

REFINITIV

DELTA REPORT

10-K

CDLX - CARDLYTICS, INC.

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	4972
CHANGES	281
DELETIONS	2512
ADDITIONS	2179

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

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

For the fiscal year ended **December 31, 2022** **December 31, 2023**
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_logo18.jpg

CARDLYTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

26-3039436

(State or other jurisdiction of incorporation or organization)

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

675 Ponce de Leon Ave. NE, Ste 6000 Suite 4100

Atlanta

Georgia

30308

(Address of principal executive offices, including zip code)

(888)

792-5802

(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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	☒	Accelerated Filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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 **June 30, 2022** **June 30, 2023**, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting stock held by non-affiliates of the registrant was **\$713.1 million** **\$232.5 million** based upon the closing sale price of our common stock on that date.

As of **February 28, 2023** **February 29, 2024**, there were **33,605,769** **44,109,102** shares outstanding of the registrant's common stock, par value \$0.0001 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement, to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, for its **2023** **2024** Annual Meeting of Stockholders are incorporated by reference in Part III of the Form 10-K. Such definitive proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended **December 31, 2022** **December 31, 2023**.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Annual Report") contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), that reflect our current expectations regarding future events, our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management. Forward-looking statements include any statement that does not directly relate to a current or historical fact. In some cases, you can identify forward-looking statements by the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "objective," "ongoing," "plan," "predict," "project," "potential," "should," "will," "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "objective," "ongoing,"

"plan," "predict," "project," "potential," "should," "will," or "would," "would," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. The forward-looking statements and opinions contained in this Annual Report are based upon information available to us as of the date of this Annual Report and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements include statements about:

- our ability to continue to add new financial institution partners ("FI" FI partners) partners, merchant data partners and marketers and maintain our relationships with existing FI partners, merchant data partners and marketers;
- with respect to the Cardlytics platform, our ability to increase FI partner customer engagement from new and existing FI partners;
- our ability to increase revenue from new and existing marketers in both new and existing industries;
- the effects of increased competition as well as innovations by new and existing competitors in our market;
- our ability to adapt to technological change and effectively enhance, innovate and scale our solutions;
- our ability to effectively manage or sustain our growth and to sustain profitability;
- potential acquisitions and integration of complementary businesses and the integrations of Bridg, Dosh and Entertainment; businesses;
- our ability to capture synergies with acquired companies;
- our ability to maintain, or strengthen awareness of, our brand;
- perceived or actual integrity, reliability, quality or compatibility problems with our solutions, including related to unscheduled downtime or outages;
- future revenue, hiring plans, expenses, capital expenditures, capital requirements and stock performance;
- our ability to attract and retain qualified employees and key personnel and further expand our overall headcount;
- our ability to grow our business;
- our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business both in the United States and internationally;
- our ability to maintain, protect and enhance our intellectual property;
- costs associated with defending intellectual property infringement and other claims;
- the future trading prices of our common stock and the impact of securities analysts' reports on these prices;
- the continued impact of the worldwide COVID-19 pandemic and related global economic uncertainty macroeconomic developments on our business results and operations as well as the business or operations of operations our FI partners and financial condition; other third parties with whom we conduct business; and
- other risks detailed below in Item 1A. "Risk "Risk Factors."

You should refer to Item 1A. "Risk Factors" "Risk Factors" section of this Annual Report for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Annual Report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Annual Report.

Except as otherwise indicated herein or as the context otherwise requires, references in this Annual Report to "Cardlytics," "Cardlytics," the "company," "we," "us," "our" "company," "we," "us," "our" and similar references refer to Cardlytics, Inc. and, unless the context otherwise requires, its consolidated subsidiaries.

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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 "Risk Factors." These risks include, among others, the following:

Risks Related to our Business and Industry

- Unfavorable conditions, including inflationary pressures, 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.
- If we are unable to successfully integrate Dosh's, Bridg's and Entertainment's businesses and employees, it could have an adverse effect on our future results and the market price of our common stock.
- The amount we will have to pay in connection with the acquisition of Bridg has not been conclusively determined, and it may be materially larger than we expect.
- The ongoing COVID-19 pandemic could materially and adversely affect our business, results of operations and financial condition.

Risks Related to our Outstanding Convertible Senior Notes

- 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.
- We are subject to counterparty risk with respect to the Capped Calls.

Risks Related to Regulatory and Intellectual Property Matters

- Legislation We and regulation of online businesses, including our FI partners are subject to stringent and changing privacy and data protection regimes, are expansive, not clearly defined security laws, rules, contractual obligations, self-regulatory schemes, government regulation, policies and rapidly evolving. Such regulation 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 create unexpected costs, 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 enforcement actions for compliance failures, significant fines and liability or restrict portions of otherwise adversely affect our business or cause us to change our business model. 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 acquiring 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.

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PART I.

ITEM 1. BUSINESS

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 include 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 in a privacy-protective manner, to perform analytics and targeted loyalty marketing and also enable marketers to 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 are 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.

Our purchase intelligence, coupled with our access to customers using our and our partners' partners' digital channels, enables us to help solve fundamental problems for marketers. Marketers increasingly have access to data on the purchase behavior of their customers in their own stores, websites and loyalty programs. However, they lack insight into their customers' purchase behavior outside of their stores and websites, as well as the purchase behavior of individuals who are not yet their customers. The reality is, no matter how robust their own customer data, marketers only see a small portion of their customers' overall spending patterns. As a result, it is difficult for businesses to focus their marketing investments on the most valuable customers. With the Cardlytics platform, 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. With the Bridg platform, we enable marketers to leverage their own POS data and reach their customers across a wide variety of digital advertising channels that they would not otherwise be able to identify and reach. Marketers are also challenged to measure the performance of their marketing. This issue is particularly acute with respect to measuring the impact of marketing on in-store sales, where the vast majority of consumer spending occurs. We believe our platforms transform purchase data into purchase intelligence, creating a disruptive opportunity to comprehensively address these challenges by enabling marketers to precisely measure how marketing drives both in-store and online sales through closed closed loop-measurement."

Solutions

The Cardlytics Platform

Through the Cardlytics platform, marketers can deliver advertising content to customers that allows them to earn rewards, which are funded with a portion of the fees we collect from marketers. Additionally, the Cardlytics platform benefits customers and enhances their overall experience by showing them relevant advertisements tailored to their spending

patterns and specific interests. We maintain similar platforms the Cardlytics platform in both the United States ("U.S.") and United Kingdom ("U.K.).

The Cardlytics platform helps marketers find potential new customers that are active in their category but not currently shopping with them, or to grow their business with existing customers. Our marketing is targeted and measured based on actual purchase data at a customer and account level. Unlike many other measurement solutions on which the marketing industry has historically relied, our measurements are not probabilistic or based on models, but are based on actual in-store and online purchases.

The breadth of our network of FI partners means that we are able to offer marketers the ability to optimize their marketing efforts to reach a large number of consumers through a single point of contact. The Cardlytics platform also provides our marketers a scalable solution for driving customer loyalty and engagement whereby Cardlytics handles everything from contracting with marketers and creating, managing and reporting performance of their campaigns to attributing incentives to each of our partners' customers.

The Cardlytics platform helps solve fundamental problems for our FI partners. Leveraging our powerful predictive analytics, we create compelling rewards that have the potential to drive deeper and more sustained use of the FI's digital channels, which we believe reduces customer attrition and increases use of the FIs' FI partners' credit and debit cards. Today, our FI partners include Bank of America, National Association ("Bank of America"), JPMorgan Chase Bank, National Association ("Chase") and Wells Fargo Bank, National Association ("Wells Fargo Fargo"), as well as many other national and regional financial institutions, financial technology companies and virtual-only banks. We also partner with several of the largest bank processors and digital banking providers to help us reach customers of small and mid-sized FIs. FI partners.

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The Bridg Platform

The Bridg platform is a customer data platform that utilizes POS data from our merchant data partners, including product-level purchase data to enable marketers to perform analytics and targeted loyalty marketing in a privacy protected manner, marketing. Bridg also enables marketers to measure the impact of their marketing. The Bridg platform's unique ability to identify, understand, and engage previously unreachable in-store customers is made possible through industry leading identity resolution, proprietary census of identity and characteristics, and unique strategic data partnerships. In 2023, we launched an additional product offered through the Bridg platform, Rippl, a data and media network. This product is a unique solution that unlocks profitable retail media partnerships for regional grocers, brands, and consumer packaged goods companies by leveraging first-party customer data in order to strengthen targeting capability for retail media purposes.

Purchase Intelligence

Purchase Data from our FI Partners

Purchase data from our FI partners provides a secure view into where and when consumers are spending their money. The Cardlytics platform aggregates and analyzes purchase data without any personally identifiable information ("PII") leaving the FI or partners or otherwise being made available to us. The data from provided by the FI partner is anonymized so that it cannot be associated with any one individual. In the U.S., the Cardlytics platform ingests approximately one in every two debit and credit card transactions. This data allows us to serve relevant advertisements to our FI partners' customers through our native bank advertising channel. We also leverage the power of purchase intelligence to provide marketers utilizing the Cardlytics platform with valuable insights into the preferences of their actual or potential customers wherever they shop.

Point-of-Sale Data from our Merchant Data Partners

Using POS data from our merchant data partners and our proprietary bureau of offline identity information, the Bridg platform associates customer purchases transactions with developed anonymized identifiers. We then build privacy-protective anonymized profiles that include product-level purchase history and hundreds of customer attributes to enable marketing and analytics.

Advanced Analytics Capabilities

The advanced analytics we apply to our unique purchase datasets are what transforms transform them into valuable purchase intelligence. We use sophisticated quantitative methods to quickly access our massive volumes of data and make sense of what has happened—past customer spend—and, importantly, what is likely to happen. predict future customer spend. Our analytics makes make our data actionable, enabling us to develop insights that marketers and partners rely on to make more informed business decisions and create more meaningful customer connections.

Since we are able to measure the impact marketing campaigns have on in-store and online sales, marketers can use our purchase intelligence to optimize their advertising efforts and increase their with new or increased investment in the Cardlytics and Bridg platforms to enhance future campaigns. platforms. Given our granular view into consumer spending across all categories, we can also help marketers identify share shift against their competition and learn more about where else their customers spend their money.

For our FI partners, we use our analytics to optimize the offers we display to customers within our Cardlytics platform. By assigning relevancy scores to each offer based on what customers are most likely to buy, our Cardlytics platform can present the most relevant offers earlier more prominently in customers' customers' mobile and online banking sessions, experiences. This increases the likelihood that customers activate, redeem, and earn more cash back on the things they care about most. At the same time, marketers gain more opportunities to get valuable content in front of the right audience.

Privacy and Security

Cardlytics Platform

We have architected take privacy and security into account in the development and implementation of our systems and practices. services. A critical part of our strategy involves a design focused on gathering data without collecting, maintaining or using sensitive information, personal data, such as social security numbers, credit card numbers, financial account information or medical records. Our platforms are currently designed so that we do not receive or have access to any PII from our FI partners. We only target marketing against anonymized data and/or data that has undergone processing such that it is only linked to pseudonymous anonymized identifiers. This approach to privacy is intended to protect consumers. Our privacy and security standards have also been designed and implemented to meet the requirements of, and safeguard the reputations of, our partners and marketers, many of which are large, multinational corporations. These customers frequently audit our practices and engage in detailed assessments of our infrastructure.

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Our Ad Server and Ads Manager form the core of the Cardlytics platform. The Ad Server is responsible for targeting and presenting offers, which are developed and designed within the Ads Manager. Each FI partner's Ad Server is either hosted at the FI partner's partner's data center behind the FI partner's partner's firewall or hosted by us on behalf of the FI partner. The Ad Server interfaces with our FI partners' systems to receive anonymized purchase data, assign a unique consumer ID to each FI partners' customer, which we call a Cardlytics ID, and aggregate this purchase data. The Cardlytics unique consumer ID is then used to assign offers, measure redemptions, and in limited cases, validate certain online purchases via anonymously linking to a consumer's digital media presence, purchases. The Ad Server also receives engagement data, such as impressions and activations, related to each Cardlytics unique consumer ID.

The Ads Manager is hosted in our cloud data centers behind our firewall and is used to create, manage and publish marketing campaigns to each FI partner's Ad Server. The Ads Manager also provides a majority of the functionality for managing configuration settings within each Ad Server and the transfer of transferring data between Cardlytics and our FI partners.

We have implemented a number of security controls. Our security environment has achieved both Certain of our environments and systems have been certified as SOC 1 Type II and or SOC 2 Type II certifications, and has been audited compliant by third parties using standards, which include Statement on Standards for Attestation Engagements No. 18 (SSAE 18), AICPA Auditing Standards Board-issued Statement on Quality Control Standard (SQCS) and Statements on Auditing Standards (SAS), parties. Sensitive data is subject to encryption, anonymization, or de-identification depending on the use case and risk profile. We enhance our network security through measures such as network segmentation, firewalls and network and host-based intrusion detection at critical network aggregation and ingress/egress points.

A cornerstone of our practices is transparency in data use and consumer choice. Our privacy policy outlines the types of data we collect and how we use it. Most of our FI partners maintain different types of "opt-out" features for any consumer wishing to opt out of the FI partners' rewards program on the Cardlytics platform.

Outside of the U.S., our privacy and data handling practices are subject to regulation by data protection authorities and other regulators in the countries in which we do business, which may be more restrictive than the requirements that we are subject to in the U.S.

Bridg Platform

The Bridg platform was designed to comply with applicable privacy laws and regulations throughout the U.S. regulations. The Bridg platform also has built-in privacy protections to ensure that data provided by clients is never sold or shared without their consent, and personal information data relating to newly identified consumers is never shared with the clients. Further, as we seek to deploy the Bridg platform outside the U.S., we will utilize appropriate practices to ensure compliance with General Data Protection Regulation ("GDPR") and other like data protection regimes.

Competitive Strengths

We have the ability to reach and influence real buyers at scale and measure the true impact of our campaigns on in-store and online sales. We believe that the following strengths provide us with competitive advantages:

- **Significant Scale with FI Partners and Deeply Embedded Solution.** We are generally the exclusive primary provider of native bank channel digital advertising to our FI partners as their digital channels are typically not conducive to supporting marketing content from multiple vendors, partners. Our ability to connect and support multiple banks as a single vendor provides network scale that would otherwise be impossible for a single bank to achieve. Further, advertising within Fis' FI Partners' digital channels requires deep technological integrations, which we believe increases the cost of switching or supporting multiple vendors and therefore increases partner loyalty to us.
- **Valuable Touchpoints with Customers of our FI Partners.** The Cardlytics platform enables marketers to reach consumers in a secure, brand-safe, and digitally engaging environment, at a time when they are thinking about their finances. We have access to consumers through both online and mobile channels and are increasingly reaching them through various other channels, including emails and real-time notifications.
- **Massive Reach Informed by Purchase Intelligence.** During 2022, 2023, the Cardlytics platform analyzed approximately \$4.1 4.7 trillion in purchases across all categories and geographies, both online and in-store. We have access to purchase data on the Cardlytics platform in the form of credit, debit, ACH and bill pay transactions. We provide marketers with the opportunity to leverage this unique data set to precisely reach millions of consumers. The Bridg platform gives marketers the ability to leverage insight of their own POS transactional purchase data to better understand their customers, inform their marketing strategies and measure the impact of their marketing.

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- **Significant Scale with Marketers due to consumer insights Consumer Insights and Compelling Return on Advertising Spend.** We provide compelling return on advertising spend due to our ability to influence likely buyers, which we demonstrate through our insights into consumer purchase data. This allows us to serve marketers at scale across a variety of industries, including retail, restaurant, travel and entertainment, direct-to-consumer, and grocery and gas. By serving these marketers at scale, we have developed deep insight into consumer behavior, which has allowed us to optimize how we reach and influence likely buyers.

- **Powerful, Self-Reinforcing Network Effects.** We see significant network effects within the Cardlytics platform. Adding new marketers and increasing the potential incentives provided to our FI **partners' partners'** customers increases engagement within our FI **partners' partners'** digital channels. This, in turn, attracts more FI partners to our platforms, adding to our scale, and making our platforms more valuable to marketers.

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- **Ability to Improve Marketing.** Consumers spend a vast majority of their money in physical stores, and marketers have long sought efficient and effective ways to understand online-to-offline attribution. Likewise, although marketers may have access to data on the purchase behavior of their customers in their stores and on their websites, they lack visibility about these customers' overall spending patterns and the purchasing behavior of other likely buyers. Through the Cardlytics and Bridg platforms, we reach and influence real buyers at scale and measure the true, incremental impact marketing campaigns have on in-store and online sales. Our targeting capabilities allow marketers to tailor their campaigns to align with their marketing strategies.
- **Proprietary Technology Architecture and Advanced Analytics Capabilities.** We have designed the Cardlytics platform to protect **highly sensitive** first-party data. Our proprietary, distributed architecture helps facilitate both the effective delivery of our solution and the protection of our FI **partners customers' partners' customers'** PII. No PII is shared by FI partners with Cardlytics and the data **received from FI partners** is anonymized **so that it and** cannot be associated with any **one known** individual. Our technologies leverage proprietary algorithms to process raw purchase data into normalized purchase history useful for marketing and analytics. **Our The** Cardlytics platform also supports integration of data from third-party sources to enrich the intelligence that we provide. Further, we apply advanced analytics to continuously increase our intelligence capabilities and identify actionable behavior patterns for our marketers. Our advanced analytics capabilities are what transforms our unique purchase dataset into valuable purchase intelligence. We use sophisticated quantitative methods to quickly access our massive volumes of data and make sense of what has happened—and, importantly, what is likely to happen. Our analytics makes our data actionable, enabling us to develop insights that marketers and partners rely on to make more informed business decisions and **create** more meaningful customer connections.
- **Loyalty Tactics Beyond Loyalty Programs.** The Bridg platform easily ingests POS data, allowing marketers to identify and reach previously unreachable customers. This allows marketers to utilize loyalty tactics across all of their customers and enjoy **the same** rich insights, targeted marketing capabilities, and closed loop measurement **as regardless of their digital brands. presence.**
- **World-Class Management Team with Unique Combination of Backgrounds and Experiences.** Our team's extensive experience across banking, technology and marketing is invaluable **in for** our ability to forge relationships with FI partners and **market marketers** and understand the technical complexities inherent in building platforms **that are transforming to transform and disrupting disrupt** the marketing industry.

Growth Strategies

The principal components of our strategy include the following:

- **Grow our Business with Marketers.** While we already work with many large marketers, **our platforms we** currently capture only a small portion of their overall marketing spend. We intend to continue expanding our sales and marketing efforts to grow our share of advertising budgets from existing marketers and attract new brands, merchants and service providers, both directly and through advertising agencies. We also intend to grow our business with new marketers in newer industry verticals such as travel and entertainment, **direct to consumer, direct-to-consumer,** and grocery and gas. We also intend to continue growing the footprint of the Bridg platform through both new and existing merchant data partners.
- **Continue to Innovate and Evolve our Platform.** As we continue to grow our data assets and enhance our Cardlytics platform, we are also developing new solutions, greater automation and increasingly sophisticated analytical capabilities. Our innovation is also focused on evolving our offer formats and expanding the types of offers within the Cardlytics platform, including product-level offers sourced from Bridg's merchant data partners that can be distributed and managed within the Cardlytics platform. **As we have in the past, we plan to continue to work in close collaboration with our partners to develop new purchase intelligence-based analytic solutions to enable marketers to make more informed business decisions.**

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- **Continue to Realize Synergies between the Cardlytics and Bridg Platforms.** The **acquisition power** of Bridg allows for synergies with the current Cardlytics platform by creating more relevant offers, and more targeted segments, that can drive higher redemptions, increase consumer engagement, and generate greater advertiser demand. **The SKU-level data allows us to bring receipt-level offers to our advertisers, enabling us to tailor promotions based on specific items and quantities. These types of offers enhance the precision of the advertising efforts and boost the relevancy of the offers to the end consumers.** We believe **that further** integrating the Cardlytics and Bridg

platforms has the potential to enable more effective media measurement, (power promotional effectiveness across in-store and online channels), price and promotion optimization, more optimal partner relationships and further international expansion.

- **Drive Growth through Existing FI Partners.** We intend to increase customer adoption by improving the effectiveness of our FI partners' digital channels. We continually work with our FI partners to improve their customers' user experience, increase customer awareness and leverage additional customer outreach channels like email and alerts. We believe this organic increase in our monthly active users will drive growth.
- **Expand the Network of Partners.** We will continue to focus on growing our network of partners by integrating directly with new FI partners, non-bank partners, and merchant data partners and by opportunistically reselling our solution through financial processors and payment networks, partners. Each new partner increases the size of our data asset and addressable audience, increasing the value of the Cardlytics and Bridg platforms to both marketers and our existing partners, which we believe will drive growth.

- **Grow the Platform Through Integrations with Partners.** We intend to continue to partner with other media platforms, marketing technology providers, merchant data providers and agencies that can utilize our platforms to serve a broad array of customers. In addition to focusing on the integration of the Cardlytics and Bridg platforms, we We intend to focus on continued technological integration of our platforms with those of other complementary market participants.

Partners

We define a partner as a separate contracting entity from which we access data to empower our platforms either directly or through a third-party intermediary, such as a bank processor, digital banking provider or payment network operator. The partners for the Cardlytics platform are predominantly FI partners that provide us with access to their anonymized purchase data and digital banking customers. We generally pay our partners on the Cardlytics platform a Partner Share, which is a negotiated and fixed percentage of our billings to marketers less any Consumer Incentives that we pay to the partners' partners' customers and certain third-party data. FI partners that become part of our network through bank processors and digital banking providers may terminate their relationships with these bank processors and digital banking providers and thereby indirectly terminate their relationships with us, data providers. Our agreements with our FI partners generally include an automatic renewal feature. The partners for the Bridg platform are merchant data partners that provide us with access to their POS data, including product-level purchase data.

Agreements with Bank of America

Our relationship with Bank of America is governed by a General Services Agreement ("GSA") pursuant to which we provide Bank of America with access to the Cardlytics platform and certain other related services, and a related Statement of Work (collectively, the "GSA"), which grants Bank of America the right to use the software underlying the Cardlytics platform. The GSA and Statement of Work extends through July 31, 2025, and Bank of America may terminate the GSA and Statement of Work at any time upon 90 days' written notice.

Pursuant to the GSA with Bank of America, we provide the Cardlytics platform to Bank of America customers, which includes forming and as part of our services we form relationships with participating marketers; obtaining marketers and publishing obtain and publish marketer offers to customers after screening both the marketer and specific advertising content; and monitoring redemption rates with respect to Consumer Incentives offered in Cardlytics campaigns. Although we are primarily responsible for securing marketers to advertise on the Cardlytics platform, Bank of America may likewise secure marketers and share a portion of billings with us, customers. Bank of America has the right to approve all marketer offers to be presented to Bank of America customers on the Cardlytics platform. Bank of America may terminate the Master Agreement GSA at any time upon 90 days' written notice. The GSA will automatically renew for 12-month periods thereafter, unless terminated earlier in accordance with the terms of the GSA.

Under the GSA, we share the revenue that we generate from the sale of advertising within the Bank of America channel with Bank of America, subject to certain exceptions. The amounts that we pay to Bank of America in excess of Consumer Incentives are reflected as Partner Share. The specific Partner Share percentage that we pay is based on whether we or Bank of America have secured the relevant marketer account and other marketer- and transaction-specific factors, provided that we are entitled to retain a minimum percentage of the monthly revenue subject to the GSA.

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Agreements with Chase

In May 2018, we entered into a Master Agreement and Schedule #1 to the Master Agreement (collectively, the "Master Agreement" "Master Agreement") with Chase, pursuant to which we provide Chase with access to the Cardlytics platform. Under the Master Agreement, we provide Chase with access to the Cardlytics platform through November 2025. Chase may terminate the Master Agreement at any time upon 90 days' days' written notice. The Master Agreement will automatically renew for 12-month periods thereafter, unless terminated earlier in accordance with the terms of the Master Agreement.

Under the Master Agreement, we share billings that we generate from the sale of advertising within the Chase channel with Chase, subject to certain exceptions. The amounts that we pay to Chase in excess of Consumer Incentives are reflected as Partner Share. The specific billing share percentage that we pay is based on whether we or Chase have

secured the relevant marketer account and other marketer- and transaction-specific factors, provided factors. In June 2023, we entered into an amendment that we are entitled to retain a minimum percentage increased the portion of advertiser billings that is retained by the monthly revenue subject to the Master Agreement. Company.

Sales and Marketing

Our sales teams are focused on growing our share of advertising budgets from existing marketers and attracting new brands, merchants and service providers, both directly and through advertising agencies. Our marketing efforts are focused on increasing brand awareness for Cardlytics and Bridg through partnerships, public relations, industry events and publications. Our partner-focused account management team is focused on deepening relationships with existing partners and expanding our network.

We have dedicated sales teams responsible for establishing relationships with marketers and their agencies. Our sales teams are organized by industry, which include retail, restaurant, travel and entertainment, direct-to-consumer, grocery and gas. Each industry team is led by an experienced sales manager and staffed with sales, sales support and service specialists who have deep domain knowledge and industry operating experience. We also have account managers that manage our customer relationships within each industry, industry and focus on deepening relationships with existing partners and expanding our network.

We also have a dedicated FI partner sales team focused on expanding our network by both nurturing our existing relationships and cultivating new relationships with FI partners. Our FI partner sales team helps drive adoption of our solution offerings and partners with FIs to develop curated content and enhancements to the user experience for FI partners' customers to drive increased engagement with the Cardlytics Platform.

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Competition

The market for utilizing purchase intelligence to power marketing decisions is still emerging, and we believe we are one of the only companies that can provide purchase intelligence with the scale and the level of granularity that is equivalent to ours. We believe that we are the only company with scale that leverages purchase data to enable marketing through FI partner 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 greater competition from other bank service providers, online retailers, credit card companies, digital publishers and mobile pay providers with access to a substantial amount of consumer purchase data. There also may be companies with access to FI data that do not enable marketing through FI partner channels at scale today that may be able to do so in the future. While we may successfully partner with a wide range of companies that are to some extent, currently 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 services, we are likely to face additional competition.

We believe the principal competitive factors in our industry include the following:

- ability to leverage purchase data to inform marketing;
- depth and breadth of relationships with partners, marketers and their agencies;
- depth and breadth of, and access to, purchase data;
- effectiveness in increasing return on advertising spend for marketers;
- effectiveness in increasing marketing campaign performance for marketers and their agencies;
- effectiveness in increasing partner customer engagement;
- ability to maintain confidentiality and security of partner transaction data;
- transparency into and measurement of marketing performance;
- multi-channel capabilities;
- pricing;
- brand awareness and reputation;
- ability to continue to innovate; and

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- ability to attract, retain and develop leading-edge sales, account management, analytical and technical talent.

We believe that we compete favorably with respect to these factors and that we are well positioned as a leading provider and innovator of purchase intelligence.

The Bridg platform competes with other companies that operate enterprise customer data platforms. Additionally, Bridg competes or may in the future compete against monoline companies that provide advertising and data solutions such as profile unification or marketing campaign management and analytics, retail media networks, as well as data provisioners, brokers and cooperatives that provide advertising analytics to clients.

Intellectual Property

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.

As of **December 31, 2022** **December 31, 2023**, we had **eight sixteen** issued patents relating to our software. We cannot assure you that our patents will give us the protection that we seek or that any such patents will not be challenged, invalidated, or circumvented. Our patents 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**," "**Dosh**", "Bridg" and "**Entertainment**" "**Rippl**" 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 offerings, including **open source** **open-source** software and other software **made** available on commercially reasonable terms. We cannot assure you that such third parties will maintain such software or continue to make it available.

We are the registered holder of a variety of domestic and international domain names that include cardlytics.com, dosh.com, bridg.com, **entertainment.com** and similar variations on those names.

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In order to protect our unpatented proprietary technologies and processes, we rely on trade secret laws and confidentiality agreements with our employees, consultants, financial institution partners, marketers, 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. In addition, others may independently discover our trade secrets, which would prevent us from being 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. If we become more successful, we believe that competitors will be more likely to try to develop solutions and services that are similar to ours and that may infringe our proprietary rights. It may also be more likely that competitors or other third parties will claim that our platforms infringes their proprietary rights.

Patent and other intellectual property disputes are common in our industry and we have been involved in such disputes **from time to time in the past** in the ordinary course of our business. Some companies, including some of our competitors, own large numbers of patents, copyrights and trademarks, which they may use to assert claims against us. Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against us. They may also assert such claims against our partners, **which and** we typically indemnify against such claims. As the numbers of products and competitors in our market increase and overlaps occur, 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.

Seasonality

Our cash flows from operations vary from quarter to quarter, largely due to the seasonal nature of our **marketers' 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 their marketing budgets in the first quarter of the calendar year.

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Employees

As of **December 31, 2022** **December 31, 2023**, we had **501 434** full-time employees, including **63 60** in delivery, **200 159** in sales and marketing, 148 in research and development and **90 67** in general and administrative. None of our employees are covered by collective bargaining agreements. We believe our employee relations are good, and we have not experienced any work stoppages.

Human Capital Resources and Management

Our company's mission is to make commerce smarter and rewarding for everyone, and we know this starts with investing in each of our employees. Headquartered in Atlanta, GA with additional offices in New York, NY; Palo Alto, Menlo Park, CA; Los Angeles, CA; Austin, TX, Detroit, MI; Champaign, IL and London, U.K, our employees are **a big an essential** part of **what drives all of our exceptional desire to win and help our advertisers and partners win. successes.**

Diversity, Equity, **Inclusion**, and **Inclusion ("DEI" Belonging ("DEIB")** is integrated in everything we do. **This mindset starts at the top, a A** significant part of our **company company's** goal of creating a **"Great place where great people want to be."** **DEI culture that promotes DEIB** is embedded in each aspect of the talent lifecycle: attraction, recruitment, onboarding, development and retention. We build external relationships to ensure our talent pipelines are filled with candidates of diverse backgrounds. At the foundation of our **DEI DEIB** focus is our employee-led Special Interest Groups **("SIGs" ("SIGs"))**. These groups facilitate learning and development, holistic wellness, professional connections, philanthropy, and raising awareness internally and externally for meaningful causes. Each group is sponsored by senior leaders in the organization. Cardlytics Connect, our newest

SIG, focuses on our Black and Hispanic employees across the globe. As of **December 31, 2022** **December 31, 2023**, **approximately 42% of** our global workforce is made up of **approximately 41%** women and **42% 44%** people of color.

A key component to our sustainability and success is talent development and learning. We are intentional in our efforts to provide all employees opportunities to **grow, grow, including manager development programming, which over 50 managers completed since the launch in 2022.** Additionally, we have introduced initiatives to give all employees access to learning content **providers as well as experiencing success with programs providers.** In 2023, our technical teams consumed over 75 hours of video content, read over 30,000 book pages, and participated in over 150 hours of live training. The addition of a second content library for all employees gives us access to over 100 business and soft skill courses, which we are using to build learning pathways to support career journeys. Our Educational Assistance program is helping several employees gain master's degrees, professional certifications and professional development experiences. Our student loan reimbursement. Cardlytics University is reimbursement program helps employees pay down their loans. We have revamped our new hire experience to a **resource for both** three day program that includes a more in depth training on all parts of the business, and includes an overview of our new operating model, performance management process, and we introduce all new hires **as well as longer-tenured employees, and we have specialized curricula for emerging leaders, managers and mentors, to individual development planning.**

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Our use of equity compensation allows our employees to operate as owners and is a key component of our total rewards strategy to retain, motivate and attract the best talent. We encourage our employees to think and act like shareholders, and they are invested in our success. Employee equity is the cornerstone in our compensation philosophy along with comprehensive medical benefits, a positive work/life ratio, **unlimited flexible** paid time off, health and wellness programs, and learning and development opportunities. Each year, with the help of outside experts, we evaluate each aspect of compensation and benefits to ensure they are in alignment with the market and our peers.

As a purpose-driven company, we are focused on creating undeniable impact for partners while delivering real value to people, and our values reflect what drives our success. Our people and culture are our most valuable assets and greatest differentiators. We **take initiative, are hungry to win, prioritize growth over comfort, place our customers and partners first, act with urgency and focus, ensure integrity with our partners and data, hold ourselves accountable even when challenged, and value transparency, and make it a priority to create a place where people want to be, empowerment over hierarchy.**

Corporate Information

Cardlytics, Inc. was initially incorporated under the laws of the State of Delaware in June 2008. Our principal executive offices are located at 675 Ponce de Leon Avenue NE, Suite **6000, 4100**, Atlanta, Georgia 30308. Our telephone number is (888) 798-5802. Our website address is www.cardlytics.com. Our common stock is listed on the Nasdaq Global Market under the symbol **"CDLX."** **"Cardlytics,"** **"CDLX,"** **"Cardlytics,"** the Cardlytics logo and other trademarks or service marks of Cardlytics, Inc. **or its subsidiaries** appearing in this Annual Report on Form 10-K are the property of Cardlytics, Inc. This Annual Report on Form 10-K contains additional trade names, trademarks and service marks of others, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this Annual Report may appear without the ® or TM symbols.

Available Information

Our website address is www.cardlytics.com and our investor relations website is located at <http://ir.cardlytics.com/>. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Exchange Act are available free of charge on our investor relations website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission ("SEC"). Additionally, the SEC maintains an internet site that contains reports, proxy and information statements and other information. The SEC's website address is www.sec.gov.

The contents of our websites are not intended to be incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only.

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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 **experienced created** significant instability in recent **years including the recent global economic uncertainty and financial market conditions. years.** For example, inflation rates **particularly have fluctuated significantly in the United States and United Kingdom, have increased recently to levels not seen in years, 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 **limits 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, 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. **Alternatively, as the market recovers from the pandemic, marketing spend may be volatile and unpredictable as certain industries recover at different speeds.** 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 **recently entered expanded into** new industries such as travel and entertainment, direct-to-consumer, grocery and gas. All of these industries have been negatively impacted by **the pandemic and** inflationary pressure and certain precautions taken to control **the pandemic and** inflationary pressure. We **cannot predict the timing, strength or duration of any economic slowdown or recovery.** In addition, **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"** **"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 **Inc.** and its subsidiaries;

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- decisions made by our FI partners to increase Consumer Incentives or use their **Partners Partner** Share to fund their Consumer Incentives;

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- changes in the economic prospects of marketers, the industries that we primarily serve, or the economy generally, which could alter **marketers' 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, including the COVID-19 pandemic;
- volatile recovery from the pandemic, including inflationary pressure; disease;
- other events or factors, including those resulting from war, such as the current hostilities between Russia and Ukraine, or 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; and
- our ability to maintain and grow our business in light of the global COVID-19 pandemic and precautions taken to reduce the risk of this virus, technologies.

Fluctuations in our quarterly operating results, non-GAAP metrics and other metrics and the price of our common stock may be particularly pronounced in the current economic environment due to the uncertainty caused by and the unprecedented nature of the current COVID-19 pandemic. 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 be able to sustain our revenue and billings growth rate in the future.

Our revenue increased 43% 4% to \$309.2 million in 2023 from \$186.9 million \$298.5 million in 2020 2022 and increased 12% to \$267.1 million \$298.5 million in 2021, and our revenue increased 12% 2022 from \$267.1 million in 2021 to \$298.5 million in 2022, 2021. Our billings increased 50% 2% to \$453.4 million in 2023 from \$263.4 million \$442.5 million in 2020 2022 and increased 12% to \$394.1 million \$442.5 million in 2021, and our billings increased 12% 2022 from \$394.1 million in 2021 to \$442.5 million in 2022, 2021. We may not be able to maintain year-over-year revenue and billings 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 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 2021 2023 and 2022 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' partners' customers;

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- FI partners may elect to use their Partner Share to fund their Consumer Incentives;

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- 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, in the majority of instances we would be required to pay Consumer Incentives associated with the Cardlytics platform marketing campaigns even if the amount of such Consumer Incentives exceeded the amount of billings that we are paid by the applicable marketer. Further, we are often required to pay such Consumer Incentives before we

receive payment from the applicable marketer. Accordingly, if the amount of Consumer Incentives that we are required to pay materially exceeds the billings that we receive or 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 2020 the years ended December 31, 2023, 2022 and 2021, our top two FI partners combined to account for over 75% of the total Partner Share we paid to all partners, with each representing over 25%. No other partner accounted for over 10% of Partner Share during these periods. During 2022, our top three FI partners combined to account for over 85%, 80% and 75%, respectively, of the total Partner Share we paid to all partners. During 2023, the top FI partner represented over 50% and the second and third largest FI partners with represented over 10% of Partner Share. During 2022 and 2021 the top two FI partners each representing represented over 20% and 25%, respectively, and the third largest FI partner representing represented over 10%, of Partner Share. Share for 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 less 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 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, Chase, Wells Fargo or any other significant FI partner would significantly harm our business, results of operations and financial conditions.

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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 COVID-19 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, including due to the global economic uncertainty and financial market conditions caused by the COVID-19 pandemic, 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 would 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. In addition, we must continue to maintain our relationships with our existing bank processor and digital banking provider FI partners and attract new such FI partners because these FI partners aggregate smaller FIs into 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, maintain our relationships with our existing bank processor and digital banking provider partners or attract new bank processor and digital provider 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 recently entered 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 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.

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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 a third-party's entry into our FI partners' systems, which would be detrimental to our business, reputation, financial condition profits, loss of customers, regulatory investigations or actions, litigation, fines and operating results, 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 personally identifiable information ("PII") 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 third parties actors may attempt to gain access to our systems, or our FI partners' systems through 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. Additionally, we receive and have access to PII as a result of other aspects of our business. In turn, we may be a more visible target for cyberattacks and/or physical breaches of our databases or data centers, and we may in the future suffer from such attacks or breaches. 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 increase, rise, are increasingly difficult to detect, and come from a

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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," "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, (such as credential stuffing), 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 phishing attacks, 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 or breach 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' partners' systems, we could suffer substantial harm.

In addition, a vast majority many of our employees work remotely, which may make us more vulnerable to cyberattacks, 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 forced 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

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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 suspected 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 of, or delays in the performance (or in the case of the self-service tool, the rollout) 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.

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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.

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If we fail to generate sufficient revenue to offset our contractual commitments to FIs, our business, results of operations and financial conditions could be harmed.

We have had a minimum Partner Share commitment to a certain FI partner totaling \$10.0 million over a 12-month period which began ended on April 1, 2022 March 31, 2023. To the extent that this commitment is expected to exceed the amount of The Partner Share otherwise payable to such FI partner in shortfall totaled \$4.5 million, which is included within Partner Share liability on our condensed consolidated balance sheet. We have paid, or are paying, this shortfall on a quarterly basis from October 1, 2023 through June 30, 2024. During the absence of such commitment, years ended December 31, 2023 and 2022, we accrue any expected shortfall over the commitment period. We accrued for zero recognized \$1.3 million and \$3.2 million, respectively, of expected minimum Partner Share commitment shortfalls as within Partner Share and other third-party costs on our condensed consolidated statements of December 31, 2021 and 2022, respectively, operations. As of December 31, 2023, we paid \$1.2 million of our shortfall.

To the extent that we are unable to generate revenue from marketers sufficient to offset our Partner Share commitments and other obligations, our business, results of operations and financial conditions could be harmed.

If we are unable to successfully integrate Dosh's, Bridg's and Entertainment's businesses and employees, it could have an adverse effect on our future results and the market price of our common stock.

The success of our acquisitions of Dosh, Bridg and HSP EPI Acquisition, LLC ("Entertainment") will depend, in part, on our ability to integrate Dosh's, Bridg's and Entertainment's operations and to realize the anticipated benefits, including in certain instances annual net operating synergies and cost reductions from combining the businesses. These integrations may be complex and time-consuming.

The failure to successfully integrate and manage the challenges presented by the integration processes may result in our failure to achieve some or all of the anticipated benefits of the acquisitions. Potential difficulties that may be encountered in the integration processes, which may be enhanced as a result of our efforts to integrate both businesses concurrently, include the following:

- complexities associated with managing the larger combined company;
- integrating personnel from Dosh, Bridg and Entertainment with Cardlytics personnel;
- current and prospective employees may experience uncertainty regarding their future roles with our company, which might adversely affect our ability to retrain, recruit and motivate key personnel;
- difficulties ensuring the proper controls and policies are implemented and followed in the acquired and expanded business;
- increased cyber threats due to the expanded profile of the enlarged business as well as the challenges associated with ensuring the integrating and protecting the expanded IT footprint with security and prevention, detection and response protocols;
- potential lost sales and customers if Dosh's or Bridg's or Entertainment's partners or advertising clients, or our partners or advertising clients, decide not to do business with the combined company;
- issues associated with running a consumer-facing mobile application including proper notifications, rewards, and charges;
- potential unknown liabilities and unforeseen expenses associated with the acquisitions;
- performance shortfalls as a result of the diversion of management's attention caused by integrating the companies' operations;
- Legal or regulatory hurdles regarding privacy or other data rights in the United States and abroad; and
- Unanticipated challenges in expanding the businesses in the United States and abroad.

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In addition, acquisitions are inherently risky, and our due diligence processes in connection with the acquisitions may have failed to identify significant problems, liabilities or other shortcomings or challenges of Dosh's, Bridg's or Entertainment's businesses.

If any of these events were to occur, our ability to maintain relationships with customers, suppliers and employees or our ability to achieve the anticipated benefits of the acquisition could be adversely affected or could reduce our future earnings or otherwise adversely affect our business and financial results and, as a result, adversely affect the market price of our common stock.

The amount we will have to pay in connection with the acquisition of Bridg has not been conclusively determined, and it may be materially larger than we expect.

As part of the acquisition of Bridg, we agreed to make two earnout payments: a First Anniversary Payment and a Second Anniversary Payment. We have agreed to pay at least 30% of the First Anniversary Payment and the Second Anniversary Payment in cash, with the remainder to be paid in cash or our common stock, at our option. Depending on the total amount we have to pay for the earnout payments and the price of our stock during the relevant time periods, we may be required to pay more than 30% of one or both earnout payments in cash even if we did not want to do so, due to a provision in the merger agreement that does not allow us to issue more than 19.9% of our common stock in connection with the transactions contemplated by the merger agreement.

In June 2022, we calculated the First Anniversary Payment and provided the calculation to the Stockholder Representative. The Stockholder Representative has objected to our calculation of the amount of the First Anniversary Payment. We are following the dispute resolution process specific to the First Anniversary Payment stated in the merger agreement. It is possible that the final amount of the First Anniversary Payment will be materially larger than we currently expect, and it is further possible that, as a result of this process, the Second Anniversary Payment will be materially larger than we currently expect, which could adversely affect our business, results of operations and financial conditions.

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. During 2020, 2021 the years ended December 31, 2023 and 2022 our top five marketers accounted for 35%, 29% and 17% 15% of our revenue respectively, for each period, with no marketer representing over 10% during each of 2023 and 2022. During the year ended December 31, 2021 our top five marketers accounted for 27% of our revenue, with one marketer accounting for over 10% during 2020 and 2021. While no marketer accounted for over 10% of our revenue during 2022, we may have one or more marketer account for over 10% of our revenue in future periods. As of December 31, 2021 December 31, 2023 and 2022, our top five marketers accounted for 19% and 18% of our accounts receivable, respectively, with no individual marketer representing over 10% as of the end of each period, respectively. period.

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.

The ongoing COVID-19 pandemic could materially and adversely affect our business, results of operations and financial condition.

COVID-19, including variants of COVID-19, has resulted, at times, in the implementation or reimplement of significant governmental measures, including lockdowns, closures, quarantines, occupancy limits and travel bans intended to control the spread of the virus. In response to the pandemic, our employees began working remotely in March 2020 and many are still primarily or exclusively working from home. In addition, many of our marketers and prospective marketers, as well as our partners, are working remotely. We have had to expend, and may be required to continue to expend, significant time, attention, and resources to respond to the COVID-19 pandemic and the associated global economic uncertainty, including to develop and implement internal policies and procedures and track changes in laws and government guidelines and restrictions. The remote working environment may also create increased vulnerability to cybersecurity incidents, including breaches of information systems security, which could damage our reputation and commercial relationships.

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To the extent that future COVID restrictions are reinstated or additional prevention and mitigation measures are implemented, or there is uncertainty about the effectiveness of these or any other measures to contain or treat COVID-19 or any of its variants, there potentially could be an adverse impact on global economic conditions, which could materially and adversely impact our operations and the operations of our marketers, partners, suppliers and others with whom we work. While, at this time, we are working to manage and mitigate potential disruptions from the virus or any of its variants on our employees and operations, the fluid nature of the pandemic and uncertainties regarding the related economic impact are likely to result in sustained market turmoil, which may materially and adversely impact our business, results of operations and financial condition. We cannot predict how the COVID-19 pandemic, including with respect to variants of COVID-19, will continue to develop, whether and to what extent government regulations or other restrictions may impact our operations or those of our customers, or whether or to what extent the COVID-19 pandemic or the effects thereof may have longer term unanticipated impacts on our business.

The full extent of COVID-19's impact on our operations and financial performance depends on future developments that are uncertain and unpredictable, including the duration, spread and intensity of future variants of the virus, the virus' impact on capital and financial markets, the timing of an economic recovery and any new information that may emerge concerning the severity of the virus, among others. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on our business. If, however, the pandemic continues to persist as a severe worldwide health crisis, it may harm our business, and also may have the effect of heightening many of the other risks described in this "Risk Factors" section.

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.

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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' partners'** customers and **measuring 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, as well as expand our network of partners, 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' 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 **and/or** mobile applications **and/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 **would 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 **campaign 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 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.

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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 caused by the COVID-19 pandemic. 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 and/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 profitability 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. We incurred net losses of \$55.4 million, \$128.6 million and \$465.3 million in 2020, 2021 During 2023 and 2022, our net loss was \$134.7 million and \$465.3 million, respectively. As of December 31, 2022, we We had an accumulated deficit of \$976.6 million \$1.1 billion as of December 31, 2023. We have never achieved profitability net income on an annual basis, and we do not know if we will be able to achieve or sustain profitability. Although our revenue has increased substantially in recent periods, we also do not expect to maintain this rate of revenue growth. 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. We also expect our Our general and administrative expense to expenses may increase as a result of our growth, growth as well. Our ability to achieve and sustain profitability 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 profitability. 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 to some extent currently 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 do. can. For all of these reasons, we may not be able to compete successfully against our current or future competitors.

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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 are migrating 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, and 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 or technical requirements; 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 such as browser settings, 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, or at all 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 can 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.

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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 begun to migrate and will continue to migrate largely migrated our data storage capabilities to Amazon Web Services' cloud-hosting solution. If we do not complete the migration are not successful in completing a seamless migration, 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 third-party data centers or other 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 center facilities or other data-hosting solutions, and we may incur significant costs and possible service interruption in connection with doing so. Further, protection of our third-party data centers or other 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 centers or other data-hosting solutions that we utilize or of our own equipment located within such data centers, could result in interruptions to the availability or functionality of our solutions. In addition, the failure of the data centers or other 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 centers or other data-hosting solutions that we utilize or to our own equipment located within such data centers, 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' marketers' or partners' partners' requirements, which could result in loss of their confidence, adversely impact our ability to attract new marketers and/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' 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, or our corporate culture is negatively impacted by the COVID-19 pandemic, we could lose the innovation, creativity and teamwork fostered by our culture, and our business may be harmed.

As of December 31, 2022 December 31, 2023, we had 501 434 full-time employees. We intend to further expand our overall headcount and operations, with no assurance that we will be able to do so while effectively maintaining our corporate culture. Additionally, our corporate culture may be negatively impacted by the COVID-19 pandemic. 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 change, integrate acquired businesses and their employees, and as the COVID-19 pandemic continues, 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.

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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 and top research institutions, 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 will 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" "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. Further, if members of our management and other key personnel in critical functions across our organization are unable to perform their duties or have limited availability due to COVID-19, we may not be able to execute on our business strategy and/or our operations may be negatively impacted.

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

During each of 2020, the years ended 2023, 2022 and 2021, and 2022, we derived 8% 5.8%, 7.8% and 7.8%, respectively, of our revenue from outside the U.S., respectively. 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 effect 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 caused by the COVID-19 pandemic, including inflationary pressure; conditions;
- reduction in billings associated with the U.K as well as issues related to foreign currency exchange rates and trade with the, United Kingdom; U.K.;
- contractual and legislative restrictions or changes;
- economic uncertainty around the world;

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- compliance with foreign laws and regulations and the risks and costs of non-compliance with such laws and regulations;
- compliance with U.S. 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 software products in certain foreign markets, and the risks and costs of non-compliance;
- potential changes in a specific country's country's or region's region's political or economic climate, including the current hostilities between Russia and Ukraine; 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, and which may also result in restatements of financial statements and 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 recent 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 nearly all 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 and Canadian dollar 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.

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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"), carryforwards 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 \$626.5 896.0 million and \$255.6 879.6 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 carryforwards 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 carryforwards 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" "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 carryforwards carry-forwards under IRC Section 382, our federal NOL carryforwards carry-forwards could expire unutilized or underutilized, even if we earn taxable income against which our federal NOL carryforwards 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 **carryforwards** **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 **United States recently passed 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. **Our ability as an organization to successfully acquire and integrate technologies or businesses is unproven.** 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;
- **the** 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;

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- 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**, **Bridg's** **Dosh's** and **Entertainment's** **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** **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.

During the year ended December 31, 2022 we recognized a goodwill and intangible impairment of \$453.29 million. Refer to Note 5—Goodwill and Acquired Intangibles to our condensed consolidated financial statements for additional information regarding the goodwill impairment.

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. For example, while the potential impact and duration of the COVID-19 pandemic on the global economy and our business in particular may be difficult to assess or predict, the pandemic has resulted in, and may continue to result in significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. 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. Regulatory, legislative or self-regulatory developments regarding Internet privacy matters could adversely affect our ability to conduct our business.

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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" 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 can 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, 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's FI partner's business strategy, changes to an FI's FI partner's user interface, or changes in the behavior or makeup of an FI's 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.

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Risks Related to our Outstanding Convertible Senior Notes

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 **in 2025 on September 15, 2025** (the "Notes"). The interest rate 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. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Notes, 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 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, any of our future debt agreements may contain restrictive covenants that may 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 indenture governing the Notes) at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, 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 indenture governing the Notes or to pay any cash payable on future conversions as required by such indenture would constitute a default under such indenture. A default under the 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 **general the U.S. and worldwide economic industry, and 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 **funding acquisitions, for** working capital, **funding future acquisitions,** and **for** 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 the Notes, if triggered, may adversely affect our financial condition and results of operations.

In the event the conditional conversion feature of the Notes is triggered, holders of Notes will be entitled to convert the Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, 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 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

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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.

In addition, in connection with the pricing of the Notes, we entered into capped call transactions (the "Capped Calls") with certain financial institutions (the "Option Counterparties"). The Capped Calls are expected generally to reduce the potential dilution to our common stock upon any conversion or settlement of the Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and/or offset subject to a cap.

In connection with establishing their initial hedges of the Capped Calls, the Option Counterparties or their respective affiliates entered into various derivative transactions with respect to our common stock and/or purchased shares of our common stock concurrently with or shortly after the pricing of the Notes.

From time to time, the Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Notes (and are likely to do so following any conversion of the Notes, any repurchase of the Notes by us on any fundamental change repurchase date, any redemption date, or any other date on which the Notes are retired by us, in each case, if we exercise our option to terminate the relevant portion of the Capped Calls). This activity could cause a decrease and/or increased volatility in the market price of our common stock.

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.

We are subject to counterparty risk with respect to the Capped Calls.

The Option Counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the Capped Calls. Our exposure to the credit risk of the Option Counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an Option Counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the Capped Calls with such Option Counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an Option Counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the Option Counterparties.

The accounting method for convertible debt securities that may be settled in cash, such as the Notes, could have a material effect on our reported financial results.

The accounting method for reflecting the notes on our balance sheet, accruing interest expense for the notes and reflecting the underlying shares of our common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition. We expect that, under applicable accounting principles, the initial liability carrying amount of the notes will be the fair value of a similar debt instrument that does not have a conversion feature, valued using our cost of capital for straight, unconvertible debt. We expect to reflect the difference between the net proceeds from this offering and the initial carrying amount as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the notes. As a result of this amortization, the interest expense that we expect to recognize for the notes for accounting purposes will be greater than the cash interest payments we will pay on the notes, which will result in lower reported income or higher reported loss. The lower reported income or higher reported loss resulting from this accounting treatment could depress the trading price of our common stock and the notes. However, in August 2020, the Financial Accounting Standards Board published an Accounting Standards Update ("ASU") 2020-06, eliminating the separate accounting for the debt and equity components as described above. ASU 2020-06 effective for SEC-reporting entities for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. On January 1, 2022, we adopted this standard using the modified retrospective method which allowed for a cumulative-effect adjustment to the opening balance sheet without restating prior periods. As we did not elect the fair value option in the process, the notes, net of issuance costs, are accounted for as a single liability measured at amortized cost. Upon adoption, we recorded a decrease in accumulated deficit of \$11.2 million, an increase to the notes, net of \$40.2 million and a decrease to additional paid in capital of \$51.4 million.

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If accounting standards change in the future and we are not permitted to use the treasury stock method, then our diluted earnings per share may decline. For example, the Financial Accounting Standards Board's ASU described above amends these accounting standards, effective as of the dates referred to above, to eliminate the treasury stock method for convertible instruments that can be settled in whole or in part with equity and instead require application of the "if-converted" method. Under that method, diluted earnings per share would generally be calculated assuming that all the notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted earnings per share.

Furthermore, if any of the conditions to the convertibility of the notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the notes as a current, rather than a long-term, liability. This reclassification could be required even if no noteholders convert their notes and could materially reduce our reported working capital.

Risks Related to Regulatory and Intellectual Property Matters

We and our FI partners are subject to stringent and changing evolving U.S. and foreign privacy and data security laws, rules, contractual obligations, self-regulatory schemes, government regulation, industry standards, 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 upon 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 information data and other sensitive information ("Process" including proprietary and confidential business data, trade secrets, and intellectual property ("process" or "Processing" "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 upon 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 cookies and other various tracking technologies to collect and utilize user information. Additionally, new legislation proposed or enacted in various other states will continue to shape the data privacy environment nationally.

The California Consumer Privacy Act ("CCPA" ("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 information, data, opt out of certain personal information data sharing, and receive detailed information about how their personal information data is used. The CCPA also increases the data privacy and security obligations on entities handling personal information, 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 \$750 \$7,500 per citizen, 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" ("CPRA")), became effective starting which took effect on January 1, 2023, which significantly modifies the CCPA, including by expanding consumers' consumers' rights with respect to certain sensitive personal information, data. The CPRA also creates created a new state agency that will be is vested with authority to implement and enforce the CCPA and the CPRA.

Other In the past few years, other states, such as 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 similar 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.

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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" "GDPR") and the United Kingdom's GDPR ("UK 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; actions, fines of up to 20 million Euros euros or 4% of annual global revenue whichever (whichever is greater; 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" ("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 as applicable apply to providers of particular 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) ("EEA") and the United Kingdom (UK) U.K. have significantly restricted the transfer of personal data to the United States 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 UK U.K. to the United States U.S. in compliance with law, such as the EEA standard contractual clauses and UK's 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 United States U.S. If there is no lawful manner for us to transfer personal data from the EEA, the UK, U.K., or other jurisdictions to the United States, U.S., or if the requirements for a legally-compliant 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 **UK U.K.** to other jurisdictions, particularly to the **United States, 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 **Europe the EEA** for allegedly violating **GDPR's 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 **those 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. **Our business model materially depends on our ability to process personal data, so we are particularly exposed to the risks associated with the rapidly changing legal landscape. For example, we may be at heightened risk of regulatory scrutiny, and any changes in the regulatory framework could require us to fundamentally change our business model.**

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 **on 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 (e.g. **which could result in** investigations, fines, penalties, audits and inspections); **litigation (including class-action claims)**; additional reporting requirements and/or **oversight; oversight**, bans on processing personal **data; 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: to loss of customers; customers, interruptions or stoppages in our business operations; operations, inability to process personal data or to operate in certain jurisdictions; jurisdictions, limited ability to develop or commercialize our products; products, expenditure of time and resources to defend any claim or inquiry; inquiry, adverse publicity; publicity or substantial changes to our business model or operations.**

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If the use of matching technologies, such as cookies, pixels and device identifiers, is rejected by Internet users, restricted or otherwise subject to unfavorable terms, such as by non-governmental entities, our validation methodologies could be impacted and we may lose customers and revenue.

Our solution can be utilized by in-store and online marketers; however, a large majority of consumer purchases continue to be made in-store. For validation of certain of these limited online purchases, our solutions may use digital matching technologies, such as mobile advertising identifiers, pixels and cookies to match the Cardlytics IDs we have assigned to our FIs' customers with their digital presence outside of the FI partners' websites and mobile applications. In most cases, the matching technologies we use relate to mobile advertising identifiers that we use in limited cases to validate that we influenced an online purchase. If our access to matching technology data is reduced, our ability to validate certain online purchases in the current manner may be affected and thus undermine the effectiveness of our solutions.

On occasion, "third-party cookies" may be placed through an Internet browser to validate online purchases. Internet users may easily block and/or delete cookies (e.g., through their browsers or "ad blocking" software). The most commonly used Internet browsers allow Internet users to modify their browser settings to prevent cookies from being accepted by their browsers or are set to block third-party cookies by default. Further, Google eliminated third-party cookies from its browser in 2022. If more browser providers and Internet users adopt these settings or delete their cookies more frequently than they currently do, our practices related to the validation of limited online purchases could be impacted, which could result in us needing to implement other available methodologies. Some government regulators and privacy advocates have suggested creating a "Do Not Track" standard that would allow Internet users to express a preference, independent of cookie settings in their browser, not to have website browsing recorded. If Internet users adopt a "Do Not Track" browser setting and the standard either gets imposed by state or federal legislation or agreed upon by standard-setting groups, it may curtail or prohibit us from using non-personal data as we currently do. This could hinder growth of marketing on the Internet generally and cause us to change our business practices and adversely affect our business, financial condition and operating results. In addition, browser manufacturers could replace cookies with their own product and require us to negotiate and pay them for use of such product to record information about Internet users' interactions with our marketers, which may not be available on commercially reasonable terms, or at all.

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.

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As of the date of filing, we had **eight 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**," "**Cardlytics**," "**Dosh**," "**Bridg**" and "**Entertainment**" "**Rippl**" 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 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. **Bank of America also has a right to purchase some of the source code underlying the Cardlytics platform upon the occurrence of specified events, which could compromise the proprietary nature of the Cardlytics platform and/or allow Bank of America to discontinue the use of our solutions.** Additionally, **other 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.

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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, **to** protect our trade secrets, **to** determine the validity and scope of the intellectual property rights of others or **to** 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 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;

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- 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.

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Our use of open source 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 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 open-source software, including by demanding release of the open source 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 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.

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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 \$3.50 \$2.60 to an intraday high of \$161.47 through February 28, 2023 March 13, 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.

Recently, the 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 inflation and the COVID-19 pandemic. 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 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:

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- 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;

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- 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" "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" "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, 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, (including the ongoing COVID-19 pandemic), or a natural disaster, such as an earthquake, fire or a 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, Georgia, 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.

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An active trading market for our common stock may not develop or 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.

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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.

We have incurred and will continue to incur increased costs as a result of being a public company.

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Stock Market and other applicable securities rules and regulations impose various requirements on public companies. We expect that compliance with these requirements will continue to increase certain of our expenses and make some activities more time-consuming than they have been in the past when we were a private company. Such additional costs going forward could negatively affect our financial results.

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 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk management and strategy

We rely on information technology and data to operate our business and develop, market and deliver our products and services to our customers. A critical part of our strategy involves focusing on gathering data without collecting, maintaining or using sensitive personal data such as social security numbers, credit card numbers, financial account information or medical records. The Cardlytics platform is designed so that we do not receive or have access to any PII from our FI partners. We only perform targeted marketing using data that has undergone processing such that it is only linked to anonymized identifiers.

We have implemented and maintain various information security risk assessment processes intended to identify cybersecurity threats, determine their likelihood of occurring, and assess potential material impact to our business. Based on our assessment, we implement and maintain risk management processes designed to protect the confidentiality, integrity and availability of our information assets and mitigate harm to our business.

Risks from cybersecurity threats are among those that we address in our general risk management program, where we conduct investigations and take actions as required to assess risks to the organization and take mitigating actions to reduce, eliminate or manage risks. Risk assessments are performed quarterly as part of this program and the results are discussed and reviewed with management.

We identify such threats by, among other things, monitoring the threat environment using manual and automated tools, subscribing to reports and services that identify cybersecurity threats, analyzing reports of threats and actors, conducting scans of the threat environment, evaluating our and our industry's risk profile, evaluating threats reported to us, logging and monitoring our IT environment, conducting threat assessments for internal and external threats and conducting vulnerability assessments to identify vulnerabilities.

We rely on a multidisciplinary team (including from our information security function, management, and third-party service providers) to assess how cybersecurity threats could impact our business. We assess the likelihood that such threats could result in a material impact to our information assets, operations, ability to provide our goods and services, our core business functions, customer acquisition and retention, personnel, reputation and identified critical business objectives.

Based on our assessment process, we implement and maintain various technical, physical and organizational measures designed to manage and mitigate such risks and potential material impacts. We may implement measures designed to prevent, detect, respond to, mitigate and recover from identified and significant cybersecurity threats. We prioritize our efforts based on the threats that are more likely to lead to a material impact to our business, such as ransomware, theft of IP and interruption of services. The risk management and reduction measures we implement, depending on the computing environment or system, may include the following: policies and procedures designed to address cybersecurity threats, including an incident response plan, vulnerability management policy, disaster recovery/business continuity plans and clear desk policies; threat detection and incident response; internal and/or external audits to assess our exposure to cybersecurity threats, environment, compliance with risk mitigation procedures, and effectiveness of relevant controls; documented risk assessments; implementation of security standards and certifications; credit and background checks on our personnel and contractors; encryption of data; network security controls; threat modeling; data segregation; physical and electronic access controls; physical security; asset management, tracking and disposal; continuous monitoring for potential intrusions; vendor risk management program; employee security training; penetration testing; cyber insurance; and a dedicated cybersecurity staff and officer.

We work with third parties from time to time that assist us to identify, assess and manage cybersecurity risks, including professional services firms to conduct SOC 2, Type II assessments, incident response consultants, cybersecurity software providers, managed cybersecurity service providers, penetration testing firms and other vendors that help to identify, assess, or manage cybersecurity risks.

To operate our business, we utilize certain third-party service providers to perform a variety of functions, such as professional services, SaaS platforms, managed services, cloud-based infrastructure, data center facilities, encryption and authentication technology and other functions. Depending on the nature of the services provided, the sensitivity and quantity of information processed, and the identity of the service provider, our vendor management process may include reviewing the cybersecurity practices of such provider, contractually imposing obligations on the provider related to the services they provide or the information they process, conducting security assessments, conducting on-site inspections, requiring their completion of written

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questionnaires regarding their services and data handling practices and conducting periodic re-assessments during their engagement.

For a description of the risks from cybersecurity threats that may materially affect the Company and how they may do so, refer to our risk factors under Part 1. Item 1A. "Risk Factors" in this Annual Report, including "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."

Governance

Our board of directors addresses the Company's cybersecurity risk management as part of its general oversight function. The board of directors along with the audit committee is responsible for overseeing Company's cybersecurity risk management processes, including oversight and mitigation of risks from cybersecurity threats.

Our cybersecurity risk management strategy relies on input from management, including the Chief Technology Officer, Chief Legal and Privacy Officer, Chief Operating Officer, and Chief Financial Officer, who report to the Chief Executive Officer, as well as the Chief Information Security Officer, to help us understand cybersecurity risks, establish priorities, determine the scope and details of our cybersecurity program and implement it. Management is also responsible for hiring appropriate personnel, integrating cybersecurity considerations into our overall risk management strategy, and for communicating key priorities to employees. Our cybersecurity incident response and vulnerability management processes involve management, who participates in our disclosure controls and procedures.

Every six months, management discusses cybersecurity risk and reviews our cybersecurity program. Management is also responsible for approving budgets, helping prepare for cybersecurity incidents, responding to cybersecurity incidents, approving cybersecurity policies and procedures, reviewing audit reports, and reporting to the board of directors regarding cybersecurity matters.

Management is involved with our efforts to prevent, detect, and mitigate cybersecurity incidents by overseeing and testing of incident response plans. Management participates in cybersecurity incident response efforts by being a member of the incident response team and helping direct our response to cybersecurity incidents.

Our board of directors oversees our risk management strategy with respect to cybersecurity risks and threats. The board, through its audit committee, holds regular meetings quarterly to discuss issues including our cybersecurity threats, and has a dedicated agenda during such meetings that are designed to assist the audit committee to exercise its oversight function. The meetings involve presentations and reports from the Chief Information Security Officer and management, including updates on contemporary cybersecurity threats faced by us and steps we are taking to address them.

ITEM 2. PROPERTIES

Our principal executive offices are located in Atlanta, Georgia, where we occupy a facility of approximately 77,000 17,000 square feet. Our lease expires in April 2025. January 1, 2032, and we have the option to renew for an additional five-year period. We have additional offices in New York, NY; Palo Alto, Menlo Park, CA; Austin, TX; Los Angeles, CA; Detroit, MI; Champaign, IL; and London, U.K. We believe that our facilities are sufficient for our current needs and that, should it be needed, additional facilities will be available to accommodate the expansion of our business.

ITEM 3. 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.

As part of the 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, respectively. We are currently in a dispute were unable to reach an agreement with respect to the First Anniversary Payment Amount with the Bridg Stockholder Representative regarding and submitted our dispute to an independent accountant as contemplated by the Merger Agreement.

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On April 28, 2023, the independent accountant made its determination of the appropriate amount of the First Anniversary Payment. Please refer ARR, determining the First Anniversary ARR to Note 4—Business Combinations 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 a settlement agreement (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 3.6 million shares of our consolidated financial statements included elsewhere common stock to the Stockholder Representative, inclusive of broker fees and transaction bonuses and to dismiss our verified complaint in this Form 10-K for further discussion. Other than this dispute, we 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.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed on the Nasdaq Global Market under the symbol "CDLX." "CDLX."

Holders of Record

As of February 28, 2023 February 29, 2024, there were approximately 104 135 stockholders of record of our common stock. Because many of our shares are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Recent Issuances of Unregistered Securities

In connection with our acquisition of Entertainment, in January 2023 we issued 22,549 shares of our common stock to former equityholders of Entertainment who were “accredited investors,” as that term is defined in the Securities Act in reliance on the exemption from registration afforded by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act and corresponding provisions of state securities or “blue sky” laws. Each of the Entertainment equityholders receiving shares as part of the acquisition represented that they were acquiring such shares for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. Such shares have not been registered under the Securities Act and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws.

Issuer Purchases of Equity Securities

None.

Stock Performance Graph

This performance graph shall not be deemed “soliciting material” or to be “filed” with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section and shall not be incorporated by reference into any filing of Cardlytics, Inc. under the Securities Act.

The following performance graph compares the performance of our common stock with the performance of the Standard & Poor’s 500 Stock Index and the Nasdaq Composite Index, from February 9, 2018, the date our common stock commenced trading on the Nasdaq Global Market, December 31, 2018 through December 31, 2022 December 31, 2023. The graph plots the changes in value of an initial \$100 investment over the indicated time period, assuming all dividends are reinvested. The graph uses our initial public offering the closing price on February 9, 2018 December 31, 2018 of \$13.00 \$10.83 per share as the initial value of our common stock. The stock price performance in this graph is not necessarily indicative of future stock price performance.

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ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this Annual Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review Item 1A. “Risk Factors” “Risk Factors” and “Special “Special Note Regarding Forward-Looking Statements” Statements” in this Annual Report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

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 include 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 in a privacy-protective manner, to perform analytics and targeted loyalty marketing and also enable marketers to 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 are 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.

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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** **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.

Revenue, which is reported net of Consumer Incentives and gross of Partner Share and other third-party costs, was \$267.1 million and \$298.5 million for the years ended December 31, 2021 and 2022, respectively, representing an increase of 12%. Billings, a non-GAAP measure that represents the gross amount billed to marketers and is reported gross of both Consumer Incentives and Partner Share, was \$394.1 million and \$442.5 million for the years ended December 31, 2021 and 2022, respectively, representing an increase of 12%. Gross profit, which represents revenue less Partner Share and other third-party costs and less delivery costs, was \$103.3 million and \$112.6 million for the years ended December 31, 2021 and 2022, respectively, representing an increase of 9%. Adjusted contribution, a non-GAAP measure that represents our revenue less our adjusted Partner Share and other third-party costs, was \$129.6 million and \$143.0 million for the years ended December 31, 2021 and 2022, respectively, representing an increase of 10%.

Billings and adjusted contribution are further defined under the heading "Non-GAAP Measures and Other Performance Metrics" below. We believe these non-GAAP measures, alongside our GAAP revenue and GAAP gross profit, provide useful information to investors for period-to-period comparisons of our core business and in understanding and evaluating our results of operations in the same manner as our management and board of directors.

The following table summarizes our results (dollars in thousands):

	Year Ended December 31,		Change		Year Ended December 31,		Change	
	2020	2021	\$	%	2021	2022	\$	%
Billings ⁽¹⁾	\$ 263,355	\$ 394,075	\$ 130,720	50 %	\$ 394,075	\$ 442,477	\$ 48,402	12 %
Consumer Incentives	76,463	126,959	50,496	66	126,959	143,935	16,976	13
Revenue	186,892	267,116	80,224	43	267,116	298,542	31,426	12
Adjusted Partner Share and other third-party costs ⁽¹⁾	104,710	137,488	32,778	31	137,488	155,507	18,019	13
Adjusted contribution ⁽¹⁾	82,182	129,628	47,446	58	129,628	143,035	13,407	10
Delivery costs	14,310	22,503	8,193	57	22,503	30,403	7,900	35
Deferred implementation costs	4,598	3,785	(813)	(18)	3,785	—	(3,785)	(100)
Gross profit	\$ 63,274	\$ 103,340	\$ 40,066	63 %	\$ 103,340	\$ 112,632	\$ 9,292	9 %
Net loss	\$ (55,422)	\$ (128,565)	\$ (73,143)	132 %	\$ (128,565)	\$ (465,264)	\$ (336,699)	262 %
Adjusted EBITDA ⁽¹⁾	\$ (7,780)	\$ (12,220)	\$ (4,440)	57 %	\$ (12,220)	\$ (45,169)	\$ (32,949)	270 %

(1) Billings, adjusted Partner Share and other third-party costs, adjusted contribution and adjusted EBITDA are non-GAAP measures, as detailed below in our reconciliations of GAAP revenue to billings, GAAP gross profit to adjusted contribution and GAAP net loss to adjusted EBITDA.

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During 2020, 2021 and 2022, our net loss was \$55.4 million, \$128.6 million and \$465.3 million, respectively. Our historical losses have been driven by our substantial investments in our purchase intelligence platform and infrastructure, which we believe will enable us to expand the use of our platforms by FI partners, merchant data partners and marketers. On January 7, 2022, we purchased Entertainment, on May 5, 2021, we acquired Bridg, Inc. ("Bridg") and on March 2021 we acquired Dosh Holdings, Inc. ("Dosh"). During 2022, we incurred a \$3.6 million benefit and a \$0.8 million cost in connection with the Bridg and Dosh acquisitions, respectively. During 2020, 2021 and 2022, our net loss included stock-based compensation expense of \$32.4 million, \$50.3 million and \$44.7 million, respectively. During the 2022, we received a benefit due to a reduction of the estimated contingent consideration and brokerage fee related to our Bridg acquisition partially offset by an impairment of goodwill. We also initiated a strategic reduction of our forces in our U.S., U.K., and India operations, including the closure of our Indian office, which resulted restructuring charges of \$1.3 million, \$0.8 million and \$8.1 million during 2020, 2021 and 2022, respectively.

FI Partners

Our FI partners include Bank of America, National Association ("Bank of America"), JPMorgan Chase Bank, National Association ("Chase") and Wells Fargo Bank, National Association ("Wells Fargo"), as well as many other national and regional financial institutions, including several of the largest bank processors and digital banking providers to reach

customers of small and mid-sized FIs.

Partner Commitments

During 2020 and 2021, we recognized write offs of deferred implementation costs totaling \$0.7 million and \$1.0 million, respectively, in Partner Share and other third-party costs on our consolidated statements of operations, upon the notification from one of our partners about plans to end the use of certain platform features prior to the end of our contractual arrangement with the partner.

We have a minimum Partner Share commitment to a certain FI partner totaling \$10.0 million over a 12-month period which began on April 1, 2022. To the extent that this commitment is expected to exceed the amount of Partner Share otherwise payable to such FI partner in the absence of such commitment, we accrue any expected shortfall over the commitment period. We accrued for zero and \$3.2 million of expected minimum Partner Share commitment shortfalls as of December 31, 2021 and 2022, respectively.

Restructuring and Reduction of Force

During the first quarter of 2020, we began a strategic shift within our organization to increase productivity and optimize performance. This plan resulted in severance and medical benefits totaling \$1.3 million during the year ended December 31, 2020. These charges are reflected on our consolidated statement of operations for the year ended December 31, 2020, as follows: \$1.1 million in sales and marketing expense, \$0.1 million in general and administrative expense and \$0.1 million in research and development expense.

As a part of our integration efforts with our acquired companies, we continued to evaluate the optimal structure of the combined organization. As a result, during the year ended December 31, 2021 we recognized \$1.2 million in severance and medical benefits related to our acquisitions. These charges are reflected on our consolidated statement of operations within acquisition and integration costs. Additionally, during the year ended December 31, 2021, we recognized \$0.8 million of severance and medical benefits charges related to internal restructuring. These charges are reflected on our consolidated statement of operations as follows: \$0.1 million in delivery costs, \$0.4 million in sales and marketing expense, and \$0.3 million in research and development expense. We recognize these costs when the extent of our actions is determined and the costs can be estimated.

During 2022, we initiated a strategic reduction of our forces in our U.S., U.K., and India operations, including the closure of our Indian office. We also began a strategic shift within our organization to migrate certain data and applications to a cloud computing environment. As part of these initiatives, we recognized severance and medical benefit costs of \$8.1 million. These charges are reflected on our condensed consolidated statement of operations as follows: \$2.1 million in delivery costs, \$1.6 million in sales and marketing expense, \$1.9 million in research and development expense and \$2.5 million in general and administrative expense. Our Indian office was closed on December 31, 2022. As of December 31, 2022, the remaining costs that have been incurred related to our restructuring and reduction of force but not yet paid are \$2.4 million.

Acquisitions

On January 7, 2022, we purchased Entertainment for \$13.0 million in equity at an agreed-upon price of \$66.52 per share, subject to \$1.1 million of fair value adjustments based upon our close date, and \$2.3 million in cash, subject to \$0.4 million of adjustments, for an acquisition date fair value of \$14.6 million.

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On May 5, 2021, we completed the acquisition of Bridg for purchase consideration of \$578.9 million. The purchase consideration consisted of a \$350.0 million cash purchase price, subject to \$2.8 million of adjustments and escrows, and contingent consideration with a fair value of \$230.9 million related to additional potential future payments. At least 30% of the potential future payments will be in cash, with the remainder to be paid in cash or our common stock, at our option.

On March 5, 2021, we completed the acquisition of Dosh for purchase consideration of \$277.6 million in a combination of cash and common stock. The total purchase consideration consisted of a \$150.0 million cash purchase price, subject to \$6.6 million of adjustments and escrows, and \$125.0 million of shares of our common stock at an agreed-upon price of \$136.33 per share, subject to \$7.6 million of fair value adjustments based upon our close date, for an acquisition date fair value of \$117.4 million.

Refer to Note 4—Business Combinations to our consolidated financial statements for further information.

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 COVID-19 pandemic, rising inflation, the U.S. Federal Reserve raising interest rates and the Russia-Ukraine war, 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."

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.

	Year Ended December 31,		
	2020	2021	2022
	(Amounts in thousands, except ARPU)		
Cardlytics MAUs	155,784	170,925	186,682
Cardlytics ARPU	\$ 1.20	\$ 1.51	\$ 1.55

Bridg ARR	\$	—	\$	15,282	\$	23,129
Billings	\$	263,355	\$	394,075	\$	442,477
Adjusted contribution	\$	82,182	\$	129,628	\$	143,035
Adjusted EBITDA	\$	(7,780)	\$	(12,220)	\$	(45,169)

Key Performance Metrics

in thousands except per user amounts	Year Ended December 31,		
	2023	2022	2021
Cardlytics MAUs	162,148	154,550	146,242
Cardlytics ARPU	\$ 1.91	\$ 1.93	\$ 1.83

Cardlytics Monthly Active Users ("MAUs")

We define MAUs as targetable customers **or accounts** that have logged in and visited online or mobile applications containing offers, **from**, opened an email containing **offers from**, 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 platform's** ability to drive engagement and is reflective of the marketing base that we offer to marketers. **Beginnging as of September 30, 2023**, we are reporting only the total number of unique targetable customers within each FI, which we have applied to our reporting for current and prior periods in this Annual Report.

in thousands	Year Ended December 31,		Change		Year Ended December 31,		Change	
	2023	2022	#	%	2022	2021	#	%
Cardlytics MAUs	162,148	154,550	7,598	5	154,550	146,242	8,308	6

Cardlytics MAUs increased by 7.6 million during 2023 compared to 2022 primarily driven by an increase in new MAUs (41% of total growth) and lapsed customers returning (59% of total growth).

Cardlytics MAUs increased by 8.3 million during 2022 compared to 2021, primarily driven by an increase in new or lapsed customers logging in and visiting online or mobile applications containing offers, opening an email containing an offer or redeeming an offer from the Cardlytics platform.

Cardlytics Average Revenue per User ("ARPU")

We define ARPU as the total **revenue 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.

Bridg Annualized Recurring Revenue ("ARR")

	Year Ended December 31,		Change		Year Ended December 31,		Change	
	2023	2022	\$	%	2022	2021	\$	%
Cardlytics ARPU	\$ 1.91	\$ 1.93	(0.02)	(1)	\$ 1.93	\$ 1.83	0.10	5

Consistent with the Bridg merger agreement, we define ARR Cardlytics ARPU decreased by \$0.02 during 2023 compared to 2022 as **the annualized GAAP** a result of a \$10.7 million increase in revenue and a 7.6 million increase in Cardlytics MAUs.

Cardlytics ARPU increased by \$0.10 during 2022 compared to 2021 as a result of **the final month a \$31.4 million increase in the period presented for the Bridg platform. ARR should not be considered revenue and an 8.3 million increase in isolation from, or as an alternative to, revenue prepared in accordance with GAAP. We believe that ARR is an indicator of the Bridg platform's ability to generate future revenue from existing clients. Cardlytics MAUs.**

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Non-GAAP Metrics

in thousands	Year Ended December 31,		
	2023	2022	2021
Revenue	\$ 309,204	\$ 298,542	\$ 267,116
Billings	\$ 453,426	\$ 442,477	\$ 394,075
Gross Profit	\$ 130,378	\$ 112,632	\$ 103,340
Adjusted Contribution	\$ 158,626	\$ 143,035	\$ 129,628
Net Loss	\$ (134,702)	\$ (465,264)	\$ (128,565)
Adjusted EBITDA	\$ 3,771	\$ (45,169)	\$ (12,220)

Adjusted Net Loss	\$	(11,436)	\$	(60,250)	\$	(38,727)
Net cash used in operating activities	\$	(185)	\$	(53,904)	\$	(38,523)
Free Cash Flow	\$	(12,577)	\$	(67,390)	\$	(51,087)

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Non-GAAP Measures

Billings

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

We review billings for internal management purposes. We believe that billings provides useful information is an important indicator for the current health of the business because it directly represents our ability to investors bill customers for period-to-period comparisons of our core business and in understanding and evaluating our results of operations in the same manner as our management and board of directors. 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** Billings alongside our other GAAP financial results.

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

	Year Ended December 31, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 186,892	\$ —	\$ 186,892
Plus:			
Consumer Incentives	76,463	—	76,463
Billings	<u>\$ 263,355</u>	<u>\$ —</u>	<u>\$ 263,355</u>

	Year Ended December 31, 2021		
	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 258,754	\$ 8,362	\$ 267,116
Plus:			
Consumer Incentives	126,959	—	126,959
Billings	<u>\$ 385,713</u>	<u>\$ 8,362</u>	<u>\$ 394,075</u>

	Year Ended December 31, 2022		
	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 277,185	\$ 21,357	\$ 298,542
Plus:			
Consumer Incentives	143,935	—	143,935
Billings	<u>\$ 421,120</u>	<u>\$ 21,357</u>	<u>\$ 442,477</u>

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Adjusted Contribution

Adjusted **contribution** 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** 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** 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** Contribution does not take into account all costs associated with generating revenue from advertising campaigns, including sales and marketing expenses, research and development expenses, general and administrative expenses and other expenses, which we do not take into consideration when making decisions on how to manage our advertising campaigns.

We use **adjusted contribution** **Adjusted Contribution** extensively to measure the efficiency of our advertising platform, make decisions to manage advertising campaigns and evaluate our operational performance. Adjusted contribution is also used to determine the vesting of performance-based equity awards and is used to determine the achievement of quarterly and annual bonuses across our entire global employee base, including executives. We view **adjusted contribution** **Adjusted Contribution** as an important operating measure of our financial results. We believe that **adjusted contribution** **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** **Contribution** should not be considered in isolation from, or as an alternative to, measures prepared in accordance with GAAP. Adjusted **contribution** **Contribution** should be considered together with other operating and financial performance measures presented in accordance with GAAP. Also, **adjusted contribution** **Adjusted Contribution** may not necessarily be comparable to similarly titled measures presented by other companies. Refer to Note 15—Segments to our consolidated financial statements for further details on our **adjusted contribution** **Adjusted Contribution** by segment.

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):

	Year Ended December 31, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 186,892	\$ —	\$ 186,892
Minus:			
Partner Share and other third-party costs	109,308	—	109,308
Delivery costs ⁽¹⁾	14,310	—	14,310
Gross profit	63,274	—	63,274
Plus:			
Delivery costs ⁽¹⁾	14,310	—	14,310
Deferred implementation costs ⁽²⁾	4,598	—	4,598
Adjusted contribution	\$ 82,182	\$ —	\$ 82,182

(1) Stock-based compensation expense recognized in consolidated delivery costs totaled \$1.2 million during 2020.

(2) Deferred implementation costs is excluded from adjusted Partner Share and other third-party costs as follows (in thousands):

	Year Ended December 31, 2020		
	Cardlytics Platform	Bridg Platform	Consolidated
Partner Share and other third-party costs	\$ 109,308	\$ —	\$ 109,308
Minus:			
Deferred implementation costs	4,598	—	4,598
Adjusted Partner Share and other third-party costs	\$ 104,710	\$ —	\$ 104,710

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	Year Ended December 31, 2021		
	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 258,754	\$ 8,362	\$ 267,116
Minus:			
Partner Share and other third-party costs	140,864	409	141,273
Delivery costs ⁽¹⁾	18,111	4,392	22,503
Gross profit	99,779	3,561	103,340
Plus:			
Delivery costs ⁽¹⁾	18,111	4,392	22,503
Deferred implementation costs ⁽²⁾	3,785	—	3,785
Adjusted contribution	\$ 121,675	\$ 7,953	\$ 129,628

(1) Stock-based compensation expense recognized in consolidated delivery costs totaled \$1.9 million during 2021.

(2) Deferred implementation costs is excluded from adjusted Partner Share and other third-party costs as follows (in thousands):

	Year Ended December 31, 2021		
	Cardlytics Platform	Bridg Platform	Consolidated
Partner Share and other third-party costs	\$ 140,864	\$ 409	\$ 141,273
Minus:			
Deferred implementation costs	3,785	—	3,785
Adjusted Partner Share and other third-party costs	\$ 137,079	\$ 409	\$ 137,488

	Year Ended December 31, 2022		
	Cardlytics Platform	Bridg Platform	Consolidated
Revenue	\$ 277,185	\$ 21,357	\$ 298,542
Minus:			
Partner Share and other third-party costs	154,204	1,303	155,507
Delivery costs ⁽¹⁾	24,112	6,291	30,403
Gross profit	98,869	13,763	112,632
Plus:			
Delivery costs ⁽¹⁾	24,112	6,291	30,403
Deferred implementation costs ⁽²⁾	—	—	—
Adjusted contribution	\$ 122,981	\$ 20,054	\$ 143,035

(1) Stock-based compensation expense recognized in consolidated delivery costs totaled \$2.7 million during 2022.

(2) Deferred implementation costs is excluded from adjusted Partner Share and other third-party costs as follows (in thousands):

	Year Ended December 31, 2022		
	Cardlytics Platform	Bridg Platform	Consolidated
Partner Share and other third-party costs	\$ 154,204	\$ 1,303	\$ 155,507
Minus:			
Deferred implementation costs	—	—	—
Adjusted Partner Share and other third-party costs	\$ 154,204	\$ 1,303	\$ 155,507

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Adjusted EBITDA

Adjusted EBITDA represents our **net loss** **Net Loss** before income tax benefit; interest expense, net; depreciation and **amortization expense**; **amortization**; stock-based compensation expense; **acquisition, integration and divestiture (benefits) costs**; **change in fair value of contingent consideration**; foreign currency **gain (loss)**; **(gain) loss**; impairment of goodwill and intangible assets; **deferred implementation costs**; **loss on divestiture**; restructuring and reduction of **force costs**; **acquisition force**; **income tax benefit**; and **integration costs (benefits)**; and change in fair value of contingent consideration, **deferred implementation costs**. We do not consider these excluded items to be indicative of our core operating performance. The items that are non-cash include foreign currency **(gain) loss**, **gain (loss)**, impairment of goodwill and intangible assets, **loss on divestiture**, deferred implementation costs, depreciation and amortization, **expense**, stock-based compensation expense and change in fair value of contingent consideration. Notably, any impacts related to minimum Partner Share commitments in connection with agreements with certain FI partners are not added back to net loss in order to calculate **adjusted** **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** **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** **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** **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**: **are as follows**: (1) **adjusted** **Adjusted** EBITDA does not reflect changes in, or cash requirements for, our working capital needs; (2) **adjusted** **Adjusted** EBITDA does not reflect the potentially dilutive impact of stock-based **compensation and equity instruments issued to our FI partners**; **compensation**; (3) **adjusted** **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 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 Adjusted EBITDA** alongside our net loss and other GAAP financial results.

Adjusted Net Loss

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

Free Cash Flow

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

Results of Non-GAAP Measures

Billings

in thousands	Year Ended December 31,		Change		Year Ended December 31,		Change	
	2023	2022	\$	%	2022	2021	\$	%
Billings	\$ 453,426	\$ 442,477	10,949	2	\$ 442,477	\$ 394,075	48,402	12

Billings increased by \$10.9 million during 2023 compared to 2022, primarily driven by an increase of \$32.8 million in sales to new marketers, offset by a \$21.9 million net decrease in sales to existing marketers.

Billings increased by \$48.4 million during 2022 compared to 2021, primarily driven by a \$6.9 million increase in sales to existing marketers and an increase of \$41.5 million in sales to new marketers.

The following table presents a reconciliation of **adjusted EBITDA billings** to **net loss, revenue**, the most directly comparable GAAP measure, for each of the periods indicated (in thousands):

	Year Ended December 31,		
	2020	2021	2022
Net loss	\$ (55,422)	\$ (128,565)	\$ (465,264)
Plus:			
Interest expense, net	3,048	12,563	2,556
Depreciation and amortization	7,826	29,871	37,544
Stock-based compensation expense	32,396	50,264	44,686
Acquisition and integration costs (benefits)	—	24,372	(2,874)
Change in fair value of contingent consideration	—	1,374	(128,174)
Foreign currency (gain) loss	(1,549)	1,267	6,376
Impairment of goodwill and intangible assets	—	—	453,288
Restructuring and reduction of force	1,323	713	8,139
Income tax benefit	—	(7,864)	(1,446)
Deferred implementation costs	4,598	3,785	—
Adjusted EBITDA	\$ (7,780)	\$ (12,220)	\$ (45,169)

Consolidated	Year Ended December 31,		
	2023	2022	2021
Revenue	\$ 309,204	\$ 298,542	\$ 267,116
Plus:			
Consumer Incentives	144,222	143,935	126,959
Billings	\$ 453,426	\$ 442,477	\$ 394,075

Cardlytics platform			
Revenue	\$ 285,425	\$ 277,185	\$ 258,754
Plus:			
Consumer Incentives	144,222	143,935	126,959
Billings	\$ 429,647	\$ 421,120	\$ 385,713
Bridg platform			
Revenue	\$ 23,779	\$ 21,357	\$ 8,362
Plus:			
Consumer Incentives	—	—	—
Billings	\$ 23,779	\$ 21,357	\$ 8,362

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Adjusted Contribution

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

	Year Ended December 31,		
	2023	2022	2021
Consolidated			
Revenue	\$ 309,204	\$ 298,542	\$ 267,116
Minus:			
Partner Share and other third-party costs	150,578	155,507	141,273
Delivery costs ⁽¹⁾	28,248	30,403	22,503
Gross Profit	130,378	112,632	103,340
Plus:			
Delivery costs ⁽¹⁾	28,248	30,403	22,503
Deferred implementation costs ⁽²⁾	—	—	3,785
Adjusted Contribution	\$ 158,626	\$ 143,035	\$ 129,628
Cardlytics platform			
Revenue	\$ 285,425	\$ 277,185	\$ 258,754
Minus:			
Partner Share and other third-party costs	149,907	154,204	140,864
Delivery costs ⁽¹⁾	21,447	24,112	18,111
Gross Profit	114,071	98,869	99,779
Plus:			
Delivery costs ⁽¹⁾	21,447	24,112	18,111
Deferred implementation costs ⁽²⁾	—	—	3,785
Adjusted Contribution	\$ 135,518	\$ 122,981	\$ 121,675
Bridg platform			
Revenue	\$ 23,779	\$ 21,357	\$ 8,362
Minus:			
Partner Share and other third-party costs	671	1,303	409
Delivery costs ⁽¹⁾	6,801	6,291	4,392
Gross Profit	16,307	13,763	3,561

Plus:			
Delivery costs ⁽¹⁾	6,801	6,291	4,392
Adjusted Contribution	\$ 23,108	\$ 20,054	\$ 7,953

(1) Stock-based compensation expense recognized in consolidated delivery costs totaled \$2.4 million, \$2.7 million and \$1.9 million during 2023, 2022 and 2021, respectively.

(2) Deferred implementation costs is excluded from Adjusted Partner Share and other third-party costs as follows (in thousands):

	Year Ended December 31, 2021		
	Cardlytics Platform	Bridg Platform	Consolidated
Partner Share and other third-party costs	\$ 140,864	\$ 409	\$ 141,273
Minus:			
Deferred implementation costs	3,785	—	3,785
Adjusted Partner Share and other third-party costs	\$ 137,079	\$ 409	\$ 137,488

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Adjusted EBITDA

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

	Year Ended December 31,		
	2023	2022	2021
Net Loss	\$ (134,702)	\$ (465,264)	\$ (128,565)
Plus:			
Interest expense, net	2,336	2,556	12,563
Depreciation and amortization	26,460	37,544	29,871
Stock-based compensation expense	40,980	44,686	50,264
Acquisition, integration and divestiture (benefits) costs	(6,313)	(2,874)	24,372
Change in fair value of contingent consideration	1,246	(128,174)	1,374
Foreign currency (gain) loss	(3,304)	6,376	1,267
Impairment of goodwill and intangible assets	70,518	453,288	—
Loss on divestiture	6,550	—	—
Restructuring and reduction of force	—	8,139	713
Income tax benefit	—	(1,446)	(7,864)
Deferred implementation costs	—	—	3,785
Adjusted EBITDA	\$ 3,771	\$ (45,169)	\$ (12,220)

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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):

	Year Ended December 31, 2020
--	------------------------------

	Cardlytics Platform	Bridg Platform	Consolidated
Adjusted contribution	\$ 82,182	\$ —	\$ 82,182
Minus:			
Delivery costs	14,310	—	14,310
Sales and marketing expense	45,307	—	45,307
Research and development expense	17,532	—	17,532
General and administration expense	46,532	—	46,532
Stock-based compensation expense	(32,396)	—	(32,396)
Restructuring and reduction of force	(1,323)	—	(1,323)
Adjusted EBITDA	\$ (7,780)	\$ —	\$ (7,780)

	Year Ended December 31, 2021			Year Ended December 31,		
	Cardlytics Platform	Bridg Platform	Consolidated	2023	2022	2021
Adjusted contribution	\$ 121,675	\$ 7,953	\$ 129,628			
Consolidated						
Adjusted Contribution						
Adjusted Contribution						
Adjusted Contribution						
Minus:	Minus:					
Delivery costs						
Delivery costs						
Delivery costs	Delivery costs	18,170	4,333	22,503		
Sales and marketing expense	Sales and marketing expense	62,771	3,225	65,996		
Research and development expense	Research and development expense	35,393	2,711	38,104		
General and administration expense	General and administration expense	63,379	2,843	66,222		
Stock-based compensation expense	Stock-based compensation expense	(47,223)	(3,041)	(50,264)		
Restructuring and reduction of force	Restructuring and reduction of force	(713)	—	(713)		
Adjusted EBITDA	Adjusted EBITDA	\$ (10,102)	\$ (2,118)	\$ (12,220)		
Cardlytics platform						
Adjusted Contribution						
Adjusted Contribution						
Adjusted Contribution						
Minus:						
Delivery costs						
Delivery costs						
Delivery costs						
Sales and marketing expense						
Research and development expense						

General and administration expense
Stock-based compensation expense
Restructuring and reduction of force
Adjusted EBITDA
Bridg platform
Adjusted Contribution
Adjusted Contribution
Adjusted Contribution
Minus:
Delivery costs
Delivery costs
Delivery costs
Sales and marketing expense
Research and development expense
General and administration expense
Stock-based compensation expense
Restructuring and reduction of force
Adjusted EBITDA

	Year Ended December 31, 2022		
	Cardlytics Platform	Bridg Platform	Consolidated
Adjusted contribution	\$ 122,981	\$ 20,053	\$ 143,034
Minus:			
Delivery costs	24,112	6,290	30,402
Sales and marketing expense	67,830	6,915	74,745
Research and development expense	47,579	6,856	54,435
General and administration expense	79,069	2,377	81,446
Stock-based compensation expense	(43,490)	(1,196)	(44,686)
Restructuring and reduction of force	(8,139)	—	(8,139)
Adjusted EBITDA	<u>\$ (43,980)</u>	<u>\$ (1,189)</u>	<u>\$ (45,169)</u>

Adjusted Net Loss

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

	Year Ended December 31,		
	2023	2022	2021
Net Loss	\$ (134,702)	\$ (465,264)	\$ (128,565)
Plus:			
Stock-based compensation expense	40,980	44,686	50,264
Foreign currency (gain) loss	(3,304)	6,376	1,267
Acquisition, integration and divestiture (benefits) costs	(6,313)	(2,874)	24,372
Amortization of acquired intangibles	13,589	25,019	19,712
Change in fair value of contingent consideration	1,246	(128,174)	1,374
Impairment of goodwill and intangible assets	70,518	453,288	—
Loss on divestiture	6,550	—	—
Restructuring and reduction of force	—	8,139	713
Income tax benefit	—	(1,446)	(7,864)
Adjusted Net Loss	\$ (11,436)	\$ (60,250)	\$ (38,727)
Weighted-average number of shares of common stock used in computing Adjusted net loss per share:			
Weighted-average common shares outstanding, diluted	36,488	33,419	32,202
Adjusted weighted-average common shares outstanding, diluted	36,488	33,419	32,202
Adjusted Net Loss per share attributable to common stockholders, diluted	\$ (0.31)	\$ (1.80)	\$ (1.20)

Free Cash Flow

The following is a reconciliation of free cash flow to the most comparable GAAP measure, net cash used in operating activities (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Net cash used in operating activities	\$ (185)	\$ (53,904)	\$ (38,523)
Plus:			
Acquisition of property and equipment	(667)	(1,171)	(3,108)
Acquisition of patents	—	(175)	(133)
Capitalized software development costs	(11,725)	(12,140)	(9,323)
Free Cash Flow	\$ (12,577)	\$ (67,390)	\$ (51,087)

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 agreements 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 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 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 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 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.

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Acquisition, Integration and Divestiture Costs

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 Fair Value of Contingent Consideration

Our acquisition of Bridg includes included a component of contingent consideration to be paid to the sellers if certain performance levels are 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 the fair value of contingent consideration.

Impairment of Goodwill and Intangible Assets

Intangible assets are recorded at fair value on the date of acquisition and amortized over their estimated useful lives. 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. The impairment analysis involves determining whether the estimated fair value of each intangible asset exceeds its carrying amount. Our estimation of the fair value of definite lived intangible assets include the use of discounted cash flow analyses, which reflected estimates of future revenue, customer attrition rates, royalty rates, cash flows and discount rates.

Goodwill represents the purchase consideration of an acquired business that exceeds the fair value of the net tangible and identifiable intangible assets. Goodwill is evaluated for impairment by reporting unit annually in the fourth quarter, specifically October 1, and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Triggering events that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate or a significant decrease in expected cash flows.

Loss on Divestiture

Loss on divestiture of businesses consists of loss on the sale of a business during the year ended December 31, 2023.

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.

Income Tax Benefit

We have generated losses before income taxes in the U.S., U.K. and most U.S. state income tax jurisdictions. We have generated historical net losses and recorded a full valuation allowance against our net deferred tax assets, and we expect to maintain a full valuation allowance in the near term. Realization of any of our net deferred tax assets depends upon future earnings, the timing and amount of which are uncertain. For the periods presented, income tax benefit represents the release of a portion of our valuation allowance in connection with deferred tax liabilities arising from our acquisitions of Dosh and Bridg.

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Results of Operations

The following table sets forth our consolidated statements of operations (in thousands):

		Year Ended December 31,			Year Ended December 31,		
		2020	2021	2022	2023	2022	2021
Revenue	Revenue	\$186,892	\$ 267,116	\$ 298,542			
Costs and expenses:	Costs and expenses:						
Partner Share and other third-party costs	Partner Share and other third-party costs	109,308	141,273				
				155,507			
	Partner Share and other third-party costs						
	Partner Share and other third-party costs						
Delivery costs	Delivery costs	14,310	22,503				
				30,403			
Sales and marketing expense	Sales and marketing expense	45,307	65,996				
				74,745			
Research and development expense	Research and development expense	17,532	38,104				
				54,435			
General and administrative expense	General and administrative expense	46,532	66,222				
				81,446			
Acquisition and integration costs (benefits)		—	24,372	(2,874)			

Acquisition, integration and divestiture (benefits) costs				
Change in fair value of contingent consideration				
Impairment of goodwill and intangible assets	Impairment of goodwill and intangible assets	—	—	453,288
Change in fair value of contingent consideration		—	1,374	(128,174)
Loss on divestiture				
Depreciation and amortization expense	Depreciation and amortization expense	7,826	29,871	37,544
Total costs and expenses	Total costs and expenses	240,815	389,715	756,320
Total costs and expenses				
Total costs and expenses				
Operating loss	Operating loss	(53,923)	(122,599)	(457,778)
Other (expense) income:				
Other income (expense):				
Interest expense, net				
Interest expense, net				
Interest expense, net	Interest expense, net	(3,048)	(12,563)	(2,556)
Foreign currency gain (loss)	Foreign currency gain (loss)	1,549	(1,267)	(6,376)
Total other expense		(1,499)	(13,830)	(8,932)
Foreign currency gain (loss)				
Foreign currency gain (loss)				
Total other income (expense)				
Loss before income taxes	Loss before income taxes	(55,422)	(136,429)	(466,710)
Income tax benefit	Income tax benefit	—	7,864	1,446
Net loss		<u>\$ (55,422)</u>	<u>\$ (128,565)</u>	<u>\$ (465,264)</u>
Net Loss				

Comparison of Years Ended **December 31, 2022** **December 31, 2023** and **2021** **2022**

In this section, we discuss the results of our operations for the year ended **December 31, 2022** **December 31, 2023** compared to the year ended **December 31, 2021** **December 31, 2022**. For a discussion of the year ended **December 31, 2021** **December 31, 2022** compared to the year ended **December 31, 2020** **December 31, 2021**, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K **and Form 10-K/A** for the year ended **December 31, 2021** **December 31, 2022**.

	Year Ended December																	
	31,				Change		Year Ended December 31,							Change				
	2021		2022		\$	%												
	(dollars in thousands)																	
in thousands	in thousands						2023				2022				\$		%	
Billings	Billings	\$394,075	\$442,477	\$48,402	12 %	Billings	\$	453,426	\$	\$	442,477	\$	\$	10,949	2	2	%	
Consumer Incentives	Consumer Incentives	126,959	143,935	16,976	13 %													
Revenue	Revenue	\$ 267,116	\$298,542	\$31,426	12 %	Revenue	\$	309,204	\$	\$	298,542	\$	\$	10,662	4	4	%	
% of billings	% of billings	68 %	67 %															

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Costs and Expenses

	Year Ended December 31,		Change	
	2021	2022	\$	%
	(dollars in thousands)			
Partner Share and other third-party costs:				
Adjusted Partner Share and other third-party costs	\$ 137,488	\$ 155,507	\$ 18,019	13 %
Deferred implementation costs	3,785	—	(3,785)	(100)
Total Partner Share and other third-party costs	\$ 141,273	\$ 155,507	\$ 14,234	10 %
% of revenue	53 %	52 %		

Partner Share and other third-party costs increased decreased by \$14.2 million \$4.9 million during 2022 2023 compared to 2021 primarily due 2022. In 2023, we recognized \$1.3 million of our expected minimum Partner Share commitment shortfall compared to increase \$3.2 million in billings partially offset by an increase 2022. The balance in Consumer Incentives funded by partner through a reduction of Partner Share. Deferred implementation Share and other third-party costs decreased by \$3.8 million \$3.0 million during 2022 2023 compared to 2021 primarily 2022 due to the end of the useful lives of certain platform enhancements. negotiated terms with FI share partners.

	Year Ended December 31,				Year Ended December 31,					
			Change						Change	
	2021	2022	\$	%						
	(dollars in thousands)									
in thousands					in thousands	2023	2022	\$	%	
Depreciation expense	67	89	\$	33%	Depreciation expense	100	100	\$	0%	
Amortization expense	10	10	\$	0%	Amortization expense	10	10	\$	0%	
Impairment loss	—	—	\$	—%	Impairment loss	—	—	\$	—%	
Gain on disposal of property and equipment	(1)	(1)	\$	0%	Gain on disposal of property and equipment	(1)	(1)	\$	0%	
Loss on disposal of intangible assets	—	—	\$	—%	Loss on disposal of intangible assets	—	—	\$	—%	
Other income	—	—	\$	—%	Other income	—	—	\$	—%	
Total non-current asset impairment and disposals	76	100	\$	32%	Total non-current asset impairment and disposals	109	109	\$	0%	

Delivery costs excluding stock-based compensation expense and restructuring and reduction of force	Delivery costs excluding stock-based compensation expense and restructuring and reduction of force	\$20,554	\$25,860	\$5,306	26 %	Delivery costs excluding stock-based compensation expense and restructuring and reduction of force	\$ 25,821	\$ 25,860	\$ (39)	—	— %
Plus:	Plus:										
Stock-based compensation expense	Stock-based compensation expense	1,865	2,682	817	44						
Stock-based compensation expense	Stock-based compensation expense										
Restructuring and reduction of force	Restructuring and reduction of force	84	1,861	1,777	n/a						
Total delivery costs	Total delivery costs	\$22,503	\$30,403	\$7,900	35 %	Total delivery costs	\$ 28,248	\$ 30,403	\$ (2,155)	(7)	(7) %
% of revenue		8 %	10 %								
% of Revenue											

Delivery costs increased decreased by \$7.9 million\$2.2 million during 20222023 compared to 2021, the 2022. Delivery costs expense excluding stock-based compensation and restructuring and reduction of force increased decreased by less than \$5.30.1 millionprimarily during 2023 compared to 2022, due to a \$2.9 million\$3.9 million decrease in headcount, offset by a \$3.9 million increase in hosting-related IT hosting costs a \$1.8 million increase due related to costs from our acquired businesses migrating certain data and applications to a cloud computing environment, a \$0.5 million increase in personnel costs associated with additional headcount and a \$0.1 million increase due to facilities expense. .

Sales and Marketing Expense

	Year Ended December 31,					Year Ended December 31,					Change					
	2021		2022		Change											
					\$	%										
(dollars in thousands)																
in thousands						in thousands					2023	2022	\$	%		
Sales and marketing expense excluding stock-based compensation expense and restructuring and reduction of force	Sales and marketing expense excluding stock-based compensation expense and restructuring and reduction of force					Sales and marketing expense excluding stock-based compensation expense and restructuring and reduction of force					\$ 44,803	\$ 60,671	\$ \$(15,868)	(26)	(26)%	
Plus:	Plus:															
Stock-based compensation expense	Stock-based compensation expense					13,780	11,935	(1,845)	(13)							
Stock-based compensation expense																
Stock-based compensation expense																
Restructuring and reduction of force	Restructuring and reduction of force					367	2,139	1,772	n/a							

Total sales and marketing expense	Total sales and marketing expense					Total sales and marketing expense					
		\$65,996	\$74,745	\$8,749	13 %		\$ 57,425	\$ 74,745	\$ \$(17,320)	(23)	(23)%
% of revenue		25 %	25 %								
% of Revenue											

Sales and marketing expense increased decreased by \$8.7 million \$17.3 million during 2022 2023 compared to 2021, 2022. Sales and marketing expense excluding stock-based compensation and restructuring and reduction of force increased decreased by \$8.8 million \$15.9 million primarily due to a \$6.2 million increase due to costs from our acquired businesses, \$10.7 million decrease in headcount, a \$1.0 million increase \$2.4 million decrease in travel expenses, marketing events, a \$0.8 million increase \$1.8 million decrease in personnel costs associated with additional headcount, professional fees, a \$0.8 million increase \$0.5 million decrease in facility expense, a \$0.3 million decrease in software licensing costs and a \$0.3 million increase due to facility expense, offset by a \$0.3 million \$0.2 million decrease in professional fees, travel expenses.

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Research and Development Expense

		Year Ended December 31,				Year Ended December 31,				Change	
		2021	2022	\$	%						
		(dollars in thousands)									
in thousands						in thousands		2023	2022	\$	%
Research and development expense excluding stock-based compensation expense and restructuring and reduction of force	Research and development expense excluding stock-based compensation expense and restructuring and reduction of force	\$27,468	\$39,573	\$12,105	44 %	Research and development expense excluding stock-based compensation expense and restructuring and reduction of force		\$ 34,960	\$ 39,573	\$ \$(4,613)	(12) (12)%
Plus:	Plus:										
Stock-based compensation expense	Stock-based compensation expense	10,328	13,262	2,934	28						
Stock-based compensation expense											
Stock-based compensation expense											
Restructuring and reduction of force	Restructuring and reduction of force	308	1,600	1,292	n/a						
Total research and development expense	Total research and development expense	\$38,104	\$54,435	\$16,331	43 %	Total research and development expense		\$ 51,352	\$ 54,435	\$ \$(3,083)	(6) (6)%
% of revenue		14 %	18 %								
% of Revenue											

Research and development expense increased decreased by \$16.3 million \$3.1 million during 2022 2023 compared to 2021, 2022. Research and development expense excluding stock-based compensation and restructuring and reduction of force increased decreased by \$12.1 4.6 million primarily due to a \$8.2 million \$5.9 million decrease in headcount, a \$1.5 million increase in personnel costs associated with additional headcount, a \$3.5 million increase due to costs from our acquired businesses, a \$1.1 million increase in software

licensing costs, a \$0.2 million increase due to facility expense, a \$0.2 million increase due to travel expenses capital development and a \$0.1 million increase due to incentive compensation, \$0.5 million tax benefit, partially offset by a \$1.2 million decrease \$2.4 million increase in non staff software licensing and data storage costs related to operations and a \$0.9 million increase in professional fees.

General and Administrative Expense

		Year Ended December 31,		Change		Year Ended December 31,		Change	
		2021	2022	\$	%				
		(dollars in thousands)							
in thousands						2023	2022	\$	%
General and administrative expense excluding stock-based compensation expense and restructuring and reduction of force	General and administrative expense excluding stock-based compensation expense and restructuring and reduction of force	\$41,931	\$62,168	\$20,237	48 %	\$ 49,273	\$ \$62,168	\$ \$(12,895)	(21) (21)%
Plus:	Plus:								
Stock-based compensation expense	Stock-based compensation expense	24,291	16,807	(7,484)	(31)				
Stock-based compensation expense									
Stock-based compensation expense									
Restructuring and reduction of force	Restructuring and reduction of force	—	2,471	2,471	n/a				
Total general and administrative expense	Total general and administrative expense	\$66,222	\$81,446	\$15,224	23 %	\$ 58,810	\$ \$81,446	\$ \$(22,636)	(28) (28)%
% of revenue		25 %	27 %						
% of Revenue									

General and administrative expense increased decreased by \$15.2 million \$22.6 million during 2022 2023 compared to 2021, 2022. General and administrative expense excluding stock-based compensation and restructuring and reduction of force increased decreased by \$20.2 12.9 million primarily due to a \$6.6 million increase due to costs from our acquired businesses, a \$4.6 million increase in personnel costs associated with additional headcount, a \$3.0 million increase in professional fees, \$2.2 million increase \$4.0 million decrease in software licensing costs, a \$4.0 million decrease in headcount, a \$1.0 million increase reduction in professional fees, a \$0.8 million tax benefit, a \$0.7 million reduction in bad debt, related to our acquired businesses, a \$0.7 million reduction in other administrative expense, a \$0.5 million reduction in training expenses and a \$0.5 million reduction in marketing events, partially offset by a \$0.7 million increase in our insurance premiums, a \$0.5 million increase in marketing expenses, a \$0.5 million increase in tax expense and a \$1.1 million increase due to other expenses including travel, facility expense, professional development and professional fees, premiums.

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Stock-based Compensation Expense

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

Year Ended December 31,	Change	Year Ended December 31,	Change
----------------------------	--------	----------------------------	--------

		2021	2022	\$	%			2023	2022	\$	%
	2023										
Delivery costs	Delivery costs	\$ 1,865	\$ 2,682	\$ 817	44 %	Delivery costs	\$ 2,427	\$ 2,682	\$ (255)	(10)	(10)%
Sales and marketing expense	Sales and marketing expense	13,780	11,935	(1,845)	(13)						
Research and development expense	Research and development expense	10,328	13,262	2,934	28						
General and administrative expense	General and administrative expense	24,291	16,807	(7,484)	(31)						
Total stock-based compensation expense	Total stock-based compensation expense	\$50,264	\$44,686	\$(5,578)	(11)%	Total stock-based compensation expense	\$ 40,980	\$ 44,686	\$ (3,706)	(8)	(8)%
% of revenue		19 %	15 %								
% of Revenue											

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Stock-based compensation expense decreased by \$5.6 million \$3.7 million during 2022 2023 compared to 2022 primarily driven by the reversal of the 2021 primarily due to PSUs and higher forfeitures of restricted stock units related to our reduction executive departures that occurred in 2023. In 2022, we recorded a benefit related to the reversal of force. the 2020 PSUs. We believe that both the 2020 PSUs and 2021 PSUs are no longer likely to vest. Refer to Note 10—Stock-based Compensation to our consolidated financial statements for additional information regarding the change in stock compensation expense.

Acquisition, integration and divestiture benefits

in thousands	Year Ended December 31,		Change	
	2023	2022	\$	%
Acquisition, integration and divestiture (benefits)	\$ (6,313)	(2,874)	\$ (3,439)	120 %
% of Revenue	(2)%	(1)%		

Acquisition and integration costs (benefits)

	Year Ended December 31,		Change	
	2021	2022	\$	%
(dollars in thousands)				
Acquisition and integration costs (benefits)	\$ 24,372	(2,874)	\$ (27,246)	n/a
% of revenue	9 %	(1)%		

Acquisition and integration costs (benefits) decreased benefits increased by \$27.2 million \$3.4 million during 2022 2023 compared to 2021, 2022. During 2021 2023, we recognized \$24.4 million incurred a \$6.8 million benefit due to a reduction of brokerage fee related to the reduction of our estimate of contingent consideration related to the First Anniversary Payment Amount to Bridg, partially offset by a \$0.5 million expense primarily due to the acquisitions divestiture of Dosh and Bridg. Entertainment. During 2022 we recognized a \$2.9 million benefit primarily due to a reduction in our estimated broker of brokerage fee related to the reduction of our estimate of contingent consideration for related to the First Anniversary Payment Amount to Bridg, acquisition, partially offset by \$0.1 million of costs expense incurred by the acquisition of Entertainment. Refer to Note 4—Business Combinations to our consolidated financial statements for additional information regarding these acquisitions.

Change in fair value of contingent consideration

	Year Ended December 31,		Change	
	2021	2022	\$	%
(dollars in thousands)				

in thousands				in thousands				2023	2022	\$	%
Change in fair value of contingent consideration	Change in fair value of contingent consideration	\$1,374	\$(128,174)	\$(129,548)	n/a			\$ 1,246	\$ \$(128,174)	\$ \$129,420	(101) (101)%
% of revenue		1 %	(43)%								
% of Revenue											

During 2021, we recognized \$1.4 million of expense due to an increase in the fair value of contingent consideration related to our acquisition of Bridg. During 2023 and 2022, we recognized a \$1.2 million loss and \$128.2 million gain, respectively, in the fair value of contingent consideration related to our acquisition of Bridg. This gain was driven by the market-to-market reduction in fair value of the 2,068,995 shares of our common stock that we expect to issue to satisfy 70% of the contingent consideration related due to the First Anniversary Payment, change in value owed to the former Bridg shareholders. Refer to Note 12—Fair Value Measurements to our consolidated financial statements for additional information regarding the contingent consideration.

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Impairment of goodwill and intangible assets

Year Ended December 31,				Year Ended December 31,				Change			
2021				2022				\$ %			
(dollars in thousands)											
in thousands				in thousands				2023	2022	\$	%
Impairment of goodwill and intangible assets	Impairment of goodwill and intangible assets	\$—	\$453,288	\$453,288	n/a			\$ 70,518	\$ \$ 453,288	\$ \$ (382,770)	(84) (84) %
% of revenue		— %	n/a								
% of Revenue											

During 2023, we recognized \$70.5 million of impairment of goodwill and intangible assets related to the Bridg platform. During 2022, we recognized \$453.3 million of impairment of goodwill and intangible assets related to the Cardlytics and Bridg Platform, platforms. The impairment of goodwill and intangible assets resulted from a continued slowdown in the global economy, and decreased consumer spend, and a sustained decline in our stock price. Refer to Note 5—Goodwill and Acquired Intangibles to our condensed consolidated financial statements for additional information regarding the goodwill impairment.

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Loss on divestiture

Year Ended December 31,				Change			
2023				2022			
in thousands							
Loss on divestiture		\$ 6,550	\$ —	\$ 6,550			n/a
% of Revenue		2 %	n/a				

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. The resulting loss on sale of \$6.6 million is recorded within "Loss on divestiture" within the statement of operations. Refer to Note 4—Business Combinations to our condensed consolidated financial statements for additional information regarding the loss on divestiture.

Depreciation and Amortization Expense

		Year Ended December 31,				Year Ended December 31,				Change	
		2021	2022	\$	%						
		(dollars in thousands)									
in thousands						in thousands		2023	2022	\$	%
Depreciation and amortization expense	Depreciation and amortization expense	\$29,871	\$37,544	\$7,673	26 %	Depreciation and amortization expense		\$ 26,460	\$ 37,544	\$ (11,084)	(30) %
% of revenue		11 %	13 %								
% of Revenue											

Depreciation and amortization expense increased decreased by \$7.7 million \$11.1 million during 2022 2023 compared to 2021 2022, primarily driven by a full year of amortization due to our impairment of intangible assets related to in the Dosh and Bridg acquisitions, fourth quarter of 2023.

Interest Expense, Net

		Year Ended December 31,				Year Ended December 31,				Change	
		2021	2022	\$	%						
		(dollars in thousands)									
in thousands						2023		2022		\$	%
Interest expense	Interest expense	\$(12,860)	\$(3,994)	\$ 8,866	(69)%	Interest expense	\$ (6,183)	\$ (3,994)	\$ (2,189)	55	55 %
Interest income	Interest income	297	1,438	1,141	384						
Interest expense, net	Interest expense, net	\$(12,563)	\$(2,556)	\$10,007	(80)%	Interest expense, net	\$ (2,336)	\$ (2,556)	\$ 220	(9)	(9) %
% of revenue		(5)%	(1)%								
% of Revenue											

Interest expense, net decreased by \$10.0 million \$0.2 million during 2022 2023 compared to 2021 2022 primarily as a result of an increase in interest income, which is driven by reduced amortization of debt discount reflected as higher interest rates on our money market and direct deposits account, and partially offset by additional interest expense related to resulting from the Notes upon borrowing of \$30.0 million against our 2018 Line of Credit during the adoption of ASU 2020-06 on January 1, 2022 year ended December 31, 2023.

Foreign Currency Loss Gain (Loss)

		Year Ended December 31,		Change	
		2021	2022	\$	%
		(dollars in thousands)			
Foreign currency loss		\$ (1,267)	\$ (6,376)	\$ (5,109)	403 %
% of revenue		— %	(2)%		

		Year Ended December 31,		Change	
		2023	2022	\$	%
Foreign currency gain (loss)		\$ 3,304	\$ (6,376)	\$ 9,680	(152)%
% of Revenue		1 %	(2)%		

Foreign currency gain (loss) was \$3.3 million during 2023 compared to foreign currency loss increased by \$5.1 million of \$6.4 million during 2022, compared to 2021 primarily due to the decrease in the value of the British pound relative to the U.S. dollar.

Income Tax Benefit

		Year Ended December 31,				Year Ended December 31,				Change			
		2021	2022	\$	%								
		(dollars in thousands)											
in thousands		in thousands				2023		2022		\$	%		
Income tax benefit	Income tax benefit	\$7,864	\$1,446	\$(6,418)	n/a	\$	—	\$	1,446	\$	(1,446)	(100)	(100) %
% of revenue		3 %	— %										
% of Revenue													

Income tax benefit decreased by \$6.4 million was \$1.4 million during 2022 compared to 2021 due to the release of a portion of our valuation allowance in connection with deferred tax liabilities arising from our acquisitions of Dosh and Bridg. There was no income tax benefit in 2023.

Liquidity and Capital Resources

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

		December 31,					
		2021	2022				
		December 31,		December 31,			
		2023		2023		2022	
Cash and cash equivalents	Cash and cash equivalents	\$233,467	\$121,905				
Restricted cash	Restricted cash	95	80				
Working capital ⁽¹⁾	Working capital ⁽¹⁾	31,375	1,098				
Accounts receivable and contract assets, net	Accounts receivable and contract assets, net	95	80				
Unused available borrowings	Unused available borrowings	50,000	60,000				

(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. A significant majority of our cash and cash equivalents are held in fully FDIC-insured demand deposit accounts that distribute funds, and credit risk, over a vast number of financial institutions. Our remaining cash and cash equivalents are held in treasury obligation funds and money market accounts with six high credit-quality financial institutions, which we believe are of high credit quality. Its deposits, at times, may exceed federally insured limits. The Company believes no significant concentration risk exists with respect to its cash or cash equivalents. As of December 31, 2022, our demand deposit accounts earned up to a 0.50% an approximately 5.0% annual rate of interest. As of December 31, 2023, we had \$3.4 million in cash and cash equivalents in the U.K. Our U.K. cash balances are denominated in British pounds and as a result, may fluctuate based on changes in the exchange rate. Refer to Item 7A. Qualitative and Quantitative Disclosures About Market Risk for additional information about our foreign currency exchange risk. While our investment in Cardlytics UK our operations in the U.K. is not considered indefinitely invested, we do not plan to repatriate these funds.

Through December 31, 2023, we have incurred accumulated net losses of \$976.6 million \$1,111.3 million since inception, including net losses of \$55.4 million \$134.7 million, \$465.3 million and \$128.6 million during 2023, 2022 and \$465.3 million during 2020, 2021, and 2022, respectively. We expect to incur additional operating losses as we continue our efforts to grow our business. 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.

On May 5, 2021, we completed the acquisition of Bridg. As a part of this acquisition, the Agreement and Plan of Merger dated as of April 12, 2021, as amended (the "Merger Agreement"), we have agreed to make a two earnout payments – the First Anniversary Payment equal to 20 times the ARR based on the month preceding the anniversary, less \$12.5 million, and a Second Anniversary Payment equal to 15 times the ARR for customers as of the first anniversary based on

the month preceding the second anniversary, less the prior ARR at the first anniversary. The Second Anniversary Payment is subject to a specified cap. We have agreed to pay at least 30% of the First Anniversary Payment Amount and the Second Anniversary Payment in cash, with Amount – based on the remainder to be First Anniversary ARR and the Second Anniversary ARR of Bridg, respectively.

As of December 31, 2023, we had paid in cash or our common stock, at our option. We have determined the First Anniversary Payment Amount consisting of \$50.1 million of cash and 2,740,418 shares of our common stock to be \$126.4 million and have estimated the Second Anniversary Payment to be \$67.8 million, Stockholder Representative, inclusive of brokerage fees and transaction bonuses. We expect our minimum cash requirements, inclusive of contractual cash broker fees bonuses and transaction bonuses, accounting for the First Anniversary Payment all true-ups and Second Anniversary Payment to be \$43.3 million and \$24.0 million, respectively. We are currently in a dispute with the Bridg Stockholder Representative regarding the amount of the First Anniversary Payment. Refer to Note 4—Business Combinations to our condensed consolidated financial statements for additional information regarding the dispute, credits.

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Table

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 Contents

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 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. Refer to Note 13—Commitments and Contingencies for further information about the Bridg acquisition and related contingent consideration.

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 and the continued market acceptance of our solutions and the extent of the impact of COVID-19 on the global economy, solutions. We expect to continue to incur operating losses for the foreseeable future and may require additional capital resources to continue to grow our business. We believe that current cash and cash equivalents will be sufficient 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, issued and in the long-term. 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

The following table summarizes our material cash requirements for future periods (in thousands):

		Material Cash Requirements Due by the Year Ended December 31,				
		2024 - 2023	2026 - 2025	2028	Thereafter	Total
		Material Cash Requirements Due by the Year Ended December 31,			Material Cash Requirements Due by the Year Ended December 31,	
		2024	2025 - 2024	2026 - 2025	2027 - 2026	Total
		2024	2026	2029	Thereafter	Total
Convertible senior notes ⁽¹⁾	Convertible senior notes ⁽¹⁾	\$ 2,300	\$4,600	\$230,096	\$ —	\$236,996
Finance leases ⁽²⁾	Finance leases ⁽²⁾	39	50	—	—	89
Operating leases ⁽³⁾	Operating leases ⁽³⁾	5,087	3,605	599	—	9,291
Cash portion of contingent consideration ⁽⁴⁾	Cash portion of contingent consideration ⁽⁴⁾	67,290	—	—	—	67,290
Partner share commitments ⁽⁵⁾						
Purchase obligations ^{(5), (6)}	Purchase obligations ^{(5), (6)}	25,352	362	—	—	25,714
Total	Total	\$100,068	\$8,617	\$230,695	\$ —	\$339,380

(1) Convertible senior notes were issued on September 22, 2020 and have an aggregate principal amount of \$230.0 million bearing interest of 1.00%.

(2) Finance leases represent principal and interest payments.

(3) Operating lease obligations represent future minimum lease payments under our non-cancelable operating leases with an initial term in excess of one year.

- (4) **Amount** 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. This amount represents the estimated fair value remaining portion to be paid out according to the terms of the 30% cash portion of the Bridg First and Second Anniversary Payments, Settlement Agreement, inclusive of \$13.8 million of broker fees and transaction bonuses.
- (5) 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 and resulted in an accrual of \$4.5 million for the Partner Share shortfall as of that date. The Partner Share shortfall is included within Partner Share liability on our condensed consolidated balance sheet. As of December 31, 2023, we paid our shortfall of \$1.2 million and will pay the remaining installments on a quarterly basis over the next three quarters. During the years ended December 31, 2023 and 2022, we recognized \$1.3 million and \$3.2 million, respectively, of expected minimum Partner Share commitment shortfalls within Partner Share and other third-party costs on our condensed consolidated statements of operations.
- (6) Purchase obligations include all legally binding contracts such as hardware, software, licenses and legally binding service contracts. Purchase orders that are not binding agreements are excluded from the table above.

The commitment amounts in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. The table above does not include obligations under agreements that we can cancel without a significant penalty.

We have a minimum Partner Share commitment to a certain FI partner totaling \$10.0 million over a 12-month period which began on April 1, 2022. To the extent that this commitment is expected to exceed the amount of Partner Share otherwise payable to such FI partner in the absence of such commitment, we accrue any expected shortfall over the commitment period. We accrued for zero and \$3.2 million of expected minimum Partner Share commitment shortfalls as of Sources of Funds 2021 and 2022, respectively.

Proceeds from Issuance of Common Stock

On March 5, 2021, we closed a public equity offering in which we sold 3,850,000 shares of common stock at a public offering price of \$130.00 per share. We received total net proceeds of \$484.0 million after deducting underwriting discounts and commissions of \$16.3 million and offering costs of \$0.2 million.

During 2020 and 2021 we also received \$2.2 million and \$2.4 million respectively, in proceeds from the exercise of options and warrants to purchase shares of common stock, respectively.

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2020 Convertible Senior Notes

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 2025 (the "Notes"). The net proceeds from this offering were \$222.7 million, after deducting the initial purchasers' discounts and commissions and the estimated offering expenses payable by us. We used \$26.5 million of the net proceeds to pay the cost of capped call transactions (the "Capped Calls") related to the Notes.

2018 Loan Facility

On April 2022, April 29, 2022, we amended our 2018 Loan Facility to increase the capacity of our 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. As part of 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 Adjusted Contribution and a minimum adjusted cash of \$25.0 million, which is reduced by eligible accounts receivable in excess of the loan capacity. On November 29, 2022, we amended our 2018 Loan Facility to modify the eligible account receivable to exclude UK 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 Adjusted Contribution. On February 16, 2023, we amended our 2018 Loan Facility to remove and replace the former adjusted contribution Adjusted Contribution covenant with a requirement to maintain a minimum level of adjusted Adjusted EBITDA.

Under the On May 3, 2023, we amended our 2018 Loan Facility relating to modify the covenants related to the 2018 Line maximum amount of Credit, cash we are able allowed to pay for the First Anniversary Payment Amount and Second Anniversary Payment Amount under the Merger Agreement. On February 9, 2024, we amended our 2018 Loan Facility to increase the ability to borrow up to the lesser of \$50.0 million or 50% 75% of the amount of our eligible accounts receivable. Interest 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 based on our positive Adjusted EBITDA result.

As of December 31, 2023, interest on advances under the 2018 Line of Credit bears bore an interest rate equal to the prime rate minus of 7.50% as of December 31, 2022 8.50%. In addition, we are required to pay an unused line fee of 0.15% per annum on the average daily unused amount of the \$60.0 million revolving commitment. Interest accrued on commitment, which remains unchanged in the 2018 Term Loan at an annual rate of interest equal to the prime rate minus 2.75%, or 2.00% at the date of repayment in September 2019, most recent amendment.

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

During the year ended December 31, 2023, we borrowed \$30.0 million against our 2018 Line of Credit. Interest on advances bears an interest rate equal to the prime rate of 8.50% as of December 31, 2023. During the year ended December 31, 2023, we incurred approximately \$2.1 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. As of December 31, 2023, we had \$16.7 million of unused available borrowings under our 2018 Line of Credit. We believe we were are in compliance with all financial covenants as of December 31, 2022 December 31, 2023. As of December 31, 2022, we had \$60.0 million of unused borrowings available under our 2018 Line of Credit.

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 three 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' 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 payments to FI partners 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.

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Historical Cash Flows

In this section, we discuss the activity of our cash flows for the year ended December 31, 2021 December 31, 2023 and the year ended December 31, 2022. For a discussion of the year ended December 31, 2020 December 31, 2022, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Liquidity and Capital Resources" in our Annual Report on Form 10-K and Form 10-K/A for the year ended December 31, 2021.

The following table shows a summary of our cash flows for the periods presented (in thousands):

		Year Ended December 31,		Year Ended December 31,	
		2021	2022	2023	2022
Cash, cash equivalents and restricted cash at beginning of period	Cash, cash equivalents and restricted cash at beginning of period	\$293,349	\$233,562		
Net cash used in operating activities	Net cash used in operating activities	(38,523)	(53,904)		
Net cash used in investing activities	Net cash used in investing activities	(506,695)	(15,760)		
Net cash received from financing activities	Net cash received from financing activities	485,998	(39,987)		
Net cash used in financing activities	Net cash used in financing activities				

Effect of exchange rates on cash, cash equivalents and restricted cash	Effect of exchange rates on cash, cash equivalents and restricted cash	(567)	(1,926)
Cash, cash equivalents and restricted cash at end of period	Cash, cash equivalents and restricted cash at end of period	<u>\$233,562</u>	<u>\$121,985</u>

Operating Activities

Historically, we have experienced negative operating cash flows, which reflects our investments to grow our business. Over time, we expect our business to generate positive operating cash flows. Given the seasonal nature of our marketer's advertising spending and our continued investment in our business, we may experience periods of negative operating cash flows from operations.

Operating activities used \$0.2 million of cash in 2023, which reflected our net loss of \$134.7 million, \$148.0 million of which were non-cash charges, and a \$13.5 million change in our net operating assets and liabilities. The non-cash charges primarily related to stock-based compensation expense, depreciation and amortization expense (including the amortization of acquired intangible assets) impairment of goodwill and intangible assets, amortization of right-of-use assets, changes in the fair value of our contingent consideration, and credit loss expense. The change in our net operating assets and liabilities was primarily due to a \$7.7 million increase in accounts receivable and contract assets, a \$7.5 million decrease in other accrued expenses, and a \$1.4 million decrease in our Consumer Incentive liability, partially offset by a \$2.5 million decrease in prepaid expense and other assets and a \$0.4 million increase in Partner Share liability.

Operating activities used \$53.9 million of cash in 2022, which reflected our net loss of \$465.3 million, \$422.7 million of which were non-cash charges, and a \$11.3 million change in our net operating assets and liabilities. The non-cash charges primarily related to stock-based compensation expense, depreciation and amortization expense including (including the amortization of acquired intangible assets, assets) impairment of goodwill and intangible assets, amortization of right-of-use right-of-use assets, deferred implementation costs, changes in the fair value of our contingent consideration, credit loss expense and income tax benefit. The change in our net operating assets and liabilities was primarily due to a \$4.5 million increase in accounts receivable and contract assets, a \$9.5 million decrease in other accrued expenses and a \$1.7 million decrease in Partner Share liability, partially offset by a \$1.4 million increase in our Consumer Incentive liability.

Operating activities used \$38.5 million of cash in 2021, which reflected our net loss of \$128.6 million, \$96.7 million of which were non-cash charges, and a \$6.7 million change in our net operating assets and liabilities. The non-cash charges primarily related to stock-based compensation expense, depreciation and amortization expense, including the amortization of acquired intangible assets, amortization of right-of-use assets, deferred implementation costs, changes in the fair value of our contingent consideration, credit loss expense and income tax benefit. The change in our net operating assets and liabilities was primarily due to a \$27.9 million increase in accounts receivable and contract assets, a \$0.9 million decrease in other accrued expenses and a \$9.1 million decrease in Partner Share liability, partially offset by a \$13.2 million increase in our Consumer Incentive liability.

Investing Activities

Our cash flows used for investing activities are primarily driven by our acquisitions of Dosh and Bridg, our investments in, and purchases of, property and equipment and costs to develop internal-use software. We expect that we will continue to use cash for investing activities as we continue to invest in and grow our business.

Investing activities used cash totaling \$506.7 million \$10.1 million and \$15.8 million, in 2021 2023 and 2022, respectively. Our investing cash flows outflows during these periods primarily consisted of funds used for the acquisitions of Dosh and Bridg, purchases of technology hardware and costs to develop internal-use software. Additionally, in 2023, we had cash inflows of \$2.3 million related to proceeds from divestitures, net of cash divested and in 2022, we had cash outflows of \$2.3 million related to business acquisitions, net of cash acquired. Refer to Note 4—Business Combinations to our consolidated financial statements for additional disclosures related to our acquisitions and divestitures.

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Financing Activities

Our cash flows from used in financing activities have primarily been composed of contingent consideration payments to Bridg, repurchasing shares of our common stock, offset by borrowings and repayments under our debt facilities, proceeds from the issuance of common stock and payments for costs related to debt issuances and equity offerings.

Financing activities used \$20.0 million in cash in 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. Financing activities used \$40.0 million in cash in 2022, consisting of \$40.0 million used to repurchase shares of our common stock, partially offset by proceeds received in connection with the exercise of stock options. stock.

Financing activities provided \$486.0 million in cash in 2021. During 2021, we raised total gross proceeds of \$500.5 million, or net proceeds of \$484.0 million after deducting underwriting discounts and commissions of \$16.3 million and offering costs of \$0.2 million from our public equity offering in which we sold 3,850,000 shares of common stock at a public offering price of \$130.00 per share.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of our consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue, costs and expenses. We base our estimates and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates. Our most critical accounting policies are summarized below. Refer to the notes to our consolidated financial statements for additional information.

Business Combinations

We estimate the fair value of assets acquired and liabilities assumed in a business combination. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement.

Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired technology, useful lives, and discount rates. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. During the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. On the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

Fair Value of Contingent Consideration

When required by GAAP, assets and liabilities are reported at fair value on our consolidated financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

The consideration for our acquisition of Bridg includes future payments that are contingent upon the results of Bridg's operations. We recorded a contingent consideration obligation for such contingent payments at fair value on the acquisition date. We estimate the fair value of contingent consideration obligations through valuation models designed to estimate the probability of such contingent payments based on various assumptions and incorporating estimated success rates. Estimated payments are discounted using present value techniques to arrive at an estimated fair value at the balance sheet date. Changes in the fair value of the contingent consideration obligations are recognized within our consolidated statements of operations. Changes in the fair value of the contingent consideration obligations can result from changes to one or multiple inputs, including adjustments to forecasts, the discount rates and assumptions used in preparing these models which include estimates such as revenue volatility, revenue discount rate, weighted average cost of capital, and our common stock volatility. Substantial judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period until the dates of settlement. Accordingly, changes in assumptions could have a material impact on the amount of contingent consideration expense in our records in any given period. Refer to Note 12—Fair Value Measurements to our consolidated financial statements for additional information regarding the fair value of our financial instruments.

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Valuation and Impairment of goodwill and intangible assets

Intangible assets are recorded at fair value on the date of acquisition and amortized over their estimated useful lives. The intangible assets are evaluated whenever events or changes in circumstances indicated that we should estimate the fair value of our individual long-lived assets to determine if any impairment charges were present. Our estimation of the fair value of definite lived intangible assets include the use of discounted cash flow analyses which reflected estimates of future revenue, customer attrition rates, royalty rates, cash flows, and discount rates. Given the significant level of uncertainty that currently exists, management applied several alternative scenarios for market and Company performance over the next several years to determine an estimated fair value. Other key assumptions were updated as appropriate, including the discount rate, which increased as a result of an increase in the equity risk premium, which was partially offset by a decrease in the risk free rate.

Goodwill represents the excess of the purchase price over the estimated fair value of the net assets acquired in a business combination. We evaluate our goodwill for impairment annually during the fourth quarter and whenever events or changes in circumstances indicate that the fair value of a reporting unit is more likely than not less than the carrying amount. Our reporting units are one level below the operating segments at which level our segment management conducts regular reviews of the operating results.

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Our impairment evaluation consists of a qualitative assessment. If this assessment indicates that the fair value of the reporting unit is not more likely than not less than the carrying amount, goodwill is not considered impaired. Otherwise, a quantitative impairment test is performed by comparing the fair value of a reporting unit to its carrying value, including goodwill. We can bypass the qualitative assessment for any period and proceed directly to the quantitative impairment test. If the carrying value of the net assets associated with the reporting unit exceeds the fair value of the reporting unit, goodwill is considered impaired and the impairment will be determined as the amount by which the reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill.

We performed our annual impairment test as of October 1, 2023 and determined that the carrying value of the Bridg platform exceeded its fair value, and accordingly, we recognized goodwill impairment of \$70.5 million. The significant judgments in the discounted cash flow analysis for our Bridg platform included the selected discount rate and forecasts of future revenues and cash flows

We performed a quantitative assessment for goodwill in our Cardlytics platform in the U.S. reporting unit and our Bridg platform reporting unit at June 30, 2022, which resulted in a goodwill impairment of \$83.1 million recorded to our Bridg platform reporting unit. We performed our annual impairment test as of October 1, 2022, which resulted in goodwill impairment of \$313.1 million recorded between our Cardlytics platform in the U.S. and our Bridg platform reporting units. We utilized a discounted cash flow method under the income approach, and to a lesser extent the market approach to value our reporting units. The significant judgments in the discounted cash flow analysis for both our Cardlytics platform in the U.S. and our Bridg platform included the selected discount rate and forecasts of future revenues and cash flows. See Note 5—Goodwill and Acquired Intangibles in our consolidated financial statements for additional information.

We continue to closely monitor developments related to global events and macroeconomic conditions. Changes in market conditions, laws and regulations, and key assumptions made in future quantitative assessments, including forecasted revenues and expected cash flows, competitive factors and discount rates, could negatively impact the results of future impairment testing and could result in the recognition of an additional impairment charge.

Income Taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and operating loss and tax credit carryforwards. carry-forwards. Valuation allowances are provided when we determine that it is more likely than not that all of, or a portion of, deferred tax assets will not be utilized in the future.

Significant judgment is required in determining any valuation allowance recorded against net deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Estimates of future taxable income are based on assumptions that are consistent with our plans. Assumptions represent management's best estimates and involve inherent uncertainties and the application of management's judgment. If actual amounts differ from our estimates, the amount of our tax expense and liabilities could be materially impacted.

We have recorded a full valuation allowance related to our net deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets.

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We recognize the tax effects of an uncertain tax position only if it is more likely than not to be sustained based solely on its technical merits as of the reporting date, and then, only in an amount more likely than not to be sustained upon review by the tax authorities. Where applicable, we classify associated interest and penalties as income tax expense. The total amounts of interest and penalties were not material. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes.

Recent Accounting Pronouncements

Refer to Note 3—Accounting Standards to our consolidated financial statements for additional information.

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ITEM 7A. 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 rate under the 2018 Line of Credit is variable. Interest on advances under the 2018 Line of Credit bears an interest rate of the prime rate of 7.50% 8.50%. As of December 31, 2022 December 31, 2023, the prime rate was 7.5% 8.50% and a 10% increase in the current prime rate would, for example, result in a \$0.4 million \$0.5 million annual increase in interest expense if the maximum borrowable amount under the 2018 Line of Credit were outstanding for an entire year. The interest rate on the Notes is fixed at 1.00%. Refer to Note 9—Debt and Financing Arrangements to our consolidated financial statements for additional disclosures related to our debt.

Foreign Currency Exchange Risk

Both revenue and operating expense of Cardlytics UK Limited are denominated in British pounds, and we pounds. We bear foreign currency risks related to these amounts, 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% higher lower relative to the U.S. dollar during the 2020, 2023, 2022 and 2021, our revenue would have decreased by \$1.8

million, 2.3 million and 2022, our 2.1 million, respectively. The overall impact to net loss would be partially mitigated by decreases in operating expense would have increased by \$0.8 million of \$0.5 million, \$1.1 million and \$1.0 million in 2023, 2022 and \$1.1 million, 2021, respectively. Our foreign currency risks related to expenses denominated in Indian rupees are insignificant.

Inflation Risk

Historically, we do not believe that inflation has had a material effect on our business, financial condition or results of operations. However, over the last year there has been increased inflationary pressure, and we believe that inflationary pressure has the potential to negatively impact overall consumer spending and advertising budgets as a result of the impact on consumer spend. This could potentially impact our current business products and strategy. We will continue to monitor the impact of inflation in order to reduce its effects through pricing strategies, productivity improvements, and cost reductions. If advertising budgets were to become subject to significant inflationary pressures, we may not be able to fully offset the effects of lower demand through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CARDLYTICS, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Cardlytics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cardlytics, Inc. and subsidiaries (the "Company") as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2022 December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2023 March 14, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material

misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue – Refer to Note 2 and 6 to the consolidated financial statements

Critical Audit Matter Description

The Company's revenue generated from its Cardlytics platform in the U.S. and U.K. consists of transaction-based fees made up of a significant volume of low-dollar transactions, sourced from multiple databases. The processing and recording of revenue is highly automated and is based on contractual terms with marketers, FIs, and other parties. Because of the nature of the Company's transaction-based fees, the Company uses automated systems to process and record its revenue transactions.

We identified revenue as a critical audit matter because the Company's systems to process and record revenue are highly automated. This required an increased extent of effort, including the need for us to involve professionals with expertise in information technology (IT), to identify, test, and evaluate the Company's systems, software applications, and automated controls.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's systems to process revenue transactions included the following, among others:

- With the assistance of our IT specialists, we:
 - Identified the relevant systems used to process revenue transactions and tested the general IT controls over each of these systems, including testing of user access controls, change management controls, and IT operations controls.
 - Performed testing of initial system set-up and monitoring controls, system interface controls, automated controls, and data monitoring controls within the relevant revenue streams, as well as the controls designed to ensure the accuracy and completeness of revenue.
- We tested the operating effectiveness of internal controls within the relevant revenue business processes, including those in place to reconcile the information from various systems to the Company's general ledger.

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- For a sample of revenue transactions, we performed detail transaction testing by agreeing the amounts recognized to source documents and testing the mathematical accuracy of the recorded revenue.

Contingent Consideration – Refer to Notes 2, 4, and 12 to the consolidated financial statements

Critical Audit Matter Description

The Company acquired Bridg in the prior year, which included contingent consideration as part of the total purchase consideration. Auditing the Company's accounting for the contingent consideration was complex due to the estimation utilized in the Company's determination of the fair value of the contingent consideration, which was valued at \$104.1 million as of December 31, 2022. The significant estimation was primarily due to the complexity of the valuation methodology used by management to measure the fair value of the contingent consideration and the sensitivity of the fair value to the significant underlying assumptions. In order to determine the fair value of the contingent consideration, the Company simulated forecasted annual recurring revenue ("ARR") using revenue volatility from comparable market data. The Company then determined the appropriate discount rate for the assumed cash component and used a Monte Carlo simulation for the assumed stock component. The assumptions used in preparing this model include estimates such as revenue volatility, revenue discount rate, weighted average cost of capital, and the Company's common stock volatility. The assumptions utilized in the model require substantial judgment and could have a material impact on the amount of contingent consideration expense recorded in any given period.

As contingent consideration is recorded as a liability it is remeasured using a fair value methodology consistent with the one described above and it will continue to be remeasured until the dates of settlement. As of December 31, 2022, the remeasurement is relevant for the Second Anniversary Payment date.

We identified contingent consideration as a critical audit matter because of the judgement surrounding forecasted ARR and the complexity of the valuation methodology used to value the contingent consideration. This required a high degree of auditor judgment and an increased extent of effort, including the need for us to involve professionals with valuation expertise.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures as of December 31, 2022, related to the Bridg contingent consideration included the following, among others:

- We tested operating effectiveness of controls around management's review of third-party specialist's report, calculation and reconciliation of the estimated liability to the general ledger, and management's review of forecasted ARR.

- We tested the forecasted ARR used in the model by comparing the projections to historical results, third party industry projections, and the Company's internal contracted backlog.
- We evaluated management's ability to accurately forecast revenues by comparing actual results to management's historical forecasts of revenue.
- With the assistance of our valuation specialists, we evaluated the valuation methodology and independently recalculated the estimated fair value of the contingent consideration to compare to the Company's recorded amount.

Goodwill – Certain Reporting Units – Refer to [Note 2](#) and [Note 5](#) to the consolidated financial statements

Critical Audit Matter Description

The Company's evaluation of goodwill for impairment involves the comparison of the fair values of its reporting units, including the Cardlytics platform in the U.S. reporting unit and the Bridg platform reporting unit, to their respective carrying values as of both June 30, 2022 and October 1, 2022 October 1, 2023. The Company used a combination of valuation methodologies including the income approach, and to a lesser extent the market approach, to estimate fair value at each reporting date. The Company utilizes discounted cash flow models to perform its income approach, which requires management to make significant judgments related to discount rates and forecasts of future revenues and cash flows. Changes in these assumptions could have a significant impact on either the fair values of the reporting units, the amount of any goodwill impairment charge, or both.

The Company performed an interim impairment test for goodwill as of June 30, 2022 due to a sustained decline in its stock price. The Company recognized a goodwill impairment charge of \$83.1 million in the second quarter of 2022 as the fair value of the Bridg platform reporting unit was determined to be less than its respective carrying value. The Company performed its annual goodwill impairment assessment as of October 1, 2022 October 1, 2023. As a result of a the continued slowdown in the global economy and decreased consumer spend, which resulted in further declines in the Company's stock price, the Company recognized a goodwill impairment charge of \$46.3 million for the Cardlytics platform in the U.S. reporting unit and \$266.8 million \$70.5 million for the Bridg platform reporting unit, as the fair value for each respective of the reporting unit was determined to be less than its respective carrying value. The total goodwill impairments were \$396.2 million No impairment charge was recorded for the year ended December 31, 2022. Cardlytics platform in the U.S. reporting unit. The consolidated goodwill balance was \$352.7 million \$277.2 million as of December 31, 2022 December 31, 2023, of which \$164.4 million \$159.4 million was allocated to the Cardlytics platform in the U.S. reporting unit, and \$188.3 million \$117.8 million was allocated to the Bridg platform reporting unit.

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We identified valuation of goodwill for the Cardlytics platform in the U.S. reporting unit and the Bridg platform reporting unit as a critical audit matter because of the significant judgments made by management to estimate the fair values of these this specific reporting units. unit. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve fair value specialists, when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to the selection of the discount rate and forecasts of future revenues and cash flows for the Cardlytics platform in the U.S. reporting unit and the Bridg platform reporting unit.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation methodology, discount rate and forecasts of future revenues and cash flows used by management to estimate the fair value of the Cardlytics platform in the U.S. reporting unit and Bridg platform reporting unit included the following, among others:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the determination of the fair value of the Cardlytics platform in the U.S. reporting unit and Bridg platform reporting unit, such as controls related to management's selection of the discount rate and forecasts of future revenues and cash flows.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rate, including testing the source information underlying the determination of the discount rate, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rate selected by management.
- We evaluated management's ability to accurately forecast future revenues and cash flows by comparing prior year forecasts to actual results in the respective years. We also compared current revenue and cash flow forecasts to (1) historical results, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in Company press releases as well as in analyst and industry reports of the Company and companies in its peer group.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia

March 1, 2023 14, 2024

We have served as the Company's auditor since 2012.

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

		December 31,	
		2021	2022
		December 31,	
		2023	2022
Assets	Assets		
Current assets:	Current assets:		
Current assets:			
Current assets:			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	\$ 233,467	\$ 121,905
Restricted cash	Restricted cash	95	80
Accounts receivable and contract assets, net	Accounts receivable and contract assets, net	111,085	115,609
Other receivables	Other receivables	6,097	4,470
Other receivables			
Other receivables			
Prepaid expenses and other assets	Prepaid expenses and other assets	7,981	7,978
Total current assets	Total current assets	358,725	250,042
Long-term assets:	Long-term assets:		
Property and equipment, net			
Property and equipment, net	Property and equipment, net	11,273	5,916
Right-of-use assets under operating leases, net	Right-of-use assets under operating leases, net	10,196	6,571
Intangible assets, net	Intangible assets, net	125,550	53,475
Goodwill	Goodwill	742,516	352,721
Capitalized software development costs, net	Capitalized software development costs, net	13,131	19,925
Other long-term assets, net	Other long-term assets, net	2,406	2,586
Other long-term assets, net			
Other long-term assets, net			
Total assets	Total assets	\$1,263,797	\$ 691,236

Liabilities and stockholders' equity	Liabilities and stockholders' equity			
Current liabilities:	Current liabilities:			
Current liabilities:				
Current liabilities:				
Accounts payable				
Accounts payable				
Accounts payable	Accounts payable	\$ 4,619	\$ 3,765	
Accrued liabilities:	Accrued liabilities:			
Accrued liabilities:				
Accrued compensation				
Accrued compensation				
Accrued compensation	Accrued compensation	12,136	10,486	
Accrued expenses	Accrued expenses	19,620	21,335	
Partner Share liability				
Partner Share liability				
Partner Share liability	Partner Share liability	46,595	48,593	
Consumer Incentive liability	Consumer Incentive liability	52,602	53,983	
Deferred revenue	Deferred revenue	3,280	1,751	
Current operating lease liabilities	Current operating lease liabilities	6,028	4,910	
Current operating lease liabilities				
Current operating lease liabilities				
Current contingent consideration				
Current contingent consideration				
Current contingent consideration	Current contingent consideration	182,470	104,121	
Total current liabilities	Total current liabilities	327,350	248,944	
Total current liabilities				
Total current liabilities				
Long-term liabilities:	Long-term liabilities:			
Convertible senior notes, net	Convertible senior notes, net	184,398	226,047	
Convertible senior notes, net				
Convertible senior notes, net				
Long-term debt				

Long-term debt			
Long-term debt			
Long-term deferred revenue	Long-term deferred revenue	173	334
Long-term operating lease liabilities	Long-term operating lease liabilities	6,801	4,306
Long-term contingent consideration	Long-term contingent consideration	49,825	—
Other long-term liabilities		4,550	—
Long-term contingent consideration			
Long-term contingent consideration			
Total liabilities			
Total liabilities			
Total liabilities	Total liabilities	573,097	479,631
Stockholders' equity:			
Stockholders' equity:			
Common stock, \$0.0001 par value—100,000 shares authorized and 33,534 and 33,477 shares issued and outstanding as of December 31, 2021 and December 31, 2022, respectively			
		9	9
Common stock, \$0.0001 par value—100,000 shares authorized and 39,728 and 33,477 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively			
Common stock, \$0.0001 par value—100,000 shares authorized and 39,728 and 33,477 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively			
Common stock, \$0.0001 par value—100,000 shares authorized and 39,728 and 33,477 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively			
Additional paid-in capital	Additional paid-in capital	1,212,823	1,182,568
Accumulated other comprehensive income			
Accumulated other comprehensive income			

Accumulated other comprehensive income	Accumulated other comprehensive income	486	5,598
Accumulated deficit	Accumulated deficit	(522,618)	(976,570)
Total stockholders' equity	Total stockholders' equity	690,700	211,605
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$1,263,797	\$ 691,236

See notes to the consolidated financial statements

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

		Year Ended December 31,			Year Ended December 31,		
		2020	2021	2022	2023	2022	2021
Revenue	Revenue	\$186,892	\$ 267,116	\$ 298,542			
Costs and expenses:	Costs and expenses:						
Partner Share and other third-party costs	Partner Share and other third-party costs	109,308	141,273	155,507			
Partner Share and other third-party costs							
Partner Share and other third-party costs							
Delivery costs	Delivery costs	14,310	22,503	30,403			
Sales and marketing expense	Sales and marketing expense	45,307	65,996	74,745			
Research and development expense	Research and development expense	17,532	38,104	54,435			
General and administration expense	General and administration expense	46,532	66,222	81,446			
Acquisition and integration costs (benefits)	Acquisition and integration costs (benefits)	—	24,372	(2,874)			
Acquisition, integration and divestiture (benefits) costs							

Change in fair value of contingent consideration	Change in fair value of contingent consideration	—	1,374	(128,174)
Impairment of goodwill and intangible assets	Impairment of goodwill and intangible assets	—	—	453,288
Loss on divestiture				
Depreciation and amortization expense	Depreciation and amortization expense	7,826	29,871	37,544
Total costs and expenses	Total costs and expenses	240,815	389,715	756,320
Total costs and expenses				
Total costs and expenses				
Operating loss	Operating loss	(53,923)	(122,599)	(457,778)
Other (expense) income:				
Other income (expense):				
Interest expense, net				
Interest expense, net				
Interest expense, net	Interest expense, net	(3,048)	(12,563)	(2,556)
Foreign currency gain (loss)	Foreign currency gain (loss)	1,549	(1,267)	(6,376)
Total other expense		(1,499)	(13,830)	(8,932)
Foreign currency gain (loss)				
Foreign currency gain (loss)				
Total other income (expense)				
Loss before income taxes	Loss before income taxes	(55,422)	(136,429)	(466,710)
Income tax benefit	Income tax benefit	—	7,864	1,446
Net loss		(55,422)	(128,565)	(465,264)
Net Loss				
Net loss attributable to common stockholders				
\$ (55,422) \$(128,565) \$(465,264)				
Net Loss attributable to common stockholders				
Net Loss attributable to common stockholders				
Net Loss attributable to common stockholders				

Net loss per share attributable to common stockholders, basic and diluted	Net loss per share attributable to common stockholders, basic and diluted	\$ (2.04)	\$ (3.99)	\$ (13.92)
Weighted-average common shares outstanding, basic and diluted	Weighted-average common shares outstanding, basic and diluted	27,213	32,202	33,419

See notes to the consolidated financial statements

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

		Year Ended December 31,			Year Ended December 31,		
		2020	2021	2022	2023	2022	2021
Net loss		\$(55,422)	\$(128,565)	\$(465,264)			
Net Loss							
Other comprehensive loss:	Other comprehensive loss:						
Foreign currency translation adjustments	Foreign currency translation adjustments	(1,504)	678	5,112			
Total comprehensive loss		\$(56,926)	\$(127,887)	\$(460,152)			
Foreign currency translation adjustments							
Foreign currency translation adjustments							
Total Comprehensive Loss							

See notes to the consolidated financial statements

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

	Common Stock		Additional	Accumulated		
	Shares	Amount	Paid-In	Other	Accumulated	Total
			Capital	Comprehensive	Deficit	
				Income (loss)		
Balance – December 31, 2019	26,547	\$ 8	\$ 480,578	\$ 1,312	\$ (338,631)	\$ 143,267
Exercise of common stock options	467	—	10,176	—	—	10,176
Exercise of common stock warrants	9	—	—	—	—	—
Stock-based compensation	—	—	32,872	—	—	32,872
Issuance of common stock under the ESPP	59	—	2,837	—	—	2,837
Issuance of restricted stock	779	—	—	—	—	—
Issuance of convertible notes	—	—	51,416	—	—	51,416
Purchases of capped calls	—	—	(26,450)	—	—	(26,450)
Other comprehensive loss	—	—	—	(1,504)	—	(1,504)
Net loss	—	—	—	—	(55,422)	(55,422)
Balance – December 31, 2020	27,861	\$ 8	\$ 551,429	\$ (192)	\$ (394,053)	\$ 157,192
Exercise of common stock options	141	—	2,155	—	—	2,155
Stock-based compensation	—	—	50,224	—	—	50,224
Issuance of restricted stock	724	—	—	—	—	—
Issuance of common stock	3,850	1	484,048	—	—	484,049
Common stock to be issued for the acquisition of Dosh	916	—	117,349	—	—	117,349
Fair value of assumed Dosh options attributable to pre-combination service	—	—	3,593	—	—	3,593
Fair value of assumed Bridg options attributable to pre-combination service	—	—	841	—	—	841
Issuance of common stock under the ESPP	42	—	3,184	—	—	3,184
Other comprehensive loss	—	—	—	678	—	678
Net loss	—	—	—	—	(128,565)	(128,565)
Balance – December 31, 2021	33,534	\$ 9	\$ 1,212,823	\$ 486	\$ (522,618)	\$ 690,700
Cumulative effect upon adoption of ASU 2020-06	—	\$ —	\$ (51,417)	\$ —	\$ 11,312	\$ (40,105)
Exercise of common stock options	23	—	418	—	—	418
Stock-based compensation	—	—	46,810	—	—	46,810
Issuance of restricted stock	986	—	—	—	—	—
Common stock to be issued for the acquisition of Entertainment	173	—	11,937	—	—	11,937
Issuance of common stock under the ESPP	167	—	1,997	—	—	1,997
Repurchase and Cancellation of common stock	(1,406)	—	(40,000)	—	—	(40,000)
Other comprehensive income	—	—	—	5,112	—	5,112
Net loss	—	—	—	—	(465,264)	(465,264)
Balance – December 31, 2022	33,477	\$ 9	\$ 1,182,568	\$ 5,598	\$ (976,570)	\$ 211,605

Year Ended December 31, 2023:

	Common Stock		Additional	Accumulated		
	Shares	Amount	Paid-In	Other	Accumulated	Total
			Capital	Comprehensive	Deficit	
				Income (loss)		
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	—	—	43,466	—	—	43,466
Issuance of restricted stock	2,930	—	—	—	—	—
Issuance of common stock	2,755	—	15,171	—	—	15,171
Issuance of common stock under the ESPP	556	—	2,335	—	—	2,335
Other comprehensive income	—	—	—	(3,131)	—	(3,131)

Net loss	—	—	—	—	(134,702)	(134,702)
Balance – December 31, 2023	39,728	\$ 9	\$ 1,243,594	\$ 2,467	\$ (1,111,272)	\$ 134,798

Year Ended December 31, 2022:

	Common Stock		Additional	Accumulated		
	Shares	Amount	Paid-In	Other	Accumulated	Total
			Capital	Comprehensive	Deficit	
				Income (loss)		
Balance – December 31, 2021	33,534	\$ 9	\$ 1,212,823	\$ 486	\$ (522,618)	\$ 690,700
Cumulative effect upon adoption of ASU	—	—	(51,417)	—	11,312	(40,105)
Exercise of common stock options	23	—	418	—	—	418
Stock-based compensation	—	—	46,810	—	—	46,810
Issuance of restricted stock	986	—	—	—	—	—
Common stock to be issued for the acquisition of Entertainment	173	—	11,937	—	—	11,937
Issuance of common stock under the ESPP	167	—	1,997	—	—	1,997
Repurchase and cancellation of common stock	(1,406)	—	(40,000)	—	—	(40,000)
Other comprehensive loss	—	—	—	5,112	—	5,112
Net loss	—	—	—	—	(465,264)	(465,264)
Balance – December 31, 2022	33,477	\$ 9	\$ 1,182,568	\$ 5,598	\$ (976,570)	\$ 211,605

See notes to the consolidated financial statements

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

Year Ended December 31, 2021:

	Common Stock		Additional	Accumulated		
	Shares	Amount	Paid-In	Other	Accumulated	Total
			Capital	Comprehensive	Deficit	
				Income (loss)		
Balance – December 31, 2020	27,861	\$ 8	\$ 551,429	\$ (192)	\$ (394,053)	\$ 157,192
Exercise of common stock options	141	—	2,155	—	—	2,155
Stock-based compensation	—	—	50,224	—	—	50,224
Issuance of restricted stock	724	—	—	—	—	—
Issuance of common stock	3,850	1	484,048	—	—	484,049
Common stock to be issued for the acquisition of Dosh	916	—	117,349	—	—	117,349
Fair value of assumed Dosh options attributable to pre-combination service	—	—	3,593	—	—	3,593
Fair value of assumed Bridg options attributable to pre-combination service	—	—	841	—	—	841
Issuance of common stock under the ESPP	42	—	3,184	—	—	3,184
Other comprehensive loss	—	—	—	678	—	678
Net loss	—	—	—	—	(128,565)	(128,565)
Balance – December 31, 2021	33,534	\$ 9	\$ 1,212,823	\$ 486	\$ (522,618)	\$ 690,700

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

		Year Ended December 31,			Year Ended December 31,		
		2020	2021	2022	2023	2022	2021
Operating activities	Operating activities						
Net loss		\$ (55,422)	\$ (128,565)	\$ (465,264)			
Net Loss							
Net Loss							
Net Loss							
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:	Adjustments to reconcile net loss to net cash (used in) provided by operating activities:						
Credit loss expense	Credit loss expense						
Credit loss expense	Credit loss expense	1,196	1,702	2,399			
Depreciation and amortization	Depreciation and amortization	7,826	29,871	37,544			
Amortization of financing costs charged to interest expense	Amortization of financing costs charged to interest expense	312	968	1,595			
Amortization of right-of-use asset	Amortization of right-of-use asset	3,766	5,783	6,196			
Impairment of goodwill and intangible assets	Impairment of goodwill and intangible assets	—	—	453,288			
Loss on divestiture							
Accretion of debt discount and non-cash interest expense	Accretion of debt discount and non-cash interest expense	2,486	9,513	—			
Stock-based compensation expense	Stock-based compensation expense	32,396	50,264	44,686			

Change in fair value of contingent consideration	Change in fair value of contingent consideration	—	1,374	(128,174)
Other non-cash (income) expense, net	Other non-cash (income) expense, net	(1,003)	1,343	6,589
Deferred implementation costs	Deferred implementation costs	4,598	3,785	—
Income tax benefit	Income tax benefit	—	(7,864)	(1,446)
Change in operating assets and liabilities:	Change in operating assets and liabilities:			
Accounts receivable and contracts assets, net	Accounts receivable and contracts assets, net	(2,396)	(27,936)	(4,546)
Accounts receivable and contracts assets, net				
Accounts receivable and contracts assets, net				
Prepaid expenses and other assets	Prepaid expenses and other assets	(65)	(1,466)	535
Accounts payable				
Accounts payable				
Accounts payable	Accounts payable	16	1,260	(893)
Other accrued expenses	Other accrued expenses	(1,238)	(905)	(9,516)
Partner Share liability	Partner Share liability	(4,499)	9,139	1,721
Customer Incentive liability	Customer Incentive liability	4,429	13,211	1,382
Net cash used in operating activities	Net cash used in operating activities	(7,598)	(38,523)	(53,904)
Investing activities	Investing activities			
Acquisition of property and equipment	Acquisition of property and equipment	(5,408)	(3,108)	(1,171)
Acquisition of property and equipment				
Acquisition of property and equipment				
Acquisition of patents	Acquisition of patents	(76)	(133)	(175)

Capitalized software development costs	Capitalized software development costs	(4,633)	(9,323)	(12,140)
Business acquisitions, net of cash acquired	Business acquisitions, net of cash acquired	—	(494,131)	(2,274)
Proceeds from divestitures, net of cash divested				
Net cash used in investing activities	Net cash used in investing activities	(10,117)	(506,695)	(15,760)
Financing activities	Financing activities			
Proceeds from issuance of debt				
Proceeds from issuance of debt				
Proceeds from issuance of debt				
Principal payments of debt				
Principal payments of debt				
Principal payments of debt				
Principal payments of debt		(23)	—	(35)
Proceeds from issuance of convertible senior notes, net of issuance costs paid of \$6,900		223,100	—	—
Purchase of capped calls related to convertible senior notes		(26,450)	—	—
Proceeds from issuance of common stock	Proceeds from issuance of common stock	10,185	486,388	379
Proceeds from issuance of common stock				
Proceeds from issuance of common stock				
Settlement of contingent consideration				
Settlement of contingent consideration				
Settlement of contingent consideration				
Repurchase of common stock	Repurchase of common stock	—	—	(40,000)
Deferred equity issuance costs	Deferred equity issuance costs	—	(190)	(157)
Debt issuance costs	Debt issuance costs	(382)	(200)	(174)
Debt issuance costs				
Debt issuance costs				
Net cash received from (used in) financing activities		206,430	485,998	(39,987)
Net cash (used in) received from financing activities				
Net cash (used in) received from financing activities				

Net cash (used in) received from financing activities				
Effect of exchange rates on cash, cash equivalents and restricted cash	Effect of exchange rates on cash, cash equivalents and restricted cash			
		47	(567)	(1,926)
Net increase (decrease) in cash, cash equivalents and restricted cash		188,762	(59,787)	(111,577)
Net decrease in cash, cash equivalents and restricted cash				
Cash, cash equivalents, and restricted cash — Beginning of period	Cash, cash equivalents, and restricted cash — Beginning of period	104,587	293,349	233,562
Cash, cash equivalents, and restricted cash — End of period	Cash, cash equivalents, and restricted cash — End of period	\$293,349	\$ 233,562	\$ 121,985

See notes to the consolidated financial statements

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

Year Ended December 31,					Year Ended December 31,		
Year Ended December 31,					Year Ended December 31,		
		2020	2021	2022	2023	2022	2021
Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheet:	Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheet:						
Cash and cash equivalents	Cash and cash equivalents						
Cash and cash equivalents	Cash and cash equivalents						
Cash and cash equivalents	Cash and cash equivalents	\$293,239	\$233,467	\$121,905			
Restricted cash	Restricted cash	110	95	80			

Total cash, cash equivalents and restricted cash — End of period	Total cash, cash equivalents and restricted cash — End of period	\$293,349	\$233,562	\$121,985
Supplemental schedule of non-cash investing and financing activities:	Supplemental schedule of non-cash investing and financing activities:			
Supplemental schedule of non-cash investing and financing activities:	Supplemental schedule of non-cash investing and financing activities:			
Cash paid for interest	Cash paid for interest			
Cash paid for interest	Cash paid for interest			
Cash paid for interest	Cash paid for interest	\$ 63	\$ 2,328	\$ 2,381
Amounts accrued for property and equipment	Amounts accrued for property and equipment	\$ 242	\$ 267	\$ 67
Amounts accrued for property and equipment	Amounts accrued for property and equipment			
Amounts accrued for property and equipment	Amounts accrued for property and equipment			
Amounts accrued for capitalized software development costs	Amounts accrued for capitalized software development costs	\$ 68	\$ 253	\$ 155

See notes to the consolidated financial statements

CARDLYTICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Cardlytics, Inc. (“we,” “our,” “us,” “our,” “us,” the “Company,” “Company,” or “Cardlytics” “Cardlytics”) is a Delaware corporation and was formed on June 26, 2008. We operate 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 data, including product-level purchase data, to enable marketers, in a privacy-protective manner, to perform analytics and targeted loyalty marketing and to 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 merchants that provide us with access to their point-of-sale 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, grocery and gas. Using our purchase intelligence, we present customers with offers to save money at a time when they are thinking of their finances.

We also operate through (1) Dosh Holdings, LLC, a wholly owned and operated subsidiary in the United States (2) HSP EPI Acquisition, LLC ("Entertainment"), a wholly owned and operated subsidiary in the United States, (3) (2) Cardlytics UK Limited, a wholly owned and operated subsidiary registered as a private limited company in England and Wales, and (4) Cardlytics Services India Private Limited, a wholly owned and operated subsidiary registered as a private limited company in India, Wales.

Stock Repurchases

On May 11, 2022, our Board of Directors authorized a stock repurchase program to repurchase up to \$40.0 million of our common stock. From May 11 to June 30, 2022, we paid \$40.0 million to repurchase 1,405,655 shares of our common stock at an average cost of \$28.44 per share and immediately canceled the repurchased shares.

Proceeds from Issuance of Common Stock

On March 5, 2021, we closed a public equity offering in which we sold 3,850,000 shares of common stock at a public offering price of \$130.00 per share for total gross proceeds of \$500.5 million. We received total net proceeds of \$484.0 million after deducting underwriting discounts and commissions of \$16.3 million and offering costs of \$0.2 million.

During 2020 Divestitures and 2021, Acquisitions

On December 7, 2023, we received \$10.2 million sold and \$2.2 million, respectively, transferred substantially all of the assets of Entertainment for \$6.0 million in proceeds from 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. The resulting loss on sale of \$6.6 million is recorded within "Loss on divestiture" within the exercise consolidated statements of options and warrants to purchase shares of common stock.

2020 Convertible Senior Notes

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 2025 (the "Notes"). Refer to Note 9—Debt and Financing Arrangements for further details.

Acquisitions

operations. On January 7, 2022, we purchased Entertainment for \$13.0 million in equity at an agreed-upon price of \$66.52 per share, subject to \$1.1 million of fair value adjustments based upon the close date, and \$2.3 million in cash, subject to \$0.4 million of adjustments, for an acquisition date fair value of \$14.6 million.

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On May 5, 2021, we completed the acquisition of Bridg, Inc. ("Bridg") for purchase consideration of \$578.9 million. The purchase consideration consisted of a \$350.0 million cash purchase price, subject to \$2.8 million of adjustments and escrows, and contingent consideration with an initial fair value of \$230.9 million related to additional potential future payments. The potential payment within 30 days of the first anniversary of the acquisition (the "First Anniversary Payment") will be equal to 20 times the difference between the U.S. annualized recurring revenue ("ARR"), based on the month preceding the first anniversary and \$12.5 million. The potential payment within 30 days of the second anniversary of the acquisition (the "Second Anniversary Payment") will be equal to 15 times the difference between the ARR for customers as of the first anniversary based on the month preceding the second anniversary, and the prior ARR at the first anniversary. The Second Anniversary Payment is subject to a specified cap. At least 30% of the First Anniversary Payment and the Second Anniversary Payment will be in cash, with the remainder to be paid in cash or our common stock, at our option. If we choose to pay a portion of the First Anniversary Payment or Second Anniversary Payment in our common stock, the number of shares will be determined by dividing the amount of the payment by the trailing 20-day volume-weighted average price ending on the first anniversary date or second anniversary date, as applicable. We also assumed unvested options to purchase Bridg's common stock and attributed \$0.8 million of their fair value to the pre-combination service period. ARR is a performance metric defined within Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations". Refer to Note 4—Business Combinations for further information.

On March 5, 2021, we completed the acquisition of Dosh Holdings, Inc. ("Dosh") for purchase consideration of \$277.6 million in a combination of cash and common stock. The total purchase consideration consisted of a \$150.0 million cash purchase price, subject to \$6.6 million of adjustments and escrows; and \$125.0 million of shares of our common stock at an agreed-upon price of 136.33 per share, subject to \$7.6 million of fair value adjustments based upon our close date, for an acquisition date fair value of \$117.4 million. In addition, we assumed unvested options to purchase Dosh's common stock and attributed \$3.6 million of their fair value to the pre-combination service period.

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, respectively.

As of December 31, 2023, we had paid the First Anniversary Payment 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.

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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 million in cash on January 26, 2024 and we issued 3.6 million 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. Refer to Note 4—Business Combinations 12—Fair Value Measurements and Note 13—Commitments and Contingencies for further information. information about the Bridg acquisition and related contingent consideration.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

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 Dosh and 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

Restructuring and Reduction of Force

During the first quarter of 2020, we began a strategic shift within our organization to increase productivity and optimize performance. This plan resulted in severance and medical benefits totaling \$1.3 million during the year ended December 31, 2020. We recognize these costs when the extent of our actions is determined and the costs can be estimated. These charges are reflected on our consolidated statement of operations for the year ended December 31, 2020, as follows: \$1.1 million in sales and marketing expense, \$0.1 million in general and administrative expense and \$0.1 million in research and development expense.

As a part of our integration efforts with our acquired companies, we continued to evaluate the optimal structure of the combined organization. As a result, during the year ended December 31, 2021 we recognized \$1.2 million in severance and medical benefits related to our acquisitions. These charges are reflected on our consolidated statement of operations within acquisition and integration costs. Additionally, during the year ended December 31, 2021, we recognized \$0.8 million of severance and medical benefits charges related to internal restructuring. These charges are reflected on our consolidated statement of operations as follows: \$0.1 million in delivery costs, \$0.4 million in sales and marketing expense, and \$0.3 million in research and development expense. We recognize these costs when the extent of our actions is determined and the costs can be estimated.

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During 2022, we initiated a strategic reduction of our forces workforce in our U.S., U.K., and India operations, including the planned closure of our Indian office. We also began a strategic shift within our organization to migrate certain data and applications to a cloud computing environment. As part of these initiatives, we recognized severance and medical benefit costs of \$8.1 million. These charges are reflected on our condensed consolidated statement statements of operations as follows: \$1.9 million in delivery costs, \$2.1 million in sales and marketing expense, \$1.6 million in research and development expense and \$2.5 million in general and administrative expense. We recognize these costs when the extent of our actions are determined and the costs can be estimated. We plan to close closed our Indian India office by the end as of 2022. December 31, 2022. As of December 31, 2022 December 31, 2022, the remaining costs that have been incurred related to our restructuring and reduction of force but not yet paid were \$2.4 million. These fees were paid in full in 2023.

During the year ended December 31, 2021, we recognized \$1.2 million in severance and medical benefits related to our acquisitions. These charges are \$2.4 million, reflected on our consolidated statements of operations within acquisition and integration costs. Additionally, during the year ended December 31, 2021, we recognized \$0.8 million of severance and medical benefits charges related to internal restructuring. These charges are reflected on our consolidated statements of operations as follows: \$0.1 million in delivery costs, \$0.4 million in sales and marketing expense, and \$0.3 million in research and development expense. We recognize these costs when the extent of our actions is determined and the costs can be estimated.

Foreign Currency

The functional currency of our foreign wholly-owned subsidiaries is the local currency. We translate the financial statements of these subsidiaries into U.S. dollars each reporting period for purposes of consolidation. Assets and liabilities are translated at the period-end currency exchange rates, certain equity accounts are translated at historical exchange rates and income and expense amounts are translated at average currency exchange rates in effect for the period. The effect of these translation adjustments is reported in a separate component of stockholders' deficit titled accumulated other comprehensive income.

We are also subject to gains and losses from foreign currency denominated transactions and the remeasurement of foreign currency denominated balance sheet accounts, both of which are included in other income (expense) income, net in the accompanying consolidated statements of operations. We recorded a foreign currency (gain) gain totaling \$3.3 million in 2023 and a loss totaling \$(1.6) million, \$6.4 million and \$1.3 million in 2022 and \$6.4 million in 2020, 2021, and 2022, respectively.

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Partner Share and Other Third-Party Costs

We generally pay our partners a negotiated and fixed percentage of our billings to marketers less any Consumer Incentives that we pay to our partners' customers and certain third-party data costs ("Partner Share"). 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-related costs of our campaign, data operations and production support teams, including salaries, benefits, bonuses and payroll taxes, as well as stock-based compensation expense. Delivery costs also include hosting facility costs, internally developed and purchased or licensed software costs, outsourcing costs and professional services costs.

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 COVID-19 pandemic, rising changes in inflation, the U.S. Federal Reserve raising interest rates, and 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."

Revenue for the year ended December 31, 2020 was unfavorably affected by the COVID-19 pandemic and its impact on both consumer discretionary spending and marketers' ability to spend advertising budgets on our solutions. During the year ended December 31, 2021, we saw continued recovery of both consumer spending as well as the advertising budgets of our clients; however, many merchants continued to be impacted by labor shortages and disruptions in their supply chains. During the year ended December 31, 2022, we saw increasing pressure on consumer spending as well as the advertising budgets of our clients due to rising inflation. Due to continuing uncertainty regarding the severity and duration of the impacts of macroeconomic events on the global economy, we will continue to monitor this situation and the potential impacts to our business.

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Business Combinations

We apply the acquisition method of accounting for business combinations. Under this method of accounting, all assets acquired and liabilities assumed are recorded at their respective fair values at the date of the acquisition. We allocate the purchase consideration to the net tangible and identifiable intangible assets. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions. These estimates can include, but are not limited to, the cash flows that an asset is expected to generate in the future, the appropriate weighted-average cost of capital, and the cost savings expected to be derived from acquiring an asset. These estimates are inherently uncertain and unpredictable. We recognize costs directly associated with business combinations, including diligence efforts, legal and advisory costs, broker fees and insurance premiums, as acquisition and integration costs on our consolidated statements of operations.

Acquired Intangible Assets and Goodwill

Acquired intangible assets consist of identifiable intangible assets resulting from our business acquisition. Intangible assets are recorded at fair value on the date of acquisition and amortized over their estimated useful lives. The impairment analysis involves determining whether the estimated fair value of each intangible asset exceeds its carrying amount. If the fair value of the intangible asset exceeds its carrying amount, then the asset is not impaired. However, if the carrying amount exceeds the fair value of the asset, the amount of impairment would equal the excess carrying value. 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. 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. During the year ended December 31, 2023, we reduced our intangible asset balance by \$4.9 million related to the divestiture of Entertainment. During the year ended December 31, 2022, we recorded an intangible asset impairment of \$56.4 million. Refer to Note 5—Goodwill and Acquired Intangibles for additional information.

Goodwill represents the purchase consideration of an acquired business that exceeds the fair value of the net tangible and identifiable intangible assets. Goodwill is evaluated for impairment by reporting unit annually in the fourth quarter, specifically October 1, and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Triggering events that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate or a significant decrease in expected cash flows. During the year ended December 31, 2023, we recorded impairment charges of \$70.5 million. We also reduced our goodwill balance by \$5.0 million related to the divestiture of Entertainment. During the year ended December 31, 2022, we recorded impairment charges of \$396.2 million. No impairment charges were recorded during 2020-2021. The decline in the fair values of the Bridg platform reporting unit below its carrying values at October 1, 2023 and 2021. During 2022 we recorded impairment charges of \$396.2 million, and June 30, 2022 and the Cardlytics platform in the U.S below its carrying value at October 1, 2022 resulted from a continued slowdown in the economy and decreased consumer spend, and a sustained decline in our stock price. Refer to Note 5—Goodwill and Acquired Intangibles for additional information.

Revenue Recognition

We determine revenue recognition through the following steps:

- identification of a contract with a customer;
- identification of the performance obligation(s) in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligation(s) in the contract; and
- recognition of revenue when or as the performance obligation(s) are satisfied.

Cardlytics Platform

Our revenue generated from our Cardlytics platform consist of transaction-based fees made up of a significant volume of low-dollar transactions, sourced from multiple databases. The processing and recording of revenue are highly automated and are based on contractual terms with marketers, partners, and other parties. Because of the nature of our transaction-based fees, we use automated systems to process and record our revenue transactions.

We sell our solutions by entering into agreements directly with marketers or their marketing agencies, generally through the execution of insertion orders. The agreements state the terms of the arrangement, the negotiated fee, payment terms and the fixed period of time of the campaign. We consider a contract to exist when a campaign, which typically lasts 45 days, is published to an FI partner under the terms of an insertion order.

With respect to our Cardlytics platform service, our performance obligation is to offer incentives to partners' customers to make purchases from the marketer within a specified period. This performance obligation is a series that represents a stand ready obligation to provide a targeted campaign for the marketer to partners' customers. The Cardlytics platform fees represent variable consideration that is resolved when partners' customers make qualifying purchases during the marketing campaign term.

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Subsequent to a qualifying purchase, the associated fees are generally not subject to refund or adjustment unless the fees from the marketing campaign exceed a contractual maximum (marketer budget). We have not constrained our revenue because adjustments have historically been immaterial and given the short duration of our marketing campaigns, any adjustments are recognized during the period of the marketing campaign. We recognize revenue for the Cardlytics platform fees over time using the right to invoice practical expedient because the amount billed is equal to the value delivered to marketers through qualified purchases by FIs' our FI partners' customers during that period.

Consumer Incentives

We report our revenue on our consolidated statements of operations net of Consumer Incentives. We do not provide the goods or services that are purchased by our partners' customers from the marketers to which the Consumer Incentives relate. Accordingly, the marketer is deemed to be the principal in the relationship with the customer and, therefore, the Consumer Incentive is deemed to be a reduction in the purchase price paid by the customer for the marketer's goods or services. While we are responsible for remitting Consumer Incentives to our FI partners for further payment to their customers, we function solely as an agent of marketers in these arrangements.

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We invoice marketers monthly based on the qualifying purchases of partners' customers as reported by our partners during the month. Invoice payment terms, negotiated on a marketer-by-marketer basis, are typically between 30 to 60 days. However, for certain marketing agencies with sequential liability terms, payments are not due to us until such marketing agency has received payment from its marketer client. Accounts receivable is recorded at the amount of gross billings to marketers, net of allowances, for the fees and Consumer Incentives that we are responsible to collect. Our accrued liabilities also include the amount of Consumer Incentives due to FI partners. As a result, accounts receivable and accrued liabilities may appear large in relation to revenue, which is reported on a net basis.

Partner Share and Other Third-Party Costs

We report our revenue on our consolidated statements of operations 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 are responsible for the fulfillment and acceptability of the services purchased by marketers. We also have latitude in establishing the price of our services, have discretion in supplier selection and earn variable amounts. Partners only supply consumer purchase data and digital marketing space and generally have no involvement in our marketing campaigns or contractual relationship with marketers.

Contract Costs

Given the short-term nature of our marketing campaigns, all contract costs are expensed as incurred since the expected period of benefit is less than one year. Costs to fulfill a contract include immaterial costs to set up a campaign that we expense as incurred due to the short-term nature of our marketing campaigns.

Bridg Platform

Contracts with customers are evaluated on a contract-by-contract basis as contracts may include multiple types of subscription-based services. Revenue is generated from the sale of subscriptions to our cloud-based customer data-platform and the related delivery of professional services such as implementation, onboarding and technical support. Our subscription contracts are generally 6 to 36 months in duration and are generally billed in advance on a monthly, quarterly or annual basis, with the option for renewal at the end of the contractual arrangement. We recognize revenue over the period in which such services are performed. Our model typically includes an up-front implementation fee with a proof-of-concept period that begins once implementation has completed. It is followed with a periodic commitment from the customer that commences upon completion of the implementation and/or proof-of-concept period through the remainder of the customer life. The periodic commitment includes, but is not limited to, a fixed periodic fee and/or a transactional fee based on system usage that exceeds committed minimums. If the up-front implementation fee is not distinct, revenue is deferred until the date the customer commences use of our services, at which point the up-front implementation fee is recognized ratably over the life of the customer arrangement.

For contracts that contain multiple performance obligations, which include combinations of subscriptions to our cloud-based services and related professional services, we account for each individual services service as a separate performance obligation if they are distinct. The service is distinct if the service is separately identifiable from other items in the arrangement and if a customer can benefit from it on its own or with other resources that are readily available to the customer. If these criteria are not met, the promised services are accounted for as a combined performance obligation.

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The transaction price fee is determined based on the consideration to which we will be entitled in exchange for transferring products or services to the customer. We include any fixed charges within our contracts as part of the total transaction price. To the extent that variable consideration is not constrained, we include an estimate of the variable amount, as appropriate, within the total transaction price and update its assumptions over the duration of the contract. As a practical expedient, we do not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between customer payment and the transfer of services is expected to be one year or less.

Many of our contracts with customers contain some component of variable consideration; fee; however, the constraint will generally not result in a reduction in the estimated transaction price for most forms of variable consideration. We may constrain the estimated transaction price in the event of a high degree of uncertainty as to the final consideration amount owed because of an extended length of time over which the fees may be adjusted.

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The transaction price, including any discounts, is allocated between separate services in a contract that contains multiple performance obligations based on their relative standalone selling prices. The standalone selling prices are determined based on the market adjusted approach utilizing prices at which we separately sell or historically sold each service. For items that are not sold separately, we estimate the standalone selling prices using available information such as market conditions and internally approved pricing guidelines. In instances where there are no observable selling prices for professional services, we may apply the residual approach to estimate the standalone selling price of the subscription based services. In certain situations we allocate the variable consideration to a series of distinct services within a contract. We allocate variable payments to one or more, but not all, of the distinct services or to a series of distinct services in a contract when (i) the variable payment relates specifically to our effort to transfer the distinct service and (ii) the variable payment is for an amount that depicts the amount of consideration to which we expect to be entitled in exchange for transferring the promised services to the customer.

Contract Balances

Timing may differ between the satisfaction of contractual performance obligations to our customers and corresponding invoicing and cash inflows. Contract assets primarily relate to amounts for contracts with customers for which the amount of revenue recognized exceeds the amount billed to the customer. Contract assets are transformed to a receivable (billed or unbilled) once the right to payment is unconditional. Contract liabilities, or deferred revenue, are recorded for amounts collected in advance of the satisfaction of contractual performance obligations. Contract balances are reported in a net contract asset or liability position on a customer-by-customer basis at the end of each reporting period.

Contract Costs

Contract costs are recognized based on the transfer of services to which the asset relates. The recognition period will consider expected customer lives and whether the asset relates to services transferred under a specific anticipated contract. **As of December 31, 2022, there are no contract costs subject to capitalization.**

Accounts Receivable

Accounts receivable are carried at the original invoiced amount less an allowance for credit losses (formerly allowance for doubtful accounts), determined based on the probability of future collection. When we become aware of circumstances that may decrease the likelihood of collection, we record a specific allowance against amounts due, which reduces the receivable to the amount that we believe will be collected. For all other accounts receivable, we determine the adequacy of the allowance for credit losses based on historical loss patterns, the number of days that billings are past due and an evaluation of the potential risk of loss associated with specific accounts.

The following table presents changes in the allowance for credit losses (in thousands):

	Year Ended December 31,		
	2020	2021	2022
Beginning balance	\$ 255	\$ 587	\$ 1,327
Credit loss expense	1,196	1,702	2,399
Write-offs, net of recoveries	(864)	(962)	(1,918)
Ending balance	\$ 587	\$ 1,327	\$ 1,808

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	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ 1,808	\$ 1,327	\$ 587
Credit loss expense	1,704	2,399	1,702
Write-offs, net of recoveries	(1,273)	(1,918)	(962)
Ending balance	\$ 2,239	\$ 1,808	\$ 1,327

Unbilled receivables were **\$0.5 million** **\$0.2 million**, **\$2.2 million** **\$1.6 million** and **\$1.6 million** **\$2.2 million**, as of **December 31, 2020** **December 31, 2023**, **2021** **2022** and **2022**, **2021**, respectively. An unbilled receivable represents revenue earned and recognized from customer activity that was not billed prior to the end of the reporting period. Unbilled receivables are included in accounts receivable and contract assets, net on our consolidated balance sheets.

Leases

At the inception or modification of a contract, we determine whether a lease exists and classify it as an operating or finance lease at commencement. Subsequent to commencement, lease classification is only reassessed upon a change to the expected lease term or contract modification. Finance and operating lease assets represent our right to use an underlying asset as lessee for the lease term, and lease obligations represent our obligation to make lease payments arising from the lease. Lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments, net of incentives such as tenant improvement allowances, over the lease term. As our leases generally do not provide an implicit rate, we use our incremental borrowing rates as of the lease commencement date to determine the present value of lease payments. The incremental borrowing rate used is a fully collateralized rate that considers our credit rating, market conditions and the term of the lease at the lease commencement date.

We consider a termination or renewal option in the determination of the lease term when it is reasonably certain that we will exercise that option. Leases with an initial expected term of 12 months or less are not recorded in the Consolidated Balance Sheets and the related lease expense is recognized on a straight-line basis over the lease term. We have elected to include non-lease components, such as common-area maintenance costs, with lease payments for the purpose of calculating lease right-of-use assets and liabilities, to the extent that they are fixed. Non-lease components that are not fixed are expensed as incurred as variable lease payments.

We record operating lease expense using the straight-line method within General and administration expense and/or Research and development expense dependent upon the individual leased assets. Finance lease expense is recognized as amortization expense within Depreciation and amortization expense, and interest expense within Interest expense, net. For leases with step rent provisions whereby the rental payments increase over the life of the lease, and for leases with rent-free periods, we recognize expense on a straight-line basis over the expected lease term, based on the total minimum lease payments to be made or lease receipts expected to be received.

Operating and finance lease assets are reviewed for impairment based on an ongoing review of circumstances that indicate the assets may no longer be recoverable, such as closures of office spaces or data centers, and leased assets that are no longer being utilized in current operations, and other factors. When necessary, we calculate operating and finance lease impairments using a discount rate to calculate the present value of estimated subtenant rentals that could be reasonably obtained for the property or asset, if allowed by the lease. Lease impairment charges for properties or assets no longer used in operations are recorded as a component of Restructuring, acquisition and integration related

expenses or General and administrative expenses in the Consolidated Statements consolidated statements of Operations, operations, dependent upon the qualitative factors surrounding the impairment.

The calculation of lease impairment charges may require significant judgments and estimates, including estimated subtenant rentals, discount rates and future cash flows based on our experience and knowledge of the market in which the property or asset is located, previous efforts to dispose of similar assets and the assessment of existing market conditions. Impairments are recognized as a reduction of the carrying value of the right-of-use asset and finance lease assets. Refer to Note 7—Leases for additional information.

Property and Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are expensed as incurred, while betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the accounts and any resulting gain or loss is recognized.

Depreciation of property and equipment is determined using the straight-line method over the estimated useful lives of the applicable assets, which are as follows:

Computer equipment:	2–3 years
Furniture and fixtures:	5 years
Leasehold improvements:	Lesser of estimated useful life or life of the lease

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Other Intangible Assets

Intangible assets, excluding those acquired from our business combinations, are recorded at cost and consist of costs incurred for software patent applications. As of December 31, 2022 December 31, 2023, we had eight sixteen issued patents relating to our software. We received approval for three four patents in 2013, one patent in 2018, three patents in 2021, and one five patent in 2022 and three patents in 2023 and began amortizing the costs of obtaining these patents over the estimated remaining lives of the patents. If a patent application is rejected or if we abandon efforts to obtain a new patent, all deferred patent costs are expensed immediately. Deferred patent costs related to patents for which we have not yet obtained approval totaled \$0.4 million \$0.1 million and \$0.1 million as of December 31, 2021 December 31, 2023 and 2022, respectively. In connection with our annual goodwill and intangible asset impairment assessment in the fourth quarter of 2022, we recorded an impairment of \$0.7 million related to our software patent applications, which is included in the impairment of goodwill and intangible assets line item in the consolidated statement statements of operations. Based on deferred patent costs as of December 31, 2022 December 31, 2023, the related amortization expense will be less than \$0.1 million in each of the next five years. Intangible assets are as follows (in thousands):

	December 31,	
	2021	2022
Deferred patent costs, gross	\$ 647	\$ 102
Less accumulated amortization	(85)	—
Deferred patent costs, net	\$ 562	\$ 102

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Internal-Use Software Development Costs

Capitalized software development costs consist of costs incurred in the development of internal-use software, primarily associated with the development and enhancement of our Ads Manager and Ad Server. We capitalize the costs of software developed or obtained for internal use in accordance with ASC Topic 350-40, Internal Use Software. We begin to capitalize our costs upon completion of the preliminary project stage. We consider the preliminary project stage to be complete and the application development stage to have begun when preliminary development efforts are successfully completed, management has authorized and committed project funding and it is probable that the project will be completed, and the software will be used as intended. These costs are amortized on a straight-line basis over the estimated useful life of the related asset, generally estimated to be three years. Costs incurred in the preliminary project stage and post-implementation operation stages are expensed as incurred and recorded in research and development expense on our consolidated statements of operations.

During 2020, 2023, 2022 and 2021, and 2022, we capitalized development costs for improvements to our platforms, including our Ads Manager and Ad Server, totaling \$4.3 million \$14.6 million, \$10.1 million \$12.8 million and \$12.8 million \$10.1 million, respectively. During the first quarter of 2020, we redesigned certain elements of this project and wrote off development costs totaling \$1.0 million recognized in depreciation and amortization expense on our consolidated statement of operations.

Capitalized software development costs are as follows (in thousands):

		December 31,			
		2021	2022		
December 31,		December 31,			
2023		2023		2022	

Capitalized software development costs, gross	Capitalized software development costs, gross	\$19,495	\$32,895
Less accumulated amortization	Less accumulated amortization	(6,364)	(12,970)
Capitalized software development costs, net	Capitalized software development costs, net	\$13,131	\$19,925

Debt Issuance Costs

Costs incurred to obtain loans, other than lines of credit, are recorded as a reduction of the carrying amount of the related liability and amortized over the applicable loans' life using the effective interest method. Costs incurred to obtain lines of credit are capitalized and included in other long-term assets on our consolidated balance sheets and amortized ratably over the term of the arrangement.

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As described in Note 9—Debt and Financing Arrangements, on September 22, 2020, we issued the Notes with an aggregate principal amount of \$230.0 million bearing an interest rate of 1.00% due in 2025, including the exercise in full of the initial purchasers' option to purchase up to an additional \$30.0 million principal amount of the Notes. 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. In accounting for the \$7.3 million issuance costs related to the Notes, the allocation of issuance costs incurred between the liability and equity components was based on their relative fair values.

Amortization of debt issuance costs included in interest expense, net totaled \$0.3 million \$1.6 million, \$1.6 million and \$1.0 million in 2023, 2022 and \$1.6 million in 2020, 2021, and 2022, respectively.

Deferred debt issuance costs related to our lines of credit included in other long-term assets are as follows (in thousands):

		December 31,	
		2021	2022
	December 31,	December 31,	
	2023	2023	2022
Debt issuance costs, gross	Debt issuance costs, gross	\$598	\$791
Less accumulated amortization	Less accumulated amortization	(459)	(593)
Debt issuance costs, net	Debt issuance costs, net	\$139	\$198

Deferred debt issuance costs related to our Notes included in debt are as follows (in thousands):

		December 31,	
		2021	2022
	December 31,	December 31,	
	2023	2023	2022
Debt issuance costs, gross	Debt issuance costs, gross	\$5,596	\$7,275
Less accumulated amortization	Less accumulated amortization	(1,092)	(3,319)
Debt issuance costs, net	Debt issuance costs, net	\$4,504	\$3,956

Future amortization of debt issuance costs is as follows (in thousands):

<u>Years</u> <u>Ending</u> <u>December</u> <u>31,</u>	<u>Years</u> <u>Ending</u> <u>December</u> <u>31,</u>	<u>Amortization</u> <u>Years Ending December 31,</u>	<u>Amortization</u>
2023		1,461	
2024			
2024			
2024	2024	1,461	
2025	2025	1,034	
2026		—	
Total	Total	\$ 3,956	
Total			
Total			

Advertising

We expense advertising costs as incurred. These costs are included in sales and marketing expense on our consolidated statements of operations. Advertising costs include direct marketing costs such as print advertisements, market research, direct mail, public relations and trade show expenses and totaled **\$1.0 million** **\$1.9 million**, **\$4.7 million** and **\$3.7 million** in 2023, 2022 and \$4.7 million in 2020, 2021, and 2022, respectively.

Stock-Based Compensation

We measure and recognize compensation expense based on the estimated fair value of the award on the grant date. The fair value is recognized as expense over the requisite service period, which is generally the vesting period of the respective award, on a straight-line basis when the only condition to vesting is continued service. We recognize the fair value of awards that contain performance conditions based upon the probability of the performance conditions being met. Expense for awards with performance conditions are estimated and adjusted on a quarterly basis based upon our assessment of the probability that the performance condition will be met. We recognize the fair value of awards that contain market conditions over the derived service period. Forfeitures are accounted for when they occur. Refer to Note 10—Stock-based Compensation for additional information regarding our specific award plans and estimates and assumptions used to determine fair value.

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Fair Value of Financial Instruments

When required by GAAP, assets and liabilities are reported at fair value on our consolidated financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Valuation inputs are arranged in a hierarchy that consists of the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than Level 1 inputs such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 inputs are unobservable inputs for the asset or liability.

Our nonfinancial assets that we recognize or disclose at fair value on our consolidated financial statements on a nonrecurring basis include property and equipment, intangible assets, capitalized software development costs and deferred implementation costs. The fair values for these assets are evaluated when events or changes in circumstances indicate the carrying value may not be recoverable. Refer to Note 12—Fair Value Measurements for information regarding the fair value of our financial instruments.

Contingent Consideration

The consideration for the Company's acquisitions may include future payments that are contingent upon the occurrence of a particular event. The Company records a contingent consideration obligation for such contingent payments at fair value on the acquisition date. The Company estimates the fair value of contingent consideration obligations through

valuation models designed to estimate the probability of such contingent payments based on various assumptions and incorporating estimated success rates. Estimated payments are discounted using present value techniques to arrive at an estimated fair value at the balance sheet date. Changes in the fair value of the contingent consideration obligations are recognized within the Company's Consolidated Statements consolidated statements of Operations operations and Comprehensive Loss. Changes in the fair value of the contingent consideration obligations can result from changes to one or multiple inputs, including adjustments to the discount rates and assumptions used in preparing these models which include estimates such as revenue volatility, annualized recurring revenue, revenue discount rate, weighted average cost of capital, and our common stock volatility. Substantial judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period. Accordingly, changes in assumptions could have a material impact on the amount of contingent consideration expense the Company records in any given period. Refer to Note 12—Fair Value Measurements for information regarding the fair value of our financial instruments.

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Income Taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and operating loss and tax credit carryforwards. carry-forwards. Valuation allowances are provided when we determine that it is more likely than not that all of, or a portion of, deferred tax assets will not be utilized in the future.

Significant judgment is required in determining any valuation allowance recorded against net deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Estimates of future taxable income are based on assumptions that are consistent with our plans. Assumptions represent management's best estimates and involve inherent uncertainties and the application of management's judgment. If actual amounts differ from our estimates, the amount of our tax expense and liabilities could be materially impacted.

We have recorded a full valuation allowance related to our net deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets.

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For tax years beginning on or after January 1, 2022, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures, including software development, as defined under IRC Section 174, in the year incurred. Instead, taxpayers are required to amortize such expenditures over five years if incurred in the U.S. and over fifteen years if incurred in a foreign jurisdiction. This new requirement caused us to utilize significant federal and state tax net operating loss carryforwards carry-forwards in the current year. The depreciation and amortization deferred income taxes line above was updated to include these capitalized research and development expenses for December 31, 2022 the year ended December 31, 2023.

We recognize the tax effects of an uncertain tax position only if it is more likely than not to be sustained based solely on its technical merits as of the reporting date, and then, only in an amount more likely than not to be sustained upon review by the tax authorities. Where applicable, we classify associated interest and penalties as income tax expense. The total amounts of interest and penalties were not material. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes.

3. ACCOUNTING STANDARDS

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued On January 1, 2022 we adopted Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842) to increase the transparency and comparability among organizations as it relates to lease assets and lease liabilities, by requiring lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months, with exceptions. Effective January 1, 2020, we early adopted this guidance using a modified retrospective approach, which was required for all leases that exist at or commence after the date of the initial application with an option to use certain practical expedients. We have elected to use these practical expedients, which allow us to treat all components of our leases as a single component, not to reassess lease classification or whether an arrangement is or contains a lease and not to reassess its initial accounting for direct lease costs. During the first quarter of 2020, we recorded right-of-use assets of \$10.3 million, lease liabilities of \$13.5 million and eliminated deferred rent liabilities of \$3.2 million. These amounts represent right-of-use assets of \$7.4 million, lease liabilities of \$10.6 million and deferred rent liabilities of \$3.2 million as of the adoption date of ASU 2016-02 and right-of-use assets and lease liabilities of \$2.9 million, respectively, for office space entered into during the quarter. The adoption of this guidance did not have a significant impact on our consolidated statements of operations or cash flows.

On January 1, 2020, we adopted ASU 2015-05, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement, to help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement (hosting arrangement) by providing guidance for

determining when the arrangement includes a software license. The adoption of this guidance did not have a material effect on our consolidated financial statements.

On January 1, 2020, we adopted ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*, which addresses the accounting for implementation, setup and other upfront costs incurred in a hosting arrangement. The adoption of this guidance did not have a material effect on our consolidated financial statements.

On January 1, 2022 we adopted ASU 2020-06, *Debt—Debt with Conversion Options ("Subtopic 470-20") and Derivatives and Hedging—Contracts in Entity's Own Equity ("Subtopic 815-40")*, which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. Upon adoption, we recorded a decrease in accumulated deficit of \$11.3 million, an increase to long-term debt of \$40.2 million and a decrease to additional paid in capital of \$51.5 million. Refer to Note 9, "Debt and Financing Arrangements" for further information about the Notes.

On January 1, 2022 we adopted ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which require that an entity (acquirer) to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. The adoption of this guidance did not have a material effect on our consolidated financial statements.

In October 2021, the Financial Accounting Standards Board ("FASB") issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which require an entity (acquirer) to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. Under current GAAP, an acquirer generally recognizes assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers and other similar contracts that are accounted for in accordance with Topic 606, at fair value on the acquisition date. ASU 2020-08 is effective for annual reporting periods beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption of the amendments is permitted, including adoption in an interim period. On January 1, 2022, we early adopted this standard with no material impact to our financial statements.

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Table In August 2020, the FASB issued ASU 2020-06, *Debt—Debt with Conversion Options ("Subtopic 470-20") and Derivatives and Hedging—Contracts in Entity's Own Equity ("Subtopic 815-40")*, which simplifies the accounting for certain financial instruments with characteristics of **Contents** liabilities and equity, including convertible instruments and contracts on an entity's own equity. ASU 2020-06 also improves and amends the related Earnings Per Share guidance for both Subtopics. The ASU is part of the FASB's simplification initiative, which aims to reduce unnecessary complexity in U.S. GAAP, as it removes the requirement to bifurcate our Convertible Senior Notes (the "Notes") into a separate liability and equity component. As a result, it more closely aligns the effective interest rate with the coupon rate of the Notes. ASU 2020-06 is effective for annual reporting periods beginning after December 15, 2021. On January 1, 2022, we adopted this standard using the modified retrospective method which allowed for a cumulative-effect adjustment to the opening balance sheet without restating prior periods. As we did not elect the fair value option in the process, the Notes, net of issuance costs, are accounted for as a single liability measured at amortized cost. Upon adoption, we recorded a decrease in accumulated deficit of \$11.3 million, an increase to long-term debt of \$40.2 million and a decrease to additional paid in capital of \$51.5 million. Refer to Note 9, "Debt and Financing Arrangements" for further information about the Notes.

4. BUSINESS COMBINATIONS AND DIVESTITURES

Our 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. The values assigned to the assets acquired and liabilities assumed are based on preliminary estimates of fair value available as of the date of this Annual Report on Form 10-K may be adjusted during the measurement period for each acquisition of up to 12 months from the dates of acquisition as further information becomes available. Any changes in the fair values of the assets acquired and liabilities assumed during the measurement period may result in adjustments to goodwill.

During the years ended **December 31, 2021** **December 31, 2023** and December 31, 2022, we incurred **\$24.4 million of costs** **\$6.3 million** and \$2.9 million of benefit in connection with our acquisitions and divestitures, respectively. **The** During the year ended December 31, 2023, the benefit was primarily due to a reduction of the estimated brokerage fee related to our reduced estimate of contingent consideration related to our Bridg acquisition, offset by the expense related to the divestiture of Entertainment. During the year ended December 31, 2022, the benefit is primarily due to a reduction of the estimated brokerage fee related to our reduced estimate of contingent consideration related to our Bridg acquisition. These **costs (benefits)** benefits are included in acquisition, **integration** and **integration divestitures (benefit)** costs **(benefit)** on our condensed consolidated statements of operations and primarily represent legal, accounting and broker fees. The results of Entertainment have been included in the consolidated financial statements since its date of acquisition. For the **year years** ended **December 31, 2021**, **Dosh** **December 31, 2023** and **Bridg's combined revenue included in the consolidated statement of operations were** approximately 8% of consolidated revenue. For the year ended December 31, 2022, Entertainment's combined revenue included in the consolidated **statement statements** of operations was approximately 2% and 3% of consolidated revenue, respectively. **Due to** As a result of the **continued partial** integration of the combined businesses, **Entertainment**, it was impractical to determine the earnings.

For the **acquisitions acquisition** of **Dosh**, **Bridg** and Entertainment, as applicable, the estimated fair values of merchant relationships **and** partner relationships **and the card-linked** **Subscriber** base were determined using the replacement cost method and lost profits, as applicable, which required us to estimate the costs to recreate an asset of equivalent utility at prices available at the time of the valuation analysis and the lost profits over the period of time to recreate the asset. Trade names were valued using the "relief-from-royalty" approach. This method assumes that trademarks and trade names have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. This method required us to estimate the future revenues for the related brands, the appropriate royalty rates and the weighted-average costs of capital. Developed technology for Entertainment was valued using the replacement cost method, which required us to estimate the costs to recreate an asset of equivalent utility at prices available at the time of the valuation analysis. **Developed technology**

Divestiture and Acquisition of Entertainment

On December 7, 2023, we sold and transferred substantially all of the assets of Entertainment for Dosh \$6.0 million in cash, subject to a combined \$1.1 million held in escrow for indemnities and Bridg was valued using sales and use taxes, as well as customary post-closing adjustment. The resulting loss on sale of \$6.6 million is recorded within "Loss on divestiture" within the excess earnings method, statement of operations. On January 7, 2022, we purchased Entertainment for \$13.0 million in equity at an income approach. Under agreed-upon price of \$66.52 per share, subject to \$1.1 million of fair value adjustments based upon the excess earnings method, the close date, and \$2.3 million in cash, subject to \$0.4 million of adjustments, for an acquisition date fair value of an intangible asset is equal to the present value of the asset's projected incremental after-tax cash flows (excess earnings) remaining after deducting the market rates of return on the estimated value of contributory assets (contributory charge) over its remaining useful life, \$14.6 million. During the year ended December 31, 2022 we recognized a goodwill impairment of \$396.2 million and an intangible asset impairment of \$56.4 million. Refer to Note 5—Goodwill and Acquired Intangibles for further details.

Acquisition of Entertainment 84

On January 7, 2022, we completed the acquisition of Entertainment for purchase consideration of \$14.6 million, as presented below (in thousands):

	January 7, 2022
Fair value of common stock transferred	\$ 11,937
Cash paid to extinguish acquiree debt	2,053
Cash paid to settle pre-acquisition liabilities and acquiree deal-related costs	624
Cash paid to membership interest holders	24
Cash receivable from membership interest holders pursuant to finalization of net working capital	(61)
Total purchase consideration	\$ 14,577

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The following table presents the preliminary purchase consideration allocation recorded on our condensed consolidated balance sheet as of the acquisition date (in thousands):

	January 7, 2022
Cash and cash equivalents	\$ 376
Accounts receivable and other assets	1,259
Intangible assets	9,800
Goodwill	5,002
Accounts payable and other liabilities	(1,860)
Total purchase consideration	\$ 14,577

The goodwill was primarily attributed to the value of future synergies created with our current and future offerings. Goodwill is not expected to be deductible for income tax purposes.

The following table presents the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition (dollars in thousands):

	Fair Value	Useful life (in years)
Trade name	\$ 800	3.0
Developed technology	700	3.0
Merchant relationships	8,300	4.0

Acquisition of Bridg

On May 5, 2021, we completed the acquisition of Bridg for purchase consideration of \$578.9 million, as presented below (in thousands):

	May 5, 2021
Cash paid to common and preferred stockholders, warrant holders and vested option holders	\$ 337,166
Cash paid to extinguish acquiree debt	1,949
Cash paid to settle pre-acquisition liabilities and acquiree deal-related costs	8,012
Fair value of contingent consideration	230,921
Fair value of assumed options attributable to pre-combination service	841
Total purchase consideration	\$ 578,889

The following table presents the purchase consideration allocation recorded on our consolidated balance sheet as of the acquisition date (in thousands):

	May 5, 2021
Cash and cash equivalents	\$ 1,630
Accounts receivable and other assets	1,989
Intangible assets	64,700
Goodwill	538,271
Accounts payable and other liabilities	(20,694)
Deferred tax liabilities	(7,007)
Total purchase consideration	\$ 578,889

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The goodwill was primarily attributed to the value of future growth expected for the Bridg platform and of synergies created with our current and future offerings. Goodwill is not expected to be deductible for income tax purposes.

The following table presents the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition (dollars in thousands):

	Fair Value	Useful life (in years)
Trade name	\$ 200	2.0
Developed technology	53,500	6.0
Merchant relationships	11,000	5.0

As a part of this acquisition, we have agreed to make a First Anniversary Payment equal to 20 times the annualized recurring revenue ("ARR"), based on the month preceding the anniversary, less \$12.5 million, and a Second Anniversary Payment equal to 15 times the ARR for customers as of the first anniversary based on the month preceding the second anniversary, less the prior ARR at the first anniversary. The Second Anniversary Payment is subject to a specified cap. Refer to Note 12—Fair Value Measurements for further discussion.

As of December 31, 2022, the First Anniversary Payment has not been made and an agreement regarding the amount of the First Anniversary Payment has not been reached. Per the terms of the Agreement and Plan of Merger, we delivered the First Earnout Statement within thirty days of the end of the First Earnout Period. We subsequently agreed to extend the Stockholder Representative's review period. During the third quarter, we received an Earnout Objection Notice from the Stockholder Representative that alleges a material understatement of the First Anniversary Payment amount. We are continuing the dispute-resolution process specific to the First Anniversary Payment outlined in the Agreement and Plan of Merger, which was filed with the Securities and Exchange Commission as Exhibit 10.1 to a Form 8-K on November 18, 2022.

Acquisition of Dosh

On March 5, 2021, we completed our acquisition of Dosh for purchase consideration of \$277.6 million, as presented below (in thousands):

	March 5, 2021
Cash paid to common and preferred stockholders, warrant holders and vested option holders	\$ 136,626
Cash paid to extinguish acquiree debt	16,574
Cash paid to settle pre-acquisition liabilities and acquiree deal-related costs	3,463
Fair value of common stock transferred	117,354
Fair value of assumed options attributable to pre-combination service	3,593
Total purchase consideration	\$ 277,610

The following table presents the purchase consideration allocation recorded on our consolidated balance sheet as of the acquisition date (in thousands):

	March 5, 2021
Cash and cash equivalents	\$ 7,323
Accounts receivable and other assets	6,146
Intangible assets	80,000
Goodwill	205,690
Accounts payable and other liabilities	(4,146)
Consumer Incentive liability	(15,101)
Deferred tax liabilities	(2,302)
Total purchase consideration	\$ 277,610

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The goodwill was primarily attributed to the value of synergies created with our current and future offerings and of future growth expected from the labor force of Dosh. Goodwill is not expected to be deductible for income tax purposes. During the fourth quarter of 2021, we recorded a measurement period adjustment of \$1.5 million of additional fair value of developed technology. During the fourth quarter of 2021, we recorded a measurement period adjustment to our income tax provision resulting in \$2.3 million of additional goodwill. Refer to Note 11—Income Taxes for further details.

The following table presents the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition (dollars in thousands):

	Fair Value	Useful life (in years)
Trade name	\$ 2,500	3.0
Developed technology	37,500	6.0
Merchant relationships	21,000	5.0
Partner relationships	2,000	7.0
Card-linked subscriber user base	\$ 17,000	5.0

Pro forma consolidated results of operations

The following unaudited pro forma financial information presents combined results of operations for the period presented as if the acquisition acquisitions of Entertainment Bridg and Dosh had been completed on January 1, 2021 and the acquisitions of Dosh and Bridg had been completed on January 1, 2020. The pro forma information includes adjustments to depreciation expense for property and equipment acquired, to amortize expense for the intangible assets acquired, and to eliminate the acquisition transaction expenses recognized in the period. The pro forma financial information is for informational purposes only and is not necessarily indicative of the consolidated results of operations of the combined business had the acquisitions actually occurred on January 1, 2021 and January 1, 2020, respectively, or the results of future operations of the combined business. For instance, planned or expected operational synergies following the acquisition are not reflected in the pro forma information. Consequently, actual results will differ from the unaudited pro forma information presented below.

	Year Ended December 31,	
	2021	2022
	Year Ended December 31,	
	2022	2021
Revenue	Revenue \$276,563	\$298,563
Net loss	Net loss (134,925)	(465,536)

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5. GOODWILL AND ACQUIRED INTANGIBLES

The changes in the carrying amount of goodwill for the year ended December 31, 2022 are as follows (in thousands):

	Cardlytics Platform,		
	U.S.	Bridg Platform	Consolidated
Balance as of December 31, 2020	\$ —	\$ —	\$ —
Goodwill additions	205,690	536,826	742,516
Balance as of December 31, 2021	205,690	536,826	742,516
Goodwill additions	5,062	—	5,062
Measurement period adjustments	(60)	1,445	1,385
Goodwill impairment	(46,262)	(349,980)	(396,242)
Balance as of December 31, 2022	\$ 164,430	\$ 188,291	\$ 352,721

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 changes in the carrying amount of goodwill for the years ended December 31, 2023, 2022 and 2021 are as follows (in thousands):

	Cardlytics Platform,		
	U.S.	Bridg Platform	Consolidated
Balance as of December 31, 2022	\$ 164,430	\$ 188,291	\$ 352,721
Goodwill impairment	—	(70,518)	(70,518)
Divestiture of Entertainment	(5,001)	—	(5,001)
Balance as of December 31, 2023	\$ 159,429	\$ 117,773	\$ 277,202

	Cardlytics Platform,		
	U.S.	Bridg Platform	Consolidated
Balance as of December 31, 2021	\$ 205,690	\$ 536,826	\$ 742,516
Goodwill additions	5,062	—	5,062
Measurement period adjustments	(60)	1,445	1,385
Goodwill impairment	(46,262)	(349,980)	(396,242)
Balance as of December 31, 2022	\$ 164,430	\$ 188,291	\$ 352,721

	Cardlytics Platform,		
	U.S.	Bridg Platform	Consolidated
Balance as of December 31, 2020	\$ —	\$ —	\$ —
Goodwill additions	205,690	536,826	742,516
Balance as of December 31, 2021	\$ 205,690	\$ 536,826	\$ 742,516

As We performed our annual impairment test as of October 1, 2023 and determined that the carrying value of the Bridg platform, which is comprised entirely of an acquired business exceeded its fair value, and we recognized a goodwill impairment of \$70.5 million. On December 7, 2023, we sold and transferred substantially all of the assets of Entertainment, and as a result, we reduced goodwill by \$5.0 million, which is the amount of goodwill attributed to Entertainment. The reduction of goodwill is included as part of the determination of the Loss on Divestiture of \$6.6 million in the consolidated statements of operations.

In 2022, as a result of the sustained decline in our stock price, we determined that it was necessary to perform an interim impairment test for goodwill as of June 30, 2022. As a result of our interim impairment test, we determined that the carrying value of the Bridg platform which is comprised entirely of an acquired business, exceeded its fair value, and consequently, we recognized a goodwill impairment of \$83.1 million, \$83.1 million, with \$455.1 million of goodwill remaining, remaining. As a result, the Bridg platform reporting unit had a fair value that is equal to its carrying value as of the June 30, 2022 valuation date. The methods of determining fair value of the reporting units at June 30, 2022 included a combination of the discounted cash flow method under the income approach, and to a lesser extent the market approach.

We performed our annual impairment test as of October 1, 2022 and determined that the carrying value of both the Cardlytics platform in the U.S. and the Bridg platform exceeded their respective fair values, and we recognized goodwill impairment of \$313.1 million.

The decline in the fair values of both the Bridg platform reporting unit below its carrying values at October 1, 2023, October 1, 2022 and June 30, 2022 and the Cardlytics platform in the U.S. and the Bridg platform reporting units U.S below their respective carrying values value at October 1, 2022 resulted from a continued slowdown in the global economy and decreased consumer spend, and a sustained decline in our stock price. The method of determining fair values of the reporting units at October 1, 2023, October 1, 2022 and June 30, 2022 was the discounted cash flow method under the income approach, and to a lesser extent the market approach. The most significant assumptions utilized in the determination of the estimated fair of the Bridg platform and the Cardlytics platform in the U.S. are the discount rate and forecasts of future revenues and cash flows.

We prepared cash flow projections based on management's estimates of revenue growth rates and earnings growth rates for each reporting unit, taking into consideration the historical performance and the current macroeconomic, industry, and market conditions. The discount rate, which is consistent with a weighted average cost of capital that is likely to be expected by a market participant, is based upon industry required rates of return, including consideration of both debt and equity components of the capital structure. Our discount rate may be impacted by adverse changes in the macroeconomic environment and volatility in the equity and debt markets.

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Acquired intangible assets subject to amortization as of December 31, 2021 were as follows:

	Cost	Accumulated Amortization	Net	Weighted Average Remaining Useful Life
	(in thousands)			(in years)
Trade name	\$ 2,700	\$ (753)	\$ 1,947	2.1
Developed technology	91,000	(11,026)	79,974	5.3
Merchant relationships	32,000	(4,900)	27,100	4.2
Partner relationships	2,000	(235)	1,765	6.2
Card-linked subscriber user base	17,000	(2,798)	14,202	4.2
Total other intangible assets	\$ 144,700	\$ (19,712)	\$ 124,988	

Amortization expense of acquired intangibles for the twelve months ended December 31, 2021 was \$19.7 million. 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.

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	\$ 92,300	\$ (52,424)	\$ (4,947)	\$ 34,929	

Amortization expense of acquired intangibles for the year ended December 31, 2023 was \$13.6 million.

2022 Acquired Intangibles

In connection with our annual goodwill impairment assessment, in the fourth quarter of 2022, we also recorded impairments of intangible assets that are included in our Cardlytics platform in the U.S. segment, which primarily related to developed technology and customer relationship intangible assets from a previous acquisition. These intangible asset impairments totaled \$56.4 million and are included in the impairment of goodwill and intangible assets line item in the consolidated statement statements of operations.

Our impairment analysis at October 1, 2022 incorporated revised forecasts that took into account the continued slowdown in the global economy and decreased consumer spend during the quarter and expected impacts of these disruptions on our results in the near term. Given the significant level of uncertainty that currently exists, management applied several alternative scenarios for market and company performance over the next several years to determine fair value. Other key assumptions were updated as appropriate, including the discount rate, which increased as a result of an increase in the equity risk premium, which was partially offset by a decrease in the risk free rate.

Acquired intangible assets subject to amortization as of December 31, 2022 were as follows:

		Impairments				Weighted	
		Cost	Accumulated Amortization	of Intangible Assets	Net	Average Remaining Useful Life	
		(in thousands)				(in years)	
		Gross Carrying Amount				Gross Carrying Amount	
		(in thousands)				Accumulated Amortization	
Trade name	Trade name	\$		\$		\$	
Developed technology	Developed technology	3,500	(1,744)	(1,185)	571	1.4	(1,185)
Merchant relationships	Merchant relationships	91,700	(24,882)	(27,630)	39,188	3.6	(27,630)
Partner relationships	Partner relationships	40,300	(12,301)	(14,385)	13,614	1.7	(14,385)
Card-linked subscriber user base	Card-linked subscriber user base	2,000	(450)	(1,550)	—	0.0	(1,550)
		17,000	(5,355)	(11,645)	—	0.0	(11,645)
Total other intangible assets	Total other intangible assets	\$ 154,500	\$ (44,732)	\$ (56,395)	\$ 53,373		

Amortization expense of acquired intangibles for the twelve months year ended December 31, 2022 was \$25.0 million.

2021 Acquired Intangibles

Acquired intangible assets subject to amortization as of December 31, 2021 were as follows:

		Cost	Accumulated Amortization	Net	Weighted Average Remaining Useful Life
		(in thousands)			(in years)
Trade name		\$ 2,700	\$ (753)	\$ 1,947	2.1
Developed technology		91,000	(11,026)	79,974	5.3
Merchant relationships		32,000	(4,900)	27,100	4.2
Partner relationships		2,000	(235)	1,765	6.2
Card-linked subscriber user base		17,000	(2,798)	14,202	4.2
Total other intangible assets		\$ 144,700	\$ (19,712)	\$ 124,988	

Amortization expense of acquired intangibles for the year ended December 31, 2021 was \$19.7 million.

As of **December 31, 2022** **December 31, 2023**, we expect amortization expense in future periods to be as follows (in thousands):

		Amount
2023		13,765
		Amount
2024	2024	13,732
2025	2025	13,228
2026	2026	9,670
2027	2027	2,978
2028		
Thereafter	Thereafter	—
Total expected future amortization expense	Total expected future amortization expense	\$ 53,373

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6. REVENUE

The Cardlytics Platform

The Cardlytics platform is our proprietary native bank advertising channel that enables marketers to reach consumers through the **Fis' 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** **Consumer Incentives** to our **Fis' 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. During **2020**, **the years ended December 31, 2023, 2022 and 2021**, **and 2022**, Consumer Incentives totaled **\$76.5 million** **\$144.2 million**, **\$127.0 million** **\$143.9 million** and **\$143.9 million** **\$127.0 million**, 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**" ("**CPS**"), and (2) Cost per Redemption ("**CPR**" ("**CPR**").

- **CPS.** Our primary pricing model is CPS, which we created to meet the media buying preferences of marketers. 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. This has occurred infrequently and has been immaterial in amount for each of the periods presented. 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 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.

The following table summarizes revenue by pricing model (in thousands):

	Year Ended December 31,		
	2020	2021	2022
Cost per Served Sale	\$ 131,045	\$ 175,434	\$ 180,701
Cost per Redemption	53,838	81,911	87,992
Other	2,009	1,409	8,492
Cardlytics platform revenue	\$ 186,892	\$ 258,754	\$ 277,185

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	Year Ended December 31,		
	2023	2022	2021
Cost per Served Sale	\$ 191,260	\$ 180,701	\$ 175,434
Cost per Redemption	86,529	87,992	81,911
Other	7,636	8,492	1,409
Cardlytics platform revenue	\$ 285,425	\$ 277,185	\$ 258,754

The Bridg platform Platform

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. 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 36 60 months in duration and are generally billed in advance on a monthly, quarterly or annual basis.

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

		Year Ended December 31,		Year Ended December 31,		
		2021	2022	2023	2022	2021
Subscription revenue	Subscription revenue	\$8,207	\$21,190			
Other revenue	Other revenue	155	167			
Bridg platform revenue	Bridg platform revenue	\$8,362	\$21,357			

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

		Year Ended December 31,		Year Ended December 31,		
		2021	2022	2023	2022	2021
Contract Balance Type	Contract Balance Type	Consolidated Balance Sheets Location	2021	2022	Contract Balance Type	Consolidated Balance Sheets Location
Contract assets, current	Contract assets, current	Accounts receivable and contract assets, net	\$ 52	\$ 28		
Contract assets, long-term	Contract assets, long-term	Other long-term assets, net	26	—		
Total contract assets	Total contract assets		\$ 78	\$ 28		
Contract liabilities, current	Contract liabilities, current	Deferred revenue	\$1,627	\$1,750		

Contract liabilities, current				
Contract liabilities, current				
Contract liabilities, long-term	Contract liabilities, long-term	Long-term deferred revenue	173	334
Total contract liabilities	Total contract liabilities		\$1,800	\$2,084

The following information represents the total transaction price for the remaining performance obligations as of **December 31, 2022** **December 31, 2023** 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 **December 31, 2022** **December 31, 2023**, we had **\$20.2 million** **\$30.4 million** of remaining performance obligations, of which **\$15.9 million** **\$8.5 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.

7. LEASES

We have various non-cancellable operating and finance leases for our office spaces, data centers and operational assets with lease periods expiring between 2023 and **2027, 2032**. During the year ended **December 31, 2021**, we recognized additional right-of-use assets **December 31, 2023** and lease liabilities related to our operating leases of \$5.1 million and \$5.5 million, respectively. This includes \$1.8 million of new lease agreements related to data center expansion, \$0.6 million related to the renewal or modification of pre-existing data center lease agreements, \$0.4 million of new lease agreements related to office space expansion and \$0.9 million related to the renewal or modification of pre-existing office space lease agreements. Additionally, right-of-use assets and lease liabilities of \$1.4 million and \$1.8 million, respectively, were recorded related to the acquisitions of Dosh and Bridg and assumption of their existing lease agreements. Refer to Note 4—Business Combinations for further information. During the year ended December 31, 2022, we recognized additional right-of-use assets and lease liabilities of **\$2.7 million and \$2.5 million, respectively**, related to new lease agreements and lease modifications for office space.

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During the year ended **December 31, 2023**, there were no impairments on any of our leases. During the year ended **December 31, 2022**, we incurred an impairment of \$0.9 million to the right-of-use-assets as a result of decommissioning our data centers and the closure of our office in India. During the year ended December 31, 2021, we incurred an impairment of \$0.6 million to the right-of-use assets under operating leases, related to the discontinued use of office space lease obtained during the Dosh acquisition. The impairment is reflected in acquisition and integration costs in the **Consolidated Statements consolidated statements of Operations operations** and was attributable to the Cardlytics platform operating segment. Refer to Note 15—Segments for more information on our operating segments. **During the year ended December 31, 2022, we incurred an impairment of \$0.9 million to the right-of-use-assets as a result of decommissioning our data centers and the planned closure of our office in India.**

During the year ended **December 31, 2021** **December 31, 2023** and 2022, respectively, we made cash payments of **\$7.3 million** **\$4.5 million** and \$8.2 million for operating leases which are included in cash flows received from (used in) operating activities in our consolidated statement of cash flows.

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

December 31,					December 31,		
December 31,					December 31,		
Lease Type	Lease Type	Consolidated Balance Sheets		Lease Type	Consolidated Balance Sheets Location	2023	2022
		Location	2021 2022				

Operating lease assets	Operating lease assets	Right-of-use assets under operating leases, net	\$10,196	\$6,571
Finance lease assets	Finance lease assets	Property and equipment, net	86	48
Total lease assets	Total lease assets		10,282	6,619
Operating lease liabilities, current	Operating lease liabilities, current	Current operating lease liabilities	6,028	4,910
Operating lease liabilities, current				
Operating lease liabilities, current				
Operating lease liabilities, long-term	Operating lease liabilities, long-term	Long-term operating lease liabilities	6,801	4,306
Finance lease liabilities, current	Finance lease liabilities, current	Accrued expenses	36	38
Finance lease liabilities, long-term	Finance lease liabilities, long-term	Other long-term liabilities	50	3
Total lease liabilities	Total lease liabilities		\$12,915	\$9,257

The following table summarizes activity related to our leases (in thousands):

		December 31,	
		2021	2022
		December 31,	
		2023	2022
Operating lease expense	Operating lease expense	\$5,632	\$6,598
Variable lease expense	Variable lease expense	936	1,294
Short-term lease expense	Short-term lease expense	119	459
Total net operating lease cost	Total net operating lease cost	\$6,687	\$8,351

The following table presents our weighted average borrowing rates and weighted average lease terms:

	December 31,	
	2021	2022
Operating leases:		
Weighted average borrowing rate	3.4 %	4.2 %

Weighted average remaining lease term (years)	2.36	2.26
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	December 31,	
	2023	2022
Operating leases:		
Weighted average borrowing rate	6.8 %	4.2 %
Weighted average remaining lease term (years)	4.06	2.26

The following table summarizes future maturities of lease liabilities as of **December 31, 2022** **December 31, 2023** (in thousands):

Fiscal Year	Fiscal Year	Operating Leases	Fiscal Year	Operating Leases
2023		\$ 5,087		
2024				
2024				
2024	2024	2,409		
2025	2025	1,196		
2026	2026	599		
2027				
Thereafter	Thereafter	397		
Total lease payments	Total lease payments	9,688		
Imputed interest	Imputed interest	472		
Total lease liabilities	Total lease liabilities	\$ 9,216		

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Amended Lease Agreement

On April 3, 2023, we amended the lease terms of our office located in Atlanta, Georgia. The amended lease agreement provides for our relocation to a different unit in the same building, reducing the square footage of our office from approximately 77,000 to 17,000. The transfer of control and right of use ("ROU") for the lease commenced on December 14, 2023, and as such, the corresponding right of use asset and lease liability associated with the lease is reflected in our consolidated balance sheet as of December 31, 2023. As part of the amended lease agreement, we will receive a discount on our current space through the remainder of 2023, which will result in a reduction of minimum lease payments of \$0.4 million and a reduction in expense of \$0.2 million in 2023. Additional future reductions in minimum lease payments and lease expense in the new lease total \$1.9 million and \$0.7 million, respectively, through the term of our original lease agreement, which was set to terminate on April 2025. The amended lease agreement will terminate on January 1, 2032, and we have the option to renew for an additional five-year period.

8. PROPERTY AND EQUIPMENT

Significant components of property and equipment are as follows (in thousands):

	December 31,	
	2021	2022
December 31,		December 31,

	2023	2023	2022
Computer equipment	Computer equipment	\$28,848	\$26,260
Leasehold improvements	Leasehold improvements	7,689	7,863
Furniture and fixtures	Furniture and fixtures	1,232	1,273
Construction in progress	Construction in progress	29	41
Property and equipment, gross	Property and equipment, gross	37,798	35,437
Less accumulated depreciation and amortization	Less accumulated depreciation and amortization	(26,525)	(29,521)
Property and equipment, net	Property and equipment, net	\$11,273	\$ 5,916

Depreciation expense was \$5.6 \$3.7 million, \$5.4 million and \$6.7 million for the years ended December 31, 2023, 2022 and \$5.4 million in 2020, 2021, and 2022, respectively.

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9. DEBT AND FINANCING ARRANGEMENTS

Our debt consists of the following (in thousands):

	December 31,	
	2021	2022
Convertible senior notes, net	\$ 184,398	\$ 226,047
Line of Credit	30,000	—
Convertible senior notes, net	\$ 227,504	\$ 226,047
Total debt	257,504	226,047

Accrued interest is included within accrued expenses in our consolidated balance sheet. We had accrued interest on debt of \$0.7 \$0.9 million and \$0.7 million as of December 31, 2021 December 31, 2023 and 2022, respectively.

2020 Convertible Senior Notes

On September 22, 2020, we issued Notes with an aggregate principal amount of \$230.0 million bearing an interest rate of 1.00% due in 2025, on September 15, 2025, including the exercise in full of the initial purchasers' option to purchase up to an additional \$30.0 million principal amount of the Notes. The Notes were issued pursuant to an indenture, dated September 22, 2020 (the "Indenture"), between us and U.S. Bank National Association, as trustee.

The Notes are general senior, unsecured obligations and will mature on September 15, 2025, unless earlier converted, redeemed or repurchased. The 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 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 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 Indenture) per \$1,000 principal amount of the 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 Notes on each such trading day; (3) if we call such 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 Indenture. 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 Notes may convert all or any portion of their 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 Indenture. We currently intend to settle the principal amount of the Notes with cash.

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

We may not redeem the Notes prior to September 20, 2023. We may redeem for cash all or any portion of the Notes, at our option, on or after September 20, 2023 and 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 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 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the Notes. If we elect to redeem less than all of the Notes, at least \$75.0 million aggregate principal amount of 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 Indenture), then, except as set forth in the Indenture, holders may require, subject to certain exceptions, us to repurchase for cash all or any portion of their Notes at a fundamental change repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

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The Indenture includes customary covenants and sets forth certain events of default after which the Notes may be declared immediately due and payable and sets forth certain types of bankruptcy or insolvency events of default involving us after which the Notes become automatically due and payable. The following events are considered "events of default" under the Indenture:

- default in any payment of interest on any Note when due and payable and the default continues for a period of 30 days;
- default in the payment of principal of any Note when due and payable at its stated maturity, upon optional redemption, upon any required repurchase, upon declaration of acceleration or otherwise;
- failure by us to comply with our obligation to convert the Notes in accordance with the Indenture upon exercise of a holder's conversion right, and such failure continues for three business days;
- failure by us to give a fundamental change notice, notice of a make-whole fundamental change or notice of a specified corporate event, in each case when due and such failure continues for one business day;
- failure by us to comply with its obligations in respect of any consolidation, merger or sale of assets;
- failure by us to comply with any of our other agreements in the Notes or the Indenture for 60 days after written notice of such failure from the trustee or the holders of at least 25% in principal amount of the Notes then outstanding;
- default by us or any of our significant subsidiaries (as defined in the Indenture) with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of \$35,000,000 (or its foreign currency equivalent), in the aggregate of us and/or any such significant subsidiary, whether such indebtedness now exists or shall hereafter be created, (i) resulting in such indebtedness becoming or being declared due and payable prior to its stated maturity date or (ii) constituting a failure to pay the principal of any such indebtedness when due and payable (after the expiration of all applicable grace periods) at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, and in the cases of clauses (i) and (ii), such acceleration shall not have been rescinded or annulled or such failure to pay or default shall not have been cured or waived, or such indebtedness is not paid or discharged, as the case may be, within 30 days after written notice to us by the trustee or to us and the trustee by holders of at least 25% in aggregate principal amount of the Notes then outstanding in accordance with the Indenture; and
- certain events of bankruptcy, insolvency or reorganization of us or any of our significant subsidiaries.

If certain bankruptcy and insolvency-related events of default with respect to us occur, the principal of, and accrued and unpaid interest on, all of the then outstanding Notes shall automatically become due and payable. If an event of default with respect to the Notes, other than certain bankruptcy and insolvency-related events of default with respect to us, occurs and is continuing, the trustee by notice to us or the holders of at least 25% in principal amount of the outstanding Notes by notice to us and the trustee, may, and the trustee at the request of such holders shall, declare the principal of, and accrued and unpaid interest on, all of the then-outstanding Notes to be due and payable. Notwithstanding the foregoing, the Indenture provides that, to the extent we so elect, the sole remedy for an event of default relating to certain failures by us to comply with certain reporting covenants in the Indenture will, for the first 365 days after the occurrence of such event of default, consist exclusively of the right to receive additional interest on the Notes at a rate equal to 0.25% per annum of the principal amount of the Notes outstanding for each day during the first 180 days after the occurrence of such an event of default and 0.50% per annum of the principal amount of the Notes outstanding from the 181st day to, and including, the 365th day following the occurrence of such event of default, as long as such event of default is continuing (in addition to any additional interest that may accrue as a result of a registration default (as set forth in the Indenture)).

The Indenture provides that we shall not consolidate with or merge with or into, or sell, convey, transfer or lease all or substantially all of the consolidated properties and assets of our subsidiaries, taken as a whole, to, another person (other than any such sale, conveyance, transfer or lease to one or more of our direct or indirect wholly owned subsidiaries), unless: (i) the resulting, surviving or transferee person (if not us) is a corporation organized and existing under the laws of the United States of America, any State thereof or the

District of Columbia, and such corporation (if not us) expressly assumes by supplemental indenture all of our obligations under the Notes and the Indenture; and (ii) immediately after giving effect to such transaction, no default or event of default has occurred and is continuing under the Indenture.

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 described below.

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The Notes are accounted for in accordance with FASB ASC Subtopic 470-20, *Debt with Conversion and Other Options*. Pursuant to ASC Subtopic 470-20, issuers of certain convertible debt instruments, such as the Notes, that have a net settlement feature and may be settled wholly or partially in cash upon conversion are required to separately account for the liability (debt) and equity (conversion option) components of the instrument. The carrying amount of the liability component of the instrument was computed using a discount rate of 6.50%, which was determined by estimating the fair value of a similar liability without the conversion option using Level 3 inputs. The amount of the equity component is then calculated by deducting the fair value of the liability component from the principal amount of the instrument. The difference between the principal amount and the liability component represents a debt discount that is amortized to interest expense over the respective term of the Notes using the effective interest rate method. The equity component is recorded in Additional Paid-in Capital and is not remeasured as long as it continues to meet the conditions for equity classification. On January 1, 2022 we adopted ASU 2020-06, *Debt—Debt with Conversion Options* which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. Upon adoption, we recorded a decrease in accumulated deficit of \$11.3 million, an increase to long-term debt of \$40.2 million and a decrease to additional paid in capital of \$51.5 million. In accounting for the issuance costs related to the Notes, the allocation of issuance costs incurred between the liability and equity components was based on their relative values.

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

	December 31,	
	2021	2022
Principal	\$ 230,000	\$ 230,000
Minus: Unamortized debt discount	(41,098)	—
Minus: Unamortized issuance costs	(4,504)	(3,956)
Net carrying amount of the liability component	\$ 184,398	\$ 226,044

The net carrying amount of the equity component of the Notes is as follows (in thousands):

	December 31,	
	2021	
Proceeds allocated to the conversion options (debt discount)	\$ 53,096	
Minus: Issuance costs	(1,680)	
Net carrying amount of the equity component	\$ 51,416	

	December 31,	
	2023	2022
Principal	\$ 230,000	\$ 230,000
Minus: Unamortized issuance costs	(2,496)	(3,953)
Net carrying amount of the liability component	\$ 227,504	\$ 226,047

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

	December 31,		December 31,	
	2023		2023	2022
Contractual interest expense (due in cash)				
		December 31,		
		2021	2022	

Contractual interest expense (due in cash)	\$ 2,300	\$2,300	
Amortization of debt discount	9,513	—	
Amortization of debt issuance costs			
Amortization of debt issuance costs			
Amortization of debt issuance costs	Amortization of debt issuance costs	874	1,461
Total interest expense related to the Notes	Total interest expense related to the Notes	\$12,687	\$3,761
Effective interest rate	Effective interest rate	5.52 %	1.64 %
			1.64 %

Capped Call Transactions

In connection with the issuance of the Notes, we entered into privately negotiated capped call transactions (the "Capped Calls") with an affiliate of one of the initial Note purchasers and certain other financial institutions. The Capped Calls are intended to reduce potential dilution to our common stock upon any conversion of Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be. The Capped Calls are recorded in stockholders' equity and are not accounted for as derivatives. The cost of \$26.5 million incurred to purchase the Capped Calls was recorded as a reduction to additional paid-in capital in the accompanying consolidated balance sheet.

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The Capped Calls each have an initial strike price of \$85.14 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Notes. The Capped Calls have an initial cap price of \$128.51 per share, subject to certain adjustments.

2018 Loan Facility

On May 21, 2018, we entered into a Loan and Security Agreement with Banc of California, N.A. (the "Lender"), formerly known as Pacific Western Bank, (the "Lender") consisting of a \$30.0 million asset-based revolving line of credit ("2018 Line of Credit") and a \$20.0 million term loan ("2018 Term Loan") (collectively, the "2018 Loan Facility"). We used the entire \$20.0 million in proceeds from the 2018 Term Loan and an advance of \$27.4 million under the 2018 Line of Credit to repay all outstanding obligations under our prior line of credit and term loan.

On September 17, 2020, we amended our 2018 Loan Facility to allow for the issuance of the Notes. On December 30, 2020, we amended our 2018 Loan Facility to increase the capacity of our Line of Credit, from \$40.0 million to \$50.0 million. This amendment also extended the maturity date of the 2018 Loan Facility from May 14, 2021 to December 31, 2022. On April 2022, April 29, 2022, we amended our 2018 Loan Facility to increase the capacity of our 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. As part of 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 Adjusted Contribution and a minimum adjusted cash of \$25.0 million, which is reduced by eligible accounts receivable in excess of the loan capacity. On November 29, 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 Adjusted Contribution. On February 16, 2023, we amended our 2018 Loan Facility to remove and replace the former adjusted contribution Adjusted Contribution covenant with a requirement to maintain a minimum level of adjusted Adjusted EBITDA. As of December 31, 2022 On May 3, 2023, we had \$60.0 million of unused borrowings available under amended our 2018 Line of Credit.

Prior to the December 2020 amendment, the 2018 Loan Facility contained moving trailing 12-month billing to modify the covenants which ranged from \$210.0 million related to \$255.0 million 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. On February 9, 2024, during the term of the facility. The former terms of the we amended our 2018 Loan Facility also required us to maintain a total cash balance plus liquidity under increase the 2018 Line of Credit of not less than \$5.0 million. Effective with the December 2020 amendment, the former billings and liquidity covenants were removed and were replaced with a requirement to maintain a cash to funded senior debt ratio under the 2018 Line of Credit of 1.25:1.00.

Under the 2018 Loan Facility relating to the 2018 Line of Credit, we are able ability to borrow up to the lesser of \$60.0 million or 50% 75% of the amount of our eligible accounts receivable. Interest on advances under receivable, adjusted the 2018 Line required minimum level of Credit bears an Adjusted EBITDA and increased the interest rate equal to the prime rate of 7.50% as of December 31, 2022 plus 0.25%. In addition, we are required to pay an unused line fee of 0.15% per annum on We also confirmed the average daily unused amount extension of the \$60.0 million revolving commitment. Interest accrued on the 2018 Term Loan at an annual rate of interest equal to the prime rate minus 2.75%, or 2.00% at the maturity date of repayment in September 2019, the loan to April 29, 2025 based on our positive Adjusted EBITDA result.

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

During the year ended December 31, 2023, we borrowed \$30.0 million against our 2018 Line of Credit. Interest on advances bears an interest rate equal to the prime rate of 8.50% as of December 31, 2023. During the year ended December 31, 2023, we incurred approximately \$2.1 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, which remains unchanged in the most recent amendment. As of December 31, 2023, we had \$16.7 million of unused available borrowings under our 2018 Line of Credit. We believe we were are in compliance with all financial covenants as of December 31, 2022 December 31, 2023.

Future Payments

Aggregate future payments of principal due upon maturity are as follows (in thousands):

Years Ending December 31,	Years Ending December 31,	Convertible Senior Notes
2023		\$ —
Years Ending December 31,		
Years Ending December 31,		
2024		
2024		
2024	2024	—
2025	2025	230,000
2025		
2025		
2026	2026	—
2026		
2026		
2027		
2027		
2027		
Total debt	Total debt	\$ 230,000
Total debt		
Total debt		

10. STOCK-BASED COMPENSATION

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 December 31, 2023, there were 239,722 shares available under the 2022 Inducement Plan.

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, 2022 December 31, 2023, there were 405,830 961,558 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, beginning on January 1, 2019 and continuing through and including January 1, 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 1,673,858 1,986,417 shares on January 1, 2023 January 1, 2024.

The 2018 Plan provides for the grant of stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards and other forms of equity compensation, which are collectively referred to as stock awards. Additionally, the 2018 Plan provides for the grant of performance cash awards.

On July 18, 2022, our Board adopted the Cardlytics, Inc. 2022 Inducement Plan ("2022 Inducement Plan"). Our Board 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 approved an amendment to the Inducement Plan to reserve an additional 350,000 shares of our common stock.

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

		Year Ended December 31,			Year Ended December 31,		
		2020	2021	2022	2023	2022	2021
Delivery costs	Delivery costs	\$ 1,181	\$ 1,865	\$ 2,682			
Sales and marketing expense	Sales and marketing expense	9,857	13,780	11,935			
Research and development expense	Research and development expense	4,713	10,328	13,262			
General and administration expense	General and administration expense	16,645	24,291	16,807			
Total stock-based compensation expense	Total stock-based compensation expense	\$32,396	\$50,264	\$44,686			

During 2020, 2023, 2022 and 2021, and 2022, we capitalized \$0.5 million \$2.5 million, \$0.7 million \$1.4 million and \$1.4 million \$0.7 million, respectively, of stock-based compensation expense for software development. Additionally, during 2021, we recognized \$12.5 million expense related to our assumption of unvested options and RSU and PSU grants to employees of our acquired businesses.

As of December 31, 2021, we have accrued \$0.8 million of stock-based compensation for bonus in lieu of cash compensation which was not settled by the end of the year. This amount is presented within accrued compensation on our condensed consolidated balance sheet. This amount was settled in January 2022.

Common Stock Options

The term of each option to purchase shares of our common stock pursuant to the 2018 Plan is set by our board of directors or a committee thereof. Option awards are generally granted with an exercise price not less than the fair value per share of our common stock at the grant date. Option awards generally vest over four years and expire 10 years following the date of grant.

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A summary of common stock option activity under our 2018 Plan is as follows (in thousands, except per share amounts):

	Shares	Weighted-Average Exercise Price Per Share	Weighted Average Contractual Life (in years)	Aggregate Intrinsic Value ⁽¹⁾ (in thousands)
Outstanding - December 31, 2019	1,000	\$ 22.99		
Granted	—	—		
Exercised	(467)	21.78		\$ 29,523
Forfeited	(19)	27.83		
Cancelled	(1)	21.89		
Outstanding - December 31, 2020	513	\$ 23.91		
Granted	—	—		
Exercised	(106)	19.11		\$ 9,710
Cancelled	(1)	22.16		

Outstanding - December 31, 2021	406	\$ 25.17		
Granted	—	—		
Exercised	(16)	23.77	\$	335
Cancelled	(31)	23.60		
Outstanding - December 31, 2022	359	\$ 25.37	1.10 \$	—
Exercisable - December 31, 2022	359	\$ 25.37	1.10 \$	—

(1) For options exercised during the year, the aggregate intrinsic value represents the total pre-tax intrinsic value received by option holders based on the closing price of our common stock as reported on the Nasdaq Global Market on the exercise date. For options outstanding and exercisable at December 31, 2022, the aggregate intrinsic value represents the total pre-tax intrinsic value based on the \$5.78 closing price of our common stock as reported on the Nasdaq Global Market on December 31, 2022 that would have been received by option holders had all in-the-money options been exercised on that date.

The total fair value of options vested during 2020, 2021 and 2022 was approximately \$2.3 million, \$0.5 million and zero, respectively. All stock option awards outstanding under our 2018 Plan have vested as of December 31, 2022.

Common Stock Options from Bridg Acquisition

In connection with the acquisition of Bridg, each unvested option to purchase shares of Bridg common stock outstanding as of the acquisition date was converted to unvested options to purchase shares of our common stock. These awards were granted under the Ecinity, Inc. 2012 Equity Incentive Plan ("Bridg Plan") and were separately registered with the Securities and Exchange Commission on Form S-8 on August 3, 2021. The maximum aggregate number of shares of our common stock that may be issued upon exercise of these awards is 21,797 shares, and we do not expect to grant any additional awards under the Bridg Plan. The converted awards retain the same terms and conditions as the awards granted by Bridg prior to the acquisition. The awards have remaining vesting periods ranging from less than one year to four years.

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The following table summarizes changes in common stock options from the Bridg acquisition:

	Shares (in thousands)	Weighted-Average Exercise Price	Weighted Average Contractual Life (in years)	Aggregate Intrinsic Value (in thousands) ⁽¹⁾
Options outstanding — December 31, 2020	—	\$ —		
Assumed	22	8.46		
Exercised	(4)	8.53		\$ 318
Options outstanding — December 31, 2021	18	8.45	9.35	\$ 1,023
Assumed	—	—		
Exercised	(2)	8.61		\$ 87
Forfeited	(11)	8.37		
Canceled	(2)	8.28		
Options outstanding — December 31, 2022	3	8.67	8.35	\$ —
Exercisable — December 31, 2022	3	\$ 8.72	8.35	\$ —

(1) For options exercised during the period, the aggregate intrinsic value represents the total pre-tax intrinsic value received by option holders based on the closing price of our common stock as reported on the Nasdaq Global Market on the exercise date. For options outstanding and exercisable at December 31, 2022, the aggregate intrinsic value represents the total pre-tax intrinsic value based on the \$5.78 per share closing price of our common stock as reported on the Nasdaq Global Market on December 31, 2022, that would have been received by option holders had all in-the-money options been exercised on that date.

The total fair value of options vested during the twelve months ended December 31, 2022 was \$0.1 million. As of December 31, 2022, unamortized stock-based compensation expense related to unvested common stock options was \$0.1 million, and the weighted-average period over which such stock-based compensation expense will be recognized was 1.4 years.

The acquisition date fair value of the converted options was determined using the Black-Scholes options pricing model. The fair value identified was then allocated between pre-combination service, attributed to purchase consideration net of a 20% anticipated forfeiture rate, and post-combination service, to be recognized as stock-based compensation expense over the remaining vesting term.

The Black-Scholes options pricing model is affected by the estimated fair value of our common stock as well as the following significant inputs:

	May 5, 2021
Value of Common Stock	\$ 106.34
Expected Term	7.0
Volatility	56.6 %
Risk-free interest rate	1.1 %
Exercise Price	\$6.54 - 9.81
Dividend Rate	— %

Common Stock Options from Dosh Acquisition

In connection with the acquisition of Dosh, each unvested option to purchase shares of Dosh common stock outstanding as of the acquisition date was converted to unvested options to purchase shares of our common stock. These awards were granted under the Dosh Holdings, Inc. 2017 Stock Incentive Plan ("Dosh Plan") and were separately registered with the Securities and Exchange Commission on Form S-8 on April 9, 2021. The maximum aggregate number of shares of our common stock that may be issued upon exercise of these awards is 104,098 shares, and we do not expect to grant any additional awards under the Dosh Plan. The converted awards retain the same terms and conditions as the awards granted by Dosh prior to the acquisition. The awards have remaining vesting periods ranging from less than one year to four years.

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The following table summarizes changes in common stock options from the Dosh acquisition:

	Shares (in thousands)	Weighted-Average Exercise Price	Weighted Average Contractual Life (in years)	Aggregate Intrinsic Value (in thousands) ⁽¹⁾
Options outstanding — December 31, 2020	—	\$ —		
Assumed	104	3.06		
Exercised	(30)	3.06		\$ 2,492
Forfeited	(44)	3.06		
Options outstanding — December 31, 2021	30	3.06	9.15	\$ 1,847
Exercised	(5)	3.06		\$ 230
Forfeited	(7)	3.06		
Options outstanding — December 31, 2022	18	3.06	8.18	\$ 46
Exercisable — December 31, 2022	9	\$ 3.06	8.18	\$ 24

(1) For options exercised during the period, the aggregate intrinsic value represents the total pre-tax intrinsic value received by option holders based on the closing price of our common stock as reported on the Nasdaq Global Market on the exercise date. For options outstanding and exercisable at December 31, 2022, the aggregate intrinsic value represents the total pre-tax intrinsic value based on the \$5.78 per share closing price of our common stock as reported on the Nasdaq Global Market on December 31, 2022, that would have been received by option holders had all in-the-money options been exercised on that date.

The total fair value of options vested during the twelve months ended December 31, 2022 was \$0.9 million. As of December 31, 2022, unamortized stock-based compensation expense related to unvested common stock options was \$0.8 million, and the weighted-average period over which such stock-based compensation expense will be recognized was 1.37 years.

The acquisition date fair value of the converted options was determined using the Black-Scholes options pricing model. The fair value identified was then allocated between pre-combination service, attributed to purchase consideration net of a 20% anticipated forfeiture rate, and post-combination service, to be recognized as stock-based compensation expense over the remaining vesting term.

The Black-Scholes options pricing model is affected by the estimated fair value of our common stock as well as the following significant inputs:

	March 5, 2021
Value of Common Stock	\$ 128.06
Expected Term	7.0
Volatility	54.6 %
Risk-free interest rate	1.1 %
Exercise Price	\$ 3.06
Dividend Rate	— %

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Restricted Stock Units

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

		Weighted-Average Grant Shares (in thousands)	Fair Date Value Per Share	Weighted-Average Remaining Contractual Term (in years)	Unamortized Compensation Costs (in thousands)		
Unvested - December 31, 2019		1,741	\$ 18.55				
Shares (in thousands)				Shares (in thousands)	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Contractual Term (in years)	Unamortized Compensation Costs (in thousands)
Unvested - December 31, 2022							
Granted							
Granted							
Granted	Granted	1,758	43.07				
Vested	Vested	(779)	28.56				
Forfeited/canceled		(286)	23.34				
Unvested - December 31, 2020		2,434	\$ 32.49				
Granted		975	106.24				
Vested							
Vested	Vested	(724)	32.51				
Forfeited	Forfeited	(391)	51.54				
Unvested - December 31, 2021		2,294	\$ 60.58				
Granted		6,182	24.74				
Vested		(984)	49.15				
Forfeited	Forfeited	(1,536)	59.94				
Unvested - December 31, 2022		5,956	\$ 25.43	2.93	\$	116,941	
Forfeited							
Unvested - December 31, 2023							
Unvested - December 31, 2023							
Unvested - December 31, 2023							
				Shares (in thousands)	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Contractual Term (in years)	Unamortized Compensation Costs (in thousands)
Unvested - December 31, 2021				2,294	\$ 60.58		
Granted				6,182	24.74		

Vested	(984)	49.15		
Forfeited	(1,536)	59.94		
Unvested - December 31, 2022	5,956	\$ 25.43	2.93	\$ 116,941

	Shares (in thousands)	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Contractual Term (in years)	Unamortized Compensation Costs (in thousands)
Unvested - December 31, 2020	2,434	\$ 32.49		
Granted	975	106.24		
Vested	(724)	32.51		
Forfeited/canceled	(391)	51.54		
Unvested - December 31, 2021	2,294	\$ 60.58	2.80	\$ 106,468

Service-based Restricted Stock Units

During 2022, we granted 4,441,032 RSUs to employees, executives, and our non-employee directors, which have annual vesting periods ranging from immediately vesting to four years. We also granted 1,345,261 RSUs to our recently hired Chief Executive Officer, which have a four year vesting period. During 2021, we additionally granted 30,624 immediately vesting RSUs resulting from the modification of awards through separation agreements. The immediately vesting awards replaced previously granted RSUs which were cancelled as a result of the modification. As of **December 31, 2022** **December 31, 2023**, there was approximately **\$116.9 million** **\$68.1 million** of unrecognized compensation expense related to RSUs, which is expected to be recognized over a weighted-average period of **2.9** **2.0** years. The aggregate intrinsic value based on the **\$5.78** **\$9.21** closing price of our common stock as reported on the Nasdaq Global Market on **December 31, 2022** **December 31, 2023** of unvested RSUs is **\$34.4 million** **\$50.5 million** as of **December 31, 2022** **December 31, 2023**.

Subsequent to **December 31, 2022** **December 31, 2023**, we granted **527,308** **275,780** RSUs to employees, which have annual vesting periods ranging from **two** **one** to **four** **two** years. The unamortized stock-based compensation expense related to all RSUs granted subsequent to **December 31, 2022** **December 31, 2023** is **\$3.1 million** **\$1.9 million**.

Performance-based Restricted Stock Units

During 2019, In July 2022, we granted **1,252,500** **100,990** PSUs which vest on the achievement of specific revenue-based performance metrics ("2022 Bridg PSUs").

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In March 2022 and August 2022, we granted 269,202 and 25,248 performance-based RSUs ("2019 PSUs" restricted stock units ("2022 PSUs")), respectively, consisting of three tranches. The 2019 PSUs are composed of four equal first two tranches each represent 25% of which have an independent performance-based vesting condition. The vesting criteria for the four tranches are as follows:

- grant, and each vest upon the achievement of certain milestones related to the installation of our Ad Server at our FI Partners. 50% of the third tranche vests upon the achievement of a minimum growth rate in adjusted contribution over a trailing 12-month period,
- a minimum certain number of advertisers that are billed above purchasing both the Cardlytics and Bridg platforms at a specified target incremental billings amount over a trailing 12-month period,
- a minimum cumulative adjusted EBITDA target over a trailing 12-month period, 2021, and
- a minimum trailing 30-day average closing price of our common stock.

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The vesting conditions of each of the four tranches must be achieved within four years of the grant date. Upon a vesting event, remaining 50% of the related tranche vests immediately, 25% of the related tranche vests six months after the achievement date and 25% of the related tranche vests 12 months after the achievement date. Adjusted EBITDA and adjusted contribution are performance metrics defined within Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations." this target is achieved. In August and November 2019, December 2022, the compensation committee of our board of directors certified that the target minimum trailing 30-day average closing price first tranche's milestone related to the installation of our common stock and target minimum cumulative adjusted EBITDA over a trailing 12-month period, respectively, were Ad Server at our FI partners had been achieved, resulting which resulted in the immediate vesting of the first tranche representing 25% of the grant.

In September 2021, we granted 6,666 PSUs which 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 6,667 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.

In July 2021, we granted 34,344 performance-based restricted stock units ("Bridg PSUs") which 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 related PSU tranches. In February 2020, 25% units vesting between 80% - 99.999% achievement and 100% of the 30-day average closing price of our common stock PSU tranche vested units vesting upon the six-month anniversary of the tranche's achievement date and the remaining 25% of the tranche vested in August 2020 upon the twelve-month anniversary of the tranche's achievement date. In May 2020, 25% of the adjusted EBITDA tranche vested upon the six-month anniversary of the tranche's achievement date, and the remaining 25% of the tranche vested in November 2020 upon the twelve-month anniversary of the tranche's achievement date. In October 2021, 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 number of advertisers that were billed over a specified amount during a trailing 12-month period had been achieved resulting period. The units in the immediate this first tranche fully vest upon achievement. The second tranche consists of 55,118 units with a performance-based vesting of 50% condition based on a different minimum revenue target over a trailing 12-month period. Half of the related PSU tranche. In December 2021, 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 certified 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 which have the same unmet vesting condition as the 2020 PSUs based on a minimum ARPU target growth rate for adjusted contribution during over a trailing 12-month period had been achieved resulting in the immediate vesting of 50% of the related PSU tranche, 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.

In April 2021, During 2019, we granted 110,236 1,252,500 performance-based restricted stock units RSUs ("2021 2019 PSUs") consisting . The 2019 PSUs are composed of two tranches. The first tranche consists four equal tranches, each of 55,118 units that which have a an independent performance-based vesting condition based on condition. The vesting criteria for the four tranches are as follows:

- a minimum revenue growth rate in Adjusted Contribution over a trailing 12-month period,
- a minimum number of advertisers that are billed above a specified amount over a trailing 12-month period,
- a minimum cumulative Adjusted EBITDA target over a trailing 12-month period, period, and
- a minimum trailing 30-day average closing price of our common stock.

The units in this first tranche fully vest upon achievement. The second tranche consists vesting conditions of 55,118 units with a performance-based vesting condition based on a different minimum revenue target over a trailing 12-month period. Half each 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 four 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.

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

In July 2021, we granted 34,344 performance-based restricted stock units ("Bridg PSUs") which 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 event, 50% of the units vesting between 80% - 99.999% achievement and 100% of the units vesting upon 100% achievement. If these percentages are not met, no Bridg PSUs will vest.

In September 2021, we granted 6,666 PSUs which 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 6,667 PSUs which have the same unmet different revenue target vesting condition of the 2021 PSUs as described above.

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 related tranche vests immediately, 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. 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 2021, and the remaining 50% of the tranche vests six months after this target is achieved. the achievement date and 25% of the related tranche vests 12 months after the achievement date. Adjusted EBITDA and Adjusted Contribution are performance metrics defined within Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations." In December 2022, August and November 2019, the compensation committee of our board of directors certified that the first tranche's milestone related to the installation target minimum trailing 30-day average closing price of our Ad Server at our FI partners had been common stock and target minimum cumulative Adjusted EBITDA over a trailing 12-month period, respectively, were achieved which resulted resulting in the immediate vesting of 50% of the first tranche representing related PSU tranches. In February 2020, 25% of the grant. 30-day average closing price of our common stock PSU tranche vested upon the six-month anniversary of the tranche's achievement date and the remaining 25% of the tranche vested in August 2020 upon the twelve-month anniversary of the tranche's achievement date. In May 2020, 25% of the Adjusted EBITDA tranche vested upon the six-month anniversary of the tranche's achievement date, and the remaining 25% of the tranche vested in November 2020 upon the twelve-month anniversary of the tranche's achievement date. In October 2021, the compensation committee of our board of directors certified that the target

number of advertisers that were billed over a specified amount during a trailing 12-month period had been achieved resulting in

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50% of the related PSU tranche. In December 2021, the compensation committee of our board of directors certified that the target growth rate for Adjusted Contribution during a trailing 12-month period had been achieved resulting in the immediate vesting of 50% of the related PSU tranche.

In July 2022, we granted 100,990 PSUs which vest on the achievement of specific revenue-based performance metrics ("2022 Bridg PSUs"). With the exception of the 2020 PSUs, the 2021 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 board of directors adopted and our stockholders have approved our 2018 Employee Stock Purchase Plan ("2018 ESPP"). Our 2018 ESPP became effective on February 8, 2018, the date our registration statement in connection with our IPO was declared effective and enables eligible employees to purchase shares of our common stock at a discount. Purchases will be accomplished through participation in discrete offering periods. On each purchase date, eligible employees will 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. During 2020, the years ended December 31, 2023, 2022 and 2021, and 2022, a total of 59,173, 555,915, 167,622 and 41,473 and 167,622 shares of common stock were purchased by employees under the 2018 ESPP, respectively.

As of December 31, 2022 December 31, 2023, 878,969 657,826 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, beginning on January 1, 2019 and continuing 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 334,771 397,283 shares on January 1, 2023 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.

11. INCOME TAXES

Domestic and foreign components of loss before income taxes are as follows (in thousands):

		Year Ended December 31,						
		2020	2021	2022				
		Year Ended December 31,			Year Ended December 31,			
		2023	2023	2022	2023	2022	2021	
Domestic	Domestic	\$(42,613)	\$(122,087)	\$(455,202)				
Foreign	Foreign	(12,809)	(14,342)	(11,508)				
Loss before income taxes	Loss before income taxes	\$(55,422)	\$(136,429)	\$(466,710)				

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The significant components of income tax (expense) benefit are as follows (in thousands):

Year Ended December 31,			
2020	2021	2022	

Year Ended December 31,					Year Ended December 31,				
2023					2023 2022 2021				
Current:	Current:								
Federal									
Federal									
Federal	Federal	\$	—	\$	—	\$	—		
State	State		—		—		—		
Foreign	Foreign								
(1)	(1)		—		—		—		
Total	Total								
current	current		—		—		—		
Deferred:	Deferred:								
Federal									
Federal									
Federal	Federal	23,062	31,106	38,508					
State	State	3,744	4,942	6,317					
Foreign	Foreign	1,713	2,184	3,075					
Change in uncertain tax positions	Change in uncertain tax positions	(117)	(596)	(587)					
Change in valuation allowance	Change in valuation allowance	(28,402)	(29,772)	(45,867)					
Total deferred	Total deferred	—	7,864	1,446					
Income tax benefit	Income tax benefit	\$	—	\$	7,864	\$	1,446		

(1) The current income tax (expense) during 2020, 2023 excluded Indian income tax expenses of \$0.1 million. The current income tax (expense) during 2022 and 2021 and 2022 excludes Indian income tax expense of less than \$0.3 million, \$0.2 million and \$0.2 million, respectively.

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The following table summarizes the significant differences between the U.S. federal statutory tax rate and our effective tax rate:

Year Ended December 31,					Year Ended December 31,				
2023					2023 2022 2021				
Tax benefit at federal statutory rate	Tax benefit at federal statutory rate	21.00 %	21.00 %	21.00 %	Tax benefit at federal statutory rate	21.00 %	21.00 %	21.00 %	
State income taxes, net of federal benefit	State income taxes, net of federal benefit	— %	2.08 %	0.08 %	State income taxes, net of federal benefit	(0.01) %	0.08 %	2.08 %	
Change in federal and state statutory rate	Change in federal and state statutory rate	0.35 %	(0.14) %	0.15 %	Change in federal and state statutory rate	0.01 %	0.15 %	(0.14) %	

Foreign rate differential	Foreign rate differential	(0.62)%	(0.19)%	0.01 %	Foreign rate differential	(0.22) %	0.01 %	(0.19) %
Goodwill impairment	Goodwill impairment	— %	— %	(17.82)%	Goodwill impairment	(10.94) %	(17.82) %	— %
Contingent liability remeasurement	Contingent liability remeasurement	— %	— %	5.71 %	Contingent liability remeasurement	(0.81) %	5.71 %	— %
Other adjustments	Other adjustments	7.36 %	4.68 %	1.03 %	Other adjustments	(1.40) %	1.03 %	4.68 %
Valuation allowance	Valuation allowance	(28.57)%	(21.75)%	(9.87)%	Valuation allowance	(7.54) %	(9.87) %	(21.75) %
Income tax benefit	Income tax benefit	(0.48)%	5.68 %	0.29 %	Income tax benefit	0.09 %	0.29 %	5.68 %

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The significant components of deferred income taxes are as follows (in thousands):

		December 31,			
		2021	2022		
		December 31,		December 31,	
		2023		2023	2022
Net operating loss carry-forwards	Net operating loss carry-forwards	\$145,273	\$155,949		
Allowance for credit losses	Allowance for credit losses	212	776		
Depreciation and amortization	Depreciation and amortization	(42,053)	1,485		
Stock-based compensation	Stock-based compensation	7,889	7,020		
Deferred costs	Deferred costs	7,898	6,599		
Deferred costs	Deferred costs				
ROU asset	ROU asset				
Lease liability	Lease liability				
IRC Section 163(j) interest expense limitation	IRC Section 163(j) interest expense limitation	77	—		
Other tax credit carry-forward	Other tax credit carry-forward				
Other tax credit carry-forward	Other tax credit carry-forward	4,249	5,683		
Other temporary differences	Other temporary differences	322	1,936		

Valuation allowance	Valuation allowance	(123,867)	(179,448)
Net long-term deferred tax asset	Net long-term deferred tax asset	\$ —	\$ —

We have generated historical net losses and recorded a full valuation allowance against our net deferred tax assets, and we expect to maintain a full valuation allowance in the near term. Realization of any of our net deferred tax assets depends upon future earnings, the timing and amount of which are uncertain. During 2022, we released \$1.4 million of our valuation allowance related to net deferred tax liabilities arising from the acquisitions of Bridg resulting in an income tax benefit of \$1.4 million reflected on our consolidated [statement of operations](#). Deferred tax liabilities for Bridg primarily related to acquired intangible assets.

The following table presents changes in our valuation allowance (in thousands):

	Year Ended December 31,		
	2020	2021	2022
Beginning balance	\$ (70,231)	\$ (85,991)	\$ (123,867)
Allowance for domestic and foreign net operating loss carry-forwards	(26,277)	(51,856)	(13,360)
Rate change on domestic net operating loss carry-forwards	(82)	419	235
Convertible debt additional paid-in capital tax adjustment - valuation allowance impact	12,642	—	(9,714)
Other changes	(2,043)	13,561	(32,742)
Ending balance	\$ (85,991)	\$ (123,867)	\$ (179,448)

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	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ (179,448)	\$ (123,867)	\$ (85,991)
Allowance for domestic and foreign net operating loss carry-forwards	(2,442)	(13,360)	(51,856)
Rate change on domestic net operating loss carry-forwards	(424)	235	419
Convertible debt additional paid-in capital tax adjustment - valuation allowance impact	—	(9,714)	—
Other changes	(7,346)	(32,742)	13,561
Ending balance	\$ (189,660)	\$ (179,448)	\$ (123,867)

As of [December 31, 2021](#) [December 31, 2023](#) and 2022 we have [\\$586.2 million](#) [\\$628.7 million](#) and \$625.5 million, respectively, of gross U.S. federal net operating loss [carry forwards](#) [carry-forwards](#) that will begin to expire in the 2028 tax year. Additionally, we have [\\$243.6 million](#) [\\$267.3 million](#) and \$254.1 million of gross state net operating loss carry-forwards as of [December 31, 2021](#) [December 31, 2023](#) and 2022, respectively that will expire between the [2022](#) [2023](#) and [2042](#) [2043](#) tax years for states that do not have indefinite carry-forward periods for net operating losses generated in recent years.

Ownership changes, as defined by IRC Section 382, may limit the amount of net operating losses that a company may utilize to offset future taxable income and taxes payable. Pursuant to IRC Section 382, an ownership change occurs when the stock ownership of 5% stockholders increases by more than 50% over a testing period of three years. We have experienced ownership changes in the past, and it is possible that we have undergone ownership changes subsequent to April 2, 2020, the date of our most recent evaluation, or that we may undergo such a change in the future. Any such ownership change may limit our ability to utilize net operating losses.

Our results during [2020](#), [the years ended December 31, 2023, 2022 and 2021](#) and [2022](#) reflect state tax credits related to hiring and research activities that are utilized through the reduction of state payroll tax withholdings totaling \$1.4 million, [\\$1.3 million](#) [\\$0.9 million](#) and [\\$0.9 million](#) [\\$1.3 million](#), respectively.

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As of [December 31, 2021](#) [December 31, 2023](#) and 2022, Cardlytics UK had gross net operating losses of [\\$43.0 million](#) [\\$55.7 million](#) and \$47.8 million, respectively. Foreign net operating loss carry-forwards expire according to the rules of each country. In the U.K., there is an indefinite carry-forward period. As of [December 31, 2022](#) [December 31, 2023](#), Cardlytics UK held cash and cash equivalents of [\\$3.4 million](#) [\\$3.2 million](#). While our investment in Cardlytics UK is not considered to be permanently invested, we do not plan to repatriate these funds. Further, although the tax basis of our investment in Cardlytics UK exceeds its book basis, we have not recorded a deferred tax asset since we do not believe that a reversal of this temporary difference will occur in the foreseeable future.

The following table summarizes the activity related to our gross unrecognized tax benefits that would affect our effective tax rate, if recognized (in thousands):

		Year Ended December 31,		
		2020	2021	2022
		Year Ended December 31,		
		2023	2023	2022
		Year Ended December 31,		
		2021	2023	2022
Beginning balance	Beginning balance	\$185	\$302	\$1,128
Increase related to current year tax position	Increase related to current year tax position	117	826	478
Ending balance	Ending balance	\$302	\$1,128	\$1,606

All such positions, if recognized, would impact our effective tax rate. We do not currently anticipate any of our positions to change significantly in the next 12 months. Our tax filings from inception remain subject to income tax examinations.

12. FAIR VALUE MEASUREMENTS

We record the fair value of assets and liabilities in accordance with ASC 820, Fair Value Measurement ("ASC 820" 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.

During the year years ended December 31, 2022 December 31, 2023 and 2022, we recognized a goodwill impairment of \$70.5 million and \$396.2 million, respectfully. 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 5—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 management's own assumptions about the inputs used in pricing the asset or liability at fair value.

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Contingent consideration for the acquisition of Bridg

The contingent consideration for the acquisition of Bridg is composed of the First Anniversary Payment and the Second Anniversary Payment. The fair value of contingent consideration in connection with the Bridg acquisition is as follows (in thousands):

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		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

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Current contingent consideration	\$ —	\$ —	\$ 104,121	\$ 104,121
Long-term contingent consideration	—	—	—	—
Total liabilities	\$ —	\$ —	\$ 104,121	\$ 104,121

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Current contingent consideration	\$ —	\$ —	\$ 182,470	\$ 182,470
Long-term contingent consideration	—	—	49,825	49,825
Total liabilities	\$ —	\$ —	\$ 232,295	\$ 232,295

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Current contingent consideration	\$ —	\$ —	\$ 104,121	\$ 104,121
Long-term contingent consideration	—	—	—	—
Total liabilities	\$ —	\$ —	\$ 104,121	\$ 104,121

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:

		December 31, 2021	December 31, 2022
		December 31, 2023	December 31, 2022
Beginning balance	Beginning balance	\$ —	\$ 232,295
Increase due to acquisition		230,921	—
Unrealized loss due to change in fair value		1,374	(128,174)
Decrease due to earnout settlement			
Change in fair value of contingent consideration			
Ending balance	Ending balance	\$ 232,295	\$ 104,121

As part of our acquisition of Bridg, Inc. ("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, respectively.

As of December 31, 2022 December 31, 2023, we have paid the First Anniversary Payment 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 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. Refer to Note 13—Commitments and Contingencies for further information about the Bridg acquisition and related contingent consideration.

As of December 31, 2023, we have determined that the First Anniversary Payment estimated fair value of the contingent consideration to be \$126.4 million \$43.6 million, inclusive exclusive of \$118.7 million of contingent consideration and \$7.7 million of \$2.8 million in broker fees and other costs, which is included in accrued expenses on our consolidated balance sheets. The fair value of We valued the contingent consideration related to the First Anniversary Payment is \$47.6 million, which reflects the impact of a \$71.1 million mark-to-market reduction in fair value of the 2,068,995 shares of our common stock that we expect to issue to satisfy 70% of the contingent consideration to Bridg shareholders at an agreed-upon volume-weighted average using a stock price of \$40.15 per share. These shares have been revalued based on \$6.06, which was the \$5.78 per share closing stock price of our common stock as reported on the Nasdaq Global Market on December 31, 2022. As of December 31, 2022 January 24, 2024, the First Anniversary Payment has not been settled. Refer to Note 4—Business Combinations for further discussion. day immediately preceding the Settlement Agreement date.

As of December 31, 2022, we have estimated the Second Anniversary Payment to be \$67.8 million, inclusive of \$62.6 million of contingent consideration and \$5.2 million of broker fees and other costs, which is included in accrued expenses on our consolidated balance sheets. The fair value of the contingent consideration related to the Second Anniversary Payment is \$56.6 million. In order to determine the fair value, we simulated forecasted revenue using a revenue volatility assumption from comparable market data. We then determined the appropriate discount rate for the assumed cash component and used a Monte Carlo simulation for the assumed stock component. The assumptions used in preparing this model includes estimates such as revenue volatility, revenue discount rate, weighted average cost of capital, and our common stock volatility.

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The following table summarizes key assumptions used for estimating the fair value of the contingent consideration:

	December 31, 2021	December 31, 2022
Revenue volatility	20.0 %	20.0 %
Revenue discount rate	4.7 %	8.7 %
Weighted average cost of capital	12.5 %	17.0 %
Common stock volatility	69.0 %	156.0 %
Portion to be paid in cash	30.0 %	30.0 %

	December 31, 2022
Revenue volatility	20.0 %
Revenue discount rate	8.7 %
Weighted average cost of capital	17.0 %
Common stock volatility	156.0 %
Portion to be paid in cash	30.0 %

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13. COMMITMENTS AND CONTINGENCIES

Implementation Costs

Agreements with certain partners require us to fund the development of specific enhancements, pay for certain implementation fees, or make milestone payments upon the deployment of our solution. Amounts paid to partners are included in deferred implementation costs on our consolidated balance sheets the earlier of when paid or earned and are amortized over the remaining term of the related contractual arrangements. Amortization and impairment is included in Partner Share and other third-party costs on our consolidated statements of operations and is presented in amortization and impairment of deferred implementation costs on our consolidated statement of cash flows. Certain of these agreements provide for future reductions in Partner Share due to the partner. These reductions in Partner Share are recorded as a reduction to deferred implementation costs and also result in a cumulative adjustment to accumulated amortization.

During 2020 and 2021, we recognized write offs of deferred implementation costs totaling \$0.7 million and \$1.0 million, respectively, in Partner Share and other third-party costs on our consolidated statements of operations, upon the notification from one of our partners about plans to end the use of certain platform features prior to the end of our contractual arrangement with the partner.

The following table presents changes in deferred implementation costs (in thousands):

		December 31,			December 31,		
		2020	2021	2022	2023	2022	2021
Beginning balance	Beginning balance	\$8,383	\$3,785	\$ —			

Recoveries through Partner Share	Recoveries through Partner Share	—	—	—
Recoveries through Partner Share	Recoveries through Partner Share			
Recoveries through Partner Share	Recoveries through Partner Share			
Amortization	Amortization	(3,915)	(2,826)	—
Impairment	Impairment	(683)	(959)	—
Ending balance	Ending balance	\$3,785	\$ —	\$ —

We have had a minimum Partner Share commitment to a certain FI partner totaling \$10.0 million over a 12-month period which began ended on April 1, 2022 March 31, 2023. To We have accrued \$4.5 million for the extent that this commitment is expected to exceed the amount of Partner Share otherwise payable to such FI partner in shortfall, included within Partner Share liability on our condensed consolidated balance sheet. We have paid, or are paying this shortfall on a quarterly basis from October 1, 2023 through June 30, 2024. During the absence of such commitment, years ended December 31, 2023 and 2022, we accrue any expected shortfall over the commitment period. We accrued for zero recognized \$1.3 million and \$3.2 million, respectively, of expected minimum Partner Share commitment shortfalls as within Partner Share and other third-party costs on our condensed consolidated statements of December 31, 2021 and 2022, respectively. operations. As of December 31, 2023, we paid \$1.2 million of our shortfall.

Other Commitments

We lease property and equipment under non-cancelable operating lease agreements. Refer to Note 7—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 2025. Refer to Note 9—Debt and Financing Arrangements for further details. In connection with our acquisition of Bridg, we will owe a brokerage fee derived from as per the amount of the First Anniversary Payment and the Second Anniversary Payment, if any. See Note 4—Business Combinations for further details. Settlement Agreement.

In March 2022, we entered into a cloud hosting arrangement guaranteeing an aggregate spend of \$7.2 million over the first twelve months of the arrangement. In January 2023 2024 we renewed our agreement guaranteeing an aggregated spend of \$13.5 million \$17.0 million each year over a twelve the next thirty-six month period.

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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 are currently in a dispute unable to reach an agreement with respect to the First Anniversary Payment Amount with the Bridg Stockholder Representative regarding 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 Payment. Refer ARR, determining the First Anniversary ARR to Note 4—Business Combinations for further discussion. Other than this dispute, 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 a settlement agreement (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 3.6 million shares of our common stock to the Stockholder Representative.

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 12—Fair Value Measurements for further information about the Bridg acquisition and related contingent consideration.

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14. EARNINGS PER SHARE

Diluted net loss per share is the same as basic net loss per share for 2020, 2021, 2022 and 2022 2023 because the effects of potentially dilutive items were anti-dilutive, given our net loss during these periods. The following securities have been excluded from the calculation of diluted weighted-average common shares outstanding because the effect is anti-dilutive (in thousands):

		December 31,			December 31,		
		2020	2021	2022	2023	2022	2021
Common stock options	Common stock options	513	454	380			
Common stock options							
Common stock options							
Convertible Senior Notes							
Convertible Senior Notes							
Convertible Senior Notes	Convertible Senior Notes	2,701	2,701	2,701			
Restricted stock units	Restricted stock units	2,434	2,294	5,956			
Restricted stock units							
Restricted stock units							
Common stock issuable pursuant to the ESPP	Common stock issuable pursuant to the ESPP	4	9	95			
Common stock issuable pursuant to the ESPP							
Common stock issuable pursuant to the ESPP							

15. SEGMENTS

As of December 31, 2022 December 31, 2023, we have three operating segments: the Cardlytics platform in the U.S. and 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. Adjusted Contribution. Our CODM does not review assets by operating segment for the purposes of evaluating performance or allocating resources.

Revenue can be directly attributable to each segment. With the exception of deferred implementation costs, Partner Share and other third-party costs is also directly attributable to each segment. The accounting policies of each of our reportable segments are the same as those described in the summary of significant accounting policies.

The following table provides information regarding our reportable segments (in thousands):

		Year Ended December 31,		
		2020	2021	2022
Cardlytics platform				
Adjusted contribution		\$ 82,182	\$ 121,675	\$ 122,981

Plus: Adjusted Partner Share and other third-party costs ⁽¹⁾	104,710	137,079	154,204
Revenue	\$ 186,892	\$ 258,754	\$ 277,185
Bridg platform			
Adjusted contribution	\$ —	\$ 7,953	\$ 20,054
Plus: Adjusted Partner Share and other third-party costs ⁽¹⁾	—	409	1,303
Revenue	\$ —	\$ 8,362	\$ 21,357
Total			
Adjusted contribution	\$ 82,182	\$ 129,628	\$ 143,035
Plus: Adjusted Partner Share and other third-party costs ⁽¹⁾	104,710	137,488	155,507
Revenue	\$ 186,892	\$ 267,116	\$ 298,542

	Year Ended December 31,		
	2023	2022	2021
Cardlytics platform			
Revenue	\$ 285,425	\$ 277,185	\$ 258,754
Minus: Adjusted Partner Share and other third-party costs ⁽¹⁾	149,907	154,204	137,079
Adjusted Contribution	\$ 135,518	\$ 122,981	\$ 121,675
Bridg platform			
Revenue	\$ 23,779	\$ 21,357	\$ 8,362
Minus: Adjusted Partner Share and other third-party costs ⁽¹⁾	671	1,303	409
Adjusted Contribution	\$ 23,108	\$ 20,054	\$ 7,953
Consolidated			
Revenue	\$ 309,204	\$ 298,542	\$ 267,116
Minus: Adjusted Partner Share and other third-party costs ⁽¹⁾	150,578	155,507	137,488
Adjusted Contribution	\$ 158,626	\$ 143,035	\$ 129,628

(1) Adjusted Partner Share and other third-party costs presented above represents GAAP Partner Share and other third-party data costs less deferred implementation costs, which is detailed below in our reconciliation of GAAP loss before income taxes to **adjusted contribution**. **Adjusted Contribution**.

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Adjusted Contribution

Adjusted **contribution 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 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 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 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.

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

	Year Ended December 31,			Year Ended December 31,		
	2020	2021	2022	2023	2022	2021
Adjusted contribution	\$ 82,182	\$ 129,628	\$ 143,035			
Adjusted Contribution						
Minus:						
Minus:						

Deferred implementation costs ⁽¹⁾				
Deferred implementation costs ⁽¹⁾				
Deferred implementation costs ⁽¹⁾	Deferred implementation costs ⁽¹⁾	4,598	3,785	—
Delivery costs	Delivery costs	14,310	22,503	30,403
Sales and marketing expense	Sales and marketing expense	45,307	65,996	74,745
Research and development expense	Research and development expense	17,532	38,104	54,435
General and administration expense	General and administration expense	46,532	66,222	81,446
Change in fair value of contingent consideration	Change in fair value of contingent consideration	—	1,374	(128,174)
Impairment of goodwill and intangible assets	Impairment of goodwill and intangible assets	—	—	453,288
Acquisition and integration costs (benefits)		—	24,372	(2,874)
Acquisition, integration and divestiture (benefits) costs				
Loss on divestitures				
Depreciation and amortization expense	Depreciation and amortization expense	7,826	29,871	37,544
Total non-operating (income) expense	Total non-operating (income) expense	1,499	13,830	8,932
Total non-operating (income) expense				
Total non-operating (income) expense				
Loss before income taxes	Loss before income taxes	<u>\$ (55,422)</u>	<u>\$ (136,429)</u>	<u>\$ (466,710)</u>

(1) Deferred implementation costs is excluded from adjusted Adjusted Partner Share and other third-party costs, which is shown above in our reconciliation of GAAP revenue to adjusted contribution. Adjusted Contribution.

The following tables provide geographical information (in thousands):

		Year Ended December 31,			Year Ended December 31,		
		2020	2021	2022	2023	2022	2021
Revenue:	Revenue:						
United States	United States	\$172,808	\$246,315	\$275,256			
United States							
United States							

United Kingdom	United Kingdom	14,084	20,801	23,286
Total	Total	\$186,892	\$267,116	\$298,542

		December 31,	
		2021	2022
		December 31,	
		2023	2022
Property and equipment:	Property and equipment:		
United States	United States	\$ 7,750	\$4,453
United States	United States		
United Kingdom	United Kingdom	3,423	1,463
India		100	—
Total	Total	\$11,273	\$5,916
Total			
Total			

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Capital expenditures within the United Kingdom and India were \$2.8 million, \$0.2 million, \$0.5 million and \$0.7 million during 2023, 2022 and 2021, respectively.

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 majority of our cash and cash equivalents are held in fully FDIC-insured demand deposit accounts that distribute funds, and credit risk, over a vast number of financial institutions. Our remaining cash and cash equivalents are held in treasury obligation funds and money market accounts with six financial institutions, which we believe are of high credit quality.

Marketers

As of 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 2020, 2021 the years ended December 31, 2023 and 2022 our top five marketers accounted for 35%, 29% and 17% 15% of our revenue respectively, for each period, with no marketer representing over 10% during each of 2023 and 2022. During the year ended December 31, 2021 our top five marketers accounted for 27% of our revenue, with one marketer accounting for over 10% during 2020 and 2021. No marketer represented over 10% during 2022. As of December 31, 2021 December 31, 2023 and 2022, our top five marketers accounted for 19% and 18% of our accounts receivable, respectively, with no individual marketer representing over 10% as of the end of each period, respectively, period.

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. If an FI partner terminates its agreement with us, we would lose that FI as a source of purchase data and online banking customers.

During 2020 the years ended December 31, 2023, 2022 and 2021 our top two three FI partners combined to account for over 85%, 80% and 75%, respectively, of the total Partner Share we paid to all partners. During 2023 the top FI partner represented over 50% and the second and third largest FI partners with each represented over 10% of Partner Share. During 2022 and 2021 the top two FI partners represented over 20% and 25%, respectively, and the third largest FI partner representing over 25%. 10% of Partner Share for each period. No other partner accounted for over 10% of Partner Share during these periods. During 2022, our top three

On March 14, 2024, we entered into an agreement with a new FI partners combined to account for over 80% of the total Partner Share we paid to all partners, with the top two FI partners each representing over 20% and third largest FI partner representing over 10% of Partner Share. No other partner accounted for over 10% of Partner Share during these periods. partner.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure" disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act, of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

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Based on the evaluation of our disclosure controls and procedures as of December 31, 2022 December 31, 2023, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

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Management's Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as defined in the Exchange Act Rule 13a-15(f). Management conducted an assessment of our internal control over financial reporting based on the framework established in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework. Based on the assessment, management concluded that, as of December 31, 2022 December 31, 2023, our internal control over financial reporting was effective.

Our independent registered public accounting firm has issued an attestation report on the effectiveness of our internal control over financial reporting, which appears in this Annual Report.

Remediation of a Material Weakness

We recognize the importance of the control environment as it sets the overall tone for the Company and is the foundation for all other components of internal control. Consequently, we designed and implemented remediation measures to address the material weakness related to our review and oversight of our third-party valuation specialists, as further described in Item 9A of our Annual Report on Form 10-K and Form 10-K/A filed with the SEC on March 1, 2022 and May 2, 2022, respectively. In light of the material weakness, we performed the following remediation actions during the year ended December 31, 2022:

- Evaluated the design of the level of precision of the review of third-party valuation specialists
- Enhanced level of precision of the review of third-party valuation specialists

We consider our remediation efforts with respect to the material weakness to be complete as of December 31, 2022 because we believe the enhanced controls have operated for a sufficient period of time and management has concluded, through testing, that the controls are operating effectively.

Changes in Internal Control Over Financial Reporting

Except for our remediation of the material weakness described above, there 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 three months ended December 31, 2022 December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Cardlytics, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Cardlytics, Inc. and subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended **December 31, 2022** **December 31, 2023**, of the Company and our report dated **March 1, 2023** **March 14, 2024**, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia

March **1, 2023** **14, 2024**

ITEM 9B. OTHER INFORMATION.

None. On March 12, 2024, Jessica Jensen and Aimée Lapid each provided notice to our board of directors (the "Board") of their decision not to stand for re-election to the Board at our 2024 annual meeting of stockholders (the "Annual Meeting"). Ms. Jensen and Ms. Lapid will each serve out the remainder of their terms, which will expire at the Annual Meeting. Ms. Jensen is a member of the compensation committee (the "Compensation Committee") of the Board and has served as a member of the Board since 2020. Ms. Lapid is chair of the Compensation Committee and has served as a member of the Board since 2019. The decisions of Ms. Jensen and Ms. Lapid not to stand for re-election were not due to a disagreement with us on any matter relating to our operations, policies or practices. The Board thanks Ms. Jensen and Ms. Lapid for their contributions to the company.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

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PART III.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference to our Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission ("SEC") within 120 days of the fiscal year ended December 31, 2022 December 31, 2023.

We have adopted a Code of Business Conduct and Ethics (the "Code of Conduct") applicable to all of our employees, executive officers and directors. The Code of Conduct is available on our website at www.cardlytics.com. The Nominating and Corporate Governance Committee of our Board of Directors is responsible for overseeing the Code of Conduct and must approve any waivers of the Code of Conduct for employees, executive officers and directors. If we make any substantive amendments to the Code of Conduct or we grant any waiver from a provision of the Code of Conduct to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website. Information contained on, or that can be accessed through, our website is not incorporated by reference into this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to our Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2022 December 31, 2023.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference to our Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2022 December 31, 2023.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference to our Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2022 December 31, 2023.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated by reference to our Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2022 December 31, 2023.

PART IV.

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ITEM 15. EXHIBITS, EXHIBIT AND FINANCIAL STATEMENT SCHEDULES**(a) The following documents are filed as part of this Annual Report:**

- (i) Consolidated Financial Statements and Reports of Independent Registered Public Accounting Firm are shown in the Index to Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K.
- (ii) All financial statement schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.
- (iii) Exhibits are incorporated herein by reference or are filed with this Annual Report as indicated below.

(b) Exhibits:

Incorporated by Reference							Incorporated by Reference						
Exhibit	Exhibit	Exhibit Description	Schedule /Form	File Number	Exhibit	Filing Date	Exhibit	Exhibit Description	Schedule /Form	File Number	Exhibit	Filing Date	
3.1	3.1	Amended and Restated Certificate of Incorporation of the Registrant	S-1	333-222531	3.2	1/12/2018	3.1	Amended and Restated Certificate of Incorporation of the Registrant	S-1	333-222531	3.2	1/12/2018	

3.2	3.2	Amended and Restated Bylaws of the Registrant	S-1	333-222531	3.4	1/12/2018	3.2	Amended and Restated Bylaws of the Registrant	S-1	333-222531	3.4	1/12/2018
4.1	4.1	Form of Common Stock Certificate of the Registrant	S-1/A	333-222531	4.1	1/29/2018	4.1	Form of Common Stock Certificate of the Registrant	S-1/A	333-222531	4.1	
4.2	4.2	Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated May 4, 2017	S-1	333-222531	4.2	1/12/2018	4.2	Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated May 4, 2017	S-1	333-222531	4.2	
4.3	4.3	Description of Cardlytics, Inc. Common Stock	10-K	001-38386	4.3	3/3/2020	4.3	Description of Cardlytics, Inc. Common Stock	10-K	001-38386	4.3	
4.4	4.4	Indenture, dated as of September 22, 2030, by and between the Registrant and U.S. Bank National Association, as Trustee.	8-K	001-38386	4.1	9/22/2020	4.4	Indenture, dated as of September 22, 2030, by and between the Registrant and U.S. Bank National Association, as Trustee.	8-K	001-38386	4.1	
4.5	4.5	Form of Global Note, representing the Registrant's 1.00% Convertible Senior Notes due 2025 (included as Exhibit A to the Indenture filed as Exhibit 4.4)	8-K	001-38386	4.2	9/22/2020	4.5	Form of Global Note, representing the Registrant's 1.00% Convertible Senior Notes due 2025 (included as Exhibit A to the Indenture filed as Exhibit 4.4)	8-K	001-38386	4.2	
10.1	10.1	Office Lease Agreement, dated as of August 5, 2013, by and between the Registrant and Jamestown Ponce City Market, L.P., as amended to date	S-1	333-222531	10.12	1/12/2018	10.1	Office Lease Agreement, dated as of August 5, 2013, by and between the Registrant and Jamestown Ponce City Market, L.P.	S-1	333-222531	10.12	
10.2†	10.2†	2008 Stock Plan and Forms of Option Agreement, Notice of Stock Option Grant, Exercise Notice, Restricted Stock Unit Notice and Restricted Stock Unit Agreement thereunder, as amended to date	S-1/A	333-222531	10.1	1/29/2018	10.2†	2008 Stock Plan and Forms of Option Agreement, Notice of Stock Option Grant, Exercise Notice, Restricted Stock Unit Notice and Restricted Stock Unit Agreement thereunder, as amended to date	S-1/A	333-222531	10.1	

10.3†	10.3†	2018 Equity Incentive Plan and Forms of Stock Option Agreement, Notice of Exercise and Stock Option Grant Notice thereunder	S-1/A	333-222531	10.2	1/29/2018	10.3†	2018 Equity Incentive Plan and Forms of Stock Option Agreement, Notice of Exercise and Stock Option Grant Notice thereunder	S-1/A	333-222531	10.2
10.4†	10.4†	2018 Employee Stock Purchase Plan	S-1/A	333-222531	10.3	1/29/2018	10.4†	2018 Employee Stock Purchase Plan	S-1/A	333-222531	10.3
10.5†	10.5†	Form of restricted securities unit award of the Registrant	S-1	333-222531	10.8	1/12/2018	10.5†	Form of restricted securities unit award of the Registrant	S-1	333-222531	10.8
10.6†	10.6†	Form of Indemnity Agreement by and between the Registrant and each of its directors and executive officers	S-1	333-222531	10.9	1/12/2018	10.6†	Form of Indemnity Agreement by and between the Registrant and each of its directors and executive officers	S-1	333-222531	10.9
10.7†	10.7†	Form of Amended and Restated Separation Pay Agreement by and between the Registrant and each of Scott D. Grimes, Lynne M. Laube, David T. Evans and Kirk L. Somers	S-1/A	333-222531	10.11	1/29/2018					
10.8#	10.8#	Software License, Customization and Maintenance Agreement, dated as of November 4, 2010 by and between the Registrant and Bank of America, N.A., as amended to date	S-1	333-222531	10.16	1/12/2018					
10.7^	10.7^	Software License, Customization and Maintenance Agreement, dated as of November 4, 2010 by and between the Registrant and Bank of America, N.A., as amended to date	S-1	333-222531	10.16						

10.8^	10.8^	Master Agreement and Schedule #1 to the Master Agreement, dated May 3, 2018 and May 7, 2018, respectively, by and between the Company and JPMorgan Chase Bank, National Association	10-Q	001-38386	10.1
10.9	10.9	Loan and Security Agreement, dated as of May 21, 2018, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.2

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10.10^	First Amendment to Loan and Security Agreement, dated March 27, 2019, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.2	5/9/2019
10.11†	Non-Employee Director Compensation Plan	10-K	001-38386	10.13	3/1/2022
10.12	Second Amendment to Loan and Security Agreement, dated May 14, 2019, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.2	8/8/2019
10.13	Third Amendment to Loan and Security Agreement, dated September 24, 2019, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	11/12/2019
10.14^	2018 Amendment to Schedule #1 to the Master Agreement, dated October 23, 2018, by and between the Registrant and JPMorgan Chase Bank, N.A.	10-K	001-38386	10.22	3/3/2020
10.15	Fourth Amendment to Loan and Security Agreement, dated February 27, 2020, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	5/11/2020
10.16^	Second Amendment to Schedule #1, dated June 4, 2020, among Cardlytics, Inc. and JPMorgan Chase Bank, National Association	10-Q	001-38386	10.1	8/4/2020
10.17	Fifth Amendment to Loan and Security Agreement, dated September 17, 2020, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	11/2/2020
10.18^	2020 Amendment to General Services Agreement, dated December 2, 2020, by and between the Registrant and Bank of America, N.A.	10-K	001-38386	10.27	3/3/2021
10.19	Sixth Amendment to Loan and Security Agreement, dated December 30, 2020, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-K	001-38386	10.28	3/3/2021
10.20	Form of Confirmation for Capped Call Transactions	8-K	001-38386	10.1	9/22/2020
10.21	Consent to Loan and Security Agreement, dated as of March 5, 2021, by and among Cardlytics, Inc., as Borrower, BSpears Merger Sub II, LLC, as additional borrower, and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	5/4/2021

10.22	Assumption Agreement and Seventh Amendment Consent to Loan and Security Agreement, dated as of April 7, 2021, by and among Cardlytics, Inc., as Borrower, BSpears Merger Sub II, LLC, as additional borrower, and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	8/3/2021
10.23	Assumption Agreement and Eighth Amendment to Loan and Security Agreement, dated as of May 5, 2021, by and among Cardlytics, Inc., as Borrower, BSpears Merger Sub II, LLC, as additional borrower, and Pacific Western Bank, as Lender	10-Q	001-38386	10.2	8/3/2021
10.24^	Agreement and Plan of Merger, dated April 12, 2021, by and among Cardlytics, Inc., Bridg, Inc., Mr. T Merger Sub, Inc., and Shareholder Representative Services LLC	8-K	001-38386	10.1	11/18/2022

10.25^	Assumption Agreement and Tenth Amendment to Loan and Security Agreement, dated as of April 29, 2022, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	5/2/2022
10.26^	General Service Agreement dated as of July 7, 2022 by and between the Registrant and Bank of America, N.A.	10-Q	001-38386	10.2	8/2/2022
10.27^	Statement of Work Agreement dated as of July 7, 2022 by and between the Registrant and Bank of America, N.A.	10-Q	001-38386	10.3	8/2/2022
10.28†	Offer Letter Agreement between Karim Tamsamani and Cardlytics, Inc.	10-Q	001-38386	10.2	11/1/2022
10.29†	Severance Agreement between Karim Tamsamani and Cardlytics, Inc.	10-Q	001-38386	10.3	11/1/2022
10.30†	Severance Agreement between Nick Lynton and Cardlytics, Inc.	10-Q	001-38386	10.4	11/1/2022
10.31†	2022 Inducement Plan	10-Q	001-38386	10.7	11/1/2022
10.32†	Form of option grant notice and agreement under 2022 Inducement Plan	10-Q	001-38386	10.8	11/1/2022
10.33†	Form of restricted stock unit grant notice and agreement under 2022 Inducement Plan	10-Q	001-38386	10.9	11/1/2022
10.34^	Assumption Agreement and Eleventh Amendment to Loan and Security Agreement, dated as of November 29, 2022, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-K	001-38386	10.41	3/1/2023
10.35†	Offer Letter Agreement between Amit Gupta and Cardlytics, Inc.	10-K	001-38386	10.41	3/1/2023
10.36†	Severance Agreement between Amit Gupta and Cardlytics, Inc.	10-K	001-38386	10.41	3/1/2023
10.37^	Assumption Agreement and Twelfth Amendment to Loan and Security Agreement, dated as of February 16, 2023, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-K	001-38386	10.41	3/1/2023
10.38†	Amendment to Inducement Plan	10-K	001-38386	10.41	3/1/2023
10.39†	2022 Bonus Plan of the Registrant	10-K	001-38386	10.41	3/1/2023
10.40†	Transition Letter Agreement by and between Andrew Christiansen and Cardlytics, Inc.	10-Q	001-38386	10.3	5/4/2023
10.41^	Amendment No. Two to Office Lease Agreement dated as of April 23, 2023, by and between the Registrant and Jamestown Ponce City Market, L.P., as amended to date	10-Q	001-38386	10.4	5/4/2023
10.42^	Assumption Agreement and Thirteenth Amendment to Loan and Security Agreement, dated as of May 3, 2023, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.5	5/4/2023
10.43	Second Amendment to Inducement Plan	S-8	001-38386	4.8	7/18/2023
10.44^	Third Amendment to Schedule #1, dated June 29, 2023, to the Master Agreement by and between the Registrant and JPMorgan Chase Bank, N.A.	10-Q	001-38386	10.1	8/1/2023

10.45†	Offer Letter Agreement between Alexis DeSieno and the Registrant dated June 20, 2023	10-Q	001-38386	10.2	8/1/2023
10.46†	Separation Pay Agreement between Alexis DeSieno and the Registrant, dated July 13, 2023.	10-Q	001-38386	10.3	8/1/2023
10.47	Cooperation Agreement, dated as of September 19, 2023, by and among Cardlytics, Inc. and the investors named therein	8-K	001-38386	10.1	9/19/2023

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10.48*	Assumption Agreement and Ninth Amendment to Loan and Security Agreement, dated as of March 17, 2022, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender				
10.49*	Assumption Agreement and Fourteenth Amendment to Loan and Security Agreement, dated as of December 6, 2023, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender				
10.50*	Settlement Agreement by and between the Company and Shareholder Representative Services LLC, dated as of January 25, 2024				
10.51^^	Assumption Agreement and Fifteenth Amendment to Loan and Security Agreement, dated as of February 12, 2024, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender				
10.52*	2023 Bonus Plan of the Registrant				
10.53	Amended Non-Employee Director Compensation Plan				
21.1	Subsidiaries of the Registrant	10-Q	001-38386	21.1	8/14/2018
23.1*	Consent of Deloitte & Touche LLP, independent registered public accounting firm				
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				
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				
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				
97.1*	Amended and Restated Policy for Recoupment of Incentive Compensation, adopted on October 2, 2023				
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				
101.sch	XBRL Taxonomy Schema Linkbase Document				
101.cal	XBRL Taxonomy Calculation Linkbase Document				
101.def	XBRL Taxonomy Definition Linkbase Document				
101.lab	XBRL Taxonomy Label Linkbase Document				
101.pre	XBRL Taxonomy Presentation Linkbase Document				

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10.9#	Master Agreement and Schedule #1 to the Master Agreement, dated May 3, 2018 and May 7, 2018, respectively, by and between the Company and JPMorgan Chase Bank, National Association	10-Q	001-38386	10.1	8/14/2018
10.10	Loan and Security Agreement, dated as of May 21, 2018, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.2	8/14/2018
10.11	First Amendment to Loan and Security Agreement, dated March 27, 2019, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.2	5/9/2019
10.12	Non-Employee Director Compensation Plan	10-K	001-38386	10.13	3/1/2022
10.13	Second Amendment to Loan and Security Agreement, dated May 14, 2019, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.2	8/8/2019
10.14	Third Amendment to Loan and Security Agreement, dated September 24, 2019, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	11/12/2019
10.15	2018 Amendment to Schedule #1 to the Master Agreement, dated October 23, 2018, by and between the Registrant and JPMorgan Chase Bank, N.A.	10-K	001-38386	10.22	3/3/2020
10.16	Fourth Amendment to Loan and Security Agreement, dated February 27, 2020, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	5/11/2020
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10.19^	2020 Amendment to General Services Agreement, dated December 2, 2020, by and between the Registrant and Bank of America, N.A.	10-K	001-38386	10.27	3/3/2021
10.20	Sixth Amendment to Loan and Security Agreement, dated December 30, 2020, among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-K	001-38386	10.28	3/3/2021
10.21	Form of Confirmation for Capped Call Transactions	8-K	001-38386	10.1	9/22/2020
10.22	Assumption Agreement and Seventh Amendment to Loan and Security Agreement, dated as of March 5, 2021, by and among Cardlytics, Inc., as Borrower, BSpears Merger Sub II, LLC, as additional borrower, and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	5/4/2021
10.23	Assumption Agreement and Seventh Amendment to Loan and Security Agreement, dated as of April 7, 2021, by and among Cardlytics, Inc., as Borrower, BSpears Merger Sub II, LLC, as additional borrower, and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	8/3/2021

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10.24	Assumption Agreement and Eighth Amendment to Loan and Security Agreement, dated as of May 5, 2021, by and among Cardlytics, Inc., as Borrower, BSpears Merger Sub II, LLC, as additional borrower, and Pacific Western Bank, as Lender	10-Q	001-38386	10.2	8/3/2021
10.25	Agreement and Plan of Merger, dated April 12, 2021, by and among Cardlytics, Inc., Bridg, Inc., Mr. T Merger Sub, Inc., and Shareholder Representative Services LLC	8-K	001-38386	10.1	11/18/2022
10.26	2020 Bonus Plan of the Registrant	10-K	001-38386	10.31	3/1/2022
10.27	2021 Bonus Plan of the Registrant	10-K	001-38386	10.32	3/1/2022

10.28	Assumption Agreement and Tenth Amendment to Loan and Security Agreement, dated as of April 29, 2022, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender	10-Q	001-38386	10.1	5/2/2022
10.29	Form of Transition Agreement by and between the Registrant and Kirk L. Somers	10-Q	001-38386	10.1	8/2/2022
10.30	General Service Agreement dated as of July 7, 2022 by and between the Registrant and Bank of America, N.A.	10-Q	001-38386	10.2	8/2/2022
10.31	Statement of Work Agreement dated as of July 7, 2022 by and between the Registrant and Bank of America, N.A.	10-Q	001-38386	10.3	8/2/2022
10.32	Transition Letter Agreement between Lynne M. Laube and Cardlytics, Inc.	10-Q	001-38386	10.1	11/1/2022
10.33	Offer Letter Agreement between Karim Tamsamani and Cardlytics, Inc.	10-Q	001-38386	10.2	11/1/2022
10.34	Severance Agreement between Karim Tamsamani and Cardlytics, Inc.	10-Q	001-38386	10.3	11/1/2022
10.35	Severance Agreement between Nick Lynton and Cardlytics, Inc.	10-Q	001-38386	10.4	11/1/2022
10.36	2022 Inducement Plan	10-Q	001-38386	10.7	11/1/2022
10.37	Form of option grant notice and agreement under 2022 Inducement Plan	10-Q	001-38386	10.8	11/1/2022
10.38	Form of restricted stock unit grant notice and agreement under 2022 Inducement Plan	10-Q	001-38386	10.9	11/1/2022
10.39	Resignation and Release Agreement between Lynne Laube and Cardlytics, Inc.	8-K	001-38386	10.1	11/14/2022
10.40	Resignation and Release Agreement between Scott Grimes and Cardlytics, Inc.	8-K	001-38386	10.2	11/14/2022
10.41*	Assumption Agreement and Eleventh Amendment to Loan and Security Agreement, dated as of November 29, 2022, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender				
10.42*	Offer Letter Agreement between Amit Gupta and Cardlytics, Inc.				
10.43*	Severance Agreement between Amit Gupta and Cardlytics, Inc.				
10.44*	Assumption Agreement and Twelfth Amendment to Loan and Security Agreement, dated as of February 16, 2023, by and among Cardlytics, Inc., as Borrower and Pacific Western Bank, as Lender				
10.45*	Amendment to Inducement Plan				
10.46*	2022 Bonus Plan of the Registrant				
21.1	Subsidiaries of the Registrant	10-Q	001-38386	21.1	8/14/2018
23.1*	Consent of Deloitte & Touche LLP, independent registered public accounting firm				

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
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
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
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
101.sch	XBRL Taxonomy Schema Linkbase Document
101.cal	XBRL Taxonomy Calculation Linkbase Document
101.def	XBRL Taxonomy Definition Linkbase Document
101.lab	XBRL Taxonomy Label Linkbase Document
101.pre	XBRL Taxonomy Presentation Linkbase Document
104.0	Cover page formatted as Inline XBRL and contained in Exhibit 101

* Filed herewith

** Furnished herewith

^ 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.

† Indicated indicates management contract or compensatory plan

Confidential treatment has been granted from the Securities and Exchange Commission as to certain portions of this document

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ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

March 1, 2023 14, 2024	Cardlytics, Inc. By: <u>/s/ Karim Temsamani</u> Karim Temsamani Chief Executive Officer (Principal Executive Officer)
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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date	
/s/ Karim Tamsamani	Chief Executive Officer and Director	March 1, 2023	14, 2024
Karim Tamsamani	(Principal Executive Officer)		
/s/ Andrew Christiansen Alexis DeSieno	Chief Financial Officer	March 1, 2023	14, 2024
Andrew Christiansen Alexis DeSieno	(Principal Financial and Accounting Officer)		
/s/ David L. Adams	Director	March 1, 2023	
David L. Adams			
			March 1, 2023 14, 2024
	Board Chairman		
/s/ John V. Balen Klinck	Board Chairperson		
John V. Balen Klinck			
/s/ Andre Fernandez	Director	March 14, 2024	
Andre Fernandez			
/s/ Jon Francis	Director	March 14, 2024	
Jon Francis			
/s/ Scott Hill	Director	March 14, 2024	
Scott Hill			
/s/ Jessica Jensen	Director	March 1, 2023	14, 2024
Jessica Jensen			
/s/ John Klinck	Director	March 1, 2023	
John Klinck			
/s/ Aimée Lapić	Director	March 1, 2023	14, 2024
Aimée Lapić			
/s/ Chris Suh Alex Mishurov	Director	March 1, 2023	14, 2024
Chris Suh Alex Mishurov			
/s/ Tony Weisman	Director	March 1, 2023	
Tony Weisman			

EleventhAssumption Agreement and Ninth Amendment to Loan and Security Agreement

Existing Borrower: (1) Cardlytics, Inc., a Delaware corporation (Parent) (Parent) (2) Dosh Holdings LLC (formerly known as BSpears Merger Sub II, LLC), a Delaware limited liability company (3)

Additional Borrower: AFIN Intermediate Holdings, Inc. a Delaware corporation (4) 675 Ponce de Leon Ave., Ste 600, Atlanta, GA 30308

Additional Borrower: AFIN Holdings Inc., a Delaware corporation (5) 675 Ponce de Leon Ave., Ste 600, Atlanta, GA 30308

Additional Borrower: HSP EPI Acquisition, LLC, a Delaware limited liability company 1401 Crooks Road, Suite 150, Troy, MI 48084

Date: November 29, March 17, 2022

THIS ASSUMPTION AGREEMENT AND NINTH AMENDMENT TO LOAN AND

SECURITY AGREEMENT (this (this "Amendment") is entered into between PACIFIC WESTERN BANK, a California state-chartered bank ("PWB"), as Agent and Lender, the other lenders from time to time party to the Loan Agreement, the existing borrowers named above (each and collectively, the "ExistingBorrower"), and the additional borrowers named above (each and collectively, "Additional Borrower" together with the Existing Borrower, the "Borrower"). PWB and lenders that may hereafter join as lenders under the Loan Agreement (as defined below) are herein sometimes collectively referred to as "Lenders" and individually as a "Lender". PWB, 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).

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, and Agent and Lenders agrees to waive certain Events of Default thereunder, 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. Agent and Lenders consented to the following transaction (the "Limited Waiver, HSP EPI Acquisition"): that certain Membership Interest Purchase Agreement ("HSP EPI Acquisition Agreement") dated as of January 7, 2022 by and among Parent, AFIN Holdings Inc., a Delaware corporation and wholly owned subsidiary of Parent ("AFIN"), HSP EPI Acquisition, LLC, a Delaware limited liability company (the "HSP EPI"), Afin Technologies, Inc., a Delaware corporation, as seller, and 14th Street Capital, LLC, a Delaware limited liability company, as Indemnitor. Pursuant to the terms of the Acquisition Agreement,

Parent formed AFIN Intermediate Holdings, Inc., a Delaware corporation ("Intermediate Holdings"), a new wholly owned subsidiary of Parent, and Intermediate Holdings, in turn formed AFIN, a new wholly owned subsidiary of Intermediate Holdings, to acquire 100% of the membership of HSP EPI for approximately \$15,300,000 through a combination of cash and stock of Parent. As of the date hereof, Intermediate Holdings is a wholly owned Subsidiary of Parent, AFIN is a wholly owned Subsidiary of Intermediate Holdings and HSP EPI is a wholly owned Subsidiary of AFIN.

Existing Borrower and Additional Borrower wish to add Additional Borrower as a Borrower under the Loan Agreement and the other Loan Documents as herein set forth. Agent and Lenders hereby waive compliance by the agree to add Additional Borrower with Section6(c) of the Schedule to as a "Borrower under" the Loan Agreement which required HSP EPI shall close its accounts and other Loan Documents, as herein set forth, but only to the extent, in accordance with Huntington National Bank the terms, subject to the conditions and transition in reliance upon the representations and warranties set forth herein.

1. Assumption.

1.1 Assumption by Additional Borrower and Addition of Additional Borrower as a "Borrower" under the Loan Agreement. Additional Borrower hereby (i) joins as a Borrower under the Loan Agreement and any and all funds other present and future documents, instruments and agreements relating thereto (with the Loan Agreement, collectively, the "Loan Documents"), (ii) assumes, as a joint and several obligor, and agrees to an account with Agent within 60 days

Exhibit 10.48

pay and perform when due all present and future indebtedness, liabilities and obligations of Existing Borrower, under, based upon, or arising out of the Tenth Amendment Effective Date. This waiver does not constitute a waiver Loan Agreement and all other Loan Documents, including without limitation all of the Borrower's obligation "Obligations" as defined in the Loan Agreement, and (iii) agrees to meet said covenant at perform all duties and obligations of the "Borrower" under the Loan Agreement and all other Loan Documents. All parties agree that all references in the Loan Agreement and the other Loan Documents to "Borrower" shall be deemed to refer, individually and collectively, and jointly and severally, to Existing Borrower and Additional Borrower, and, without limiting the generality of the foregoing, all references in the Loan Agreement and this Amendment to "Collateral", "Accounts", "Deposit Accounts", "Equipment", "General Intangibles",

"Inventory", "Investment Property", "Other Property", shall include without limitation the foregoing now owned or hereafter acquired by Additional Borrower and now owned or hereafter acquired by Existing Borrower, and all references in the Loan Agreement and this Amendment to "Obligations" shall include without limitation all present and future "Obligations" of Additional Borrower and Existing Borrower.

1.2 Obligations. Additional Borrower acknowledges that the Obligations are due and owing to Agent and Lender from Existing Borrower, and upon the effectiveness hereof will be due and owing from Additional Borrower, without any defense, offset or counterclaim of any kind or nature whatsoever.

1.3 Grant of Security Interest by Additional Borrower. Without limiting the generality of the provisions of Section 1.1 above, as security for all Obligations, Additional Borrower hereby grants Agent for the benefit of Lender a continuing security interest in all of the following, whether now owned or hereafter acquired, and wherever located: All of the Collateral of Additional Borrower. All references in the Loan Agreement to Collateral shall be deemed to refer to all present and future Collateral of Existing Borrower and Additional Borrower. Additional Borrower hereby authorizes Agent to prepare and file such financing statements, amendments and continuation statements as Agent may require to perfect or continue Agent's security interest in the Collateral or to effect the purposes of this Amendment and the Loan Agreement.

1.4 Representations of Additional Borrower. Without limiting the generality of the provisions of Section 1.1 above, Additional Borrower represents and warrants that all representations and warranties of the "Borrower" under the Loan Agreement and other ~~date, nor does it constitute a waiver~~ Loan Documents are true and correct in all material respects as to Additional Borrower.

1.5 Acknowledgment Regarding Multiple Borrowers; Suretyship Waivers. The assumption by Additional Borrower of the Obligations under the Loan Agreement shall include, without limitation, an agreement to and acknowledgment of, all agreements and provisions as set forth in Section 9.23 of the Loan Agreement (as amended by this Amendment) regarding multiple borrowers and suretyship waivers by Additional Borrower, including without limitation suretyship waivers made by Additional Borrower with respect to all of the Obligations by all other Borrowers. Without limitation of any other term or provision hereof, each Borrower hereby agrees to and affirms all provisions set forth in such Section 9.23 (as amended by this Amendment) and acknowledges receipt and review thereof.

1.6 Existing Borrower Indemnity to Additional Borrower. Existing Borrower hereby agrees to indemnify Additional Borrower and hold it harmless, from and against any and all claims, debts, liabilities, demands, obligations, actions, costs and expenses, of every nature and description, which Additional Borrower may sustain or incur, based upon, arising out of, or in any way relating to (i) Additional Borrower's assumption of the Obligations of Existing Borrower as set forth herein, or (ii) Additional Borrower's acknowledgment regarding multiple borrowers and suretyship waivers with respect to Existing Borrower as set forth herein, or (iii) its grant of a security interest in its assets to Lender, or (iv) any other obligation incurred or transfer made by Additional Borrower under or in connection with this Amendment, or any other document, instrument, or agreement relating hereto.

2. Merger of Bridg, Inc. into Parent. On February 1, 2022, Bridg, Inc. was merged into Parent with Parent as the surviving entity. Agent hereby acknowledges the merger and as of the date of such merger, Bridg, Inc. is no longer a Borrower under the Loan Agreement or ~~any related document, nor an agreement to waive~~ Loan Documents and all references in ~~the future this covenant or any other term or provision of~~ the Loan Agreement ~~or any related document,~~ and other Loan Documents to "Borrower" shall no longer include Bridg, Inc.

2. 3. Amendments to Loan Agreement. Agent, Lender and Borrower (jointly and severally, Existing Borrower and Additional Borrower) agree to amend the Loan Agreement, as follows:

a.3.1 Agent's Address. Borrower is hereby notified that that the Agent's address has changed to 555 S. Mangum Street, Suite 1000, Durham, North Carolina 27701. All notices shall be sent to Agent at this

Exhibit 10.48

address, to the extent required by the Loan Agreement. In each instance where Agent's address appears, it shall be updated to reflect the foregoing address.

3.2 Modification to Negative Covenants. Revolving Loan Requests Provision. Section ~~5.5(xix)~~ 1.5 of the Loan Agreement, is hereby amended and restated to read as follows:

~~"(xix)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 ~~earn-out~~ Notice of Borrowing (or, any request through E-System) or ~~deferred purchase price payment in cash in connection with the acquisition~~ telephone request for a Revolving Loan given by a person whom Agent believes is an authorized representative of Bridg, Inc. pursuant to the terms Borrower, and Borrower will indemnify Agent and Lenders for any loss they suffer as a result 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 ("reliance. 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 [***] (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 [***] (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."

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.

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b. 3.3 Modification to Events of Default, Title to Collateral; Perfection; Permitted Liens. Section 7.1 3.4 of the Loan Agreement is hereby amended by (i) removing the period at the end of clause (p) therein and replacing it with "; or" and (ii) adding a new clause (q) thereafter, (g) to the end thereof, to read as follows:

"(q) any resolution (g) Borrower represents and warrants to Lender that the Copyrights owned by, or held in the name of, HSP EPI as of the ~~earn-out dispute~~ Ninth Amendment Effective Date, are not material to Borrower's business and have minimal value to the Borrower."

3.4 Modification to Events of Default. Section 7(i) of the Loan Agreement is hereby amended and restated to read as follows:

"(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 \$500,000 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 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 American Airlines Legal Proceeding exceeding \$10,000,000 in the process aggregate (whether such liability arises in the form of being appealed) that would require Parent a judgment, additional settlement rewards to American Airlines, related legal fees or any other Borrower to make cash payments in excess of the amounts expressly permitted by Section 5.5(xix) above. payments); or"

c. 3.5 Modification to Definitions. Section 8 of the Loan Agreement is hereby amended by as follows:

follows:

(a)

deleting the following definitions: "Bridg".

(b) adding the following definition thereto, in alphabetical order, ~~or to the extent such definition already exists, restating such definition, in each case,~~ to read as follows:

"AFIN" means, AFIN Holdings Inc., a Delaware corporation.

"~~Eleventh~~ American Airlines Legal Proceedings" means legal proceedings commenced by American Airlines against HSP EPI, alleging that HSPEPI's use of American Airlines' "Dining Advantage" trademark breaches the existing settlement agreement between

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the parties, as more particularly described in Schedule 2.14(e) of the Disclosure Schedule to the HSP EPI Acquisition Agreement.

"Intermediate Holdings" means AFIN Intermediate Holdings, Inc., a Delaware corporation.

"HSP EPI" means, HSP EPI Acquisition, LLC, a Delaware limited liability company.

"Ninth Amendment" means that certain Eleventh Assumption Agreement and Ninth Amendment to Loan and Security Agreement, dated as of November 29, 2022 March 17, 2022 by and among, Agent, Lenders and Borrower.

"Eleventh Ninth Amendment Effective Date" means November 29, 2022 March 17, 2022.

(c) restating the following definition to read as follows: "Eligible Accounts Change in Control" means 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 Eligible Borrower Accounts. For the avoidance meaning of doubt, as Section 13(d) and 14(d)(2) of the Eleventh Amendment Effective Date, any Eligible UK Accounts that were previously included Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in this definition Rule 13d-3 under the Securities Exchange Act of 1934), directly or that may later qualify as an Eligible UK Account, shall be excluded indirectly, of a sufficient number of shares of all classes of stock then outstanding of Parent ordinarily entitled to vote in the determination election of "Eligible Accounts", 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;

d. (ii) Revolving Loans Advance Rate. Section (a)(1)(a) and (b) Borrower ceases to hold directly or indirectly, 100% of the Schedule 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.

3.6 Modified Provision Regarding Section Headings, Construction and Signing to Add Electronic Signatures. Section 9.16 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"(a) an amount equal 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 \$60,000,000 (construe, limit, define or interpret any term or provision of this Agreement. This Agreement has been fully reviewed and negotiated between the "Maximum Revolving Loan Amount"; provided that (x) the Maximum Revolving Loan Amount 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 increased to \$75,000,000 executed and delivered by the Agent, in its sole discretion, upon the successful syndication of this credit facility (which could include the syndication exchanging original signed counterparts, or signed counterparts by facsimile, pdf or similar format, or transmitted electronically by digital image, DocuSign or other electronic means, or a combination of the incremental \$15,000,000 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 up to the full \$75,000,000). In no event shall Agent or Lenders be obligated to seek a successful syndication and shall do so (or refrain from doing so) in their own respective discretion. Any change in the Maximum Revolving Loan Amount will be reflected in a written amendment relating to this Agreement and/or any document to be signed by in connection with this Agreement and the Agent, Lenders and Borrower, transactions contemplated hereby shall be deemed to include

(b) 50% (an "Advance Rate")

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Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the amount same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of Borrower's Eligible Accounts (as defined in Section 8 above), 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."

e. 3.7 Added Provision Regarding E-Systems. Amendment A new Section 9.24 is hereby added to Minimum Cumulative Adjusted Contribution Margin. the Loan Agreement, immediately following Section 9.23, and it shall read as follows:

"The table for 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 Minimum Cumulative Adjusted Contribution Margin financial covenant set forth 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, 5 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."

3.8 Modification to Reporting. Section 6(c) and (e) of the Schedule to the Loan Agreement which currently reads as follows:

Period Ended	Minimum Cumulative Adjusted Contribution Margin (000s omitted)
1 month period ending January 31	***
2 month period ending February 28	***
3 month period ending March 31	***
4 month period ending April 30	***
5 month period ending May 31,	***
6 month period ending June 30	***
7 month period ending July 31,	***
8 month period ending August 31	***
9 month period ending September 30	***
10 month period ending October 31	***
11 month period ending November 30	***

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.

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12 month period ending December 31	***
*	*

is herebyare amended and restated to read as follows:

Period Ende	Minimum Cumulative Adjusted Contribution Margin (000s omitted)
1 month period ending January 31	***
2 month period ending February 28	***
3 month period ending March 31	***
4 month period ending April 30	***
5 month period ending May 31	***
6 month period ending June 30	***
7 month period ending July 31	***
8 month period ending August 31	***
9 month period ending September 30	***
10 month period ending October 31	***
11 month period ending November 30	***
12 month period ending December 31	***
*	*

“(c) Quarterly unaudited financial statements, on a consolidated and consolidating basis, as soon as available, and in any event within 45 days after the end of fiscal quarter (provided that HSP EPI shall be included in the consolidated financials as soon as reasonably possible in management’s good faith business judgment);

(e) Annual financial statements, on a consolidated and consolidating basis, as soon as available, and in any event within 90 days following the end of Borrower’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 (provided that HSP EPI shall be included in the consolidated financials as soon as reasonably possible in management’s good faith business judgment);”

f. 3.9 Amendment to Adjusted Minimum Cash. The definition of “Suppressed Availability” set forth in Section 5 of the Schedule to the Loan Agreement which currently reads as follows:

“As used herein, “Suppressed Availability” means, the amount by which (a) the total amount of all Eligible Accounts (as set forth in the most recent borrowing base certificate provided to the Agent) exceeds (b) the Maximum Revolving Loan Amount.”

is hereby amended and restated to read as follows:

“As used herein, “Suppressed Availability” means, the amount by which (a) the product of the Advance Rate and the total amount of all Eligible Accounts (as set forth in the most recent borrowing base certificate provided to the Agent under Section 6(a) of the Schedule) exceeds (b) the Maximum Revolving Loan Amount.”

g. Amendment to Additional Deposit Account Provisions. Section 8(b) of the Schedule to the Loan Agreement is hereby amended and restated to read as follows:

“(b) Deposit Accounts. Borrower shall at all times maintain all of its Deposit Accounts and all of its investment accounts with PWB; provided Borrower may maintain up to a total not to exceed **\$15,000,000** **\$15,000,000** in Deposit Accounts at other institutions in the United States, 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; provided further that for a Borrower joining the Loan Agreement after the date hereof, additional time may

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be granted to obtain such control agreements, as set forth in the terms of such joinder agreement; provided further, that **notwithstanding anything with respect to the contrary** any accounts transferred from Bridg Inc. to Parent prior to its dissolution, Parent shall obtain a control agreement in favor of Agent (in form and substance reasonably satisfactory to Agent) within 30 days after the Ninth Amendment within 60 days of the Eleventh Amendment Effective Date (“Transition Timeframe”), HSP EPI shall close its accounts with Huntington National Bank and transition all funds to an account with Agent. During the Transition Timeframe, a control agreement shall not be required on such transitioning Huntington National Bank accounts. Borrower represents and warrants to Agent and Lenders that all of Bridg Inc.’s deposit accounts outside of Agent (i.e. at Comerica Bank and Silicon Valley Bank) were closed prior to the Eleventh Amendment Effective Date.” **1**

h. 3.10 Amendment to Foreign Subsidiaries; Foreign Assets Provisions. Section 8(c) (1) and (3) of the Schedule to the Loan Agreement are hereby amended and restated to read as follows:

"(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"), (ii) a wholly-owned subsidiary to be organized under the laws of the Republic of India (the "Indian Sub") and (iii) Entertainment Promotions of Canada Inc., company organized under the laws of Canada ("Canadian Sub")."

(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 \$7,000,000. 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."

3.11 Amendment to Additional Provisions. Section 8 of the Schedule to the Loan Agreement is hereby amended by adding a new subclause (5) clause (h) to the end thereof, to read as follows:

"(5) UK (h) Perfection of Security Interest in Canadian Assets. To the extent Agent determines (in its Good Faith Business Judgment) that the Intellectual Property held in the name of the Canadian Sub **Guaranty and Security Interest.** Upon is material to the operation of the Borrower's business, at Agent's request, by Borrower shall, or cause its Subsidiaries to, grant Agent and prior the Lenders a security interest in such Intellectual Property, by either, (i) transferring all such Intellectual Property to any Eligible UK Account being included a Borrower and causing such Borrower to enter into an intellectual property security agreement consistent with the terms of this Agreement, or (ii) executing all documents and taking all actions, as Agent, may reasonably deem necessary or useful in clause (b) order to perfect and maintain Agent's and Lenders' perfected first-priority security interest in such Intellectual Property, including having Canadian Sub execute a guaranty and security agreement in favor of the definition of Revolving Loan Credit

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.

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Limit, Borrower shall cause UK Sub to execute and deliver to Agent for the benefit of Lenders, together with certified resolutions or other evidence of authority with respect to the Lenders, execution and delivery of such documents. The election between clauses (i) a Continuing Guaranty and (ii), shall be at the Borrower's option."

4. Covenants Regarding Additional Borrower. Additional Borrower agrees to comply with the following covenants:

4.1 Deposit Accounts. Within 60 days after the Ninth Amendment Effective Date, Additional Borrower shall at all times maintain all of its Deposit Accounts and all of its investment accounts in accordance with Section 8(b) of the **Obligations**, Schedule to the Loan Agreement (as amended hereby).

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4.2 Insurance Requirements. Within 60 days after the Ninth Amendment Effective Date, Borrower shall provide Agent with evidence that Intermediate Holdings, AFIN and HSP EPI have been added to the existing insurance policies of Parent.

5. Additional Documents. The effectiveness of this Agreement is conditioned on Agent and Lenders receiving from Borrower such additional documents, instruments and agreements as Agent shall specify in its good faith business judgment, in such form as Agent shall specify in its **Good Faith Business Judgment**, good faith business judgment, including, without limitation, the following:

5.1 This Agreement, executed by Existing Borrower and (ii) a Additional Borrower;

- 5.2 Intellectual Property Security Agreement **with respect to all** executed by Additional Borrower in
- 5.3 Certified Resolutions and Incumbency executed by Additional Borrower,
- 5.4 Copies of **UK Sub's assets securing such Continuing Guaranty** Additional Borrower's organizational documents, which shall be true,
- 5.5 Borrower Information Certificate, completed and executed by Additional Borrower, which is true and correct as of the **Obligations, in such form** date hereof; and
- 5.6 Such other documents, certificates, or agreements as Agent **shall specify** may reasonably request in **its Good Faith Business Judgment."** connection herewith.

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

7. 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.

8. General Release. In consideration for Agent and Lenders entering into this Amendment, Borrower **shall concurrently pay** 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 "**Releasedes**"), 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 **for** 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 **benefit** foregoing representation and warranty.

9. No Waiver. Nothing herein constitutes a waiver of **Lenders a fee in the amount** any default or Event of *******, which shall be non-refundable and in addition to all interest and other fees payable to Agent for benefit of Lenders **Default** under the Loan Documents. Agent is authorized to charge said fee to Borrower's loan account Agreement or any other Loan Documents, whether or not known to Agent.

10. General Provisions. Borrower 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. This Amendment may be executed in multiple counterparts, by different parties signing separate counterparts, and all of the same taken together shall constitute one and the same agreement.

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.

Existing Borrower: CARDLYTICS, INC.

By: /s/ Kirk Somers Name: Kirk Somers
Title: Chief Legal and Privacy Officer

Agent and Lender:

PACIFIC WESTERN BANK

By: /s/ Mykas Degesys Name: Mykas Degesys
Title: Senior Vice President

Existing Borrower:

DOSH HOLDINGS LLC (formerly known as BSPEARS MERGER SUB II, LLC)

By: /s/ Kirk Somers Name: Kirk Somers
Title: Manager

Additional Borrower:

AFIN HOLDINGS INC.

By: /s/ Kirk Somers Name: Kirk Somers
Title: President, Treasurer and Secretary

Additional Borrower:

HSP EPI ACQUISITION, LLC

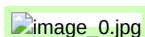
By: /s/ Kirk Somers Name: Kirk Somers
Title: Manager and President

Additional Borrower:

AFIN INTERMEDIATE HOLDINGS INC.

By: /s/ Kirk Somers Name: Kirk Somers
Title: President, Treasurer and Secretary

[Signature Page—Assumption Agreement and Ninth Amendment to Loan and Security Agreement]



Consent and Fourteenth 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), a Delaware 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: December 6, 2023

This CONSENT AND FOURTEENTH 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.)

HSP EPI Acquisition, LLC ("**HSP EPI**") has advised Agent and Lenders that HSP EPI wishes to sell substantially all of its assets and substantially all of the assets of its wholly-owned subsidiary Entertainment Promotions of Canada, Inc. ("**Entertainment Canada**") pursuant to the terms of that certain Asset Purchase Agreement dated as of December 7, 2023 by and among Afin Holdings, Inc., HSP EPI and Entertainment Canada as sellers, Parent, Cardlytics UK Limited and Kigo Entertainment LLC, as buyer and KIGO LLC (the "**Sale Agreement**"). The entering into the Sale Agreement, and the consummation of the sale described therein are collectively referred to herein as the "**HSP EPI Disposition**." Pursuant to Sections 5.5 (iv), (x) and 7.1(m) of the Loan Agreement, Borrower is prohibited from entering into the HSP EPI Disposition without the Agent's and Lender's prior written consent. Borrower hereby requests that Agent and Lenders consent to the HSP EPI Disposition. Agent and Lenders agrees to consent to the HSP EPI Disposition and release its security interest in the assets of HSP EPI in connection with the HSP EPI Disposition, subject to the terms and conditions provided for herein.

1. Consent to HSP EPI Disposition. Pursuant to and subject to the terms of Section 5.5 of the Loan Agreement, Agent and Lenders hereby consent to the HSP EPI Disposition and the release of their security interest in the assets of Afin Holdings, Inc., HSP EPI and Entertainment Promotions of Canada, Inc. sold in connection with the HSP EPI Disposition; provided, however, that, as conditions to the effectiveness of such consent, Borrower shall have provided Agent with fully executed copies of the Sale Agreement and all material agreements, instruments and other documents related thereto and hereby represents and warrants to Agent to be true, correct and complete copies of such documents, in full force and effect.

It is understood by Borrower, however, that the foregoing consent does not constitute a consent under Sections 5.5 or 7.1 of the Loan Agreement in respect of any matter other than the HSP EPI

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Disposition, nor a waiver of any other provision or term of the Loan Agreement or any other Loan Document, nor an agreement to consent, in the future, under Sections 5.5 or 7.1 of the Loan Agreement in respect of any matter other than the HSP EPI Disposition, nor an agreement to waive, in the future, any provision or term of the Loan Agreement or any other Loan Document.

2. Release of Security Interest in Assets of Afin Holdings, Inc. and HSP EPI. Subject to Section 1 above and effective concurrently with the closing of the HSP EPI Disposition, Agent and Lenders hereby release (without recourse, representation or warranty) its security interest solely in the assets of Afin Holdings, Inc., HSP EPI and Entertainment Promotions of Canada, Inc. sold in connection with the HSP EPI Disposition. After the consummation of the HSP EPI Disposition, Agent agrees (i) to file within three (3) Business Days thereafter UCC Amendments releasing Agent's security interest with respect to solely the assets of Afin Holdings, Inc. (UCC File No. 20222346583) and HSP EPI (UCC File No. 20222346211) being sold pursuant to the Sale Agreement, in form and substance reasonably satisfactory to Agent and Borrower and otherwise in suitable form for filing in the appropriate governmental offices ("**Authorized UCC Amendments**"); provided that if such Authorized UCC Amendments are not filed within three (3) Business Days after the consummation of the HSP EPI Disposition, Agent authorizes Borrower (or its designees) to file such Authorized UCC Amendments on behalf of the Agent, and (ii) to promptly execute and deliver (at Borrower's deposit accounts with Agent, expense) such other similar documents, or take such other actions, as Borrower may reasonably request in writing in order to effect or reflect such release of Agent's security interest.

3. Reference to Pacific Western Bank. Each reference to "Pacific Western Bank" and "Pacific Western Bank, a California state-chartered bank" in the Loan Agreement (as amended hereby) and each exhibit and schedule attached thereto, shall hereinafter become a reference to "Banc of California" and "Banc of California, California state-chartered bank (formerly known as Pacific Western Bank)" respectively. Borrower hereby agrees and authorize Agent to update any filings, instruments or other documents, to reflect such name change, as Agent deems desirable or reasonably necessary.

4. Legal Expenses. Without limitation on the terms of the Loan Documents, Borrower agrees to reimburse Bank 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,

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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, except as set forth in Section 1 above. 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 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. This The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment may and/or any document to be executed signed in multiple counterparts, by different parties signing separate counterparts, connection with this Amendment and all 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 taken together shall constitute one 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 same agreement. intent to sign, authenticate or accept such contract or record.

9.11. **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

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.

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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.

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.

Agent and Lender: Lender:

Borrower: Borrower:

PACIFIC WESTERN BANK BANC OF CALIFORNIA

CARDLYTICS, INC.

By: /s/ Mykas Degesys Degesye

Name: Mykas Degesys

Title: Senior Vice President

By: /s/

Nick

Lynton Lynton

Name: Nick Lynton

Title: Chief Legal and Privacy Officer

Borrower: Borrower/Converted Entity:

DOSH HOLDINGS LLC (formerly known as BSPEARS MERGER SUB II, LLC)

By: /s/

Nick

Lynton Lynton

Name: Nick Lynton

Title: Manager

Borrower: Borrower:

AFIN INTERMEDIATE HOLDINGS INC.

By: /s/

Nick

Lynton Lynton

Name: Nick Lynton

Title: President, Treasurer and Secretary

Borrower: Borrower:

AFIN HOLDINGS INC.

By: /s/

Nick

Lynton Lynton

Name: Nick Lynton

Title: President, Treasurer and Secretary

Borrower: Borrower:

HSP EPI ACQUISITION, LLC

By: /s/

Nick

Lynton Lynton

Name: Nick Lynton

Title: Manager and President

Certain information has been excluded from this agreement (indicated by "[**]") because such information (i) is not material [Signature Page—Fourteenth Amendment to Loan and (ii) would be competitively harmful if publicly disclosed.

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December 16, 2022

Amit Gupta

Amit,

I am pleased to present you with Cardlytics' ("Company") offer to employ you as Chief Operating Officer, reporting to Karim Temsamani, Chief Executive Officer. Your target start date will be January 23, 2023. We are excited to bring you on board and believe you will contribute significantly to the success of our organization.

The following terms will serve as your compensation package, in accordance with the Company's established policies:

- o **Salary:** \$350,000 annually, to be paid in accordance with the Company's normal payroll practices. The Company currently pays on a semi-monthly basis, which is 24 times per calendar year.
- o **Equity:** Provided you commence employment and subject to the approval of the Company's Board of Directors or a committee thereof, in their sole discretion, you will be granted 350,000 restricted stock units ("RSUs"). The New Hire RSUs are intended to be a material inducement for you to accept employment with the Company. The New Hire RSUs vest over a period of 24 months, 175,000 shares on the first anniversary of the vesting date; and the remaining 175,000 shares vesting quarterly thereafter. You should consult your tax advisor about the tax implications of employee equity grants.
- o **Sign-On Bonus:** Within 45 days of your Start Date, the Company will pay to you a sign-on bonus of \$100,000. If you voluntarily leave Cardlytics before twelve (12) months of continuous employment, you are required to return the total amount of the sign on bonus.
- o **Benefits:** Medical premiums paid by employer with options of Vision and Dental coverage. Participation in a 401(k) Plan.
- o **Bonus Plan:** For the 2023 plan year and in the role of Chief Operating Officer, you will be eligible for participation in the Cardlytics' Bonus Plan at annual target of 75%, calculated as a percentage of the annualized base salary. This program rewards eligible employees with an opportunity for an annualized cash incentive based on performance of company and personal goals. The plan, its guidelines and participation are all subject to modification or termination at the discretion of executive management.
- o **Severance:** Should you be terminated without cause; you will receive 12 months base pay severance.
- o **Paid Leave:** Cardlytics fosters a progressive environment where employees have the flexibility to get their work accomplished within the concept of full time employment. The Company expects employees will work the hours necessary to satisfactorily perform their jobs, and recognizes the round the clock nature of their responsibilities. Cardlytics leaves it to the employees' discretion on how to best manage their time, including scheduling time away from the office. As a result, Cardlytics employees do not accrue vacation pay or other paid time off. It's up to the employee and their manager to make certain that a fair and reasonable amount of work is being provided in exchange for the compensation received. It also is important that employees meet work related deadlines and other time commitments of the job. Advance notice of time off from work, whenever possible, is encouraged.

The Company's policies and plan documents govern benefits provided to employees and should be consulted for the details of the plan. The benefits described in this letter are provided for informational purposes only. At the Company's discretion, policies, pay and benefits may be changed at any time, and this letter does not establish any vested rights in pay or benefits.

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Your employment relationship with the Company is at-will, meaning that your employment with the Company will continue until the employment relationship is terminated by the Company or You. You may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company. Likewise, the Company may terminate your employment, or discipline, transfer, or demote you at any time with or without cause or advance notice, as long as not otherwise prohibited by law. This at-will employment relationship between the Company and You cannot be changed except in writing signed by an Officer of the Company. Nothing contained in this offer of employment shall be construed as guaranteeing employment for a specific period of time or for future employment.

This letter does not create a contract of employment or a contract for pay or benefits. No Company representative, other than an Officer of the Company, has the authority to enter into any agreement for a specific term of employment or for any specific benefit. Any agreement entered into by an Officer of the Company will not be enforceable unless it is in writing, signed by the CEO and approved by the Board.

Your employment/continued employment at Cardlytics is contingent upon successful completion of relevant background screening and your ability to provide proof of your employment eligibility in this country. Cardlytics reserves the right to amend your target start date in the event the screening results are delayed for any reason.

It is the Company's policy not to infringe upon the proprietary information, trade secrets, or confidential information of third parties. In addition, it is the Company's policy not to interfere with third parties' contractual or business relations. Therefore, I also write to confirm that you have represented and warranted that you are not subject to any agreement that would prevent you from performing your duties for the Company, and that you are not subject to or in breach of any non-disclosure agreement, including any agreement concerning trade secrets or confidential information owned by any other party. Please notify me if you are subject to a confidentiality, non-compete, or non-solicitation agreement that may restrict your activities at the Company. Finally, I write to confirm that, during your employment with the Company, you will not use, disclose, or reverse engineer (i) any confidential information or trade secrets of any former employer or third party, or (ii) any works of authorship developed in whole or in part by you during any former employment or for any other party, unless authorized in writing by the former employer or third party. For and in consideration of the Company's offer to employ you, or continue to employ you, you agree to an Employment Covenants Agreement (or similar agreement deemed acceptable by the Company). This agreement will be provided to you on or before your first day of employment with Cardlytics.

If you have any questions concerning this offer, please do not hesitate to contact me directly.

Thanks again, and we look forward to welcoming you to the team!

Sincerely,

Karim Temsamani

Chief Executive Officer

Accepted By:

/s/ Amit Gupta

Date: December 16, 2022

Security Agreement]

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SEVERANCE AGREEMENT

This Severance Agreement (the "**Agreement**") by and between Cardlytics, Inc. (the "**Company**"), and Amit Gupta ("**You**" or "**Your**") (collectively, the "**Parties**"), is entered into and effective as of January 23, 2023 (the "Effective Date").

WHEREAS, the Company and You have agreed to certain payment obligations upon termination of Your employment Without Cause (as defined below) or Your resignation for Good Reason (as defined below) under certain conditions set forth below, and the Parties desire to express the terms and conditions in this Agreement.

NOW, THEREFORE, in consideration of the Company's agreement to employ or continue to employ You and in further consideration of the mutual agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed:

1. **Termination of Offer Letter/Other Agreements.** The Parties acknowledge and agree that, effective as of the Effective Date, any and all offer letters, agreements, clauses, or policies between You and the Company relating to Your severance or separation pay shall be terminated in their entirety. You release and discharge the Company from any and all claims or liability, whether known or unknown, arising out of or relating to any such offer letters, agreements, clauses, or policies between You and the Company.
2. **At-Will Employment.** This Agreement does not create a contract of employment. Your employment relationship with the Company is at-will. This means that at either Your option or the Company's option, Your employment may be terminated at any time, with or without cause, and for any other reason, with or without notice. This Agreement does not alter the at-will employment relationship between You and the Company, but instead sets forth certain payments and benefits for which You may be eligible as a result of the termination of Your employment under the certain circumstances as described below.
3. **Termination.** As an at-will employee, Your employment may be terminated at any time, and for any or no reason, including any of the following events:
 - a. Mutual written agreement between You and the Company at any time;
 - b. Your election to terminate Your employment with or without Good Reason (as defined below);
 - c. The Company's election to terminate Your employment with or without Cause (as defined below);
 - d. Your death;
 - e. Your Disability. For the purposes of this Agreement, termination based on "**Disability**" shall mean termination resulting from a physical or mental condition that prevents You from performing the essential functions of Your position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This provision shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law.
4. **Effect of Termination.**
 - a. **Accrued Obligations.** In the event of a termination of Your employment for any reason, the Company will provide you with the following "**Accrued Obligations**": (i) Your accrued but unpaid salary through the date of termination and, if required by applicable law or the Company's applicable policy as of the time of termination, any accrued but unused vacation through the date of termination; (ii) any unreimbursed business expenses incurred by You payable in accordance with the Company's standard expense reimbursement policies; and (iii) benefits owed to You under any qualified retirement plan or health and welfare benefit plan, in which You were a participant, in accordance with applicable law and the provisions of such plan.
 - b. The Company's termination of Your employment Without Cause or Your resignation for Good Reason.

- i. Without Cause means any termination by the Company which is not for Cause, Death or Disability. "**Cause**" shall mean a termination by the Company because of any one of the following events, regardless of whether the evidence used to support a for Cause termination is acquired before or after the date: (i) Your insubordination; (ii) Your breach of any agreement with the Company; (iii) Your breach of Your fiduciary duty to the Company; (iv) any act or omission by You which injures, or is likely to injure, the Company, or the business reputation of the Company; (v) Your dishonesty, fraud, negligence, or misconduct; (vi) Your failure to (1) satisfactorily perform Your duties under this Agreement, (2) follow the direction of any Company executive to whom You report, (3) abide by the policies, procedures, and rules of the Company, or (4) abide by laws applicable to You in Your capacity as an employee, executive, or officer of the Company; or (vii) Your arrest, indictment for, conviction of, or entry of a plea of guilty or no contest to a felony or a crime involving moral turpitude.

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Exhibit 10.43

- ii. "**Good Reason**" shall exist if (i) the Company, without Your written consent, (a) materially reduces Your then current authority, duties, or responsibilities, (b) materially (greater than 10%) reduces Your then current base salary, (c) commits a material breach of any agreement with You, or (d) changes by a distance of more than 50 miles the geographic location at which You must perform services for the Company; (ii) You provide written notice to the Company of any such action within ninety (90) days of the date on which such action first occurs and provide the Company with thirty (30) days to remedy such action (the "**Cure Period**"); (iii) the Company fails to remedy such action within the Cure Period; and (iv) You resign within thirty (30) days of the expiration of the Cure Period. Good Reason shall not include any isolated, insubstantial, or inadvertent action that is not taken in bad faith and is remedied by the Company within the Cure Period.
- iii. If your termination by the Company Without Cause or Your resignation for Good Reason is also a "**Separation from Service**" pursuant to Section 409A of the Internal Revenue Code of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (the "**Code**"), then following Your separation from service, the Company will offer You the following: (i) a separation payment equal to twelve (12) months of Your then current base salary, minus all applicable withholdings, including taxes and Social Security (the "**Separation Payment**"), divided and paid over a period of six (6) months in accordance with the Company's normal payroll schedule as of the Effective Date, beginning with the first such date that is at least sixty (60) days after the date of Your separation from service, provided that You have complied with the Conditions (as defined below) as of such date; (ii) a pro-rated portion of Your Annual Bonus ("Annual Bonus" is the portion of Your variable pay paid, if at all, for annual performance) bonus amount paid, if any, that would have been payable to You for such calendar year had You remained employed by the Company for the entire calendar year, calculated by multiplying the bonus by a fraction, the numerator of which is the number of days in the calendar year of Your termination that precede the date of Your termination, and the denominator of which is 365, all as determined in the sole and absolute discretion of the Company (the "**Annual Bonus**"), subject to all applicable withholdings, and paid on the same date the Company pays all such other bonuses for such calendar year, provided that You have complied with the Conditions (as defined below) as of such date; and (iii) subject to (A) Your timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), for You, (B) Your continued copayment of premiums at the same level and cost to You as if You were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), and (C) Your continued compliance with the obligations in this Agreement, provide continued participation by You in the Company's group health plan (to the extent permitted under applicable law and the terms of such plan) for a period of twelve (12) months at the Company's expense; *provided* that You are eligible and remain eligible for COBRA coverage; and *provided*, further, that in the event that You obtain other employment that offers group health benefits, such payments (but not the ability to continue COBRA coverage at Your sole expense) shall immediately cease when You become eligible to participate in such group health benefit plan. Except as set forth in this subsection, the Company shall have no other obligations to You, including under any provision of this Agreement or any other agreement, Company policy, or otherwise.
- iv. the Company's obligation to pay You as set forth in 4(b)(iii) above shall be conditioned upon the following: (i) Your execution of a Separation Agreement that includes a general release of claims in a form prepared by the Company, which has become irrevocable within the sixty (60) day period after Your separation (the "**Separation Agreement**"); and (ii) Your compliance with the Separation Agreement, including any provisions related to return of property, confidentiality and non-disparagement and your compliance with all post-termination obligations to the Company to which You may be subject, including, but not limited to, any restrictive covenants (the "**Conditions**"). If You do not execute the Separation Agreement as set forth above, the Company shall have any obligation to pay the payments set forth above. The Company's obligation to pay the payments set forth above shall terminate immediately upon any breach by You of any post-termination obligations to which You are subject

5. **Set-Off.** If You have any outstanding obligations to the Company upon the termination of Your employment for any reason, You hereby authorize the Company to deduct any amounts owed to the Company from Your final paycheck and/or any amounts that would otherwise be due to You, including under this Agreement, to the extent permitted by law, and except to the extent such amounts constitute "**deferred compensation**" under Section 409A of the Code.

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Exhibit 10.43

6. **Section 409A Compliance.** The Parties agree that this Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is exempt from, or, if that is not possible, then compliant with the requirements of Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued there under (and any applicable transition relief under Section 409A of the Code). Nevertheless, the tax treatment of the benefits provided under the Agreement is not warranted or guaranteed. Neither, the Company, nor their respective managers, members, officers, employees, or advisers shall be held liable for any taxes, interest, penalties, or other monetary amounts owed by You as a result of the application of Section 409A of the Code. Any right to a series of installment payments under this Agreement shall, for purposes of Section 409A of the Code, be treated as a right to a series of separate payments. All reimbursements and in-kind benefits provided under this Agreement that are includible in Your federal gross taxable income shall be made or provided in accordance with the requirements of Section 409A of the Code, including the requirement that (i) any reimbursement is for expenses incurred during Your lifetime (or during a shorter period of time specified in this letter), (ii) the amount of expenses eligible for reimbursement or in-kind benefit provided during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense was incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Additionally, notwithstanding anything in this Agreement to the contrary, any separation payments under this Agreement, and any other amount or benefit that would constitute non-exempt "**deferred compensation**" for purposes of Section 409A of the Code and that would otherwise be payable or distributable hereunder by reason of Your termination, will not be payable or distributable to You by reason of such circumstance unless the circumstances giving rise to such termination meet any description or definition of Separation from Service in Section 409A of the Code (without giving effect to any elective provisions that may be available under such definition). If this provision prevents the payment or distribution of any amount or benefit, such payment or distribution shall be made on the date, if any, on which an event occurs that constitutes a Section 409A-compliant Separation from Service.

In the event that You are a "**specified employee**" (as described in Section 409A of the Code), and any payment or benefit payable pursuant to this Agreement constitutes deferred compensation under Section 409A of the Code and would otherwise be payable upon Your Separation from Service (as described in Section 409A of the Code), then no such payment or benefit shall be made before the date that is six (6) months after Your Separation from Service (or, if earlier, the date of Your death). Any payment or benefit delayed by reason of the prior sentence (the "**Delayed Payment**") shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule.

7. **Entire Agreement.** This Agreement and the Covenants Agreement executed by You (the "Prior Agreement") (collectively, the "Agreements") constitute the entire agreement between the Parties. The Prior Agreement is incorporated by reference, and any of Your post-termination obligations contained in the Prior Agreement shall remain in full force and effect, and shall survive cessation of Your employment. You acknowledge that Your post-termination obligations contained in the Prior Agreement are valid, enforceable and reasonably necessary to protect the interests of the Company, and You agree to abide by such obligations. These Agreements supersede any prior communications, agreements or understandings, whether oral or written, between the Parties arising out of or relating to Your employment and the termination of that employment. Other than this Agreement, no other representation, promise or agreement has been made with You to cause You to sign this Agreement.
8. **Amendments.** This Agreement may not be amended or modified except in writing signed by both Parties.
9. **Successors and Assigns.** This Agreement shall be assignable to, and shall inure to the benefit of, the Company's and the Company's successors and assigns, including, without limitation, successors through merger, name change, consolidation, or sale of a majority of the Company's stock or assets, and shall be binding upon You and Your heirs and assigns.
10. **Governing Law/Consent to Jurisdiction and Venue.** The laws of the State of California shall govern this Agreement. If California's conflict of law rules would apply another state's laws, the Parties agree that California law shall still govern. Any and all claims arising out of or relating to this Agreement shall be brought in a state or federal court of competent jurisdiction in California. The Parties consent to the personal jurisdiction of the state and/or federal courts located in California, and waive (i) any objection to jurisdiction or venue, or (ii) any defense claiming lack of jurisdiction or improper venue, in any action brought in such courts.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

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Cardlytics, Inc.

/s/ Nick Lynton

Cheif of Legal and Privacy Officer

Date: January 19, 2023

You

/s/Amit Gupta

Date: January 19, 2023

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Exhibit 10.44

TwelfthFifteenth 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), a Delaware 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: February 16, 2023 9, 2024

This TWELFTH FIFTEETH AMENDMENT TO LOAN AND SECURITY AGREEMENT (this (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 PACIFIC WESTERN BANK, Banc of California, a California state-chartered bank ("PWB"), (formerly known as Pacific Western Bank) in its capacity as administrative and collateral agent for the Lenders ("Agent" Agent").

Agent, Lenders and Borrower agree to amend the Loan and Security Agreement between them, dated May 21, 2018 (as amended, the "Loan Agreement" "Loan Agreement"), as follows, and Agent and Lenders agrees to waive certain Events of Default thereunder, 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. **Limited Waiver. Dosh Holdings, LLC Conversion; Reaffirmation.** Borrower has informed Agent and Lenders that Dosh Holdings, LLC, a Delaware limited liability company, was converted to an Ohio limited liability company on or about January 29, 2024 ("Converted Entity"). Dosh Holdings, LLC hereby waive compliance by the Borrower with Section 8(b) reaffirms its duties and obligations (including its grant of security interest in favor of the Schedule to Agent and Lenders) under the Loan Agreement which prior and acknowledges and agrees that (a) the Obligations are due and owing to the Twelfth Amendment Effective Date required Borrower to close all of its accounts with Huntington National Bank Agent and transition all funds to an account with Agent within 60 days of the Eleventh Amendment Effective Date. This waiver does not constitute a waiver of the Borrower's obligation to meet said covenant at Lenders from Converted Entity, without any other date, nor does it constitute a waiver defense, offset or counterclaim of any other term kind or provision of nature whatsoever and (b) the Loan Agreement or any related document, nor an agreement shall continue in full force and effect with respect to waive all present and future indebtedness, liabilities, guarantees and other obligations of every kind and description of the Converted Entity to Agent and Lenders, as more particularly set forth in the future this covenant or any other term or provision Loan Agreement. Furthermore, Converted Entity represents and warrants that all representations and warranties of the "Borrower" under the Loan Agreement or any related document, and other Loan Documents are true and correct in all material respects as to Converted Entity.

2. **Amendments to the Loan Agreement.** Agent, Lender and Borrower (jointly and severally, Existing Borrower and Additional Borrower) agree to amend the Loan Agreement, as follows:

a. **Modification to Definitions.** Section 8 of the The Loan Agreement is hereby amended by adding the following definition thereto, in alphabetical order, or to the extent such definition already exists, restating such definition, in each case, to read as follows:

"1.1 Twelfth Amendment" means that certain Twelfth Amendment to Loan and Security Agreement, dated as Negative Covenants. Section 5.5(xviii) of February 16, 2023 by and among, Agent, Lenders and Borrower.

"Twelfth Amendment Effective Date" means February 16, 2023.

b. **Revolving Loans Advance Rate.** Section (a)(1)(a) of the Schedule to the Loan Agreement is hereby amended and restated to read as follows:

"(a) (xviii) (A) prepay any principal of or interest on, or redeem any of the 2020 Convertible Notes (other than a repurchase or settlement upon conversion on the occurrence of a "fundamental change," and other than settlement upon conversion of the 2020 Convertible Notes in accordance with their terms, so long as in connection with any such settlement in cash (x) Borrower shall have, on a pro forma basis after giving effect to such settlement, unrestricted cash in deposit accounts with Lender in an amount equal to or greater than (i) the principal amount of the Loans then outstanding, \$60,000,000 plus (the "Maximum Revolving Loan Amount"); (ii) \$25,000,000; provided that clause (ii) shall be reduced to \$22,000,00 upon Agent's receipt of evidence (reasonably satisfactory to Agent) that Borrower has made the Maximum Revolving Loan Amount may Bridg settlement payment of \$3,000,000 on or before January 31, 2025 and shall be increased further reduced to \$75,000,000 (\$20,000,00 upon Agent's receipt of evidence (reasonably satisfactory to Agent) that Borrower has made the Bridg settlement payment of \$2,000,000 on or before June 30, 2025 and (y) at the time of any such additional \$15,000,000, settlement, no Default or Event of Default shall have occurred or would reasonably be expected to result from such settlement, or (B) effect any amendment to the "Incremental Amount" by the Agent, in its sole discretion, upon the successful syndication of this credit facility (which could include the syndication terms of the Incremental Amount, up 2020 Convertible Notes which has the effect of shortening the maturity thereof to the full \$75,000,000, a date prior to September 2025, or otherwise shortening any amount in between) ("Successful Syndication"). In no event shall the Incremental Amount be deemed an additional commitment by PWB, 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."

c. **Ancillary Services Advance Rate.** That portion dates upon which payments of Section 1 of the Schedule to the Loan Agreement, relating to the Ancillary Services Advance Rate, which currently reads as follows: principal or

"Ancillary Services Limit: \$1,010,000"

is hereby amended and restated to read as follows: "Ancillary Services Limit: \$1,500,000"

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.

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interest are due thereon, or increasing the interest rate thereon, or (C) changing the redemption, mandatory prepayment, or shortening the date after which Borrower may optionally redeem any of the 2020 Convertible Notes, or other material provisions thereof in a manner that makes them more restrictive or adverse as to Borrower; or"

d. 1.2 Overall Credit Limit Amendment to Advance Rate. That portion of Section 1(a)(1)(b) of the Schedule to the Loan Agreement relating to the Overall Credit Limit, which currently current reads as follows:

"Overall Credit Limit: Notwithstanding any provisions herein (b) 50% (an "Advance Rate") of the amount of Borrower's Eligible Accounts (as defined in Section 8 above).

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 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 \$76,010,000 (the "Overall Credit Limit"). Accounts or other Collateral or Borrower."

is hereby amended and restated to read as follows:

"Overall Credit Limit: Notwithstanding any provisions herein (b) 75% (an "Advance Rate") of the amount of Borrower's Eligible Accounts (as defined in Section 8 above).

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 contrary, in no event shall Accounts or other Collateral or Borrower."

1.3 Amendment to Ancillary Services Limit. That portion of the total Obligations (including without limitation Schedule to the Loan Agreement which current reads as follows:

"Ancillary Services Limit: \$1,500,000."

is hereby amended and restated to read as follows:

"Ancillary Services Limit: \$1,750,000."

1.4 Amendment to Revolving Loan Interest Rate. Section 2(a) of the Schedule to the Loan Agreement is hereby amended and restated to read as follows:

"(a) Revolving

Loans: The Revolving Loans and Obligations relating shall bear interest at a rate per annum, equal to Ancillary Services) at any the sum of (a) Prime Rate in effect from time outstanding exceed (a) \$61,010,000 (the "Overall Credit Limit") or to time, plus (b) upon a Successful Syndication, \$76,010,000.25%."

e. 1.5 Deletion of Minimum Cumulative Adjusted Contribution Margin; Addition of Minimum Adjusted EBITDA. Amendment to Financial Covenants. The Minimum Cumulative Adjusted Contribution Margin financial covenant set forth in Section 5 of the Schedule to the Loan Agreement which currently reads is hereby amended and restated to read as follows:

i. "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

Adjusted Contribution Margin: EBITDA: Borrower shall maintain a cumulative minimum Cumulative Adjusted Contribution Margin EBITDA of not less than the amount set forth below for following amounts during the period specified below, measured on a monthly basis commencing with the month ending January 31, 2022 and the end of each calendar month thereafter:

Period Ended	Minimum Cumulative Adjusted Contribution Margin (000s omitted)
1 month period ending January 31,	***
2 month period ending February 28	***
3 month period ending March 31	***
4 month period ending April 30	***
5 month period ending May 31	***
6 month period ending June 30	***
7 month period ending July 31	***
8 month period ending August 31	***
9 month period ending September 30	***
10 month period ending October 31	***
11 month period ending November 30	***
12 month period ending December 31	***

* For periods after December 31, 2022, the minimum cumulative Adjusted Contribution Margin shall be determined on a trailing twelve month basis and shall reflect 20% growth over the prior trailing twelve month period; provided that, in no event shall the minimum cumulative Adjusted Contribution Margin for the year 2023 be less than the following:

following periods:

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.

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Trailing Twelve Month Period Ended	Minimum Cumulative Adjusted Contribution Margin (000s omitted)
January 31, 2023	***
February 28, 2023	***
March 31, 2023	***
April 30, 2023	***
May 31, 2023	***
June 30, 2023	***
July 31, 2023	***
August 31, 2023	***
September 30, 2023	***
October 31, 2023	***
November 30, 2023	***
December 31, 2023	***

As used herein, "Adjusted Contribution Margin" shall mean, for any period of determination, the sum of (a) revenue of the Borrower and its Subsidiaries, determined in accordance with GAAP, less (b) the FI Share.

As used herein, "FI Share" shall mean, for any period of determination, the aggregate amount of payments made to Borrower's financial institution partners, which shall be determined in accordance with the Borrower's calculation of such amount in effect on the Tenth Amendment Effective Date.

is hereby deleted and replaced with the following new Minimum Adjusted EBITDA financial covenant, to read as follows:

"Minimum Adjusted EBITDA: Borrower shall maintain a minimum Adjusted EBITDA of not less than the amount set forth below, measured on a quarterly basis commencing with the quarter ending March 31, 2023 and the end of each calendar quarter thereafter:

Quarter Ended	Minimum 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
March 31, 2023 3-months ending March 31, 2024	[***]
June 30, 2022 6-months ending June 30, 2024	[***]
September 30, 2023 9-months ending September 30, 2024	[***]
December 31, 2023 12-months ending December 31, 2024	[***]

As used herein "Adjusted EBITDA" "Adjusted EBITDA" shall mean, for any applicable period, (a) EBITDA for such period, as defined in Section 4 of the Schedule and determined in accordance with GAAP; plus:

(b) fees and costs paid, relating to the "First Anniversary Payment Amount" as defined in the Bridg Acquisition Agreement"; plus (c) other fees, costs and expenses permitted by the Agent on a case-by-case basis, minus (d) capitalized software development expenses.

Minimum

f. **Amendment to Additional Provisions.** Section 8(b) of the Schedule to the Loan Agreement is hereby amended and restated to read as follows:

"(b) **Deposit Accounts.** Cash: Borrower shall at all times maintain all of its Deposit Accounts and all of its investment unrestricted cash in demand deposit accounts with PWB; Agent of not less than **provided that**:

Certain information has been excluded from this agreement (indicated by "[***]") because such information, which shall be measured (i) is not material on a monthly basis commencing with the month ending January 31, 2024 and the end of each calendar month thereafter and (ii) would be competitively harmful if publicly disclosed.

Exhibit 10.44

1. Borrower may maintain up to a total not to exceed \$15,000,000 in Deposit Accounts at other institutions in the United States (including amounts held in the Permitted HNB Accounts), in connection with 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; request for Revolving Loans."
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 \$750,000 in the aggregate, at any time ("Permitted HNB Accounts"). Within 90 days after the Twelfth Amendment Effective Date, Borrower shall cause 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.

Borrower represents and warrants to Agent and Lenders that all of Bridg Inc.'s deposit accounts outside of Agent (i.e. at Comerica Bank and Silicon Valley Bank) were closed prior to the Eleventh Amendment Effective Date."

3. **Facility Fee.** In consideration for Agent and Lenders entering into this Amendment, Borrower shall concurrently pay to Agent for the benefit of Lenders a fee in the amount of [***], which shall be non-refundable and in addition to all interest and other fees payable to Agent for benefit of Lenders under the Loan Documents. Agent is authorized to charge said fee to Borrower's loan account or any of Borrower's deposit accounts with Agent.

4. **Legal Expenses.** Without limitation on the terms of the Loan Documents, Borrower agrees to reimburse Bank 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

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.

Exhibit 10.51

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, except as set forth in Agent Section 1 above.

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.

Exhibit 10.44

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 Agreement Amendment and/or any document to be signed in connection with this Agreement 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.

9.11. **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.

Agent and Lender: Lender:

PACIFIC WESTERN BANK BANC OF CALIFORNIA

By: [REDACTED] /s/ Mykas Degesys Degesye [REDACTED]
Name: Mykas Degesys
Title: Senior Vice President

Borrower: Borrower:

CARDLYTICS, INC.

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

Borrower: Borrower/Converted Entity:

DOSH HOLDINGS LLC (formerly known as BSPEARS MERGER SUB II, LLC)

By: [REDACTED] /s/ Nick Lynton Lynton [REDACTED]
Name: Nick Lynton
Title: Manager

Borrower: Borrower:

AFIN INTERMEDIATE HOLDINGS INC.

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

Borrower: Borrower:

AFIN HOLDINGS INC.

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

Borrower: Borrower:

HSP EPI ACQUISITION, LLC

By: [REDACTED] /s/ Nick Lynton Lynton [REDACTED]
Name: Nick Lynton
Title: Manager and President

[Signature Page—Fifteenth Amendment to Loan and Security Agreement]

AMENDMENT TO

CARDLYTICS, INC.
2022 INDUCEMENT PLAN

- A.2023 Cardlytics Inc., a corporation organized under the laws of the State of Delaware, (the "Company") established the Company's 2022 Inducement Plan (the "Plan");
- B. The Plan currently provides for 1,500,000 shares of Common Stock to be reserved for issuance under the Plan; and
- C. The Company now wishes to amend the Plan to increase the number of shares of Common Stock reserved for issuance under the Plan to an aggregate of 1,850,000 shares.
- Effective immediately, the Plan is amended as follows:
1. The reference to "1,500,000 shares" in Section 3(a) of the Plan is hereby amended to reference "1,850,000 shares".
 2. In all other respects, the Plan will remain the same.

Exhibit 10.45

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed as of January 18, 2023.

CARDLYTICS, INC.

By: /s/ Karim Temsamani
Karim Temsamani
Chief Executive Officer

Exhibit 10.46

2022 Bonus Plan

Overview

The 2023 Cardlytics Bonus Plan ("Bonus Plan") rewards outlines certain financial benefits, in the form of cash bonus payments, that may be awarded to employees for helping Cardlytics, Inc. ("Company") reach our its corporate goals goals. The Bonus Plan applies to all employees of the Company and its subsidiaries who are not on commission plans, except for employees' personal performance. Entertainment employees, unless otherwise dictated by the Company. This document provides details on Bonus Plan is subject to change in the 2022 Bonus Plan. Company's discretion. If you have additional questions about the Bonus Plan, please speak with your manager or the People Operations. team.

Bonus Potential

Your bonus potential is a percentage (%) of your annualized base salary. For each bonus period (either a quarter or the year), your bonus potential is salary, based on your base salary at the end of that period. the 2023 calendar year. Your bonus % percentage is based upon your level and will be communicated to you by level. You can find your manager. Your bonus % can also be found percentage in UKG.

Bonus Plan Components

Your bonus consists of two components: corporate and personal. The weight of each of these components depends upon your level.

Level	Corporate Component	Personal Component
C-Level Executives	100%	
SVP/VP	75%	25%
Sr Director / Sr Principal		100%

Director / Principal / Manager / Sr Manager	100%
Entry-level / Mid / Senior	100%

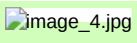
Corporate Component

The Bonus Plan is an annual bonus plan, and is based on the Company's corporate component performance in 2023 – specifically, its financial performance with respect to Adjusted EBITDA. Any bonuses earned will be paid out after the conclusion of 2023, in or about March 2024, subject to the Company meeting its corporate performance goal, and are subject to modification based on your personal performance during the year, as further detailed in this Bonus Plan.

Target Adjusted EBITDA Goal

The Bonus Plan is based on the Company's budgeted goal of reaching negative (\$0.2m) in Adjusted EBITDA in 2023. For purposes of the bonus is paid out based upon two metrics:

- Adjusted Contribution (as reported)
- Bonus Plan, the budgeted Adjusted EBITDA (as reported) goal has been modified by adding back in the budgeted bonus payout amount of \$7.6m and subtracting the budgeted capitalized software development expenses of \$10m, such that the target Adjusted EBITDA goal for purposes of the 2023 bonus plan shall be negative (\$2.6m) (the "Target Adjusted EBITDA Goal"). The two-step mathematical equation leading to the Target Adjusted EBITDA Goal is as follows:

Each metric makes up half 

Meeting the Goal

In the event that the Company meets the Target Adjusted EBITDA Goal in 2023, 100% of the quarterly all bonus potential payouts will be fully funded.

The adjusted contribution metric is paid out independently at the following levels:

Payout % = (Attainment – 90)5 + 50
Example: if Attainment was 95.3%
Payout % = (95.3 – 90)5 + 50
Payout % = (5.3)5 + 50
Payout % = 76.5

Over 100% the adjusted contribution metric is paid out independently based on the following equation:

Payout % = (Attainment – 100)2 + 100
Example: if Attainment was 104.2%
Payout % = (104.2 – 100)2 + 100
Payout % = (4.2)2 + 100
Payout % = 108.4%

Over 105% attainment, the payout percent remains capped at 110%

The adjusted EBITDA metric is determined after accounting for any bonus payments and is paid out independently at the following levels:

- Under the Threshold: 0% payout
- From the Threshold to just below the Target: 50% payout
- At Target: 100% payout
- Over the Target: capped at 100% payout

Exhibit 10.46

10.52

Personal Component Beating the Goal

In the event the Company exceeds its Target Adjusted EBITDA goal by up to \$10m over the Target Adjusted EBITDA Goal, 30% of the excess amount shall be added to the bonus pool and distributed to employees as additional bonus amounts over their standard bonus payout. In the event that the Company exceeds its Target Adjusted EBITDA goal by between \$10m and \$20m, 30% of the excess up to \$10m, and 40% of the excess between \$10m and \$20m, shall be added to the bonus pool and distributed to employees as additional bonus amounts over their standard bonus payout. No additional funds will be added to the bonus pool in the event the Company exceeds its Target Adjusted EBITDA goal by over \$20m. The personal component recipients and amounts of any excess bonus is pool distribution shall be in the Company's sole discretion.

Missing the Goal

In the event the Company missed its Target Adjusted EBITDA goal, but achieves **negative \$6.4m (-\$6.4m)** in Adjusted EBITDA, subject to the same bonus and capitalized software development expense modifications as outlined above (the "Threshold Adjusted EBITDA Goal"), 50% of all bonus payouts will be fully funded. In the event that the Company exceeds the Threshold Adjusted EBITDA Goal, but misses the Target Adjusted EBITDA Goal, all of the excess dollars above the Threshold Adjusted EBITDA Goal shall be added to the bonus pool and distributed to employees as additional bonus amounts over their bonus payout. The recipients and amounts of any excess bonus pool funds distribution shall be in the Company's sole discretion. In the event the Company does not achieve the Threshold Adjusted EBITDA Goal in 2023, no bonuses will be funded or paid out based on each employee's performance for 2022. The Company must hit at least 85% of the adjusted contribution target for the personal component of the bonus to employees.

TL;DR

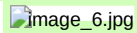
As more fully stated above, bonuses shall be paid, funded as follows:

Executives

For Executives, 20% of the employee's target is paid out each quarter based upon quarterly corporate performance, and 20% is paid out annually based on annual corporate performance. The Executive annual component is paid out just like the quarterly as noted above.

Fine Print

- **Regular, full-time employees Under the Threshold:** 0% of bonuses funded
- **At Threshold:** 50% of bonuses funded
- **Over Threshold and Under Target:** 50% of bonuses funded, and all dollars above the Threshold Adjusted EBITDA Goal are added to the bonus pool for additional bonus distributions • **At Target:** 100% of bonuses funded
- **Over the Target:** 100% of bonuses funded, and for the first \$10m above Target Adjusted EBITDA, 30% of the excess goes to the bonus pool for additional bonus distributions; for the second \$10m above Target Adjusted EBITDA, 40% of the excess goes to the bonus pool for additional bonus distributions.



Personal Performance

The amount you will receive for your 2023 bonus is subject to modification based on your personal performance in 2023. Your personal performance in 2023 will be determined in connection with your annual review.

Annual reviews for 2023 will have a five-point scale that will inform the amount you receive for a bonus. Below is an example of how performance can modify your bonus payout:

Exhibit 10.52

- **Below Expectations:** You are eligible for **0%** of your allotted bonus
- **Partially Meets Expectations:** You are eligible for **50%** of your allotted bonus
- **Meets Expectations:** You are eligible for **100%** of your allotted bonus
- **Exceeds Expectations:** You are eligible for **110%** of your allotted bonus
- **Superb:** You are eligible for **140%** of your allotted bonus

Putting It All Together

The following example is intended to participate illustrate the Bonus Plan outlined above:

- Cardlytics employee has a salary of \$50,000 with a 10% bonus opportunity
- As a result, the target bonus is \$5,000 ($\$50,000 \times .10$)
- During the annual review, the employee was rated as "Superb," which modifies their potential payout by 140%
- Given these facts, how much will the employee receive for their 2023 bonus?
 - o If the Company does not meet its Threshold Adjusted EBITDA Goal, they will not receive a bonus
 - o If the Company hits its Threshold Adjusted EBITDA Goal, the employee will receive a bonus of \$3,500 (50% of the \$5,000 bonus target = \$2,500, multiplied by 140% for the superb rating = \$3,500)
 - o If the Company exceeds its Threshold Adjusted EBITDA Goal but falls short of its Target Adjusted EBITDA Goal, the employee will receive a bonus of \$3,500, per the previous bullet, and may receive an additional bonus amount funded by the bonus pool

o If the Company hits its Target Adjusted EBITDA Goal, the employee will receive a bonus of \$7,000 (\$5,000 bonus target multiplied by 140% for the superb rating) o If the Company exceeds its Target Adjusted EBITDA Goal, the employee will receive a bonus of \$7,000, per the previous bullet, and may receive an additional bonus amount funded by the bonus pool

Terms and Conditions

- Any individual employee's participation in the Bonus Plan is subject to the Company's discretion, and any decisions by the Company regarding an employee's participation, or lack thereof, in the Bonus Plan is final.
- Employees hired during a quarter will be eligible for a pro-rated bonus for the quarter in which he/she was hired
- Employees subject to this Bonus Plan hired between January 1, 2022 January 1, 2023 and October 1, 2022 September 30, 2023 will be eligible for a pro-rated annual bonus; employees hired after October 1, 2022 October 1, 2023 will not be eligible for any annual portion of the bonus but will be eligible for a pro-rated Q4 corporate bonus pursuant to this Bonus Plan.
- Employees who switch from the bonus plan Bonus Plan to a commission plan, or vice versa, will be eligible for pro-rated pro-rated participation in the bonus plan Bonus Plan based on the portion of the year he/she was they were bonus eligible,
- Employees are not eligible to participate in a commission plan and unless the bonus plan simultaneously. Commissioned employees will only be eligible for incentive compensation through his/her commission plan Company decides otherwise.
- You must be an active employee of Cardlytics on the date the bonus is paid to employees in order to be eligible; participants entitled to any bonus payment. Individuals who voluntarily resign prior are not employed by Cardlytics on the date that bonus is set to the bonus payment date may be paid are not be eligible for payment to receive a bonus.
- The Bonus Plan, its guidelines, and your participation are all subject to modification or termination, in whole or in part, at any time at the sole discretion of the Company Company.
- People Operations and Finance calculate The Company's calculation of any bonus payments, and their any interpretations of the plan Bonus Plan, are final in all respects respects.
- Quarterly payments will typically The specific date that bonuses shall be made 45 days after the end of the quarter, but will paid shall be no later than 60 days after the end of the quarter
- Annual payments will typically be made 90 days after the end of the year, but will be made no later than 120 days after the end of the year determined by Company in its sole discretion.
- All bonus payments are subject to applicable federal, state and local tax withholdings withholdings.
- This plan does not create a contract of employment or a contract for pay pay.

Exhibit 10.53

Non-Employee Director Compensation Policy As Amended and Restated October 26, 2023

Each member of the Board of Directors (the "**Board**") of Cardlytics, Inc. (the "**Company**") who is a non- employee director of the Company (each such member, a "**Non-Employee Director**") will receive the compensation described in this Non-Employee Director Compensation Policy (the "**Director Compensation Policy**") for his or benefits her Board service; provided, however, that any director appointed to serve as a director of the Company pursuant to that certain Cooperation Agreement dated on or about September 19, 2023 by and between the Company and the investors set forth on Exhibit A thereto shall not receive any compensation described in this Non-Employee Director Compensation Policy unless and until he or she is elected by the Company's stockholders to continue serving as a director at the Company's 2025 annual meeting of stockholders, at which point in time such director shall be eligible for the compensation described in this Director Compensation Policy on a go-forward basis.

The Director Compensation Policy may be amended at any time in the sole discretion of the Board or the Compensation Committee of the Board.

A Non-Employee Director may decline all or any portion of his or her compensation by giving notice to the Company prior to the date cash is to be paid or equity awards are to be granted, as the case may be.

Annual Cash Compensation

Each Non-Employee Director will receive the cash compensation set forth below for service on the Board. The annual cash compensation amounts will be payable in arrears following the end of each quarter in which the service occurred, pro-rated for any partial months of service. All annual cash fees are vested upon payment.

1. Annual Board Service Retainer:

- a. All Eligible Directors: \$30,000
- b. Non-Executive Chairperson: \$45,000 or Lead Independent Director: \$15,000 (in lieu of above)

2. Annual Committee Member Service Retainer:

- a. Member of the Audit Committee: \$20,000
- b. Member of the Compensation Committee: \$10,000
- c. Member of the Nominating and Corporate Governance Committee: \$10,000

3. Annual Committee Chair Service Retainer (in lieu of Annual Committee Member Service Retainer):

- a. Chairperson of the Audit Committee: \$30,000
- b. Chairperson of the Compensation Committee: \$15,000
- c. Chairperson of the Nominating and Corporate Governance Committee: \$15,000

Equity Compensation

Equity awards will be granted under the Company's 2018 Equity Incentive Plan or any successor equity incentive plan (the "**Plan**"). All stock options granted under this policy will be Nonqualified Stock Options (as defined in the Plan), with a term of ten years from the date of grant and an exercise price per share equal to 100% of the Fair Market Value (as defined in the Plan) of the underlying common stock of the Company on the date of grant.

(a) Automatic Equity Grants.

Exhibit 10.53

(i) Initial Grant for New Directors. Without any further action of the Board, each person who is elected or appointed for the first time to be a Non-Employee Director will automatically, upon the date of his or her initial election or appointment to be a Non-Employee Director, be granted a restricted stock unit award for a number of shares having a grant date fair value of \$165,000; provided that (a) such restricted stock unit award will be pro-rated based on the number of months of service until the next Annual Meeting, and (b) in no event shall a Non-Employee Director be granted more than 11,000 shares or, in the event that the grant is pro-rated, more shares than would be equal to 11,000 on an annualized basis (the "**Initial Grant**"). For example, if a director joins the Board on February 1st and the Annual Meeting is June 1st, the director's Initial Grant would be valued at \$55,000 (4 months/12 months x \$165,000 = \$55,000). Each Initial Grant will vest 100% on the day immediately preceding the one-year anniversary of the Initial Grant, provided that such Non-Employee Director remains a Non-Employee Director on such date.

(ii) Annual Grant. Without any further action of the Board, at the close of business on the date of each Annual Meeting, each person who is then a Non-Employee Director will automatically be granted a restricted stock unit award for a number of shares having a grant date fair value of \$165,000 (the "**Annual Grant**"); provided that in no event shall a Non-Employee Director be granted more than 11,000 shares. Each Annual Grant will vest in full on the one-year anniversary of date of grant, provided that such Non-Employee Director remains a Non-Employee Director on such date.

(a) Calculation of Value of a Restricted Stock Unit Award. The value of a restricted stock unit award to be granted under this policy will be determined based on the Fair Market Value per share on the grant date (as defined in the Plan).

(b) Remaining Terms. The remaining terms and conditions of each stock option, including transferability, will be as set forth in the Company's standard Restricted Stock Unit Award Agreement, in the form adopted from time to time by the Board.

Expenses

The Company will reimburse each Non-Employee Director for ordinary, necessary and reasonable out-of-pocket travel expenses to cover in-person attendance at and participation in Board and committee meetings; *provided*, that such Non-Employee Director timely submit to the Company appropriate documentation substantiating such expenses in accordance with the Company's travel and expense policy, as in effect from time to time.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-222965, 333-231640, 333-236869, 333-253675, 333-255161, 333-258407, 333-263143, 333-267091, and 333-269361, 333-273299, 333-276737 on Form S-8, and Registration Statement No. 333-253697 333-276738 on Form S-3 of our reports dated March 1, 2023 March 14, 2024, relating to the consolidated financial statements of Cardlytics, Inc. and subsidiaries (the "Company") and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia

March 1, 2023 14, 2024

.C. Holdings, Inc. 2021 Equity Incentive Plan

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Karim Temsamani, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 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: March 1, 2023 14, 2024

By: /s/ Karim Temsamani
Karim Temsamani
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Christiansen, Alexis DeSieno, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 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: March 1, 2023 14, 2024

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

Exhibit 32.1

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), Karim Tamsamani, Chief Executive Officer of Cardlytics, Inc. (the "Company"), and Andrew Christiansen, Alexis DeSieno, Chief Financial Officer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company's Annual Report on Form 10-K for the period ended December 31, 2022 December 31, 2023 (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: March 1, 2023 14, 2024

By: /s/ Karim Tamsamani

Karim Tamsamani
Chief Executive Officer
(Principal Executive Officer)

Date: March 1, 2023 14, 2024

By: /s/ Andrew Christiansen Alexis DeSieno

Andrew Christiansen 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.

Exhibit 97.1

CARDLYTICS, INC.

Amended and Restated Incentive Compensation Recoupment Policy

1. Introduction

The Compensation Committee (the "**Compensation Committee**") of the Board of Directors (the "**Board**") of Cardlytics, Inc., a Delaware corporation (the "**Company**"), has determined that it is in the best interests of the Company and its stockholders to adopt this Amended and Restated Incentive Compensation Recoupment Policy (this "**Policy**") providing for the Company's recoupment of Recoverable Incentive Compensation that is received by Covered Officers of the Company under certain circumstances. Certain capitalized terms used in this Policy have the meanings given to such terms in Section 3 below.

This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder ("**Rule 10D-1**") and Nasdaq Listing Rule 5608 (the "**Listing Standards**").

2. Effective Date

This Policy shall apply to all Incentive Compensation that is received by a Covered Officer on or after October 2, 2023 (the "**Effective Date**"). Incentive Compensation is deemed "**received**" in the Company's fiscal period in which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of such Incentive Compensation occurs after the end of that period.

3. Definitions

"**Accounting Restatement**" means an accounting restatement that the Company is required to prepare due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued

financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"Accounting Restatement Date" means the earlier to occur of (a) the date that the Board, a committee of the Board authorized to take such action, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date that a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

"Administrator" means the Compensation Committee or, in the absence of such committee, the Board.

"Code" means the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Covered Officer" means each current and former Executive Officer. **"Exchange"** means the Nasdaq Stock Market.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

Exhibit 97.1

"Executive Officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company's parent(s) or subsidiaries are deemed executive officers of the Company if they perform such policy-making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant. Identification of an executive officer for purposes of this Policy would include at a minimum executive officers identified pursuant to Item 401(b) of Regulation S-K promulgated under the Exchange Act.

"Financial Reporting Measures" means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including Company stock price and total stockholder return ("TSR"). A measure need not be presented in the Company's financial statements or included in a filing with the SEC in order to be a Financial Reporting Measure.

"Incentive Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

"Lookback Period" means the three completed fiscal years immediately preceding the Accounting Restatement Date, as well as any transition period (resulting from a change in the Company's fiscal year) within or immediately following those three completed fiscal years (except that a transition period of at least nine months shall count as a completed fiscal year). Notwithstanding the foregoing, the Lookback Period shall not include fiscal years completed prior to the Effective Date.

"Recoverable Incentive Compensation" means Incentive Compensation received by a Covered Officer during the Lookback Period that exceeds the amount of Incentive Compensation that would have been received had such amount been determined based on the Accounting Restatement, computed without regard to any taxes paid (i.e., on a gross basis without regarding to tax withholdings and other deductions). For any compensation plans or programs that take into account Incentive Compensation, the amount of Recoverable Incentive Compensation for purposes of this Policy shall include, without limitation, the amount contributed to any notional account based on Recoverable Incentive Compensation and any earnings to date on that notional amount. For any Incentive Compensation that is based on stock price or TSR, where the Recoverable Incentive Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the Administrator will determine the amount of Recoverable Incentive Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive Compensation was received. The Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange in accordance with the Listing Standards.

"SEC" means the U.S. Securities and Exchange Commission.

4. RECOUPMENT

(a) Applicability of Policy. This Policy applies to Incentive Compensation received by a Covered Officer (i) after beginning services as an Executive Officer, (ii) who served as an Executive Officer at any time during the performance period for such Incentive Compensation, (iii) while the Company had a class of securities listed on a national securities exchange or a national securities association, and (iv) during the Lookback Period.

(b) Recoupment Generally. Pursuant to the provisions of this Policy, if there is an

Accounting Restatement, the Company must reasonably promptly recoup the full amount of the Recoverable Incentive Compensation, unless the conditions of one or more subsections of Section 4(c) of this Policy are met and the Compensation Committee, or, if such committee does not consist solely of independent directors, a majority of the independent directors serving on the Board, has made a determination that recoupment would be impracticable. Recoupment is required regardless of whether the Covered Officer engaged in any misconduct and regardless of fault, and the Company's obligation to recoup Recoverable Incentive Compensation is not dependent on whether or when any restated financial statements are filed.

(c) Impracticability of Recovery. Recoupment may be determined to be impracticable if, and only if:

(i) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount of the applicable Recoverable Incentive Compensation; provided that, before concluding that it would be impracticable to recover any amount of Recoverable Incentive Compensation based on expense of enforcement, the Company shall make a reasonable attempt to recover such Recoverable Incentive Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange in accordance with the Listing Standards; or

(ii) recoupment of the applicable Recoverable Incentive Compensation would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Code Section 401(a)(13) or Code Section 411(a) and regulations thereunder.

(d) Sources of Recoupment. To the extent permitted by applicable law, the Administrator shall, in its sole discretion, determine the timing and method for recouping Recoverable Incentive Compensation hereunder, provided that such recoupment is undertaken reasonably promptly. The Administrator may, in its discretion, seek recoupment from a Covered Officer from any of the following sources or a combination thereof, whether the applicable compensation was approved, awarded, granted, payable or paid to the Covered Officer prior to, on or after the Effective Date: (i) direct repayment of Recoverable Incentive Compensation previously paid to the Covered Officer; (ii) cancelling prior cash or equity-based awards (whether vested or unvested and whether paid or unpaid); (iii) cancelling or offsetting against any planned future cash or equity-based awards; (iv) forfeiture of deferred compensation, subject to compliance with Code Section 409A; and (v) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Administrator may effectuate recoupment under this Policy from any amount otherwise payable to the Covered Officer, including amounts payable to such individual under any otherwise applicable Company plan or program, e.g., base salary, bonuses or commissions and compensation previously deferred by the Covered Officer. The Administrator need not utilize the same method of recovery for all Covered Officers or with respect to all types of Recoverable Incentive Compensation.

(e) No Indemnification of Covered Officers. Notwithstanding any indemnification agreement, applicable insurance policy or any other agreement or provision of the Company's certificate of incorporation or bylaws to the contrary, no Covered Officer shall be entitled to indemnification or advancement of expenses in connection with any enforcement of this Policy by the Company, including paying or reimbursing such Covered Officer for insurance premiums to cover potential obligations to the Company under this Policy.

(f) Indemnification of Administrator. Any members of the Administrator, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

(g) No "Good Reason" for Covered Officers. Any action by the Company to recoup or any recoupment of Recoverable Incentive Compensation under this Policy from a Covered Officer shall not be deemed (i) "good reason" for resignation or to serve as a basis for a claim of constructive termination under any benefits or compensation arrangement applicable to such Covered Officer, or (ii) to constitute a breach of a contract or other arrangement to which such Covered Officer is party.

5. Administration

Except as specifically set forth herein, this Policy shall be administered by the Administrator. The Administrator shall have full and final authority to make any and all determinations required under this Policy. Any determination by the Administrator with respect to this Policy shall be final, conclusive and binding on all interested parties and need not be uniform with respect to each individual covered by this Policy. In carrying out the administration of this Policy, the Administrator

is authorized and directed to consult with the full Board or such other committees of the Board as may be necessary or appropriate as to matters within the scope of such other committee's responsibility and authority. Subject to applicable law, the Administrator may authorize and empower any officer or employee of the Company to take any and all actions that the Administrator, in its sole discretion, deems necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

6. Severability

If any provision of this Policy or the application of any such provision to a Covered Officer shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

7. No Impairment of Other Remedies

Nothing contained in this Policy, and no recoupment or recovery as contemplated herein, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against a Covered Officer arising out of or resulting from any actions or omissions by the Covered Officer. This Policy does not preclude the Company from taking any other action to enforce a Covered Officer's obligations to the Company, including, without limitation, termination of employment and/or institution of civil proceedings. This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 ("SOX 304") that are applicable to the Company's Chief Executive Officer and Chief Financial Officer and to any other compensation recoupment policy and/or similar provisions in any employment, equity plan, equity award, or other individual agreement, to which the Company is a party or which the Company has adopted or may adopt and maintain from time to time; provided, however, that compensation recouped pursuant to this policy shall not be duplicative of compensation recouped pursuant to SOX 304 or any such compensation recoupment policy and/or similar provisions in any such employment, equity plan, equity award, or other individual agreement except as may be required by law.

8. Amendment; Termination

The Administrator may amend, terminate or replace this Policy or any portion of this Policy at any time and from time to time in its sole discretion. The Administrator shall amend this Policy as it deems necessary to comply with applicable law or any Listing Standard.

9. Successors

This Policy shall be binding and enforceable against all Covered Officers and, to the extent required by Rule 10D-1 and/or the applicable Listing Standards, their beneficiaries, heirs, executors, administrators or other legal representatives.

10. Required Filings

The Company shall make any disclosures and filings with respect to this Policy that are required by law, including as required by the SEC.

* * * * *

Exhibit 97.1

DISCLAIMER

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