



First Quarter 2019 Earnings Presentation

MAY 2019

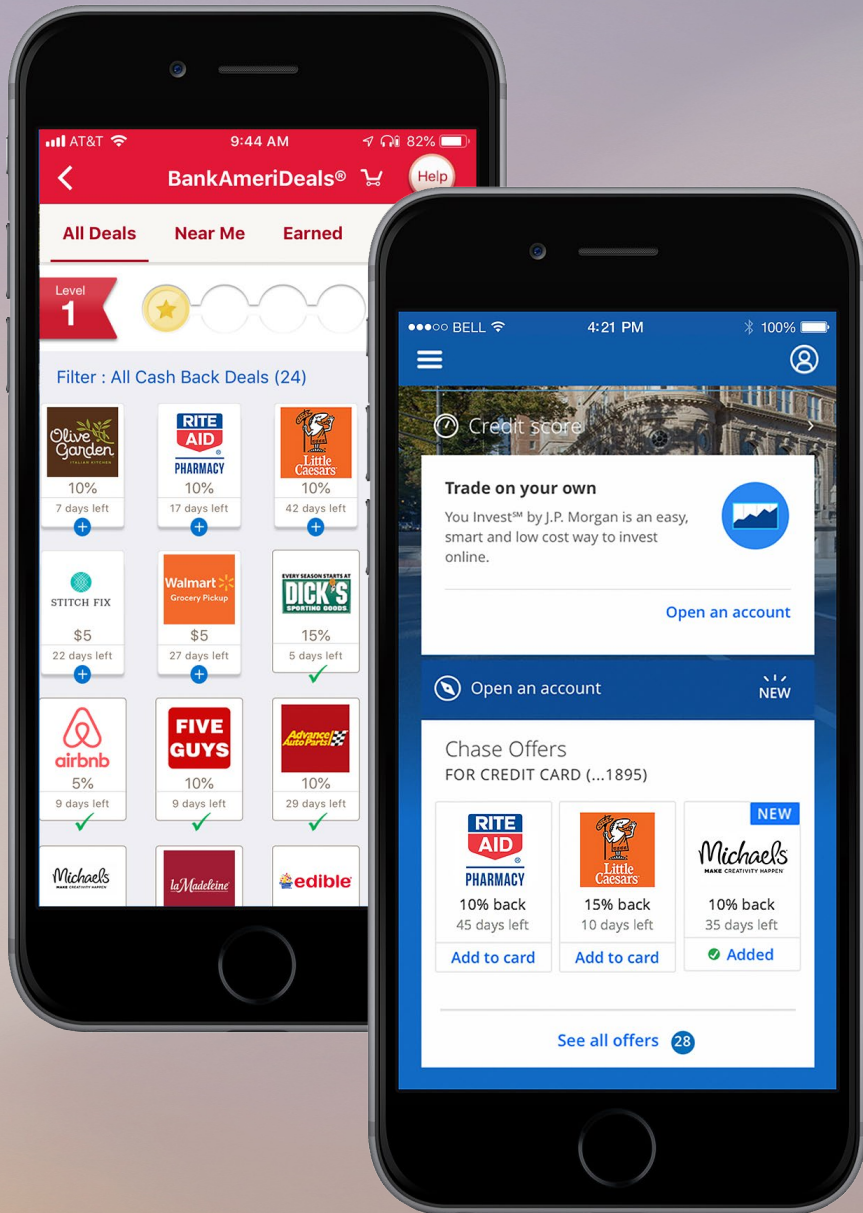
Disclaimer

This presentation includes forward-looking statements. All statements contained in this presentation other than statements of historical facts, including statements regarding future results of operations and the financial position of Cardlytics, Inc. (“Cardlytics,” “we,” “us” or “our”), our business strategy and plans, our objectives for future operations, including our long-term model, our target adjusted EBITDA in 2020 and our target MAUs and ARPU in 2021 and our financial guidance for the quarter ended June 30, 2019 and the year ended December 31, 2019 are forward-looking statements. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “will” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks and uncertainties. The future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. We are under no duty to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations, except as required by law.

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



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



Cardlytics provides a scaled solution based on purchase intelligence



>108M
MONTHLY ACTIVE USERS



\$2.4T
IN ANNUAL SPEND



2 IN 5
CARD SWIPES

DISTINCTIVE BENEFITS FOR MARKETERS

Reach valuable banked customers

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

Market to the most valuable customers based on their actual spending

Drive in-store and online traffic

Closed-loop solution measures marketing results to the penny



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

ACCELERATE TOP-LINE GROWTH

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

DEMONSTRATE OPERATING LEVERAGE

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

EVOLVE THE PLATFORM

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

Estimated FY 2020

Positive adjusted EBITDA in 2020 through exhibited operating leverage*

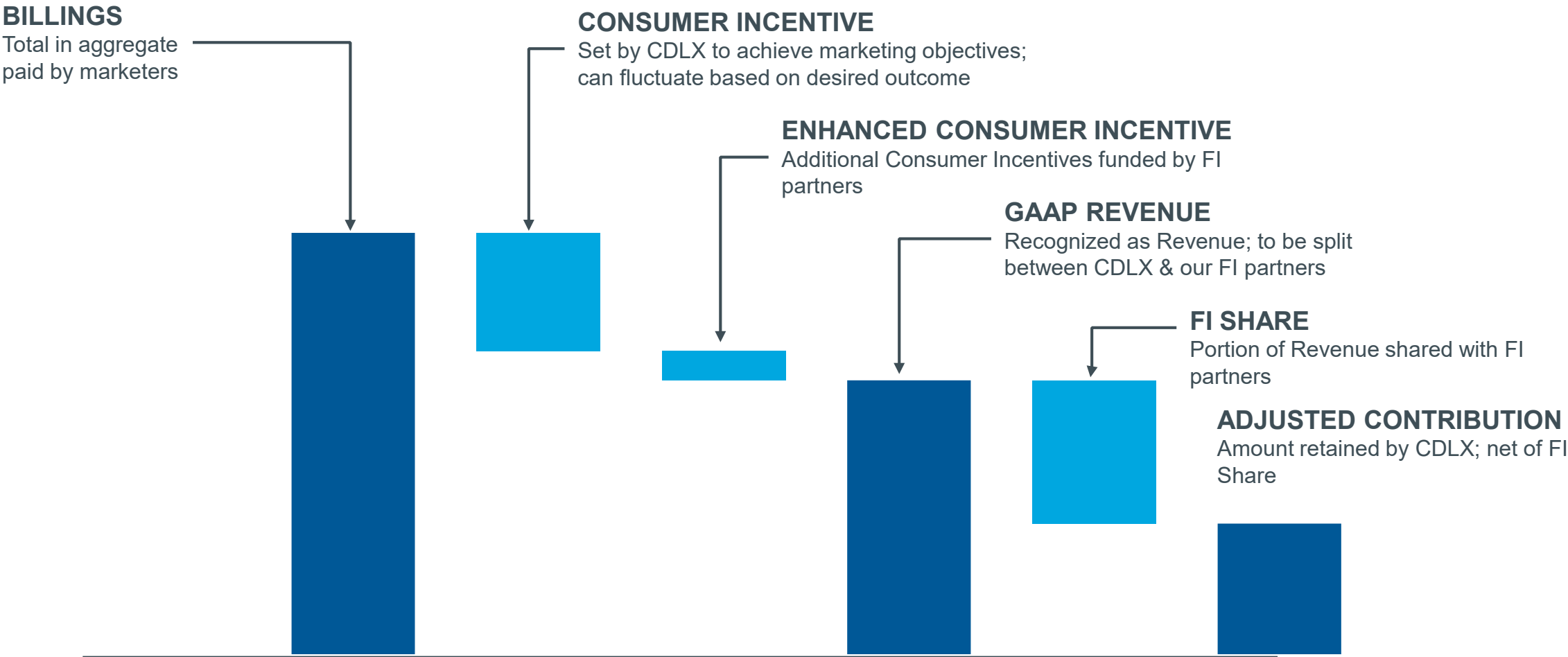
Estimated FY 2021

A return to normalized ARPU levels by the end of 2021

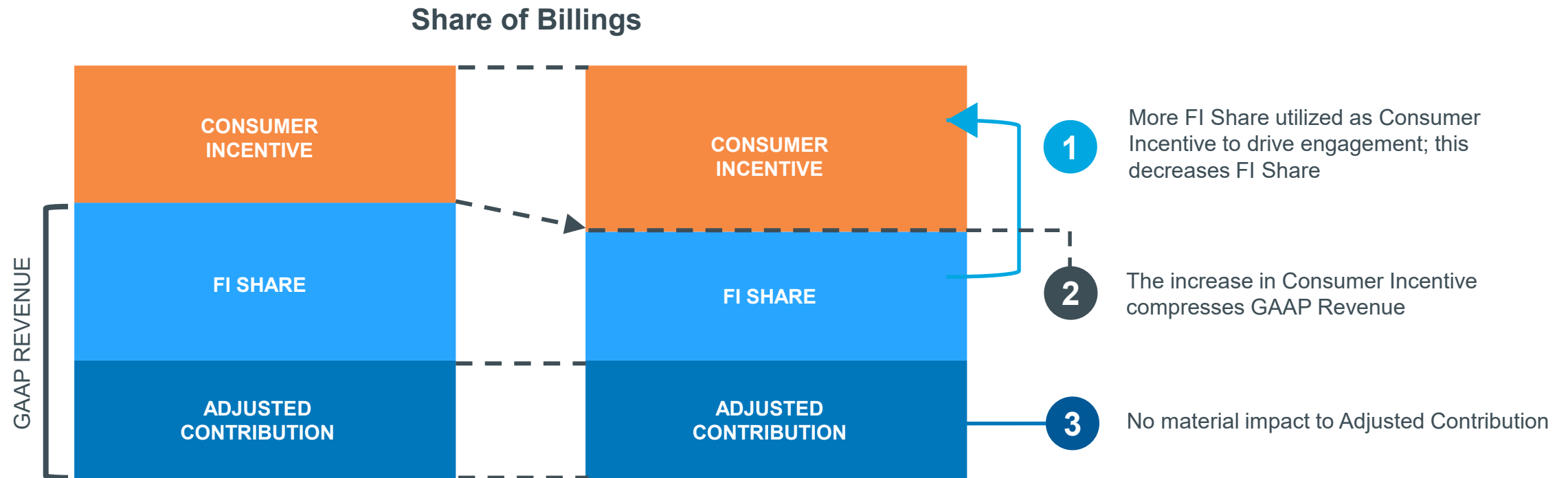
* A reconciliation of non-GAAP adjusted EBITDA to GAAP net loss on a forward-looking basis is not available without unreasonable efforts due to the high variability, complexity and low visibility with respect to the items excluded from this non-GAAP measure.



Billings and Adjusted Contribution best reflect performance



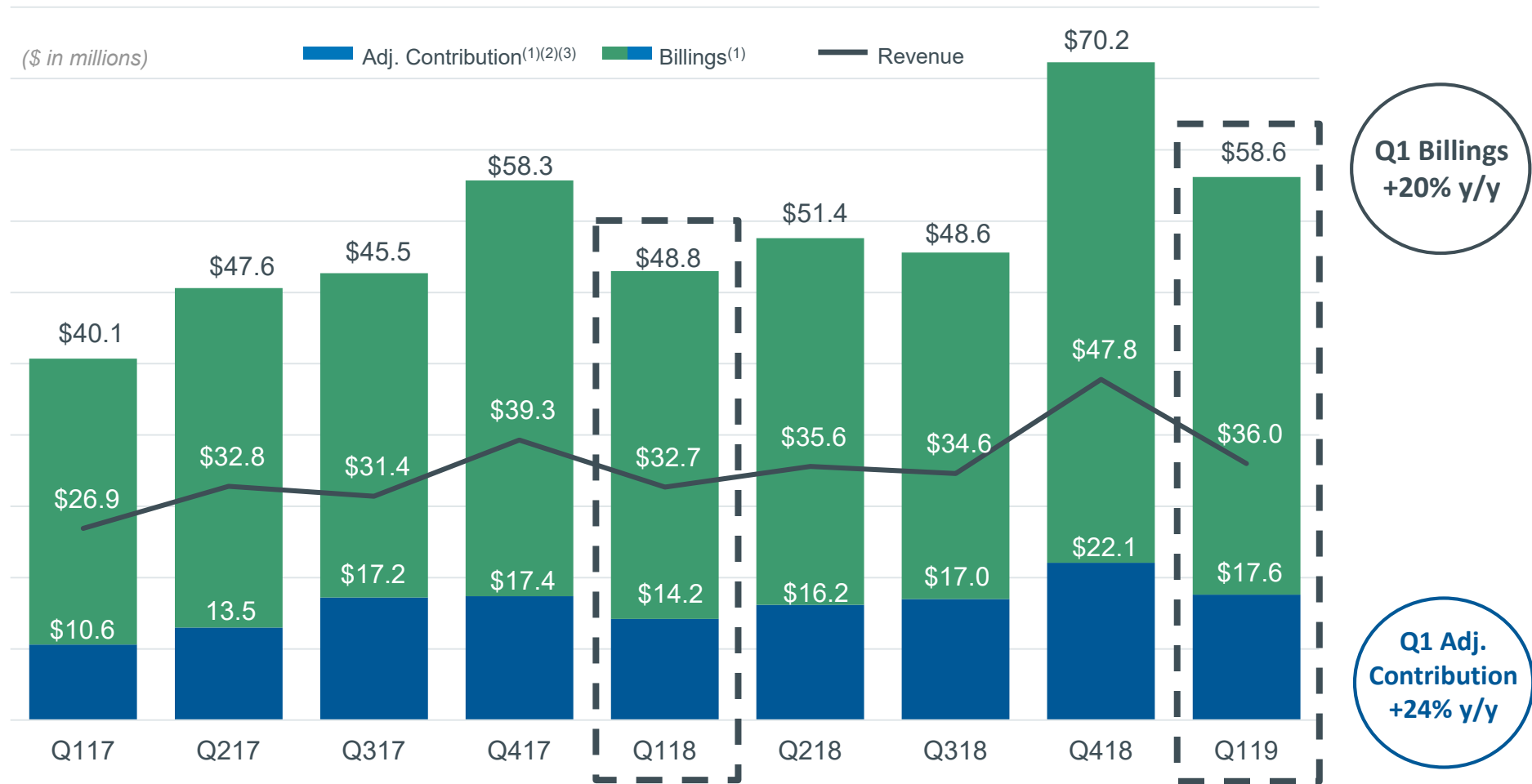
In Q1 2019, more Consumer Incentives were funded by FI Share, reducing Revenue growth without materially impacting Adjusted Contribution



Financial Information and Operating Metrics



Positive year-over-year growth



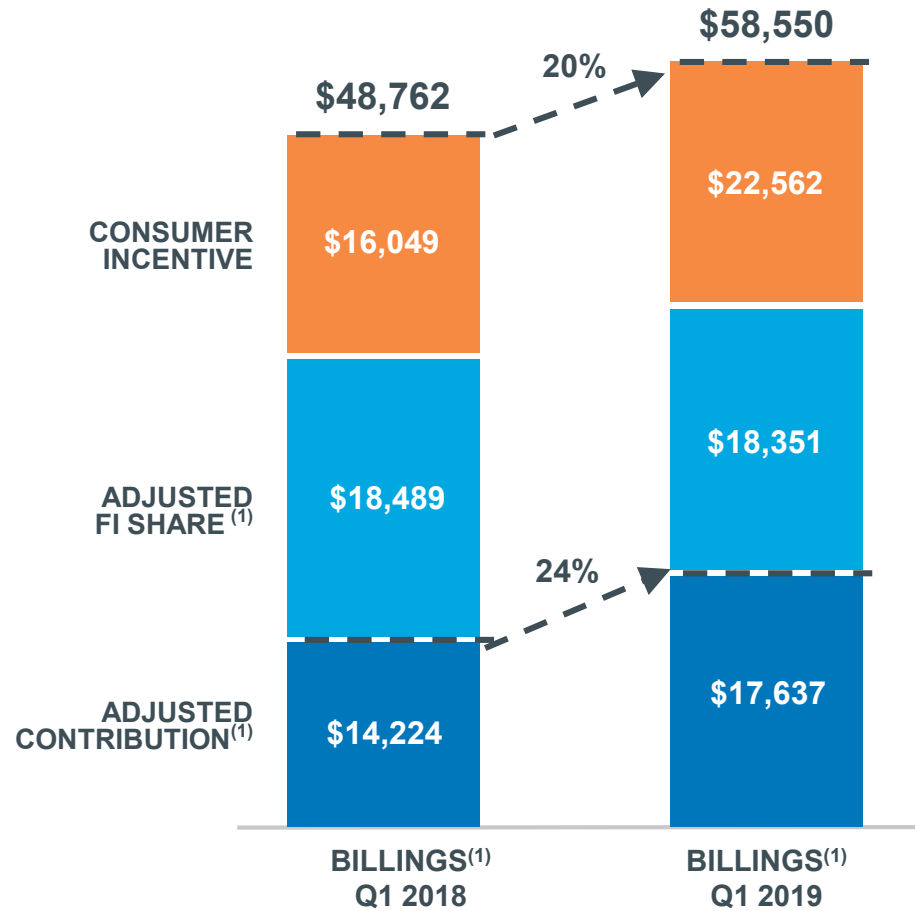
(1) Adjusted contribution and billings are non-GAAP measures. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included in the appendix to this presentation.

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

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



Q1 2019 results



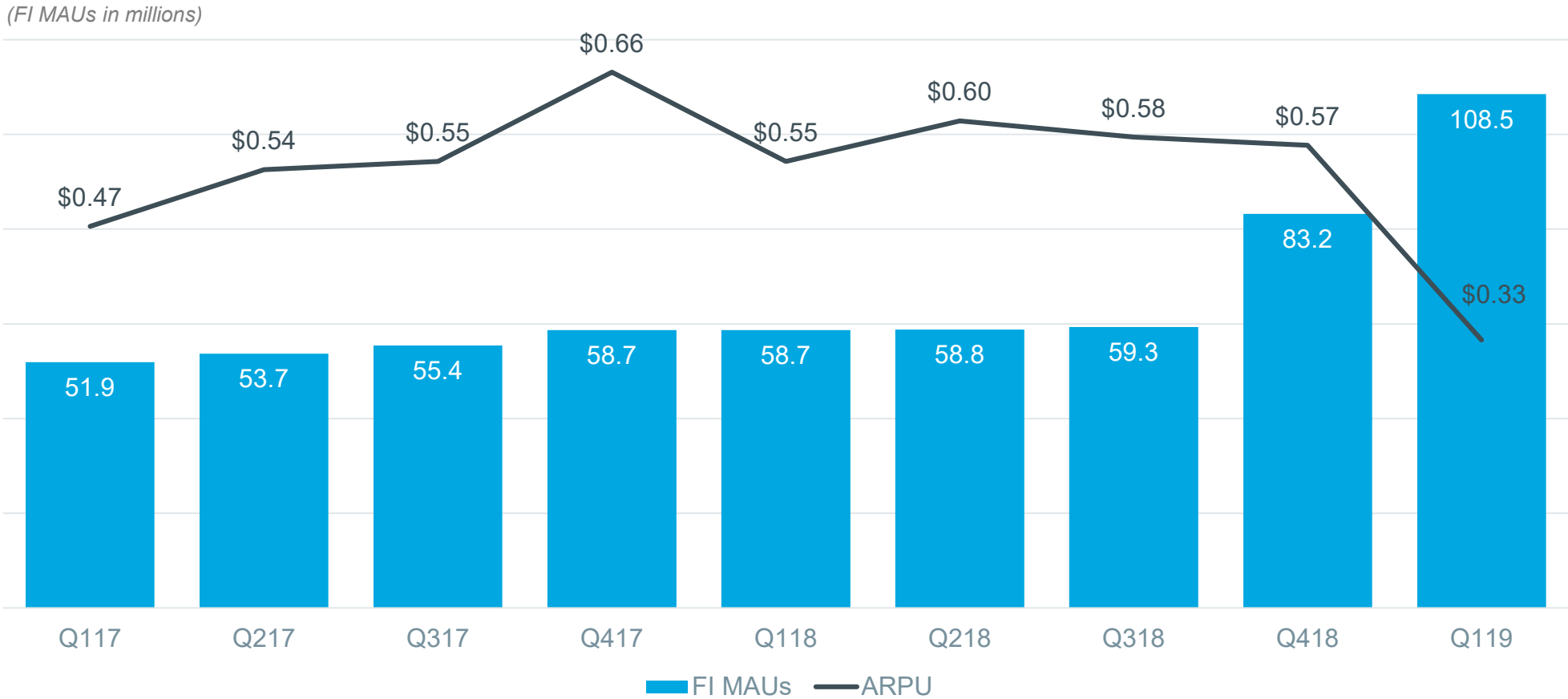
(\$ in thousands)

	Three Months Ended March 31,		Change	
	2018	2019	\$	%
Billings⁽¹⁾	\$ 48,762	\$ 58,550	\$ 9,788	20%
Consumer Incentives	16,049	22,562	6,513	41
Revenue	32,713	35,988	3,275	10
Adjusted FI Share and other third-party costs ⁽¹⁾	18,489	18,351	(138)	(1)
Adjusted Contribution⁽¹⁾	\$ 14,224	\$ 17,637	\$ 3,413	24%

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



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



Q1 2019 Results

(\$ in thousands, except EPS and ARPU)

Three Months Ended March 31,

	2018	2019	Change	Change (%)
BILLINGS⁽¹⁾	\$48,762	\$58,550	\$9,788	20.1%
Customer Incentives	16,049	22,562	6,513	40.6%
REVENUE	32,713	35,988	3,275	10.0%
ADJUSTED CONTRIBUTION⁽¹⁾	14,224	17,637	3,413	24.0%
Net loss attributable to common stockholders	(20,212)	(6,314)	13,898	---
Net loss per share (EPS)	(\$1.54)	(\$0.28)	\$1.26	---
ADJUSTED EBITDA⁽¹⁾	(\$3,076)	(\$3,179)	(\$103)	---
Adjusted EBITDA margin ⁽¹⁾	(9.4%)	(8.8%)	---	---
Non-GAAP net loss ⁽¹⁾	(6,147)	(5,097)	1,050	---
Non-GAAP net loss per share ⁽¹⁾	(\$0.35)	(\$0.23)	\$0.12	---
FI MAUs (<i>in millions</i>)	58.7	108.5	49.8	84.8%
ARPU	\$0.55	\$0.33	(\$0.22)	(39.6%)

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



Guidance

(\$ in millions)	Q2 2019	FY 2019
Billings⁽¹⁾	\$61.0 – \$66.0	\$270.0 – \$290.0
Revenue	\$42.0 – \$45.0	\$175.0 – \$190.0
Adjusted Contribution⁽²⁾	\$19.0 – \$21.0	\$83.0 – \$88.0
Adjusted EBITDA⁽³⁾	\$(4.0) – \$(3.0)	\$(8.0) – \$(5.0)

(1) A reconciliation of billings to GAAP revenue on a forward-looking basis is presented in appendix to this presentation under the heading "Reconciliation of Forecasted GAAP Revenue to Billings."

(2) A reconciliation of non-GAAP adjusted contribution to GAAP revenue on a forward-looking basis is presented in appendix to this presentation under the heading "Reconciliation of Forecasted GAAP Revenue to Adjusted Contribution."

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



Appendix



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

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



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

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

- (1) Adjusted contribution includes the impact of an accrued expense totaling \$1.5 million during both the first and second quarters of 2017 related to an expected shortfall in meeting a minimum FI Share commitment. The accrued expense was reversed during the third quarter of 2017, resulting in a non-cash gain totaling \$3.0 million.
- (2) Adjusted contribution includes the impact of a \$0.8 million gain during the third quarter of 2018 related to the renewal of our agreement with Lloyds, which contains certain amendments that are retroactively applied as of January 1, 2018.
- (3) The following table presents a reconciliation of adjusted FI Share and other third-party costs to FI Share and other third-party costs, the most directly comparable GAAP measure, for each of the periods indicated (in thousands):

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



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

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

- (1) Adjusted EBITDA includes the impact of an accrued expense totaling \$1.5 million during both the first and second quarters of 2017 related to an expected shortfall in meeting a minimum FI Share commitment. The accrued expense was reversed during the third quarter of 2017, resulting in a non-cash gain totaling \$3.0 million.
- (2) Adjusted EBITDA includes the impact of a \$0.8 million gain during the third quarter of 2018 related to the renewal of our agreement with Lloyds, which contains certain amendments that are retroactively applied as of January 1, 2018.



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

	Three Months Ended March 31,	
	2019	2018
Net loss	\$ (6,314)	\$ (20,055)
Plus:		
Stock-based compensation expense	1,708	2,900
Non-cash equity expense included in FI Share	—	2,519
Change in fair value of warrant liabilities, net	—	9,172
Foreign currency gain	(491)	(683)
Non-GAAP net loss	\$ (5,097)	\$ (6,147)
Weighted-average number of shares of common stock used in computing non-GAAP net loss per share:		
GAAP weighted-average common shares outstanding, diluted	22,503	13,093
Weighted-average preferred shares, assuming conversion	—	4,494
Non-GAAP weighted-average common shares outstanding, diluted	22,503	17,587
Non-GAAP net loss per share attributable to common stockholders, diluted	\$ (0.23)	\$ (0.35)



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

	Q2 2019 Guidance	FY 2019 Guidance
Revenue	\$42.0 - \$45.0	\$175.0 - \$190.0
Plus:		
Consumer Incentives	\$16.0 - \$24.0	\$80.0 - \$115.0
Billings	\$61.0 - \$66.0	\$270.0 - \$290.0

CARDLYTICS, INC.
RECONCILIATION OF FORECASTED GAAP REVENUE TO ADJUSTED CONTRIBUTION (UNAUDITED)
(Amounts in millions)

	Q2 2019 Guidance	FY 2019 Guidance
Revenue	\$42.0 - \$45.0	\$175.0 - \$190.0
Minus:		
Adjusted FI Share and other third-party costs ⁽¹⁾	\$21.0 - \$27.0	\$87.0 - \$107.0
Adjusted contribution	\$19.0 - \$21.0	\$83.0 - \$88.0

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



