Subsidiary, pursuant to documents and agreements reasonably requested by Agent, such Subsidiary (other than a Foreign Sub) has become a co-borrower under this Agreement, and granted a first priority perfected security interest (subject only to Permitted Liens) in its property and assets to Agent for the benefit of Lenders.

(xvii) dissolve or elect to dissolve, except that a wholly-owned Subsidiary of Borrower may dissolve if all of its assets are distributed to Borrower.

(xviii) (A) prepay in cash any principal of or interest on, or redeem or repurchase for cash any of the 2020 Convertible Notes ((i) other than a repurchase or settlement upon conversion on the occurrence of a "fundamental change," and (ii) other than settlement upon conversion of the 2020 Convertible Notes in accordance with their terms or any other redemption or repurchase of the 2020 Convertible Notes, and (iii) other than the 2020 Convertible Note Repurchase, so long as in connection with each such settlement, redemption or repurchase in cash (other than cash in lieu of fractional shares) permitted in clauses (i) through (iii), the following conditions shall be satisfied: (x) Borrower shall have, on a pro forma basis after giving effect to such settlement, redemption or repurchase, Liquidity, as defined in the Schedule, in excess of [***] (the "Liquidity Threshold"); provided that the Liquidity Threshold shall be reduced to [***] upon Agent's receipt of evidence (reasonably satisfactory to Agent) that Borrower has made the Bridg settlement payment of [***] on or before January 31, 2025 and shall be further reduced to [***] upon Agent's receipt of evidence (reasonably satisfactory to Agent) that Borrower has made the Bridg settlement payment of [***] on or before June 30, 2025 and (y) at the time of any such settlement, redemption or repurchase, no Default or Event of Default shall have occurred or would reasonably be expected to result from such settlement), (B) effect any amendment to the terms of the 2020 Convertible Notes which has the effect of shortening the maturity thereof to a date prior to September 2025, or otherwise shortening any dates upon which payments of principal or interest are due thereon, or increasing the interest rate thereon, or (C) changing the redemption or mandatory prepayment provisions of the 2020 Convertible Notes, or other material provisions thereof in a manner that makes them more restrictive or adverse as to Borrower; or

(xix) make any earn-out or deferred purchase price payment in cash in connection with the acquisition of Bridg, Inc. pursuant to the terms of that certain Agreement and Plan of Merger dated as of April 12, 2021 by and among Parent, as the "Parent" therein, Mr. T Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent, Bridg, Inc., a Delaware corporation and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as the representative, agent and attorney-in-fact of the Company Security Holders, as defined therein ("Bridg Acquisition Agreement"); provided that with respect to the earn-out or deferred purchase price payment that is due under the Bridg Acquisition Agreement in or about May 2022, Borrower shall be permitted to make cash payments of no more than **\$60,000,000** (or such greater amount approved by Agent in writing, in its sole discretion) for the "First Anniversary Payment Amount" as defined in the Bridg Acquisition Agreement; provided further, that with respect to the earn-out or deferred purchase price payment that is due under the Bridg Acquisition Agreement in or about May 2023, Borrower shall be permitted to make cash payments of no more than **\$60,000,000** (or such greater amount approved by Agent in writing, in its sole discretion) when combined with the cash amount of the "First Anniversary Payment Amount" paid by Borrower. Nothing herein shall prohibit the Borrower from issuing stock of Parent in connection with its earnout obligations so long as such issuances do not violate any other term of this Agreement; or

(xx)(A) prepay in cash any principal of or interest on, or redeem or repurchase for cash any of the 2024 Convertible Notes ((i) other than a repurchase or settlement upon conversion on the occurrence of a "fundamental change," and (ii) other than settlement upon conversion of the 2024 Convertible Notes in accordance with their terms or any other redemption or

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repurchase of the 2024 Convertible Notes, so long as in connection with each such settlement, redemption or repurchase in cash (other than cash in lieu of fractional shares) permitted in clauses (i) through (ii), the following conditions shall be satisfied: (x) Borrower shall have, on a pro forma basis after giving effect to such settlement, redemption or repurchase, Liquidity in excess of the Liquidity Threshold; provided that the Liquidity Threshold shall be reduced to [***] upon Agent's receipt of evidence (reasonably satisfactory to Agent) that Borrower has made the Bridg settlement payment of [***] on or before January 31, 2025 and shall be further reduced to [***] upon Agent's receipt of evidence (reasonably satisfactory to Agent) that Borrower has made the Bridg settlement payment of [***] on or before June 30, 2025 and (y) at the time of any such settlement, redemption or repurchase, no Default or Event of Default shall have occurred or would reasonably be expected to result from such settlement), (B) effect any amendment to the terms of the 2024 Convertible Notes which has the effect of shortening the maturity thereof to a date prior to April 1, 2029, or otherwise shortening any dates upon which payments of principal or interest are due thereon, or increasing the interest rate thereon, or (C) changing the redemption or mandatory prepayment provisions of the 2024 Convertible Notes, or other material provisions thereof in a manner that makes them more restrictive or adverse as to Borrower.

5.6 Litigation Cooperation. Should any third-party suit or proceeding be instituted by or against Agent or any Lender with respect to any Collateral or relating to Borrower, Borrower shall, without expense to Agent or Lenders, make available Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Agent and Lenders may deem them reasonably necessary in order to prosecute or defend any such suit or proceeding; provided that nothing herein shall require Borrower to provide any information that is subject to attorney-client privilege.

5.7 Notification of Changes. Borrower will give Agent written notice of any change in its chief executive officer or chief financial officer within ten Business Days of the date of such change.

5.8 Registration of Intellectual Property Rights.

(a) Without limiting the terms of subsection (b) below, Borrower shall within the period required by Section 6(h) of the Schedule, give Lender written notice of any applications or registrations it files or obtains with respect to Intellectual Property filed with the United States Patent and Trademark Office, including the date of any such filing and the registration or application numbers, if any.

(b) Borrower shall (i) give Lender within the period required by Section 6(h) of the Schedule, notice of the filing of any applications or registrations with the United States Copyright Office, including the title of such intellectual property rights registered, as such title appears on such applications or registrations, and the date such applications or registrations were filed; (ii) promptly upon the request of Lender, execute such documents as Lender may reasonably request for Lender to maintain its perfection in the Intellectual Property rights to be registered by Borrower; (iii) upon the request of Lender, either deliver to Lender or file such documents with the United States Patent and Trademark Office or United States Copyright Office, as applicable; (iv) promptly upon the request of Lender, provide Lender with a copy of such applications or registrations together with any exhibits, evidence of the filing of any documents requested by Lender to be filed for Lender to maintain the perfection and priority of its security interest in such Intellectual Property rights.

(c) Borrower shall use commercially reasonable efforts to (i) protect, defend and maintain the validity and enforceability of the Intellectual Property that is material to Borrower, (ii) detect infringements of the Intellectual Property, and (iii) not allow any material Intellectual Property that is material to Borrower to be abandoned, forfeited or dedicated to the public without the written consent of Lender, which shall not be unreasonably withheld.

(d) Lender shall have the right, but not the obligation, to take, at Borrower's sole expense, any actions that Borrower is required under this Section 5.8 to take but which Borrower fails to take, after 15 days' notice to Borrower. Borrower shall reimburse and indemnify Lender for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this Section.

5.9 Consent of Inbound Licensors. Prior to entering into, or becoming bound by, any material inbound license or agreement in the future, Borrower shall: (i) provide written notice to Agent of the material terms of such license or agreement with a description of its likely impact on Borrower's business or financial condition; and (ii) in good faith use commercially reasonable efforts to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for Borrower's interest in such licenses or contract rights to be deemed Collateral and for Agent to have a security interest therein, provided, however, that the failure to obtain any such consent or waiver shall not constitute a default under this Agreement.

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5.10 Further Assurances. Borrower agrees, at its expense, on request by Agent, to execute all documents and take all actions, as Agent, may reasonably deem necessary or useful in order to perfect and maintain Agent's and Lenders' perfected first-priority security interest in the Collateral (subject only to Permitted Liens), and in order to fully consummate the transactions contemplated by this Agreement.

6. TERM.

6.1 Maturity Date. This Agreement shall continue in effect until the maturity date set forth on the Schedule (the "Maturity Date"), subject to Section 6.2 below.

6.2 Early Termination. This Agreement may be terminated prior to the Maturity Date as follows: (i) by Borrower, effective three Business Days after written notice of termination is given to Agent; or (ii) by Agent at any time after the occurrence and during the continuance of an Event of Default, without notice, effective immediately upon written notice to Borrower.

6.3 Payment of Obligations. On the Maturity Date or on any earlier effective date of termination, Borrower shall pay and perform in full all Obligations, whether evidenced by installment notes or otherwise, and whether or not all or any part of such Obligations are otherwise then due and payable. Notwithstanding any termination of this Agreement, all of Agent's and Lenders' security interests in all of the Collateral and all of the terms and provisions of this Agreement shall continue in full force and effect until all Obligations (other than inchoate indemnification obligations) have been paid and performed in full; provided that each of Agent and Lenders may, in its sole discretion, refuse to make any further Loans or provide any Ancillary Services after termination. No termination shall in any way affect or impair any right or remedy of Agent or Lenders, nor shall any such termination relieve Borrower of any Obligation to Agent and Lenders, until all of the Obligations (other than inchoate indemnification obligations) have been paid and performed in full. Agent shall, at Borrower's expense, release or terminate all financing statements and other filings in favor of Agent as may be required to fully terminate Agent's and Lenders' security interests, provided that there are no suits, actions, proceedings or claims pending or threatened against any Person indemnified by Borrower under this Agreement with respect to which indemnity has been or may be sought, upon Agent's receipt of the following, in form and content satisfactory to Agent: (i) cash payment in full of all of the Obligations and performance by Borrower of all non-monetary Obligations under this Agreement, (ii) written confirmation by Borrower that the commitment of Lenders to make Loans and provide Ancillary Services under this Agreement has terminated, and (iii) an agreement by Borrower to indemnify Agent and Lenders for any payments received by Agent and Lenders that are applied to the Obligations that may subsequently be returned or otherwise not paid for any reason.

7. EVENTS OF DEFAULT AND REMEDIES.

7.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement, and Borrower shall give Agent immediate written notice thereof:

- (a) Any warranty, representation, statement, report or certificate made or delivered to Agent or a Lender by Borrower or any of Borrower's officers, employees or agents, now or in the future, shall be untrue or misleading in a material respect when made or deemed to be made; or
- (b) Borrower shall fail to pay when due any Loan or any interest thereon or fail to pay any other monetary Obligation within three Business Days of the same becoming due; or
- (c) any Overadvance occurs, unless it is cured within two Business Days after it occurs; or
- (d) Borrower shall fail to comply with any non-monetary Obligation which by its nature cannot be cured, or shall fail to comply with the provisions of Section 3.1 (titled "Corporate Existence", but solely as it relates to failure of Borrower to continue to be duly organized and validly existing under the laws of the jurisdiction of its incorporation or organization), Section 3.8 (titled "Tax Returns and Payments; Pension Contributions"), Section 4.4 (titled "Lockbox"), Section 5.2 (titled "Insurance"), Section 5.4 (titled "Access to Collateral, Books and Records"), Section 5.5 (titled "Negative Covenants"), Section 5 of the Schedule (titled "Financial Covenants"), Section 6 of the Schedule (titled "Reporting"), or Section 8 of the Schedule (titled "Additional Provisions"); or
- (e) Borrower shall fail to perform any other non-monetary Obligation, which failure is not cured within ten Business Days after the date due; provided, however, that if the default cannot by its nature be cured within such ten-day period or cannot after diligent attempts by Borrower be cured within such ten-day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional reasonable period (which shall not in any case exceed

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an additional ten Business Days) to attempt to cure such default, and within such reasonable time period the failure to have cured such default shall not be deemed an Event of Default (but no Loans shall be made during such cure period); or

- (f) any Collateral becomes subject to any Lien (other than a Permitted Lien) which is not cured within 10 days after the occurrence of the same; or
- (g) any Collateral is attached, seized, subjected to a writ or distress warrant, or is levied upon, and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within 10 days, or if Borrower is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs, or if a judgment or other claim above [***] becomes a Lien on any of the Collateral which is not removed or fully bonded within 10 days after it arises, or if a notice of lien, levy, or assessment is filed of record with respect to any of the Collateral by the United States Government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency; or
- (h) a default or event of default shall occur under any document or agreement evidencing or relating to any Permitted Indebtedness in excess of [***] (after the expiration of any cure period under the documents relating thereto), unless waived by the holder of such Permitted Indebtedness; or
- (i) (A) except as set forth in clause (B) below, a final judgment or judgments for the payment of money (not covered by independent third-party insurance as to which liability has been accepted by such carrier) in an amount, individually or in the aggregate, of at least [***] shall be rendered against Borrower, and within 30 days after the entry, assessment or issuance thereof, the same shall not be satisfied, discharged or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Loans shall be made prior to the satisfaction, payment, discharge, stay, or bonding of such judgments) or (B) incurrence of liability of Borrower with respect to the American Airlines Legal Proceeding exceeding [***] in the aggregate (whether such liability arises in the form of a judgment, additional settlement rewards to American Airlines, related legal fees or other payments); or
- (j) Dissolution, termination of existence, temporary or permanent suspension of business, insolvency or business failure of Borrower or any Guarantor; or appointment of a receiver, trustee or custodian, for all or any part of the property of, assignment for the benefit of creditors by, or the commencement of any Insolvency Proceeding by Borrower or any Guarantor; or
- (k) the commencement of any Insolvency Proceeding against Borrower or any Guarantor, which is not cured by the dismissal thereof within 45 days after the date commenced (but no Loans or other extensions of credit need be made or provided by Lenders until such dismissal had occurred); or
- (l) any revocation or termination of, or limitation or denial of liability upon, or default under, any guaranty of the Obligations, or any document or agreement securing such guaranty or relating thereto, or any attempt to do any of the foregoing, or death of any Guarantor; or
- (m) a Change in Control shall occur; or
- (n) Borrower shall generally not pay its debts as they become due, or Borrower shall conceal, remove or transfer any part of its property, with intent to hinder, delay or defraud its creditors, or make or suffer any transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or
- (o) a Material Adverse Change shall occur; or
- (p) any Loan Document, other than in connection with the satisfaction in full of the Obligations, ceases to be in full force and effect or ceases to give Agent and Lenders a valid and perfected Lien in the Collateral with the priority required by the relevant Loan Document; or Borrower contests in any manner the validity or enforceability of any Loan Document; or
- (q) any resolution of the earn-out dispute with respect to the Bridg Acquisition Agreement (including a resolution pursuant to an arbitration award, negotiation, court order or judgment and regardless of whether such decision is appealable and/or in the process of being appealed) that would require Parent or any other Borrower to make cash payments in excess of the amounts expressly permitted by Section 5.5(xix) above.

A Lender may cease making any Loans and providing any Ancillary Services hereunder during any of the above cure periods, and thereafter if an Event of Default has occurred and is continuing.

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7.2 Remedies. Upon the occurrence and during the continuance of any Event of Default, and at any time thereafter, Agent may at its option, and shall upon the request of Required Lenders, at their option, and without notice or demand of any kind (all of which are hereby expressly waived by Borrower), may do any one or more of the following: (a) Cease making Loans or otherwise extending credit to Borrower under this Agreement or any other Loan Document; (b) Accelerate and declare all or any part of the Obligations to be immediately due, payable, and performable, notwithstanding any deferred or installment payments allowed by any instrument evidencing or relating to any Obligation; provided, however, that upon the occurrence and continuance of any Event of Default described in Section 7.1(j), 7.1(k) or Section 7.1(n), the obligation of Lenders to make Loans and provide Ancillary Services shall automatically terminate and the Obligations shall automatically become due and payable; (c) Take possession of any or all of the Collateral wherever it may be found, and for that purpose Borrower hereby authorizes Agent without judicial process to enter onto any of Borrower's premises without interference to search for, take possession of, keep, store, or remove any of the Collateral, and remain on the premises or cause a custodian to remain on the premises in exclusive control thereof, without charge for so long as Agent deems it necessary, in its Good Faith Business Judgment, in order to complete the enforcement of its rights under this Agreement or any other agreement; provided, however, that should Agent seek to take possession of any of the Collateral by court process, Borrower hereby irrevocably waives: (i) any bond and any surety or security relating thereto required by any statute, court rule or otherwise as an incident to such possession; (ii) any demand for possession prior to the commencement of any suit or action to recover possession thereof; and (iii) any requirement that Agent retain possession of, and not dispose of, any such Collateral until after trial or final judgment; (d) Require Borrower to assemble any or all of the Collateral and make it available to Agent at places designated by Agent which are reasonably convenient to Agent and Borrower, and to remove the Collateral to such locations as Agent may deem advisable; (e) Complete the processing, manufacturing or repair of any Collateral prior to a disposition thereof and, for such purpose and for the purpose of removal, Agent shall have the right to use Borrower's premises, vehicles, hoists, lifts, cranes, and other Equipment and all other property without charge; (f) Sell, lease or otherwise dispose of any of the Collateral, in its condition at the time Agent obtains possession of it or after further manufacturing, processing or repair, at one or more public and/or private sales, in lots or in bulk, for cash, exchange or other property, or on credit, and to adjourn any such sale from time to time without notice other than oral announcement at the time scheduled for sale. Agent shall have the right to conduct such disposition on Borrower's premises without charge, for such time or times as Agent deems reasonable, or on Agent's premises, or elsewhere and the Collateral need not be located at the place of disposition. Agent (or any entity formed by Agent, at the direction of the Required Lenders, for this purpose) may directly or through any Affiliate purchase or lease any Collateral at any such public disposition, and if permissible under applicable law, at any private disposition. Any sale or other disposition of Collateral shall not relieve Borrower of any liability Borrower may have if any Collateral is defective as to title or physical condition or otherwise at the time of sale; (g) demand payment of, and collect any Accounts and General Intangibles comprising Collateral and, in connection therewith, Borrower irrevocably authorizes Agent to endorse or sign Borrower's name on all collections, receipts, instruments and other documents, to take possession of and open mail addressed to Borrower and remove therefrom payments made with respect to any item of the Collateral or proceeds thereof, and, in Agent's Good Faith Business Judgment, to grant extensions of time to pay, compromise claims and settle Accounts and the like for less than face value; (h) demand and receive possession of any of Borrower's federal and state income tax returns and the books and records utilized in the preparation thereof or referring thereto; and (i) set off any of the Obligations against any general, special or other Deposit Accounts of Borrower maintained with Agent or any Lender. All reasonable attorneys' fees, expenses, costs, liabilities and obligations incurred by Agent and Lenders with respect to the foregoing shall be added to and become part of the Obligations, shall be due on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations. Without limiting any of Agent's or any Lender's rights and remedies, from and after the occurrence and during the continuance of any Event of Default, the interest rate applicable to the Obligations shall be increased by an additional three percent per annum (the "Default Rate").

7.3 Standards for Determining Commercial Reasonableness. Borrower, Agent and Lenders agree that a sale or other disposition (collectively, "Sale") of any Collateral which complies with the following standards will conclusively be deemed to be commercially reasonable: (i) notice of the Sale is given to Borrower at least ten days prior to the Sale, and, in the case of a public Sale, notice of the Sale is published at least five days before the date of the Sale in a newspaper of general circulation in the county where the Sale is to be conducted; (ii) notice of the Sale describes the Collateral in general, non-specific terms; (iii) the Sale is conducted at a place designated by Agent, with or without the Collateral being present; (iv) the Sale commences at any time between 8:00 a.m. and 6:00 p.m.; (v) payment of the purchase price in cash or by cashier's check or wire transfer is required; (vi) with respect to any Sale of any of the Collateral, Agent may (but is not obligated to) direct any prospective purchaser to ascertain directly from Borrower any and all information concerning the same. Agent

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shall be free to employ other methods of noticing and selling the Collateral, in its discretion, if they are commercially reasonable.

7.4 Investment Property. If a Default or an Event of Default has occurred and is continuing, Borrower shall hold all payments on, and proceeds of, and distributions with respect to, Investment Property in trust for Agent for the benefit of Lenders, and Borrower shall deliver all such payments, proceeds and distributions to Agent for the benefit of Lenders, immediately upon receipt, in their original form, duly endorsed, to be applied to the Obligations in such order as Agent shall determine. Borrower recognizes that Agent may be unable to make a public sale of any or all of the Investment Property, by reason of prohibitions contained in applicable securities laws or otherwise, and expressly agrees that a private sale to a restricted group of purchasers for investment and not with a view to any distribution thereof shall be considered a commercially reasonable sale thereof.

7.5 Power of Attorney. Upon the occurrence and during the continuance of any Event of Default, without limiting Agent's or any Lender's other rights and remedies, Borrower grants to Agent an irrevocable power of attorney coupled with an interest, authorizing and permitting Agent (acting through any of its employees, attorneys or agents) at any time, at its option, but without obligation, with or without notice to Borrower, and at Borrower's expense, to do any or all of the following, in Borrower's name or otherwise, but Agent agrees that if it exercises any right hereunder, it will do so in good faith and in a commercially reasonable manner: (a) execute on behalf of Borrower any documents that Agent may, in its Good Faith Business Judgment, deem advisable in order to perfect and maintain Agent's and Lenders' security interest in the Collateral, or in order to exercise a right of Borrower, Agent or any Lender, or in order to fully consummate all the transactions contemplated under this Agreement, and all other Loan Documents; (b) execute on behalf of Borrower, any invoices relating to any Account, any draft against any Account Debtor and any notice to any Account Debtor, any proof of claim in bankruptcy, any Notice of Lien, claim of mechanic's, materialman's or other Lien, or assignment or satisfaction of mechanic's, materialman's or other Lien; (c) take control in any manner of any cash or non-cash items of payment or proceeds of Collateral; endorse the name of Borrower upon any instruments, or documents, evidence of payment or Collateral that may come into Agent's or any Lender's possession; (d) endorse all checks and other forms of remittances received by Agent or any Lender; (e) pay, contest or settle any Lien and adverse claim in or to any of the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (f) grant extensions of time to pay, compromise claims and settle Accounts and General Intangibles for less than face value and execute all releases and other documents in connection therewith; (g) pay any sums required on account of Borrower's taxes or to secure the release of any Liens therefor, or both; (h) settle and adjust, and give releases of, any insurance claim that relates to any of the Collateral and obtain payment therefor; (i) instruct any third party having custody or control of any books or records belonging to, or relating to, Borrower to give Agent the same rights of access and other rights with respect thereto as Agent has under this Agreement; and (j) take any action or pay any sum required of Borrower pursuant to this Agreement and any other Loan Documents; (k) enter into a short-form intellectual property security agreement consistent with the terms of this Agreement for recording purposes only or modify, in its sole discretion, any intellectual property security agreement entered into between Borrower and Agent without first obtaining Borrower's approval of or signature to such modification by amending exhibits thereto, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Borrower after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Borrower no longer has or claims to have any right, title or interest; and (l) file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral; provided Agent may exercise such power of attorney to sign the name of Borrower on any of the documents described in clauses (k) and (l) above, regardless of whether an Event of Default has occurred. Any and all reasonable sums paid and any and all reasonable costs, expenses, liabilities, obligations and attorneys' fees incurred by Agent or any Lender with respect to the foregoing shall be added to and become part of the Obligations, shall be payable on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations. In no event shall Agent's or any Lender's rights under the foregoing power of attorney or any of Agent's or any Lender's other rights under this Agreement be deemed to indicate that Agent or any Lender is in control of the business, management or properties of Borrower.

7.6 Application of Proceeds. All proceeds realized as the result of any Sale of the Collateral shall be applied by Agent first to the reasonable costs, expenses, liabilities, obligations and attorneys' fees incurred by Agent and Lenders in the exercise of its rights under this Agreement, second to the interest due upon any of the Obligations and fees due with respect to Ancillary Services Obligations pro rata based upon the Lenders' respective Pro Rata Shares of the Obligations, and third to the principal of the Obligations, pro rata based upon the Lenders' respective Pro Rata Shares of the Obligations. Any surplus shall be paid to Borrower or other persons legally entitled thereto; Borrower shall remain liable to Agent and Lenders for any

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deficiency. If, Agent, in its Good Faith Business Judgment, directly or indirectly enters into a deferred payment or other credit transaction with any purchaser at any Sale of Collateral, Agent shall have the option, exercisable at any time, in its Good Faith Business Judgment, of either reducing the Obligations by the principal amount of purchase price or deferring the reduction of the Obligations until the actual receipt by Agent of the cash therefor.

7.7 Remedies Cumulative. In addition to the rights and remedies set forth in this Agreement, Agent and Lenders shall have all the other rights and remedies accorded a secured party under the Code and under all other applicable laws, and under any other instrument or agreement now or in the future entered into between Agent and any Lender and Borrower, and all of such rights and remedies are cumulative and none is exclusive. Exercise or partial exercise by Agent or any Lender of one or more of its rights or remedies shall not be deemed an election, nor bar Agent or any Lender from subsequent exercise or partial exercise of any other rights or remedies. The failure or delay of Agent or any Lender to exercise any rights or remedies shall not operate as a waiver thereof, but all rights and remedies shall continue in full force and effect until all of the Obligations have been fully paid and performed.

8. DEFINITIONS. As used in this Agreement, the following terms have the following meanings:

“**2020 Convertible Note Repurchase**” means, the redemption or repurchase for cash, of all or a portion of outstanding 2020 Convertible Notes at, or below, par value using the proceeds of such 2020 Convertible Note offering.

“**2020 Convertible Notes**” means Borrower’s convertible senior notes due 2025 in a principal amount not to exceed \$230 million, which are on substantially the terms set forth in offering memorandum for the convertible notes provided to the Agent and Lenders prior to the date hereof.

“**2024 Convertible Notes**” means Borrower’s convertible senior notes due 2029 in a principal amount not to exceed \$172.5 million, which are on substantially the terms set forth in the draft preliminary offering memorandum for the convertible notes provided to the Agent and Lenders prior to the date hereof.

“**Account Debtor**” means the obligor on an Account.

“**Accounts**” means all present and future “accounts” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all accounts receivable and other sums owing to Borrower.

“**Affiliate**” means, with respect to any Person, a relative, partner, shareholder, director, officer, or employee of such Person, or any parent or subsidiary of such Person, or any Person controlling, controlled by or under common control with such Person.

“**AFIN**” means, AFIN Holdings Inc., a Delaware corporation.

“**this Agreement**”, “**the Loan Agreement**” and “**this Loan Agreement**” refer collectively to this Loan and Security Agreement and the Schedule and all exhibits and schedules thereto, as the same may be modified, amended or restated from time to time by a written agreement signed by Borrower and Agent and Lenders.

“**Anti-Terrorism Laws**” means any applicable laws relating to terrorism or money laundering, including Executive Order No. 13224, the USA PATRIOT Act, the applicable laws comprising or implementing the Bank Secrecy Act, and the applicable laws administered by the United States Treasury Department’s Office of Foreign Assets Control and any other enabling legislation or executive order relating thereto (as any of the foregoing applicable laws may from time to time be amended, renewed, extended or replaced).

“**Business Day**” means a day on which Agent is open for business.

“**Change in Control**” means:

- (i) a transaction, other than a bona fide investment or series of investments in equity securities of Parent from investors acceptable to Lender in its Good Faith Business Judgment, in which any “person” or “group” (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of a sufficient number of shares of all classes of stock then outstanding of Parent ordinarily entitled to vote in the election of directors, empowering such “person” or “group” to elect a majority of the Board of Directors of Parent, who did not have such power before such transaction;

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- (ii) Borrower ceases to hold directly or indirectly, 100% of the equity interests in its Subsidiaries, except as permitted by the terms of this Agreement; and
- (iii) a “fundamental change” or other event occurs which gives any holders of the 2020 Convertible Notes a right to require the Borrower to repurchase any 2020 Convertible Notes.
- (vi) a ‘fundamental change’ or other event occurs which gives any holders of the 2024 Convertible Notes a right to require the Borrower to repurchase any 2024 Convertible Notes.

“Code” means the Uniform Commercial Code as adopted and in effect in the State of New York from time to time.

“Collateral” has the meaning set forth in Section 2 above.

“Contingent Obligation” means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any indebtedness, lease, dividend, letter of credit or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term “Contingent Obligation” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

“continuing” and “during the continuance of” when used with reference to a Default or Event of Default means that the Default or Event of Default has occurred and has not been either waived in writing by Agent and Required Lenders or cured within any applicable cure period.

“Copyrights” means any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held.

“Default” means any event which with notice or passage of time or both, would constitute an Event of Default.

“Default Rate” has the meaning set forth in Section 7.2 above.

“Deposit Accounts” means all present and future “deposit accounts” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all general and special bank accounts, demand accounts, checking accounts, savings accounts and certificates of deposit.

“Eligible Accounts” means collectively Eligible Borrower Accounts and Eligible UK Accounts.

“Eligible Borrower Accounts” means Accounts and General Intangibles arising in the ordinary course of Borrower’s business from the sale of goods or the rendition of services, or the non-exclusive licensing of Intellectual Property, which Agent, in its Good Faith Business Judgment, shall deem eligible for borrowing. Without limiting the fact that the determination of which Accounts are eligible for borrowing is a matter of Agent’s Good Faith Business Judgment, the following (the “Minimum Eligibility Requirements”) are the minimum requirements for an Account to be an Eligible Account:

- (i) the Account must not be outstanding for more than 120 days from its invoice date (the “Eligibility Period”);
- (ii) the Account must not represent progress billings, or be due under a fulfillment or requirements contract with the Account Debtor;
- (iii) the Account must not be subject to any contingencies (including Accounts arising from sales on consignment, guaranteed sale, bill and hold, sale on approval, or other terms pursuant to which payment by the Account Debtor may be conditional);

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(iv) the Account must not be owing from an Account Debtor with whom Borrower has any dispute (whether or not relating to the particular Account), but if an Account is owing from an Account Debtor with whom Borrower has any dispute, the Account will not be Eligible under this clause (iv) only to the extent of the amount of the dispute;

(v) the Account must not be owing from an Affiliate of Borrower;

(vi) the Account must not be owing from an Account Debtor which is subject to any Insolvency Proceeding, or becomes insolvent, or from which collection of the Account is doubtful (as determined by Agent in its Good Faith Business Judgment);

(vii) the Account must not be owing from the United States or any department, agency or instrumentality thereof (unless there has been compliance, to Agent's satisfaction, with the United States Assignment of Claims Act);

(viii) the Account must not be owing from an Account Debtor located outside the United States;

(ix) the Account must have been billed to the Account Debtor and must not represent deposits (such as good faith deposits) or other property of the Account Debtor held by Borrower for the performance of services or delivery of goods which Borrower has not yet performed or delivered; and

(x) the Account must not be owing from an Account Debtor to whom Borrower is or may be liable for goods purchased from such Account Debtor or otherwise (but, in such case, the Account will be deemed not eligible only to the extent of any amounts owed by Borrower to such Account Debtor).

Accounts owing from one Account Debtor will not be deemed Eligible Accounts to the extent they exceed [***] of the total Eligible Accounts outstanding. In addition, if more than [***] of the Accounts owing from an Account Debtor are outstanding for a period longer than their Eligibility Period or are otherwise not Eligible Accounts, then all Accounts owing from that Account Debtor will be deemed ineligible for borrowing. Agent may, from time to time, in its Good Faith Business Judgment, revise the Minimum Eligibility Requirements, upon 30 days prior written notice to Borrower.

"Eligible UK Accounts" means Accounts which meet all of the requirements of "Eligible Borrower Accounts", except for the fact that (i) they arise in the ordinary course of the UK Sub's business, (ii) they are owing to the UK Sub, (iii) they are owing from an Account Debtor located outside the United States, and (iv) they are owing in British Pounds ("Minimum UK Eligibility Requirements"); provided that Eligible UK Accounts may not constitute more than 30% of the total of Eligible Borrower Accounts and Eligible UK Accounts. Agent may, from time to time, in its Good Faith Business Judgment, revise the Minimum UK Eligibility Requirements, upon 30 days prior written notice to Borrower.

"Equipment" means all present and future "equipment" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"Event of Default" means any of the events set forth in Section 7.1 of this Agreement.

"Federal Funds Effective Rate" means, for any day, a rate per annum (rounded upward to the nearest 1/100th of 1%) equal to the rate published by the Federal Reserve Bank of New York on the preceding Business Day or, if no such rate is so published, the average rate per annum, as determined by Agent, quoted for overnight Federal Funds transactions last arranged prior to such day.

"Fee and Syndication Sideletter" means that certain side letter, dated February 16, 2023, executed by the Borrower and the Agent with respect to certain fees payable in connection with this Agreement and syndication matters, as it may be amended, modified or restated from time to time.

"Foreign Subs" has the meaning given in Section 8(d) of the Schedule.

"GAAP" means generally accepted accounting principles consistently applied, as in effect from time to time in the United States.

"General Intangibles" means all present and future "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all Intellectual Property, payment intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income tax refunds, security and other deposits, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies

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(including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

“Good Faith Business Judgment” means Agent’s and Lenders’ business judgment, exercised honestly and in good faith and not arbitrarily.

“Guarantor” means any Person who has guaranteed, or in the future guarantees, any of the Obligations.

“including” means including (but not limited to).

“Indebtedness” means (a) all indebtedness created, assumed or incurred in any manner by Borrower representing money borrowed (including by the issuance of debt securities, notes, bonds debentures or similar instruments), (b) all indebtedness for the deferred purchase price of property or services, (c) the Obligations, (d) obligations and liabilities of any Person secured by a Lien or claim on property owned by Borrower, even though Borrower has not assumed or become liable therefor, (e) obligations and liabilities created or arising under any capital lease or conditional sales contract or other title retention agreement with respect to property used or acquired by Borrower, even though the rights and remedies of the lessor, seller or lender are limited to repossession or otherwise limited; (f) all obligations of Borrower on or with respect to letters of credit, bankers’ acceptances and other similar extensions of credit whether or not representing obligations for borrowed money; and (g) the amount of any Contingent Obligations.

“Insolvency Proceeding” means any proceeding commenced by or against any Person or entity under any provision of the United States Bankruptcy Code, as amended, or under any other state, federal or other bankruptcy or insolvency law, now or hereafter in effect, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, readjustment of debt, dissolution or liquidation, or other relief.

“Intellectual Property” means all of Borrower’s right, title, and interest in and to the following: Copyrights, Trademarks and Patents; any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held; any and all design rights which may be available to Borrower now or hereafter existing, created, acquired or held; any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above; all licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use; and all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“Inventory” means all present and future “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower’s custody or possession or in transit, and including any returned goods and any documents of title representing any of the above.

“Investment” means any beneficial ownership interest in any Person (including stock, securities, partnership interest, limited liability company interest, or other interests), and any loan, advance or capital contribution to any Person, including the creation or capital contribution to a wholly-owned or partially-owned subsidiary)

“Investment Property” means all present and future investment property, securities, stocks, bonds, debentures, debt securities, partnership interests, limited liability company interests, options, security entitlements, securities accounts, commodity contracts, commodity accounts, and all financial assets held in any securities account or otherwise, and all options and warrants to purchase any of the foregoing, wherever located, and all other securities of every kind, whether certificated or uncertificated.

“Lien” means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance. For the avoidance of doubt, a license of rights is not a “Lien”.

“Loan Documents” means, collectively, this Agreement, the Representations, the Fee and Syndication Sideletter, and all other present and future documents, instruments and agreements between Agent, or Agent and Lenders and Borrower, including, but not limited to those relating to this Agreement, and all amendments and modifications thereto and replacements therefor.

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“Material Adverse Change” means a material adverse effect on (i) the operations, business or financial condition of Borrower taken as a whole, (ii) the ability of Borrower to repay the Obligations or otherwise perform its obligations under the Loan Documents, or (iii) Borrower’s interest in, or the value, perfection or priority of Agent’s security interest in the Collateral for the benefit of Lenders.

“Obligations” means all present and future Loans, advances, debts, liabilities, obligations, guaranties, covenants, duties and indebtedness at any time owing by Borrower to Agent or any Lender, whether evidenced by this Agreement or any note or other instrument or document, or otherwise, whether arising from an extension of credit, opening of a letter of credit, banker’s acceptance, loan, guaranty, indemnification, Ancillary Services, or otherwise, whether direct or indirect (including, without limitation, those acquired by assignment and any participation by Agent in Borrower’s debts owing to others, and any interest and other obligations that accrue after the commencement of an Insolvency Proceeding), absolute or contingent, due or to become due, including, without limitation, all interest, charges, expenses, fees, attorney’s fees, expert witness fees, audit fees, letter of credit fees, collateral monitoring fees, closing fees, facility fees, termination fees, minimum interest charges and any other sums chargeable to Borrower under this Agreement or under any other Loan Documents.

“OFAC” means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

“Other Property” means the following as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and all rights relating thereto: all present and future “commercial tort claims” (including without limitation any commercial tort claims identified in the Representations), “documents”, “instruments”, “promissory notes”, “chattel paper”, “letters of credit”, “letter-of-credit rights”, “fixtures”, “farm products” and “money”; and all other goods and personal property of every kind, tangible and intangible, whether or not governed by the Code.

“Overadvance” is defined in [Section 1.3](#).

“Parent” means, Cardlytics, Inc., a Delaware corporation.

“Patents” means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

“Payment” means all checks, wire transfers and other items of payment received by Agent (including proceeds of Accounts and payment of the Obligations in full) for credit to Borrower’s outstanding Loans.

“Permitted Indebtedness” means:

- (i) the Obligations;
- (ii) trade payables incurred in the ordinary course of business;
- (iii) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;
- (iv) capitalized leases and purchase money Indebtedness secured by Permitted Liens in an aggregate amount not exceeding [***] at any time outstanding, provided the amount of such capitalized leases and purchase money Indebtedness do not exceed, at the time they were incurred, the lesser of the cost or fair market value of the property so leased or financed with such Indebtedness;
- (v) Subordinated Debt;
- (vi) Indebtedness of Borrower to any Subsidiary of Borrower or another Borrower;
- (vii) Contingent Obligations of Borrower permitted under [Section 5.5 \(x\)](#);
- (viii) Indebtedness consisting of the 2020 Convertible Notes;
- (ix) Indebtedness consisting of the 2024 Convertible Notes; and
- (x) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness in clauses (ii) through (ix) above, provided that the principal amount thereof is not increased and the terms thereof are not modified to impose more burdensome terms upon Borrower.

“Permitted Investments” means:

- (i) Investments existing on the date hereof and disclosed on [Exhibit C](#);

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(ii) Marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof, commercial paper maturing no more than one year from the date of creation thereof and currently having rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Service, Agent's or a Lender's certificates of deposit maturing no more than one year from the date of investment therein, and Agent's or a Lender's money market accounts; Investments in regular deposit or checking accounts held with Agent or a Lender or subject to a control agreement in favor of Agent for the benefit of Lenders;

(iii) (A) Investments of a Borrower in another Borrower; and (B) Investments by Parent in Foreign Subs as permitted by Section 8(c) of the Schedule;

(iv) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Borrower's business; and

(v) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business;

(vi) Investments permitted under Section 5.5(xi);

(vii) Investments not to exceed [***] in the aggregate in any fiscal year consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business; and (ii) the acceptance of notes from employees, officers or directors for the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's Board of Directors;

(viii) Deposit and securities accounts maintained with banks and other financial institutions to the extent expressly permitted under Section 8(b) of the Schedule; and

(ix) joint ventures or strategic alliances in the ordinary course of Borrower's business consisting of the nonexclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash investments by Borrower do not exceed [***] in the aggregate in any fiscal year.

an Investment consisting of the purchase of a capped call transaction in connection with the offering of the 2020 Convertible Notes, which provides Borrower the right to require the dealer counterparty to deliver cash or shares of Borrower's stock as a result of conversion of the notes; provided that the premium for such transaction shall not exceed 15% of the gross proceeds from the sale of the 2020 Convertible Notes, provided the same does not impose any liability on the part of the Borrower, other than the payment of the premium at the time of consummation of the transaction;

(xi) Investments consisting of short term loans and advances to Borrower's financial institution customers ("FIC") to enable such FIC to make operating and strategic updates which shall be repaid by offsetting the revenue-sharing amount payable by Borrower to such FIC until the outstanding balance of such loan or advance has been reduced to zero; provided that no FIC loan or advance shall be permitted to remain outstanding for more than 12 months from the date of the initial loan or advance.

"Permitted Liens" means the following:

(i) purchase money security interests in specific items of Equipment;

(ii) leases of specific items of Equipment;

(iii) Liens for taxes not yet payable;

(iv) security interests which are consented to in writing by Agent, which consent may be withheld in its Good Faith Business Judgment, and which are subordinate to the security interest of Agent and Lenders pursuant to a Subordination Agreement in such form and containing such provisions as Agent shall specify in its Good Faith Business Judgment;

(v) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default, provided no action is taken to enforce the same against any Collateral unless such action has been bonded or stayed pending appeal;

(vi) security interests being terminated substantially concurrently with this Agreement;

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(vii) Liens incurred on deposits made in the ordinary course of business in connection with workers compensation, unemployment insurance, social security and other like laws or to secure the performance of statutory obligations, in an aggregate amount not exceeding [***] at any time;

(viii) Liens of mechanics, materialmen, workers, repairmen, fillers and common carriers arising by operation of law for amounts that are not yet due and payable or which are being contested in good faith by Borrower by appropriate proceedings, in an aggregate amount not exceeding [***] at any time; and

(ix) deposits or pledges of cash to secure bids, tenders, contracts (other than contracts for the payment of money), leases, surety and appeal bonds and other obligations of a like nature arising in the ordinary course of business, in an aggregate amount not exceeding [***] at any time.

Agent will have the right to require, as a condition to its consent under subparagraph (iv) above, that the holder of the additional security interest or voluntary Lien sign a subordination agreement in such form and substance as Agent shall specify, acknowledge that the security interest is subordinate to the security interest in favor of Agent and Lenders, and agree not to take any action to enforce its subordinate security interest so long as any Obligations remain outstanding, and that Borrower agree that any uncured default in any obligation secured by the subordinate security interest shall also constitute an Event of Default under this Agreement.

“Person” means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, government, or any agency or political division thereof, or any other entity.

“Prime Rate” means the variable rate of interest per annum equal to the higher of (a) the rate of interest from time to time published by the Board of Governors of the Federal Reserve System as the "Bank Prime Loan" rate in Federal Reserve Statistical Release H.15(519) entitled "Selected Interest Rates" or any successor publication of the Federal Reserve System reporting the Bank Prime Loan rate or its equivalent, or (b) the Federal Funds Effective Rate plus fifty (50) basis points. The statistical release generally sets forth a Bank Prime Loan rate for each Business Day. The applicable Bank Prime Loan rate for any date not set forth shall be the rate set forth for the last preceding date. In the event the Board of Governors of the Federal Reserve System ceases to publish a Bank Prime Loan rate or its equivalent, the rate for purposes of subclause (a) of this definition shall be a variable rate of interest per annum equal to the highest of the "prime rate", "reference rate", "base rate", or other similar rate announced from time to time by any of the three largest banks (based on combined capital and surplus) headquartered in New York, New York (with the understanding that any such rate may merely be a reference rate and may not necessarily represent the lowest or best rate actually charged to any customer by any such bank.

“Representations” means the written Representations and Warranties provided by Borrower to Agent referred to in the Schedule.

“Reserves” means, as of any date of determination, such amounts as Agent may from time to time establish and revise in its Good Faith Business Judgment, reducing the amount of Revolving Loans, and other financial accommodations which would otherwise be available to Borrower under the lending formulas provided in the Schedule: (a) to reflect events, conditions, contingencies or risks which, as determined by Agent in its Good Faith Business Judgment, do or may adversely affect (i) the Collateral or any other property which is security for the Obligations or its value (including without limitation any increase in delinquencies of Accounts), (ii) the assets, business or prospects of Borrower or any Guarantor, or (iii) the security interests and other rights of Agent and Lenders in the Collateral (including the enforceability, perfection and priority thereof); or (b) to reflect Agent's good faith belief that any Collateral report or financial information furnished by or on behalf of Borrower or any Guarantor to Agent is or may have been incomplete, inaccurate or misleading in any material respect; or (c) in respect of any state of facts which Agent determines in good faith constitutes an Event of Default or may, with notice or passage of time or both, constitute an Event of Default, or (d) to reflect the Borrower's obligations under the 2020 Convertible Notes in accordance with the terms of Section 1 of the Schedule.

“Required Lenders” is defined in Exhibit A hereto.

“Sanctioned Entity” means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, or (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country sanctions program administered and enforced by OFAC.

“Sanctioned Person” means a Person named on the OFAC-maintained list of “Specially Designated Nationals” (as defined by OFAC).

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“**Subordinated Debt**” means unsecured Indebtedness on terms satisfactory to Agent in its Good Faith Business Judgment (which shall include, without limitation, no current cash payments and a due date on or after three months after the Maturity Date), and which is subordinated to the Obligations pursuant to a Subordination Agreement between Agent for the benefit of Lenders and the holder of such Indebtedness, in such form as Agent shall specify in its Good Faith Business Judgment.

“**Subsidiary**” means, with respect to any Person, a Person of which more than 50% of the voting stock or other equity interests is owned or controlled, directly or indirectly, by such Person or one or more Affiliates of such Person.

“**Trademarks**” means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

“**UK Sub**” is defined in Section 8(d) of the Schedule.

“**USA PATRIOT Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

Other Terms. All accounting terms used in this Agreement, unless otherwise indicated, shall have the meanings given to such terms in accordance with GAAP, consistently applied. All other terms contained in this Agreement, unless otherwise indicated, shall have the meanings provided by the Code, to the extent such terms are defined therein.

8A. AGENTED CREDIT PROVISIONS. The Agented Credit Provisions in Exhibit A hereto are a part of this Agreement and are incorporated herein by this reference.

9. GENERAL PROVISIONS.

9.1 Application of Payments. All payments with respect to the Obligations may be applied, and in Agent's Good Faith Business Judgment reversed and re-applied, to the Obligations, in such order and manner as Agent shall determine in its Good Faith Business Judgment. Agent shall not be required to credit Borrower's account for the amount of any item of payment which is unsatisfactory to Agent in its Good Faith Business Judgment, and Agent may charge Borrower's loan account for the amount of any item of payment which is returned to Agent unpaid. In computing interest on the Obligations, all Payments will be deemed received and applied by Agent on account of the Obligations when received in immediately available funds, provided that, if such immediately available funds are received after 1:00 PM Eastern Time on any day, they shall be deemed received and so applied on the next Business Day.

9.2 Increased Costs and Reduced Return. If a Lender shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty or regulation, or any policy, guideline or directive of, or any change in, the interpretation or administration thereof by, any court, central bank or other administrative or governmental authority, or compliance by Lender with any directive of, or guideline from, any central bank or other Governmental Authority or the introduction of, or change in, any accounting principles applicable to Lender (whether or not having the force of law) shall (i) subject the Lender to any tax, duty or other charge with respect to this Agreement or any Loan made hereunder, or change the basis of taxation of payments to Lender of any amounts payable hereunder (except for taxes on the overall net income of Lender), (ii) impose, modify or deem applicable any reserve, special deposit or similar requirement against any Loan, or against assets of or held by, or deposits with or for the account of, or credit extended by, Lender, or (iii) impose on Lender any other condition regarding this Agreement or any Loan, and the result of any event referred to in clauses (i), (ii) or (iii) above shall be to increase the cost to Lender of making any Loan, or agreeing to make any Loan or to reduce any amount received or receivable by Lender, then, upon demand by Lender, Borrower shall pay to Lender such additional amounts as will compensate the Lender for such increased costs or reductions in amount. For purposes of this Agreement, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, guidelines and directives in connection therewith and (ii) all requests, rules, guidelines, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case, be deemed to have been adopted and gone into effect after the date of this Agreement. All amounts payable under this Section shall bear interest from the date of demand by the Lender until payment in full to the Lender at the highest interest rate applicable to the Obligations. With respect to this Section 9.2, Lender shall treat Borrower no differently than Lender treats other similarly situated Borrowers. A certificate of the Lender claiming compensation under this Section, specifying the event herein above described and the nature of such event shall be submitted by the Lender to

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Borrower, setting forth the additional amount due and an explanation of the calculation thereof, and the Lender's reasons for invoking the provisions of this Section, and the same shall be final and conclusive absent manifest error.

9.3 Charges to Accounts. Agent may, in its discretion, require that Borrower pay monetary Obligations in cash to Agent, or charge them to Borrower's Revolving Loan account (in which event they will bear interest at the same rate applicable to the Revolving Loans), or any of Borrower's Deposit Accounts maintained with Agent or a Lender.

9.4 Monthly Accountings. Agent may provide Borrower monthly with an account of advances, charges, expenses and payments made pursuant to this Agreement. Such account shall be deemed correct, accurate and binding on Borrower and an account stated (except for reverses and reapplications of payments made and corrections of errors discovered by Agent), unless Borrower notifies Agent in writing to the contrary within 60 days after such account is rendered, describing the nature of any alleged errors or omissions.

9.5 Notices. All notices to be given under this Agreement shall be in writing and shall be given either personally or by reputable private delivery service or by regular first-class mail, or certified mail return receipt requested, addressed (i) to Borrower at the address shown in the heading to this Agreement, or (ii) to Agent and Lenders at the addresses shown in the heading to this Agreement, or (iii) for either party at any other address designated in writing by one party to the other party. All notices shall be deemed to have been given upon delivery in the case of notices personally delivered, or at the expiration of one Business Day following delivery to the private delivery service, or two Business Days following the deposit thereof in the United States mail, with postage prepaid.

9.6 Severability. Should any provision of this Agreement be held by any court of competent jurisdiction to be void or unenforceable, such defect shall not affect the remainder of this Agreement, which shall continue in full force and effect.

9.7 Integration. This Agreement and such other written agreements, documents and instruments as may be executed in connection herewith are the final, entire and complete agreement among Borrower, Agent and Lenders and supersede all prior and contemporaneous negotiations and oral representations and agreements, all of which are merged and integrated in this Agreement. There are no oral understandings, representations or agreements between the parties which are not set forth in this Agreement or in other written agreements signed by the parties in connection herewith.

9.8 Waivers; Indemnity. The failure of Agent or any Lender at any time or times to require Borrower to strictly comply with any of the provisions of this Agreement or any other Loan Document shall not waive or diminish any right of Agent later to demand and receive strict compliance therewith. Any waiver of any default shall not waive or affect any other default, whether prior or subsequent, and whether or not similar. None of the provisions of this Agreement or any other Loan Document shall be deemed to have been waived by any act or knowledge of Agent or any Lender or its agents or employees, but only by a specific written waiver signed by an authorized officer of Agent or Lender and delivered to Borrower. Borrower waives the benefit of all statutes of limitations relating to any of the Obligations or this Agreement or any other Loan Document, and Borrower waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of any commercial paper, instrument, account, General Intangible, document or guaranty at any time held by Agent or any Lender on which Borrower is or may in any way be liable, and notice of any action taken by Agent or any Lender, unless expressly required by this Agreement. Borrower hereby agrees to indemnify Agent and Lenders and their respective affiliates, subsidiaries, parent, directors, officers, employees, agents, and attorneys, and to hold them harmless from and against any and all claims, debts, liabilities, demands, obligations, actions, causes of action, penalties, costs and expenses (including reasonable attorneys' fees), of every kind, which they may sustain or incur based upon or arising out of any of the Obligations, or any relationship or agreement among Agent or any Lender and Borrower, or any other matter, relating to Borrower or the Obligations; provided that this indemnity shall not extend to damages proximately caused by the indemnitee's own gross negligence or willful misconduct. Notwithstanding any provision in this Agreement to the contrary, the indemnity agreement set forth in this Section shall survive any termination of this Agreement and shall for all purposes continue in full force and effect.

9.9 Liability. NEITHER AGENT OR ANY LENDER NOR ANY OF ANY OF THEIR AFFILIATES, SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ATTORNEYS SHALL BE LIABLE FOR ANY CLAIMS, DEMANDS, LOSSES OR DAMAGES, OF ANY KIND WHATSOEVER, MADE, CLAIMED, INCURRED OR SUFFERED BY BORROWER OR ANY OTHER PARTY THROUGH THE ORDINARY NEGLIGENCE OF AGENT OR ANY LENDER, OR ITS PARENT OR ANY OF ITS AFFILIATES, SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ATTORNEYS, BUT NOTHING HEREIN SHALL RELIEVE AGENT OR ANY LENDER FROM LIABILITY FOR ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. NEITHER NOR ANY

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LENDER NOR ANY OF THEIR AFFILIATES, SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ATTORNEYS SHALL BE RESPONSIBLE OR LIABLE TO BORROWER OR TO ANY OTHER PARTY FOR ANY INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF ANY FINANCIAL ACCOMMODATION HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER THIS AGREEMENT OR AS A RESULT OF ANY OTHER ACT, OMISSION OR TRANSACTION.

9.10 Amendment. The terms and provisions of this Agreement may not be waived or amended, except in a writing executed by Borrower and a duly authorized officer of Agent and Required Lenders.

9.11 Time of Essence. Time is of the essence in the performance by Borrower of each and every obligation under this Agreement.

9.12 Attorneys' Fees and Costs. Borrower shall reimburse Agent and Lenders for all reasonable attorneys' and consultant's fees (including without limitation those of their outside counsel and in-house counsel, and whether incurred before, during or after an Insolvency Proceeding), and all filing, recording, search, title insurance, appraisal, audit, and other reasonable costs incurred by Agent and Lenders, pursuant to, or in connection with, or relating to this Agreement (whether or not a lawsuit is filed), including, but not limited to, any reasonable attorneys' fees and costs Agent and any Lender incurs in order to do the following: prepare and negotiate this Agreement and all present and future documents relating to this Agreement; obtain legal advice in connection with this Agreement or Borrower; enforce, or seek to enforce, any of its rights; prosecute actions against, or defend actions by, Account Debtors; commence, intervene in, or defend any action or proceeding; initiate any complaint to be relieved of any automatic stay in bankruptcy; file or prosecute any probate claim, bankruptcy claim, third-party claim, or other claim; examine, audit, copy, and inspect any of the Collateral or any of Borrower's books and records; protect, obtain possession of, lease, dispose of, or otherwise enforce Agent's or any Lender's security interest in, the Collateral; and otherwise represent Agent or any Lender in any litigation relating to Borrower. All attorneys' fees and costs to which Agent or any Lender may be entitled pursuant to this Paragraph shall immediately become part of Borrower's Obligations, shall be due on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations.

9.13 Benefit of Agreement. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, beneficiaries and representatives of Borrower and Agent and Lenders; provided, however, that (i) Borrower may not assign or transfer any of its rights under this Agreement without the prior written consent of Agent and Required Lenders, and any prohibited assignment shall be void. No consent by Agent and Required Lenders to any assignment shall release Borrower from its liability for the Obligations.

9.14 Joint and Several Liability. If Borrower consists of more than one Person, their liability shall be joint and several, and the compromise of any claim with, or the release of, any Borrower shall not constitute a compromise with, or a release of, any other Borrower.

9.15 Limitation of Actions. Any claim or cause of action by Borrower against Agent or any Lender, its directors, officers, employees, agents, accountants or attorneys, based upon, arising from, or relating to this Loan Agreement, or any other Loan Document, or any other transaction contemplated hereby or thereby or relating hereto or thereto, or any other matter, cause or thing whatsoever, occurred, done, omitted or suffered to be done by Agent or such Lender, its directors, officers, employees, agents, accountants or attorneys, shall be barred unless asserted by Borrower by the commencement of an action or proceeding in a court of competent jurisdiction by the filing of a complaint within one year after the first act, occurrence or omission upon which such claim or cause of action, or any part thereof, is based, and the service of a summons and complaint on an officer of Agent or such Lender, or on any other person authorized to accept service on behalf of Agent or such Lender, within thirty (30) days thereafter. Borrower agrees that such one-year period is a reasonable and sufficient time for Borrower to investigate and act upon any such claim or cause of action. The one-year period provided herein shall not be waived, tolled, or extended except by the written consent of Agent or such Lender in its sole discretion. This provision shall survive any termination of this Loan Agreement or any other Loan Document.

9.16 Paragraph Headings; Construction. Paragraph headings are only used in this Agreement for convenience. The parties acknowledge that the headings may not describe completely the subject matter of the applicable paragraph, and the headings shall not be used in any manner to construe, limit, define or interpret any term or provision of this Agreement. This Agreement has been fully reviewed and negotiated between the parties and no uncertainty or ambiguity in any term or provision of this Agreement shall be construed strictly against any party under any rule of construction or otherwise. This Agreement may be executed and delivered by exchanging original signed counterparts, or signed counterparts by facsimile,

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pdf or similar format, or transmitted electronically by digital image, DocuSign or other electronic means, or a combination of the foregoing, and the same shall be treated as originals, fully binding and this Agreement shall be fully effective if so executed and delivered, and the parties waive any rights they may have to object to such treatment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement and/or any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

9.17 Public Announcement. Borrower hereby agrees that Agent and any Lender may make a public announcement of the transactions contemplated by this Agreement, and may publicize the same in marketing materials, newspapers, tombstones, and other publications, and otherwise, and in connection therewith may use Borrower's name, tradenames and logos.

9.18 Confidentiality. Agent and Lenders agrees to use the same degree of care that it exercises with respect to its own proprietary information, to maintain the confidentiality of any and all proprietary, trade secret or confidential information provided to or received by Agent and Lenders from Borrower, which indicates that it is confidential or would reasonably be understood to be confidential, including business plans and forecasts, non-public financial information, confidential or secret processes, formulae, devices and contractual information, customer lists, and employee relation matters, provided that Agent and Lenders may disclose such information to their officers, directors, employees, attorneys, accountants, affiliates, participants, prospective participants, assignees and prospective assignees, and such other Persons to whom they shall at any time be required to make such disclosure in accordance with applicable law or regulatory authority, and provided, that the foregoing provisions shall not apply to disclosures made by them in their Good Faith Business Judgment in connection with the enforcement of its rights or remedies after an Event of Default. The confidentiality agreement in this Section supersedes any prior confidentiality agreement of Agent or any Lender relating to Borrower.

9.19 PATRIOT Act Notice. Agent and Lenders hereby notify Borrower that pursuant to the requirements of the USA PATRIOT Act, they are required to obtain, verify and record information that identifies Borrower and each of its Subsidiaries, which information includes the names and addresses of each Borrower and each of its Subsidiaries and other information that will allow them, as applicable, to identify Borrower and each of its Subsidiaries in accordance with the USA PATRIOT Act.

9.20 APPLICABLE LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES (BUT INCLUDING AND GIVING EFFECT TO SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), EXCEPT TO THE EXTENT ANY SUCH OTHER LOAN DOCUMENT EXPRESSLY SELECTS THE LAW OF ANOTHER JURISDICTION AS GOVERNING LAW THEREOF, IN WHICH CASE THE LAW OF SUCH OTHER JURISDICTION SHALL GOVERN.

9.21 CONSENT TO JURISDICTION. BORROWER HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF NEW YORK, STATE OF NEW YORK AND IRREVOCABLY AGREES THAT, SUBJECT TO AGENT'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS PROVIDED THAT, NOTWITHSTANDING THE FOREGOING, NOTHING HEREIN SHALL LIMIT THE RIGHT OF AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. BORROWER EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON BORROWER BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO BORROWER, AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. IN ANY LITIGATION, TRIAL, ARBITRATION OR OTHER DISPUTE RESOLUTION PROCEEDING RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, ALL DIRECTORS, OFFICERS,

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EMPLOYEES AND AGENTS OF BORROWER OR OF ITS AFFILIATES SHALL BE DEEMED TO BE EMPLOYEES OR MANAGING AGENTS OF BORROWER FOR PURPOSES OF ALL APPLICABLE LAW OR COURT RULES REGARDING THE PRODUCTION OF WITNESSES BY NOTICE FOR TESTIMONY (WHETHER IN A DEPOSITION, AT TRIAL OR OTHERWISE). BORROWER AGREES THAT AGENT'S, LENDER'S OR THEIR COUNSEL IN ANY SUCH DISPUTE RESOLUTION PROCEEDING MAY EXAMINE ANY OF THESE INDIVIDUALS AS IF UNDER CROSS-EXAMINATION AND THAT ANY DISCOVERY DEPOSITION OF ANY OF THEM MAY BE USED IN THAT PROCEEDING AS IF IT WERE AN EVIDENCE DEPOSITION. BORROWER IN ANY EVENT WILL USE ALL COMMERCIALY REASONABLE EFFORTS TO PRODUCE IN ANY SUCH DISPUTE RESOLUTION PROCEEDING, AT THE TIME AND IN THE MANNER REQUESTED BY THEM, ALL PERSONS, DOCUMENTS (WHETHER IN TANGIBLE, ELECTRONIC OR OTHER FORM) OR OTHER THINGS UNDER ITS CONTROL AND RELATING TO THE DISPUTE.

9.22 Mutual Waiver of Jury Trial. Agent and Lenders AND BORROWER EACH ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED. EACH OF THE PARTIES, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT, WITH COUNSEL OF THEIR CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY RELATED INSTRUMENT OR LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), ACTION OR INACTION OF ANY OF THEM. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY ANY PARTY HERETO, EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY EACH OF THEM. IF FOR ANY REASON THE PROVISIONS OF THIS SECTION ARE VOID, INVALID OR UNENFORCEABLE, THE SAME SHALL NOT AFFECT ANY OTHER TERM OR PROVISION OF THIS AGREEMENT, AND ALL OTHER TERMS AND PROVISIONS OF THIS AGREEMENT SHALL BE UNAFFECTED BY THE SAME AND CONTINUE IN FULL FORCE AND EFFECT.

9.23 Multiple Borrowers; Suretyship Waivers. At any time that there are more than one Borrower, the following provisions shall apply:

(a) **Borrowers' Agent.** Each Borrower hereby irrevocably appoints each other Borrower, as the agent, attorney-in-fact and legal representative of all Borrowers for all purposes, including requesting disbursement of Loans and receiving account statements and other notices and communications to Borrowers (or any of them) from Lender. Lender may rely, and shall be fully protected in relying, on any request for a Loan, disbursement instruction, report, information or any other notice or communication made or given by any Borrower, whether in its own name, as Borrowers' agent, or on behalf of one or more Borrowers, and Lender shall not have any obligation to make any inquiry or request any confirmation from or on behalf of any other Borrower as to the binding effect on it of any such request, instruction, report, information, other notice or communication, nor shall the joint and several character of Borrowers' obligations hereunder be affected thereby. In the discretion of the Lender, the Cash Collateral Account may be in the name of any one or more of the Borrowers, and checks and other payments made payable to any Borrower may be deposited into such Cash Collateral Account.

(b) **Waivers.** Each Borrower hereby waives: (i) any right to require Lender to institute suit against, or to exhaust its rights and remedies against, any other Borrower or any other person, or to proceed against any property of any kind which secures all or any part of the Obligations, or to exercise any right of offset or other right with respect to any reserves, credits or deposit accounts held by or maintained with Lender or any indebtedness of Lender to any other Borrower, or to exercise any other right or power, or pursue any other remedy Lender may have; (ii) any defense arising by reason of any disability or other defense of any other Borrower or any Guarantor or any endorser, co-maker or other person, or by reason of the cessation from any cause whatsoever of any liability of any other Borrower or any Guarantor or any endorser, co-maker or other person, with respect to all or any part of the Obligations, or by reason of any act or omission of Lender or others which directly or indirectly results in the discharge or release of any other Borrower or any Guarantor or any other person or any Obligations or any security therefor, whether by operation of law or otherwise; (iii) any defense arising by reason of any failure of Lender to obtain, perfect, maintain or keep in force any Lien on, any property of any Borrower or any other person; (iv) any defense based upon or arising out of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any other Borrower or any Guarantor or any endorser, co-maker or other person, including without limitation any discharge of, or bar against collecting, any of the Obligations (including without limitation any interest thereon), in or as a result of any such proceeding. Until all of the Obligations have

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been paid, performed, and discharged in full, nothing shall discharge or satisfy the liability of Borrower hereunder except the full performance and payment of all of the Obligations. If any claim is ever made upon Lender for repayment or recovery of any amount or amounts received by Lender in payment of or on account of any of the Obligations, because of any claim that any such payment constituted a preferential transfer or fraudulent conveyance, or for any other reason whatsoever, and Lender repays all or part of said amount by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Lender or any of its property, or by reason of any settlement or compromise of any such claim effected by Lender with any such claimant (including without limitation any other Borrower), then and in any such event, Borrower agrees that any such judgment, decree, order, settlement and compromise shall be binding upon Borrower, notwithstanding any revocation or release of this Agreement or the cancellation of any note or other instrument evidencing any of the Obligations, or any release of any of the Obligations, and Borrower shall be and remain liable to Lender under this Agreement for the amount so repaid or recovered, to the same extent as if such amount had never originally been received by Lender, and the provisions of this sentence shall survive, and continue in effect, notwithstanding any revocation or release of this Agreement. Each Borrower hereby expressly and unconditionally waives all rights of subrogation, reimbursement and indemnity of every kind against any other Borrower, and all rights of recourse to any assets or property of any other Borrower, and all rights to any collateral or security held for the payment and performance of any Obligations, including (but not limited to) any of the foregoing rights which Borrower may have under any present or future document or agreement with any other Borrower or other person, and including (but not limited to) any of the foregoing rights which Borrower may have under any equitable doctrine of subrogation, implied contract, or unjust enrichment, or any other equitable or legal doctrine. Each Borrower hereby waives any defense based on impairment or destruction of its subrogation or other rights against any other Borrower and waives all benefits which might otherwise be available to it under any statutory or common law suretyship defenses or marshalling rights, now and hereafter in effect.

(c) Consents. Each Borrower hereby consents and agrees that, without notice to or by Borrower and without affecting or impairing in any way the obligations or liability of Borrower hereunder, Lender may, from time to time before or after revocation of this Agreement, do any one or more of the following in Lender's sole and absolute discretion: (i) accept partial payments of, compromise or settle, renew, extend the time for the payment, discharge, or performance of, refuse to enforce, and release all or any parties to, any or all of the Obligations; (ii) grant any other indulgence to any Borrower or any other person in respect of any or all of the Obligations or any other matter; (iii) accept, release, waive, surrender, enforce, exchange, modify, impair, or extend the time for the performance, discharge, or payment of, any and all property of any kind securing any or all of the Obligations or any guaranty of any or all of the Obligations, or on which Lender at any time may have a Lien, or refuse to enforce its rights or make any compromise or settlement or agreement therefor in respect of any or all of such property; (iv) substitute or add, or take any action or omit to take any action which results in the release of, any one or more other Borrowers or any endorsers or Guarantors of all or any part of the Obligations, including, without limitation one or more parties to this Agreement, regardless of any destruction or impairment of any right of contribution or other right of Borrower; (v) apply any sums received from any other Borrower, any Guarantor, endorser, or co-signer, or from the disposition of any Collateral or security, to any indebtedness whatsoever owing from such person or secured by such Collateral or security, in such manner and order as Lender determines in its sole discretion, and regardless of whether such indebtedness is part of the Obligations, is secured, or is due and payable. Borrower consents and agrees that Lender shall be under no obligation to marshal any assets in favor of Borrower, or against or in payment of any or all of the Obligations. Borrower further consents and agrees that Lender shall have no duties or responsibilities whatsoever with respect to any property securing any or all of the Obligations. Without limiting the generality of the foregoing, Lender shall have no obligation to monitor, verify, audit, examine, or obtain or maintain any insurance with respect to, any property securing any or all of the Obligations.

(d) Independent Liability. Each Borrower hereby agrees that one or more successive or concurrent actions may be brought hereon against Borrower, in the same action in which any other Borrower may be sued or in separate actions, as often as deemed advisable by Lender. Each Borrower is fully aware of the financial condition of each other Borrower and is executing and delivering this Agreement based solely upon its own independent investigation of all matters pertinent hereto, and Borrower is not relying in any manner upon any representation or statement of Lender with respect thereto. Each Borrower represents and warrants that it is in a position to obtain, and each Borrower hereby assumes full responsibility for obtaining, any additional information concerning any other Borrower's financial condition and any other matter pertinent

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hereto as Borrower may desire, and Borrower is not relying upon or expecting Lender to furnish to it any information now or hereafter in Lender's possession concerning the same or any other matter.

(e) **Subordination.** All indebtedness of a Borrower now or hereafter arising held by another Borrower is subordinated to the Obligations and Borrower holding the indebtedness shall take all actions reasonably requested by Lender to effect, to enforce and to give notice of such subordination.

9.24 E-Systems. Lender is hereby authorized by Borrower to establish procedures (and to amend such procedures from time to time) to facilitate administration and servicing of the Loans and other matters incidental thereto. Without limiting the generality of the foregoing, Lender is hereby authorized to establish procedures to make available or deliver, or to accept, notices, documents and similar items, by posting to or submitting and/or completion, on E-Systems. Borrower acknowledges and agrees that the use of transmissions via an E-System or electronic mail is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse, and Borrower assumes and accepts such risks by hereby authorizing the transmission via E-Systems or electronic mail. All uses of an E-System shall be governed by and subject to, in addition to this Section, the separate terms and conditions posted or referenced in such E-System (or such terms and conditions as may be updated from time to time, including on such E-System) and related contractual obligations executed by Borrower in connection with the use of such E-System. ALL E-SYSTEMS AND ELECTRONIC TRANSMISSIONS SHALL BE PROVIDED "AS-IS" AND "AS AVAILABLE". NO REPRESENTATION OR WARRANTY OF ANY KIND IS MADE BY LENDER OR ANY OF ITS AFFILIATES IN CONNECTION WITH ANY E-SYSTEMS.

Borrower:

CARDLYTICS, INC.

By: /s/ Nick Lynton
Name: Nick Lynton
Title: Chief Legal and Privacy Officer

Agent and Lender:

BANC OF CALIFORNIA

By: /s/ Samantha Mertz
Name: Samantha Mertz
Title: Senior Vice President

[Signature Page—Loan and Security Agreement]

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Schedule to Amended and Restated Loan and Security Agreement

Borrower: Cardlytics, Inc.
Address: 675 Ponce de Leon Ave. NE, Suite 4100, Atlanta, GA 30308

Borrower: Dosh Holdings LLC, an Ohio limited liability company
Address: 675 Ponce de Leon Ave. NE, Ste 4100, Atlanta, GA 30308

Borrower: AFIN Intermediate Holdings, Inc. a Delaware corporation
Address: 675 Ponce de Leon Ave. NE, Ste 4100, Atlanta, GA 30308

Borrower: AFIN Holdings Inc., a Delaware corporation
Address: 675 Ponce de Leon Ave. NE, Ste 4100, Atlanta, GA 30308

Borrower: HSP EPI Acquisition, LLC, a Delaware limited liability company
Address: 675 Ponce de Leon Ave. NE, Ste 4100, Atlanta, GA 30308

Date: September 30, 2024

This Schedule forms an integral part of the Loan and Security Agreement between Banc of California, a California state-chartered bank (formerly known as Pacific Western Bank) (“BOC”), and the borrower named above (the “Borrower”) of even date, and all references to “this Loan Agreement” include this Schedule.

1. LOANS, ANCILLARY

SERVICES, CREDIT LIMIT

(Section 1.1). The Loans shall consist of revolving loans (referred to herein as the “Revolving Loans” or “Loans”).

(a) Revolving Loans.

(1) Amount. The Revolving Loans shall be in an amount up to the lesser of the following clauses (a) and (b) (the “Revolving Loan Credit Limit”), less any Reserves:

(a) an amount equal to **\$60,000,000** (the “Maximum Revolving Loan Amount”); provided that the Maximum Revolving Loan Amount may be increased to **\$75,000,000** (such additional \$15,000,000, the “Incremental Amount”) by the Agent, in its sole discretion, upon the successful syndication of this credit facility (which could include the syndication of the Incremental Amount, up to the full \$75,000,000, or any amount in between) (“Successful Syndication”). In no event shall the Incremental Amount be

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deemed an additional commitment by BOC, nor shall Agent or Lenders be obligated to seek a Successful Syndication and Agent and Lenders may do so (or seek from doing so) in their own respective discretion. Any change in the Maximum Revolving Loan Amount to include the Incremental Amount shall be reflected in a written amendment to this Agreement, signed by Agent, Lenders and Borrower.

(b) the sum of the following:

(i) **85%** (an "EBA Advance Rate") of the amount of Eligible Borrower Accounts (as defined in Section 8 of the Loan Agreement).

(ii) **30%** (an "UK Advance Rate" and together with the EBA Advance Rate, the "Advance Rate") of the amount of Eligible UK Accounts (as defined in Section 8 of the Loan Agreement).

Agent may, from time to time, adjust the Advance Rate, in its Good Faith Business Judgment, upon notice to Borrower, based on changes in collection experience with respect to Accounts, or other issues or factors relating to the Accounts or other Collateral or Borrower.

- (2) Revolving Loan Maturity Date. Subject to the terms and conditions of this Loan Agreement, Revolving Loans may be borrowed, repaid and re-borrowed, until the Maturity Date, on which date the entire unpaid principal balance of the Revolving Loans and all accrued and unpaid interest thereon shall be due and payable. After the Maturity Date no further Revolving Loans shall be made.
- (3) 2020 Convertible Note Reserves. In addition to any other Reserves imposed by Agent, during the 2020 Convertible Note Reserve Period, the Agent shall apply a Reserve to the Revolving Loan Credit Limit in an amount equal to the following ("2020 Convertible Note Reserve"):

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Period	Reserve Amount Equal To:
[***] through [***]	[***] of the amount needed to fully retire the outstanding 2020 Convertible Notes
[***] through [***]	[***] of the amount needed to fully retire the outstanding 2020 Convertible Notes
[***] through [***]	[***] of the amount needed to fully retire the outstanding 2020 Convertible Notes
[***] and thereafter	[***] of the amount needed to fully retire the 2020 Convertible Notes

Notwithstanding the foregoing, the 2020 Convertible Note Reserve may be reduced by the amount of Borrower's Liquidity, as of such date.

As used herein, "2020 Convertible Note Reserve Period" means the period commencing on September 15, 2024, through the earlier to occur of (a) the repayment in full of the 2020 Convertible Notes (subject to the satisfaction of any conditions to repayment imposed by this Agreement), and (b) the maturity date thereof.

As used herein, "Liquidity" means, on any date, (i) unrestricted cash and cash equivalents maintained with Lender or Lender's Affiliates at such date, minus (ii) the unrestricted cash needed to satisfy the Minimum Cash financial covenant set forth in Section 5 of the Schedule below, plus (ii) Loans available hereunder on such date (without taking into account 2020 Convertible Note Reserve required above).

(b) Lenders. Each Lender, severally, agrees to lend to the Borrower its Pro Rata Share of Loans hereunder. Initially, the Lenders' Pro Rata Shares of the Loans shall be as follows: BOC: 100%

Ancillary Services Limit: [***].

Overall Credit Limit: Notwithstanding any provisions herein to the contrary, in no event shall the total Obligations (including without limitation the Revolving Loans and Obligations relating to Ancillary Services) at any time outstanding exceed (a) [***] (the "Overall Credit Limit") or (b) upon a Successful Syndication, [***].

2. INTEREST.

Interest Rates (Section 1.2):

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Revolving

Loans: The Revolving Loans shall bear interest at a rate per annum, equal to the sum of (a) Prime Rate in effect from time to time, plus (b) **0.125%**.

Calculations: Interest shall be calculated on the basis of a 360-day year for the actual number of days elapsed. The interest rate applicable to the Obligations shall change on each date there is a change in the Prime Rate. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law.

3. FEES (Section 1.4):

Unused Line Fee: In the event, in any calendar quarter (or portion thereof at the beginning and end of the term hereof), the average daily principal balance of the Revolving Loans outstanding during the month is less than the Maximum Revolving Loan Amount, Borrower shall pay Agent for the benefit of Lenders an unused line fee in an amount equal to **0.15%** per annum on the difference between the Maximum Revolving Loan Amount and the average daily principal balance of the Revolving Loans outstanding during the quarter, which unused line fee shall be computed and paid quarterly, in arrears, on the first day of the following month and upon termination of this Loan Agreement.

Success Fee: In the event Borrower realizes Billings of [***] or more during any twelve-month period ending at the end of any month after the date of this Agreement, Borrower shall pay Agent for the benefit of the Lenders a one-time success fee (the "**Success Fee**") in the amount of [***] within [***] after the end of such month.

As used herein, "Billings" means with respect to any fiscal period, on a consolidated basis, the amounts billed by Borrower to its customers in such period in accordance with its agreements with its customers.

4. MATURITY DATE

(Section 6.1): July 31, 2026.

5. FINANCIAL COVENANTS

(Section 5.1): Borrower shall comply with each of the following covenants. Compliance shall be determined as of the end of each month, except as otherwise specifically provided below:

Minimum Cumulative

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Adjusted EBTIDA: Borrower shall maintain a cumulative minimum Adjusted EBITDA of not less than the following amounts during the following periods:

Period Ended	Minimum Cumulative Adjusted EBITDA (000s omitted) “()” denotes negative Adjusted EBITDA, in which case Minimum Cumulative Adjusted EBITDA cannot exceed (i.e., be more negative than) the negative amounts set forth below
6-months ending June 30, 2024	[***]
9-months ending September 30, 2024	[***]
12-months ending December 31, 2024	[***]

As used herein “Adjusted EBITDA” shall mean, for any applicable period, (a) EBITDA for such period, determined in accordance with GAAP; plus, (b) other fees, costs and expenses permitted by the Agent on a case-by-case basis, minus (c) capitalized software development expenses.

“EBITDA” means with respect to any fiscal period, on a consolidated basis, an amount equal to the earnings of Borrower and its Subsidiaries before the sum of (a) tax, plus (b) depreciation and amortization, plus (c) interest, plus (d) non-cash expenses and charges, including, without limitation, any non-cash stock compensation expenses.

Minimum

Cash: Borrower shall at all times maintain unrestricted cash in demand deposit accounts with Agent of not less than [***], which shall be measured (i) on a monthly basis commencing with the month ending June 30, 2024 and the end of each calendar month thereafter and (ii) in connection with each request for Revolving Loans.

6. REPORTING

(Section 5.3):

Borrower shall provide Agent with the following, all of which shall be in form acceptable to Agent in its Good Faith Business Judgment:

- (a) Monthly accounts receivable agings of Parent and its Subsidiaries (on a consolidated and consolidating basis), aged by invoice date, with borrowing base certificate, within 30 days after

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the end of each month and in connection with each request for Revolving Loan;

- (b) Monthly accounts payable agings of Parent and its Subsidiaries (on a consolidated and consolidating basis), aged by invoice date, and a summary of all FIC Investments made together with the “repayment” status, within 30 days after the end of each month;
- (c) Quarterly unaudited financial statements of Parent and its Subsidiaries (on a consolidated and consolidating basis), on a consolidated and consolidating basis, as soon as available, and in any event within 45 days after the end of fiscal quarter;
- (d) Annual operating budgets and financial projections of Parent and its Subsidiaries (on a consolidated and consolidating basis) (including income statements, balance sheets and cash flow statements, by month) for each fiscal year of Parent and its Subsidiaries, on a consolidated and consolidating basis, within 60 days after the beginning of such fiscal year, approved by Borrower’s board of directors;
- (e) Annual financial statements of Parent and its Subsidiaries (on a consolidated and consolidating basis), as soon as available, and in any event within 90 days following the end of Parent’s fiscal year, certified by, and with an unqualified opinion of, independent certified public accountants of nationally recognized standing or otherwise reasonably acceptable to Agent;
- (f) Each of the monthly reports in subsection (a) and the financial statements in subsection (e) above shall be accompanied by Compliance Certificates, in the form of Exhibit D hereto, signed by the Chief Financial Officer of Borrower, certifying that as of the end of such period Borrower was in full compliance with all of the terms and conditions of this Loan Agreement, and setting forth calculations and accompanied by supporting documentation showing compliance with the financial covenants set forth in this Agreement and such other information as Agent shall reasonably request;
- (g) promptly upon receipt, each management letter prepared by Borrower’s independent certified public accounting firm regarding Borrower’s management control systems;
- (h) such budgets, sales projections, operating plans or other financial information generally prepared by Borrower in the ordinary course of business as Agent may reasonably request from time to time; and
- (i) within 30 days of the last day of each fiscal quarter, a report signed by Borrower, in form reasonably acceptable to Agent, listing any applications or registrations that Borrower has made or filed in respect of any Patents, Copyrights or Trademarks and the status of

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any outstanding applications or registrations, as well as any material change in Borrower's Intellectual Property, including but not limited to any subsequent ownership right of Borrower in or to any Trademark, Patent or Copyright not specified in exhibits to any Intellectual Property Security Agreement delivered to Agent by Borrower in connection with this Loan Agreement;

- (j) Promptly (and in any event within two Business Days), notice in writing of the occurrence of any Default or Event of Default;
- (k) Promptly (and in any event within two Business Days), notice in writing of any matter that has resulted or could reasonably be expected to result in a Material Adverse Change; and
- (l) Promptly (and in any event within two Business Days), notice in writing of the threat or institution of, any material development in, any claim, suit, litigation, proceeding or investigation which could reasonably be expected to result in a Material Adverse Change.

7. BORROWER INFORMATION:

Borrower represents and warrants that the information set forth in the Borrower Information Certificates, each dated February 6, 2024, previously submitted to Agent (the "Representations") is true and correct as of the date hereof.

8. ADDITIONAL PROVISIONS:

- (a) **Additional Conditions Precedent.** In addition to any other conditions to the first disbursement of the Loans set forth in this Loan Agreement, the first disbursement of the Loans after the date hereof, is subject to the following additional conditions precedent:
 - (1) **Insurance Requirements.** In addition to the post-closing insurance requirements set forth below, Agent shall have received with the following with respect to the insurance requirements in Section 5.2 of this Loan Agreement:
 - (i) **Property Insurance.** An Accord Form 28 showing evidence of property insurance, naming Agent as a certificate holder.

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- (ii) **Liability Insurance.** An Accord Form 25 showing Agent as a certificate holder.
- (iii) **Insurance Companies.** All insurance required pursuant to this Loan Agreement shall be issued by insurance companies in good standing with a current rating of A- or better by A.M. Best Company and a Financial Size Category of VIII or higher.
- (iv) **Name and Address.** The Agent name and address format on all insurance related documentation shall be as follows:

Banc of California, a California state-chartered bank (formerly known as Pacific Western Bank), its successors and assigns, as agent
 555 S. Mangum Street, Suite 1000
 Durham, North Carolina 27701
 Attn: Loan Operations Department

- (b) **Deposit Accounts.** Borrower shall at all times maintain all of its Deposit Accounts and all of its investment accounts with BOC; provided that:

- (1) Borrower may maintain up to a total not to exceed [***] in Deposit Accounts at other institutions in the United States (including amounts held in the Permitted HNB Accounts and Borrower's PayPal account), in each case, subject to a control agreement among Borrower, such institution and Agent, in form and substance satisfactory to Agent in its Good Faith Business Judgment, within the time-frame specified herein, if any; provided that a control agreement for Borrower's PayPal account shall not be required hereunder so long as the balance does not exceed [***];
- (2) for a Borrower joining the Loan Agreement after the date hereof, additional time may be granted to obtain such control agreements, as set forth in the terms of such joinder agreement; and
- (3) Borrower may maintain Huntington National Bank accounts holding no more than [***] in the aggregate, at any time ("Permitted HNB Accounts"); provided that Borrower has caused Huntington National Bank to execute a control agreement over the Permitted HNB Accounts, in favor of Agent, in form sufficient to perfect Agent's security interest in the Deposit Account for the benefit of Agent and Lenders and otherwise satisfactory to Agent in its Good Faith Business Judgment.

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(c) **Foreign Subsidiaries; Foreign Assets.**

- (1) **Representations.** Borrower represents and warrants that it has no partially-owned or wholly-owned Subsidiaries which are not Borrowers hereunder, except for Subsidiaries organized under the laws of a jurisdiction other than the United States or any state or territory thereof or the District of Columbia (“Foreign Subs”), which are as follows: (i) Cardlytics UK Limited, a company organized under the laws of England and Wales (the “UK Sub”), and (ii) a wholly-owned subsidiary to be organized under the laws of the Republic of India (the “Indian Sub”).
- (2) **Investments.** Borrower may make Investments in the Foreign Subs, in an aggregate amount not to exceed the amount necessary to fund the current operating expenses of the Foreign Subs (taking into account their revenue from other sources); provided that the total of such investments and loans in any fiscal year to all such Foreign Subs shall not exceed [***]. The foregoing shall constitute “Permitted Investments” for purposes of this Loan Agreement.
- (3) **Foreign Assets.** Borrower covenants that the total amount maintained by Borrower in foreign bank accounts owned by Borrower shall not, at any time, exceed [***]. Borrower shall not permit any of the assets of any of the Foreign Subs to be subject to any security interest, lien or encumbrance, except for Liens that would be Permitted Liens if the Foreign Sub was a Borrower hereunder (other than Liens securing Indebtedness for borrowed money), and Borrower shall not agree with any other Person to restrict its ability to cause a Foreign Sub to grant any security interest in, or lien or encumbrance on, its assets.
- (4) **Intellectual Property.** Borrower covenants that it has and shall continue to cause Indian Sub to transfer title to all Intellectual Property developed by, owned, or transferred to, Indian Sub, to Borrower for registration in the United States. At no time shall Indian Sub hold title to Intellectual Property material to the business of Borrower and its Subsidiaries.
- (5) **UK Sub Guaranty and Security Interest.** In order for Eligible UK Accounts to be being included in clause (b)(ii) of the definition of Revolving Loan Credit Limit, Borrower has caused UK Sub to execute and deliver to Agent, for the benefit of the Lenders, (i) a Continuing Guaranty of the Obligations, in such form as Agent shall specify in its Good Faith Business Judgment, and (ii) a Security Agreement with respect to all of UK Sub’s assets securing such Continuing

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Guaranty of the Obligations, in such form as Agent shall specify in its Good Faith Business Judgment. Throughout the term of this Loan Agreement Borrower shall cause such Guaranty and Security Agreement to continue in full force and effect.

- (d) **Opinions of Counsel.** Concurrently with the execution of this Agreement, Agent shall have received a legal opinion from the counsel to the Loan Parties, addressed to the Agent for the benefit of the Agent and the Lenders, and in form and substance reasonably satisfactory to the Agent. Borrower's failure to cause such legal opinion to be delivered to Agent as provided for above shall constitute an immediate Event of Default hereunder. Without limiting the generality of the foregoing, such legal opinion shall opine as to, among other things, (i) Borrower being duly organized, validly existing, and in good standing under the laws of its state of organization and having all requisite legal power and authority to enter into and perform under the Loan Documents, (ii) Borrower being duly qualified to own and operate its properties and assets and to carry on its businesses as they are currently being conducted and as they are contemplated to be conducted pursuant to the terms of the Loan Documents, and being in good standing in each jurisdiction where the conduct of its businesses or the ownership or operation of its properties and assets makes such qualification necessary, (iii) the Loan Documents, to the extent Borrower is a party thereto, having been duly authorized by all necessary corporate or limited liability company action (as the case may be) on the part of Borrower, under the laws of its state of organization, and have been duly executed and delivered by Borrower, (iv) the Loan Documents, to the extent Borrower is a party thereto, constituting the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency and other similar laws affecting creditors generally, (v) the execution, delivery, and performance of the Loan Documents by Borrower, to the extent it is a party thereto, the compliance with the terms and conditions thereof, and the consummation of the transactions contemplated thereby, do not and will not conflict with, result in a breach of, or constitute a default under (a) any statute, rule, or regulation applicable to Borrower; (b) the certificate of incorporation or operating agreement (as the case may be) of Borrower or its other organizational documents; or (c) to the best of such counsel's knowledge, any material agreement to which Borrower is a party or by which it or its assets are bound, or any order, judgment, or decree which is binding on Borrower and (vi) to the best of such counsel's knowledge, there are no actions,

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suits, proceedings, or investigations pending or threatened against Borrower. The foregoing list does not constitute an exclusive list, and there may be other matters upon which Agent will request the counsel to provide an opinion.

- (e) **Extensions of Deadlines.** Deadlines for actions by Borrower to complete matters set forth in this Section 8 after the date hereof may be extended by Agent from time to time in its sole discretion, provided such extension is in a written extension signed by Agent and delivered to Borrower. The granting of any such extension shall not be deemed to imply any agreement to provide any further extensions.

[Signatures on Next Page]

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Borrower:
CARDLYTICS, INC.

Agent and Lender:
BANC OF CALIFORNIA

By: /s/ Nick Lynton
Name: Nick Lynton
Title: Chief Legal and Privacy Officer

By: /s/ Samantha Mertzel
Name: Samantha Mertzel
Title: Senior Vice President

[Signature Page—Schedule to Amended and Restated Loan and Security Agreement]

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Exhibit A
Agented Credit Provisions

[to be attached]

Exhibit B**Notice of Borrowing***[To be printed on Borrower's letterhead]***Request for Loan**

Date: _____, 20__

Banc of California, a California state-chartered bank (formerly known as Pacific Western Bank)
 555 S. Mangum Street, Suite 1000
 Durham, North Carolina 27701
 Attn: Loan Operations Department

Ladies and Gentlemen:

Reference is made to the Amended and Restated Loan and Security Agreement dated as of September 30, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") by and between CARDLYTICS, INC. ("Borrower"), BANC OF CALIFORNIA, a California state-chartered bank (formerly known as Pacific Western Bank), as administrative and collateral agent for the Lenders, as defined below ("Agent"), and BANC OF CALIFORNIA, a California state-chartered bank (formerly known as Pacific Western Bank) ("Lender"). Capitalized terms used but not defined herein shall have the meanings given such terms in the Loan Agreement. Pursuant to the Loan Agreement, Borrower gives notice that it hereby requests a Loan under the Loan Agreement in the amount of \$ _____ on _____, 20__.

The Borrower hereby certifies that the representations and warranties contained in the Loan Agreement and in each other Loan Document, certificate or other writing delivered to the Agent and Lenders pursuant thereto are true and correct in all material respects on and as the date first above written (other than those which expressly relate only to a specific earlier date), and no Default or Event of Default has occurred and is continuing as of the date hereof or would result from such requested Loan requested hereby or from the application of proceeds thereof.

The proceeds of the Loan requested hereby should be transmitted to Borrower in accordance with the following wire transfer instructions:

Bank Name
City, State & ZIP
ABA Routing No.
Account Name:
Account No:
Amount:
Reference:

Very truly yours,

Cardlytics, Inc.

By: /s/ Nick Lynton
Name: Nick Lynton
Title: Chief Legal and Privacy Officer

Exhibit C
Existing Investments

Exhibit D
Form of Compliance Certificate

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Amit Gupta, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cardlytics, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 6, 2024

By: /s/ Amit Gupta
Amit Gupta
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Alexis DeSieno, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cardlytics, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 6, 2024

By: /s/ Alexis DeSieno
Alexis DeSieno
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATIONS OF
PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Amit Gupta, Chief Executive Officer and Alexis DeSieno, Chief Financial Officer of Cardlytics, Inc. (the "Company") each hereby certifies that, to the best of his and her knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2024 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2024

By: /s/ Amit Gupta
Amit Gupta
Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2024

By: /s/ Alexis DeSieno
Alexis DeSieno
Chief Financial Officer
(Principal Financial and Accounting Officer)

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this Report, irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.