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, 2024
OR

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

For the transition period from ________________ to ________________

Commission File Number: 001-38386

CARDLYTICS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware | **26-3039436**
(State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.)

675 Ponce de Leon Ave. NE, Suite 4100 **Atlanta** **Georgia** **30308**
(Address of principal executive offices, including zip code)

(888) **798-5802**
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 28, 2024, 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 $400.0 million based upon the closing sale price of our common stock on that date.

As of February 28, 2025, there were 52,085,224 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 2025 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, 2024.

CARDLYTICS, INC.
ANNUAL REPORT ON FORM 10-K
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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," or "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 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 maintain or increase FI partner customer engagement from new and existing FI partners;
- our ability to maintain or 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 achieve or sustain growth and profitability;
- potential acquisitions and integration of complementary 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 products or 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;
- 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 impact of macroeconomic developments on our business and operations as well as the business or operations of our FI partners and other third parties with whom we conduct business; and
- other risks detailed below in Item 1A. "Risk Factors."

You should refer to Item 1A. "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," the "company," "we," "us," "our" and similar references refer to Cardlytics, Inc. and, unless the context otherwise requires, its consolidated subsidiaries.

RISK FACTORS SUMMARY

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

Risks Related to our Business and Industry

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

Risks Related to our 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.

Risks Related to Regulatory and Intellectual Property Matters

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

Risks Related to Ownership of our Common Stock

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

PART I.

ITEM 1. BUSINESS

Overview

We operate a commerce media platform that is designed to make commerce smarter and rewarding for everyone. At the core of our commerce media platform is the financial media network that we run within our partners' digital channels, which includes online and mobile applications (the "Cardlytics platform"). Additionally, we operate an identity resolution platform that utilizes point-of-sale ("POS") data, including product-level purchase data, to enable marketers to perform analytics and targeted loyalty marketing and also measure the impact of their marketing (the "Bridg platform"). The partners for the Cardlytics platform are predominantly financial institutions ("FI partners") that provide us with access to their anonymized purchase data and digital banking customers. The partners for the Bridg platform are predominantly merchants ("merchant data partners") that provide us with access to their POS data, including product-level purchase data. By applying advanced analytics to the purchase data we receive, we make it actionable, helping marketers reach potential buyers at scale and measure the true sales impact of their marketing spend. We have strong relationships with leading marketers across a variety of industries, including everyday spend, specialty retail, restaurant, travel and entertainment.

Our data capabilities, coupled with our access to customers using our partners' digital channels, enable 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, or to reach customers based on their product-level past purchases. Marketers are also challenged to measure the performance of their marketing, and our financial media network addresses these challenges by enabling marketers to precisely measure how marketing drives both in-store and online sales through "closed loop-measurement."

Solutions

The Cardlytics Platform

Through the Cardlytics platform, our financial media network, 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 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 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"), Wells Fargo Bank, National Association ("Wells Fargo"), and American Express Travel Related Services Company, Inc. ("American Express"), as well as many other national and regional financial institutions, financial technology companies and virtual-only banks. We also partner with multiple bank processors and digital banking providers to help us reach customers of small and mid-sized FI partners.

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. 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 capabilities, a proprietary census of customers' identity and characteristics, and unique strategic data partnerships. In 2023, we launched an additional product offered through the Bridg platform, Rippl, our retail 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 customer data in order to strengthen targeting capability for retail media purposes.

Data and Analytics

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. Our financial media network aggregates and analyzes purchase data without any personal data leaving the FI partners or otherwise being made available to us. The data 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 financial media network. We also leverage the power of our data to provide marketers utilizing our financial media network 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 transactions with anonymized identifiers. We then build anonymized profiles that include product-level purchase history and hundreds of customer attributes to enable marketing and analytics.

Advanced Analytics Capabilities

We use sophisticated quantitative methods to quickly access our massive volumes of data and make sense of past customer spend—and, importantly, predict future customer spend. Our analytics 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 data capabilities to optimize their advertising efforts with new or increased investment in the Cardlytics and Bridg 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 more prominently in customers' mobile and online banking 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 take privacy and security into account in the development and implementation of our systems and services. A critical part of our strategy involves a design focused 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. Our platforms are designed so that we do not receive or have access to any personal data from our FI partners. We only target marketing against anonymized data or data that has undergone processing such that it is only linked to anonymized identifiers. Our privacy and security standards have also been designed to meet the requirements, 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.

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 data center behind the FI 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, and aggregate this purchase data. The unique consumer ID is then used to assign offers, measure redemptions, and in limited cases, validate certain online purchases. The Ad Server also receives engagement data, such as impressions and activations, related to each unique consumer ID.

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

We have implemented a number of security controls. Certain of our environments and systems have been certified as SOC 1 Type II or SOC 2 Type II compliant by third 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.

Bridg Platform

The Bridg platform was designed to comply with applicable privacy laws and 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 data relating to newly identified consumers is never shared with the clients.

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 the primary provider of native bank channel digital advertising to many of our FI 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 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 Data Set and Reach***. During 2024, the Cardlytics platform analyzed approximately $5.8 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.
- ***Significant Scale with Marketers due to 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 everyday spend, specialty retail, restaurant, travel and entertainment. 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' customers increases engagement within our FI 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.

- ***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 our data. Our proprietary, distributed architecture helps facilitate both the effective delivery of our solution and the protection of our FI partners' customers' personal data. No personal data is shared by FI partners with Cardlytics and the data received from FI partners is anonymized and cannot be associated with any known individual. Our technologies leverage proprietary algorithms to process raw purchase data into normalized purchase history useful for marketing and analytics. 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. 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 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.
- ***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 rich insights, targeted marketing capabilities, and closed loop measurement regardless of their digital presence.
- ***World-Class Management Team with Unique Combination of Backgrounds and Experiences.*** Our team's extensive experience across banking, technology and marketing is invaluable for our ability to forge relationships with FI partners and marketers and understand the technical complexities inherent in building platforms to transform and 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, 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 continue growing the footprint of the Bridg platform through both new and existing merchant data partners.
- ***Continue to Realize Synergies between the Cardlytics and Bridg Platforms.*** The 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, 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 with new FI partners, non-bank partners, and merchant data 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. 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' customers and certain third-party 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 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 extends through July 31, 2025, and Bank of America may terminate the GSA 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, and as part of our services we form relationships with participating marketers and obtain and publish marketer offers to Bank of America customers. Bank of America has the right to approve all offers to be presented to Bank of America customers on the Cardlytics platform. Bank of America may terminate the GSA at any time upon 90 days' written notice. The GSA will automatically renew on a monthly basis, unless terminated by either party upon 90 days' written notice.

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.

Agreements with Chase

In May 2018, we entered into a Master Agreement and Schedule #1 to the Master Agreement (collectively, the "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 19, 2025. Chase may terminate the Master Agreement at any time upon 90 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 marketer- and transaction-specific factors. In June 2023, we entered into an amendment that increased the portion of advertiser billings that is retained by the 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.

We have dedicated sales teams responsible for establishing relationships with marketers and their agencies. Our sales teams are organized by industry, which include everyday spend, specialty retail, restaurant, travel and entertainment. 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 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.

Competition

The market for utilizing purchase data to power marketing decisions is still emerging, and we believe we are one of the only companies that can utilize purchase data with the scale and the level of granularity that is equivalent to ours. We believe that we are the only company 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, mobile pay providers with access to a substantial amount of consumer purchase data, and our FI partners that have introduced, or may in the future introduce, competitive solutions. 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 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
- 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 in our industry.

The Bridg platform competes with other companies that operate enterprise customer data platforms. Additionally, Bridg competes or may in the future compete against 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, 2024, we had seventeen 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," "Bridg" and "Rippl" names and logos in the U.S. and certain other countries. We have registrations 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 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, and similar variations on those names.

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 infringe their proprietary rights.

Patent and other intellectual property disputes are common in our industry and we have been involved in such disputes 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, 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' 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.

Employees

As of December 31, 2024, we had 454 full-time employees, including 61 in delivery, 162 in sales and marketing, 155 in research and development and 76 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; Menlo Park, CA; Los Angeles, CA; Champaign, IL and London, U.K., our employees are an essential part of all of our successes.

As of December 31, 2024, our global workforce is made up of approximately 42% women and 45% people of color.

Our use of equity compensation allows our employees to operate as owners and is an important 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. Additionally, we offer comprehensive medical benefits, a positive work/life ratio, 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 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 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 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," 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.

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.

Our operating results may vary based on the impact of unfavorable changes in our industry or the global economy on us or our customers and potential customers. Negative or unstable conditions in the general economy, including conditions resulting from resulting from a global or domestic recession or the fear thereof, the imposition of tariffs in the United States and abroad, fluctuations in inflation and interest rates, changes in gross domestic product growth, financial and credit market fluctuations, political turmoil and regulatory changes, natural catastrophes, lower corporate earnings, reduction in business confidence and activity, warfare, including the Russia-Ukraine war and conflict in the Middle East, and terrorist attacks on the United States, Europe, the Asia-Pacific region, or elsewhere could cause a decrease in business and consumer spending and negatively affect the growth of our business and our results of operations. These conditions make it extremely difficult for marketers and us to accurately forecast and plan future business activities and could cause marketers to begin or continue to reduce or delay their marketing spending. Historically, economic downturns have resulted in overall reductions in marketing spending. If macroeconomic conditions deteriorate or are characterized by uncertainty or volatility, marketers may curtail or freeze spending on marketing in general and for services such as ours specifically, which could have a material and adverse impact on our business, financial condition and operating results

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

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

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

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

- our ability to attract and retain marketers and partners;
- the amount and timing of revenue, operating costs and capital expenditures related to the operations and expansion of our business, particularly with respect to our efforts to attract new marketers and partners to our network;
- the revenue mix generated from our operations in the U.S. and U.K.;
- the revenue mix generated from the operations of Cardlytics and its subsidiaries;
- decisions made by our FI partners to increase Consumer Incentives or use their Partner Share to fund their Consumer Incentives;
- decisions made by our FI partners to not allow certain offers to appear in some or all of their channels;
- changes in the economic prospects of marketers, the industries that we primarily serve, or the economy generally, which could alter marketers' spending priorities or budgets;
- the termination or alteration of relationships with our partners in a manner that impacts ongoing or future marketing campaigns;
- reputational harm;
- the amount and timing of expenses required to grow our business, including the timing of our payments of Partner Share and Partner Share commitments as compared to the timing of our receipt of payments from our marketers;
- changes in demand for our solutions or similar solutions;
- seasonal trends in the marketing industry;
- competitive market position, including changes in the pricing policies of our competitors;
- exposure related to our international operations and foreign currency exchange rates;
- quarantine, private travel limitation, or business disruption in regions affecting our operations, stemming from actual, imminent or perceived outbreak of contagious disease;
- other events or factors, including those resulting from war, such as hostilities between Russia and Ukraine, and the current armed conflict in the Middle East, and incidents of terrorism;
- expenses associated with items such as litigation, regulatory changes, cyberattacks or security breaches;
- the introduction of new technologies, products or solution offerings by competitors; and
- costs related to acquisitions of other businesses or technologies.

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

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

Our revenue decreased 10.0% to $278.3 million in 2024 from $309.2 million in 2023. Our billings decreased 2.1% to $443.8 million in 2024 from $453.4 million in 2023. We may not be able to achieve or maintain year-over-year billings growth and may not see revenue growth in the near term or at all, and you should not consider our revenue and billings growth in any specific historical periods as indicative of our future performance. Our revenue and billings may be negatively impacted in future periods due to a number of factors, including, but not limited to, slowing demand for our solutions, increasing competition, decreasing growth of our overall market, inflationary pressure, our inability to engage and retain a sufficient number of marketers or partners, or our failure, for any reason, to capitalize on growth opportunities. If we are unable to maintain consistent revenue, revenue growth or billings growth, our stock price could be volatile, and it may be difficult for us to achieve and maintain profitability.

We are dependent upon the Cardlytics platform.

The majority of our revenue and billings during 2024 and 2023 were derived from sales of advertising via the Cardlytics platform. Our operating results could suffer due to:

- lack of continued participation by FI partners in our network, in whole or in part, or our failure to attract new FI partners;
- any decline in demand for the Cardlytics platform by marketers or their agencies;
- failure by our FI partners to increase engagement with our solutions within their customer bases, adopt our new technology and products, improve their customers' user experience, increase customer awareness, leverage additional customer outreach channels like email or otherwise promote our incentive programs on their websites and mobile applications, including by making the programs difficult to access or otherwise diminishing their prominence;
- our failure to offer compelling incentives to our FI partners' customers;
- FI partners may elect to use their Partner Share to fund their Consumer Incentives;
- the introduction by competitors of products and technologies that serve as a replacement or substitute for, or represent an improvement over, the Cardlytics platform, or an FI partner's decision to implement any existing or future product or technology of a competitor alongside, or in lieu, of the Cardlytics platform;
- FI partners developing, or acquiring, their own products, technology, or lines of business to support transaction-based marketing or other incentive programs;
- technological innovations or new standards that the Cardlytics platform does not address; and
- sensitivity to current or future prices offered by us or competing solutions.

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

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

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

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

During the years ended December 31, 2024, 2023 and 2022, our top three FI partners combined to account for over 85%, 85% and 80%, respectively, of the total Partner Share we paid to all partners. During 2024 and 2023 the top FI partner represented over 50% and the second and third largest FI partners each represented over 10% of Partner Share. During 2022, the top two FI partners represented over 20% and 25%, respectively, and the third largest FI partner representing over 10% of Partner 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 more prior notice. Additionally, our agreements with our FI partners generally do not require us to serve as their sole offer provider, or require our FI partners to publish any given offer on their channels, and they could therefore, reduce their reliance on our solutions during the term of the applicable agreement. If an FI partner terminates its agreement with us, we would lose that FI partner as a source of purchase data and online banking customers. Our FI partners may elect to withhold from us or limit the use of their purchase data for many reasons, including:

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

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

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

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

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

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

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

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

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

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

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

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

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

In addition to traditional computer "hackers," we and the third parties with whom we work 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), malware (including: as a result of advanced persistent threat intrusions), employee theft or misuse, denial-of-service attacks, credential attacks, credential harvesting, and ransomware attacks, sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). We also may be the subject of viruses, malware installation, server malfunction, software or hardware failures, loss of data or other computer assets, adware, malicious or unintentional actions or in actions by employees or others with authorized access to our network that create or expose vulnerabilities, attacks enhanced or facilitated by artificial intelligence ("AI"), and other similar threats or other similar issues. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

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

In addition, many of our employees work remotely, which makes us more vulnerable to cyberattacks and has increased risks to our systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. A security breach could result in operational or administrative disruptions, or impair our ability to meet our marketers' requirements, which could result in decreased revenue. Also, our reputation could suffer irreparable harm, causing our current and prospective marketers and FI partners to decline to use our solutions in the future. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

We utilize third parties to operate critical business systems and 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 the third parties with whom we work experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if the third parties fail to satisfy their data privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised.

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

Certain of the previously identified or similar threats have in the past and may in the future 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 with whom we work. A security incident or other interruption could disrupt our ability (and that of third parties with whom we work) to provide our platform.

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

In any event, an actual or perceived breach of the security of our, or the third parties with whom we work, 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. Additionally, sensitive information of the Company could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel's, or vendors' use of generative AI technologies.

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

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

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

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

Our revenue and accounts receivable are diversified among a large number of marketers segregated by both geography and industry. During the years ended December 31, 2024, December 31, 2023 and December 31, 2022, our top five marketers accounted for 16%, 15% and 15% of our revenue, respectively, with no marketer accounting for over 10% during each period. As of December 31, 2024 and 2023, our top five marketers accounted for 17% and 19% of our accounts receivable, respectively, with no individual marketer representing over 10% as of the end of each 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.

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

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

- maintain and expand our network of partners;
- build and maintain long-term relationships with marketers and their agencies;
- develop and offer competitive solutions that meet the evolving needs of marketers;
- expand our relationships with partners to enable us to use their purchase data for new solutions;

- improve the performance and capabilities of our solutions;
- successfully expand our business;
- successfully compete with other companies that are currently in, or may in the future enter, the markets for our solutions;
- increase market awareness of our solutions and enhance our brand;
- manage increased operating expenses as we continue to invest in our infrastructure to scale our business; and
- attract, hire, train, integrate and retain qualified and motivated employees.

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

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

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

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

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

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

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

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

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

We have incurred annual net losses since inception and expect to incur net losses in certain periods in the future. During 2024 and 2023, our net loss was $189.3 million and $134.7 million, respectively. We had an accumulated deficit of $1.3 billion as of December 31, 2024. We have never achieved net income on an annual basis, and we do not know if we will be able to achieve or sustain net income. We plan to continue to invest in our research and development and sales and marketing efforts, and we anticipate that our operating expenses will continue to increase as we scale our business and expand our operations. Our general and administrative expenses may increase as a result of our growth as well. Our ability to achieve and sustain net income is based on numerous factors, many of which are beyond our control. We may never be able to generate sufficient revenue to achieve or sustain net income.

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

We believe that our future success will depend in large part on the growth, if any, of the market for transaction-based marketing solutions. 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 in which we participate 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 transaction-based marketing and analytics 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 or our own FI partners that have introduced, or may in the future introduce, competitive solutions. While we may successfully partner with a wide range of companies that are only moderately competitive to us, these companies may become more competitive to us in the future. As we introduce new solutions, as our existing solutions evolve and as other companies introduce new products and solutions, we are likely to face additional competition.

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

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

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

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

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

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

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

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

- changes in browser or device functionality and settings, and other new technologies, which impact our partners' ability to collect and/or share data about their customers; and
- changes in international laws, rules, regulations and industry standards or increased enforcement of international laws, rules, regulations, and industry standards.

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

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

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

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

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

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

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

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

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

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

As of December 31, 2024, we had 454 full-time employees. We may further expand our overall headcount and operations, with no assurance that we will be able to do so while effectively maintaining our corporate culture. We believe our corporate culture is one of our fundamental strengths as it enables us to attract and retain top talent and deliver superior results for our customers. As we grow, change and integrate acquired businesses and their employees, we may find it difficult to preserve our corporate culture, which could reduce our ability to innovate and operate effectively. In turn, the failure to preserve our culture could negatively affect our ability to attract, recruit, integrate and retain employees, continue to perform at current levels and effectively execute our business strategy. Additionally, available share count, at current market price, may limit our ability to attract and retain key talent as a part of our equity compensation.

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

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

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

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

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

During 2024 and 2023, we derived 8.7% and 5.8%, respectively, of our revenue from outside the U.S. While substantially all of our operations are located in the U.S., we have an office in the U.K. and may continue to expand our international operations as part of our growth strategy. Our ability to convince marketers to expand their use of our solutions or renew their agreements with us is directly correlated to our direct engagement with such marketers or their agencies. To the extent that we are unable to engage with non-U.S. marketers and agencies effectively with our limited sales force capacity, we may be unable to grow sales to existing marketers to the same degree we have experienced in the U.S.

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

- localization of our solutions, including adaptation for local practices;
- increased management, travel, infrastructure and legal and compliance costs associated with having international operations;

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

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

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

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

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

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

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

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

Our net operating loss ("NOL") carry-forwards could expire unused and be unavailable to offset future tax liabilities because of their limited duration or because of restrictions under U.S. tax law. As of December 31, 2024 and December 31, 2023, we had U.S. federal and state NOLs of $900.7 million and $896.0 million, respectively. Our federal NOLs generated in tax years beginning before January 1, 2018, are only permitted to be carried forward for 20 years under applicable U.S. tax law. Our federal NOLs generated in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal NOL carry-forwards is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to federal law.

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

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

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

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

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

- an acquisition may negatively affect our business, financial condition, operating results or cash flows because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- an acquisition, whether or not consummated, may disrupt our ongoing business, divert resources, increase our expenses and distract our management;
- an acquisition may result in a delay or reduction of purchases for both us and the company that we acquired due to uncertainty about continuity and effectiveness of solution from either company;

- we may encounter difficulties in, or may be unable to, successfully sell any acquired products or solutions;
- an acquisition may involve the entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions;
- challenges inherent in effectively managing an increased number of employees in diverse locations;
- potential strain on our financial and managerial controls and reporting systems and procedures;
- potential known and unknown liabilities associated with an acquired company;
- our use of cash to pay for acquisitions would limit other potential uses for our cash;
- if we incur debt to fund such acquisitions, such debt may subject us to material restrictions on our ability to conduct our business as well as financial maintenance covenants;
- the risk of impairment charges related to potential write-downs of acquired assets or goodwill in future acquisitions; and
- to the extent that we issue a significant amount of equity or convertible debt securities in connection with future acquisitions, existing stockholders may be diluted and earnings (loss) per share may decrease (increase).

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

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

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

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

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

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

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

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

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

Bringing new FI partners into our network, or changes made by our existing FI partners, may impede our ability to accurately forecast the performance of our network.

Bringing new FI partners into our network, or changes made by our existing FI partners, 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 or changes made by an existing FI partner is uncertain and difficult to predict. Additionally, our understanding of the impact of any given FI partner is subject to change at any time, as such understanding can be impacted by factors such as changes to an FI partner's business strategy, changes to an FI partner's user interface, or changes in the behavior or makeup of an FI partner's consumer base.

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

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

Risks Related to our Indebtedness

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

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

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

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

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

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

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

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

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

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

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

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

Risks Related to Regulatory and Intellectual Property Matters

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

In the ordinary course of business, we collect, receive, store, process, use, generate, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share personal data and other sensitive information including proprietary and confidential business data, trade secrets, and intellectual property ("process" or "processing") necessary to operate our business, for legal and marketing purposes, and for other business-related purposes. We, our FI partners, our marketers and other third parties with whom we work 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 are or 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. federal and state legislatures that contain provisions that would regulate how companies can use various tracking technologies to collect and utilize user information. Additionally, new legislation proposed or enacted in various states will continue to shape the data privacy environment nationally.

The California Consumer Privacy Act ("CCPA") is an example of the trend towards increasingly comprehensive privacy legislation being introduced in the U.S. The CCPA gives California residents expanded rights to request access to and deletion of their personal data, opt out of certain personal data sharing, and receive detailed information about how their personal data is used. The CCPA also increases the data privacy and security obligations on entities handling personal data, which is broadly defined under the law. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches, and includes statutorily defined damages for 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") significantly modifies the CCPA, including by expanding consumers' rights with respect to certain sensitive personal data. The CPRA also created a new state agency that is vested with authority to implement and enforce the CCPA and the CPRA.

In the past few years, numerous states have also passed comprehensive privacy laws that impose certain obligations on covered businesses, including requiring covered businesses to provide specific disclosures in privacy notices and to afford residents with certain rights concerning their personal data. Similar laws are being considered in several other states, as well as at the federal and local levels. These developments may further complicate compliance efforts, and may increase legal risk and compliance costs for us and the third parties with whom we work.

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

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

Furthermore, our business relies on the acquisition and sale of personal data, including data obtained from third-party data suppliers. The acquisition and sale of personal data from or to third parties has become subject to increased regulatory scrutiny. For example, California's Delete Act requires the CPPA to establish, by January 1, 2026, a mechanism to allow California consumers to submit a single, verifiable request to delete all of their personal information held by all registered data brokers and their service providers. Moreover, third-party data suppliers have recently been subject to increased litigation under various claims of violating certain state privacy laws. Obtaining and selling personal data from third parties carries risk to us. These challenges may make it so difficult for us and our suppliers to provide the data and the costs associated with the data materially increase or may materially decrease the availability of data that we or our data suppliers can provide.

Our employees and personnel 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, white papers and other statements, such as statements related to compliance with certain certifications or self-regulatory principles concerning data privacy and security. Regulators in the U.S. are increasingly scrutinizing these statements, and 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.

Our business is materially reliant on revenue from behavioral, interest-based, or tailored advertising (collectively, "targeted advertising"), but delivering targeted advertisements is becoming increasingly difficult due to changes to our ability to gather information about user behavior through third-party platforms, new laws and regulations, and consumer resistance. Major technology platforms on which we rely to gather information about consumers have adopted or proposed measures to provide consumers with additional control over the collection, use, and sharing of their personal data for targeted advertising purposes. In addition, legislative proposals and present laws and regulations regulate the use of cookies and other tracking technologies, electronic communications, and marketing. Partially as a result of these developments, individuals are becoming increasingly resistant to the collection, use, and sharing of personal data to deliver targeted advertising. Individuals are now more aware of options related to consent, "do not track" mechanisms (such as browser signals from the Global Privacy Control), and "ad-blocking" software to prevent the collection of their personal data for targeted advertising purposes. As a result, we may be required to change the way we market our products, and any of these developments or changes could materially impair our ability to reach new or existing customers or otherwise negatively affect our operations.

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

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

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

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

As of the date of filing, we had seventeen 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 in the process of attempting to register, the "Cardlytics," "Dosh," "Bridg" and "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 software and other software available on commercially reasonable terms. We cannot assure you that such third parties will maintain such software or continue to make it available.

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

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

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

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

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

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

An adverse outcome of a dispute may require us to:

- pay substantial damages, including treble damages, if we are found to have willfully infringed a third party's patents or copyrights;
- cease developing or selling solutions that rely on technology that is alleged to infringe or misappropriate the intellectual property of others;

- expend additional development resources to attempt to redesign our solutions or otherwise develop non-infringing technology, which may not be successful;
- enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies or intellectual property rights; and
- indemnify our partners and other third parties.

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

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

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

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

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

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

Risks Related to Ownership of Our Common Stock

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

The market price of our common stock may be highly volatile and may fluctuate substantially as a result of a variety of factors, some of which are related in complex ways. Since shares of our common stock were sold in our initial public offering in February 2018 at a price of $13.00 per share, our stock price has ranged from an intraday low of $1.77 to an intraday high of $161.47 through March 12, 2025. Factors that may affect the market price of our common stock include:

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

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

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

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

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

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

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

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

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

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

General Risk Factors

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

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

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

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

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

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

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

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

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

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

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

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

Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expenses, hinder the execution of our business and growth strategy and impact the price of our common stock. We have been the subject of a putative securities class action lawsuit and stockholder activism in the past and may again in the future.

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 personal data 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 designed 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 threats reported to us, logging and monitoring our IT environment, conducting threat assessments for internal and external threats, conducting vulnerability assessments to identify vulnerabilities and conducting tabletop incident response exercises.

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 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, 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, requiring their completion of written 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 with whom we work, 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, 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 participate 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 17,000 square feet. Our lease expires in January 1, 2032, and we have the option to renew for an additional five-year period. We have additional offices in New York, NY; Menlo Park, CA; Los Angeles, CA; 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.

On January 22, 2025, a putative securities class action lawsuit was filed against Cardlytics and certain of its current and former officers in the U.S. District Court for the Northern District of Georgia, captioned Froess v. Cardlytics, Inc., Case No. 1:25-cv-00279-MHC. The complaint, brought on behalf of a putative class of all persons who purchased our securities between March 14, 2024 and August 7, 2024, alleged that defendants violated Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder.

On February 13, 2025, we filed a motion to dismiss the complaint. Subsequently, on March 7, 2025, the plaintiff voluntarily dismissed the action without prejudice pursuant to Rule 41(a)(1)(A)(i) of the Federal Rules of Civil Procedure. Because the dismissal is without prejudice, the plaintiff reserves the right to refile similar claims in the future.

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.

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."

Holders of Record

As of February 28, 2025, there were approximately 109 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.

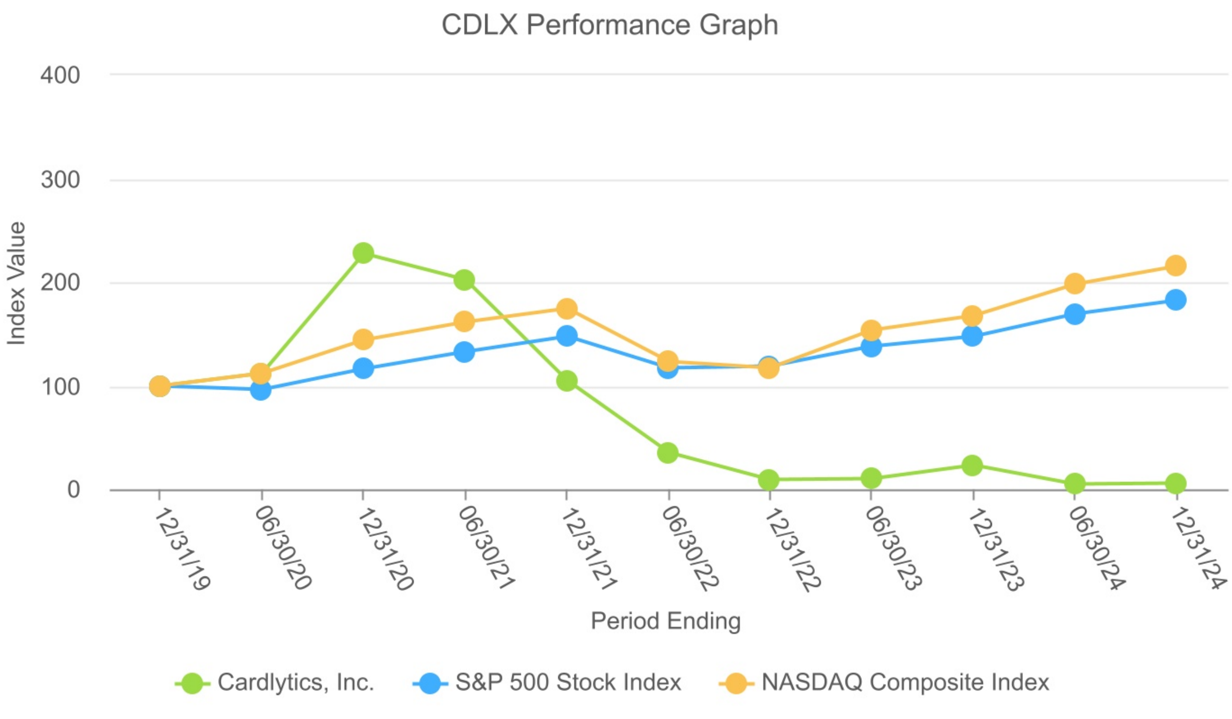
Issuer Purchases of Equity Securities

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 December 31, 2019 through December 31, 2024. 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 the closing price on December 31, 2019 of $62.86 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.



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" and "Special Note Regarding Forward-Looking 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

We operate a commerce media platform that is designed to make commerce smarter and rewarding for everyone. At the core of our commerce media platform is the financial media network that we run within our partners' digital channels, which includes online and mobile applications (the "Cardlytics platform"). Additionally we operate an identity resolution platform that utilizes point-of-sale ("POS") data, including product-level purchase data, to enable advertisers to perform analytics and targeted loyalty marketing and also measure the impact of their marketing (the "Bridg platform"). The partners for the Cardlytics platform are predominantly financial institutions ("FI partners") that provide us with access to their anonymized purchase data and digital banking customers. The partners for the Bridg platform are predominantly merchants ("merchant data partners") that provide us with access to their POS data, including product-level purchase data. By applying advanced analytics to the purchase data we receive, we make it actionable, helping marketers reach potential buyers at scale and measure the true sales impact of their marketing spend. We have strong relationships with leading marketers across a variety of industries, including everyday spend, specialty retail, restaurant, travel and entertainment.

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

We pay certain partners a negotiated and fixed percentage of our Billings to advertisers less any Consumer Incentives that we pay to consumers 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 advertisers.

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 platform by making their customers more highly engaged with our platforms. However, these investments negatively impact our GAAP Revenue, which is reported net of Consumer Incentives.

Non-GAAP Measures and Other Performance Metrics

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

Key Performance Metrics

	Year Ended December 31,		
in thousands except per user amounts	**2024**	**2023**	**2022**
Cardlytics MAUs	166,943	162,148	154,550
Cardlytics ARPU	$ 1.67	$ 1.91	$ 1.93

Cardlytics Monthly Active Users ("MAUs")

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

	Year Ended December 31,		Change		Year Ended December 31,		Change	
in thousands	**2024**	**2023**	**#**	**%**	**2023**	**2022**	**#**	**%**
Cardlytics MAUs	166,943	162,148	4,795	3	162,148	154,550	7,598	5

Cardlytics MAUs increased by 4.8 million during 2024 compared to 2023, primarily driven by organic growth of the existing FI partners in the U.K. and U.S. and a new FI Partner in the U.K.

Cardlytics MAUs increased by 7.6 million during 2023 compared to 2022, primarily driven by organic growth of the existing FI partners in the U.K. and U.S. and a new FI Partner in the U.K.

Cardlytics Average Revenue per User ("ARPU")

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

	Year Ended December 31,		Change		Year Ended December 31,		Change	
	2024	**2023**	**$**	**%**	**2023**	**2022**	**$**	**%**
Cardlytics ARPU	$ 1.67	$ 1.91	(0.24)	(13)	$ 1.91	$ 1.93	(0.02)	(1)

Cardlytics ARPU decreased by $0.24 during 2024 compared to 2023 as a result of a $21.3 million increase in Consumer Incentives due to changes to our targeting and ranking system that led to higher engagement.

Cardlytics ARPU decreased by $0.02 during 2023 compared to 2022 as a result of a $0.3 million increase in Consumer Incentives due to changes to our targeting and ranking system that led to higher engagement.

Non-GAAP Metrics

in thousands	Year Ended December 31, 2024	2023	2022
Revenue	$ 278,298	$ 309,204	$ 298,542
Billings	$ 443,840	$ 453,426	$ 442,477
Gross Profit	$ 120,894	$ 130,378	$ 112,632
Adjusted Contribution	$ 150,537	$ 158,626	$ 143,035
Net Loss	$ (189,304)	$ (134,702)	$ (465,264)
Adjusted EBITDA	$ 2,523	$ 3,771	$ (45,169)
Adjusted Net Loss	$ (18,909)	$ (11,436)	$ (60,250)
Net cash used in operating activities	$ (8,824)	$ (185)	$ (53,904)
Free Cash Flow	$ (28,122)	$ (12,577)	$ (67,390)

Definitions of Non-GAAP Measures

Billings

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

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

Adjusted Contribution

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

We use Adjusted Contribution extensively to measure the efficiency of our advertising platform, make decisions to manage advertising campaigns and evaluate our operational performance. We view Adjusted Contribution as an important operating measure of our financial results. We believe that Adjusted Contribution provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management and Board of Directors. Adjusted Contribution should not be considered in isolation from, or as an alternative to, measures prepared in accordance with GAAP. Adjusted Contribution should be considered together with other operating and financial performance measures presented in accordance with GAAP. Also, Adjusted Contribution may not necessarily be comparable to similarly titled measures presented by other companies. Refer to Note 15—Segments to our consolidated financial statements for further details on our Adjusted Contribution by segment.

Adjusted EBITDA

Adjusted EBITDA represents our Net Loss before interest expense, net; depreciation and amortization; stock-based compensation expense; foreign currency loss (gain); gain on debt extinguishment; acquisition, integration and divestiture costs (benefits); change in contingent consideration; impairment of goodwill and intangible assets, loss on divestiture; restructuring and reduction of force; income tax benefit and, in applicable periods, certain other income and expense items, such as deferred implementation costs. We do not consider these excluded items to be indicative of our core operating performance. Of these items depreciation and amortization expense, stock-based compensation expense, gain on debt extinguishment, impairment of goodwill and intangible assets and foreign currency loss (gain) are non-cash impacting. Notably, any impacts related to minimum Partner Share commitments in connection with agreements with certain partners are not added back to net loss in order to calculate Adjusted EBITDA.

Adjusted EBITDA is a key measure used by management to understand and evaluate our core operating performance and trends and to generate future operating plans, make strategic decisions regarding the allocation of capital and invest in initiatives that are focused on cultivating new markets for our solution. In particular, the exclusion of certain expenses in calculating adjusted EBITDA facilitates comparisons of our operating performance on a period-to-period basis. Adjusted EBITDA is not a measure calculated in accordance with GAAP.

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

Adjusted Net Loss

We define Adjusted Net Loss as our Net Loss before stock-based compensation expense; foreign currency loss (gain); acquisition, integration and divestiture costs (benefits); amortization of acquired intangibles; change in contingent consideration; impairment of goodwill and intangible assets; gain on debt extinguishment; loss on divestiture; restructuring and reduction of force; and income tax benefit, in applicable periods, certain other income and expense items. 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 used in operating activities, plus acquisition of property and equipment, capitalized software development costs and acquisition of patents. We believe free cash flow is useful to measure the funds generated in a given period that are available for distribution or to sustain the business. We believe this supplemental information enhances stockholders' ability to evaluate our performance.

Results of Non-GAAP Measures

Billings

	Year Ended December 31,		Change		Year Ended December 31,		Change	
in thousands	**2024**	**2023**	**$**	**%**	**2023**	**2022**	**$**	**%**
Billings	$ 443,840	$ 453,426	(9,586)	(2)	$ 453,426	$ 442,477	10,949	2

Billings decreased by $9.6 million during 2024 compared to 2023, primarily driven by an increase of $45.7 million in sales to new marketers, offset by a $55.3 million net decrease in sales to existing marketers.

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 decrease in sales to existing marketers.

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

	Year Ended December 31,		
	2024	2023	2022
Consolidated			
Revenue	$ 278,298	$ 309,204	$ 298,542
Plus:			
Consumer Incentives	165,542	144,222	143,935
Billings	$ 443,840	$ 453,426	$ 442,477
Cardlytics platform			
Revenue	$ 255,615	$ 285,425	$ 277,185
Plus:			
Consumer Incentives	165,542	144,222	143,935
Billings	$ 421,157	$ 429,647	$ 421,120
Bridg platform			
Revenue	$ 22,683	$ 23,779	$ 21,357
Plus:			
Consumer Incentives	—	—	—
Billings	$ 22,683	$ 23,779	$ 21,357

Adjusted Contribution

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

	Year Ended December 31,		
	2024	2023	2022
Revenue	$ 278,298	$ 309,204	$ 298,542
Minus:			
Partner Share and other third-party costs	127,761	150,578	155,507
Delivery costs[(1)]	29,643	28,248	30,403
Gross Profit	120,894	130,378	112,632
Plus:			
Delivery costs[(1)]	29,643	28,248	30,403
Adjusted Contribution	$ 150,537	$ 158,626	$ 143,035

(1) Stock-based compensation expense recognized in delivery costs totaled $2.7 million, $2.4 million and $2.7 million during 2024, 2023 and 2022, respectively.

Adjusted EBITDA

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

	Year Ended December 31,		
	2024	2023	2022
Net Loss	$ (189,304)	$ (134,702)	$ (465,264)
Plus:			
Interest expense, net	5,553	2,336	2,556
Depreciation and amortization	25,689	26,460	37,544
Stock-based compensation expense	40,367	40,980	44,686
Acquisition, integration and divestiture costs (benefits)	161	(6,313)	(2,874)
Change in contingent consideration	210	1,246	(128,174)
Foreign currency loss (gain)	1,269	(3,304)	6,376
Impairment of goodwill and intangible assets	131,595	70,518	453,288
Gain on debt extinguishment	(13,017)	—	—
Loss on divestiture	—	6,550	—
Restructuring and reduction of force	—	—	8,139
Income tax benefit	—	—	(1,446)
Adjusted EBITDA	$ 2,523	$ 3,771	$ (45,169)

Adjusted Net Loss

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

	Year Ended December 31,		
	2024	2023	2022
Net Loss	$ (189,304)	$ (134,702)	$ (465,264)
Plus:			
Stock-based compensation expense	40,367	40,980	44,686
Foreign currency loss (gain)	1,269	(3,304)	6,376
Acquisition, integration and divestiture costs (benefits)	161	(6,313)	(2,874)
Amortization of acquired intangibles	9,810	13,589	25,019
Change in contingent consideration	210	1,246	(128,174)
Impairment of goodwill and intangible assets	131,595	70,518	453,288
Gain on debt extinguishment	(13,017)	—	—
Loss on divestiture	—	6,550	—
Restructuring and reduction of force	—	—	8,139
Income tax benefit	—	—	(1,446)
Adjusted Net Loss	$ (18,909)	$ (11,436)	$ (60,250)
Weighted-average number of shares of common stock used in computing Adjusted net loss per share:			
Weighted-average common shares outstanding, diluted	48,361	36,488	33,419
Adjusted Net Loss per share, diluted	$ (0.39)	$ (0.31)	$ (1.80)

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,		
	2024	2023	2022
Net cash used in operating activities	$ (8,824)	$ (185)	$ (53,904)
Plus:			
Acquisition of property and equipment	(1,562)	(667)	(1,171)
Acquisition of patents	—	—	(175)
Capitalized software development costs	(17,736)	(11,725)	(12,140)
Free Cash Flow	$ (28,122)	$ (12,577)	$ (67,390)

Components of Results of Operations

Revenue

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

Cost and Expense

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

Partner Share and Other Third-Party Costs

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

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, we expect our delivery costs will increase in absolute dollars and if such anticipated Revenue growth does not occur, our delivery costs as a percentage of Revenue will be adversely affected. Over time, we expect delivery costs will decline as a percentage of Revenue.

Sales and Marketing Expense

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

Research and Development Expense

Research and development expense consists primarily of personnel costs of our 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 decrease over time as a percentage of Revenue as we focus on processes, systems and controls to enable our internal support functions to scale with the growth of our business.

Acquisition, Integration and Divestiture Costs (Benefit)

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

Change in Contingent Consideration

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

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.

Gain on Debt Extinguishment

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

Results of Operations

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

	Year Ended December 31,		
	2024	2023	2022
Revenue	$ 278,298	$ 309,204	$ 298,542
Costs and expenses:			
Partner Share and other third-party costs	127,761	150,578	155,507
Delivery costs	29,643	28,248	30,403
Sales and marketing expense	52,649	57,425	74,745
Research and development expense	49,607	51,352	54,435
General and administrative expense	56,482	58,810	81,446
Acquisition, integration and divestiture costs (benefits)	161	(6,313)	(2,874)
Change in contingent consideration	210	1,246	(128,174)
Impairment of goodwill and intangible assets	131,595	70,518	453,288
Loss on divestiture	—	6,550	—
Depreciation and amortization expense	25,689	26,460	37,544
Total costs and expenses	473,797	444,874	756,320
Operating loss	(195,499)	(135,670)	(457,778)
Other income (expense):			
Interest expense, net	(5,553)	(2,336)	(2,556)
Foreign currency (loss) gain	(1,269)	3,304	(6,376)
Gain on debt extinguishment	13,017	—	—
Total other income (expense)	6,195	968	(8,932)
Loss before income taxes	(189,304)	(134,702)	(466,710)
Income tax benefit	—	—	1,446
Net Loss	(189,304)	(134,702)	(465,264)
Net loss per share, basic and diluted	$ (3.91)	$ (3.69)	$ (13.92)
Weighted-average common shares outstanding, basic and diluted	48,361	36,488	33,419

Comparison of Years Ended December 31, 2024 and 2023

In this section, we discuss the results of our operations for the year ended December 31, 2024 compared to the year ended December 31, 2023. For a discussion of the year ended December 31, 2023 compared to the year ended December 31, 2022, 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 for the year ended December 31, 2023.

Revenue

	Year Ended December 31,		Change	
in thousands	2024	2023	$	%
Billings	$ 443,840	$ 453,426	$ (9,586)	(2)%
Consumer Incentives	165,542	144,222	21,320	15
Revenue	$ 278,298	$ 309,204	$ (30,906)	(10)%
% of Billings	63 %	68 %		

The $30.9 million decrease in Revenue during 2024 compared to 2023 was comprised of a $9.6 million decrease in Billings and a $21.3 million increase in Consumer Incentives. In 2024, Consumer Incentives grew faster than Billings, due to higher engagement and a one-time $2.2 million rewards benefit that we realized in 2023.

Costs and Expenses

Partner Share and Other Third-Party Costs

	Year Ended December 31,		Change	
in thousands	2024	2023	$	%
Total Partner Share and other third-party costs	$ 127,761	$ 150,578	$ (22,817)	(15)%
% of Revenue	46 %	49 %		

Partner Share and other third-party costs decreased by $22.8 million during 2024 compared to 2023, partially due to a decrease of $1.3 million from a Partner Share commitment shortfall accrual in 2023 that did not reoccur in 2024. Excluding this shortfall commitment, the balance in Partner Share and other third-party costs decreased by $21.5 million. The decrease is primarily driven by lower top line billings, a renegotiation of terms with a certain FI Partner and changes in Partner Share mix.

Delivery Costs

	Year Ended December 31,		Change	
in thousands	2024	2023	$	%
Delivery costs excluding stock-based compensation expense	$ 26,963	$ 25,821	$ 1,142	4 %
Plus:				
Stock-based compensation expense	2,680	2,427	253	10
Total delivery costs	$ 29,643	$ 28,248	$ 1,395	5 %
% of Revenue	11 %	9 %		

Total delivery costs increased by $1.4 million during 2024 compared to 2023. Delivery costs excluding stock-based compensation increased by $1.1 million during 2024 compared to 2023, driven by a $2.3 million increase in data storage, partially offset by $0.5 million reduction in desktop software licenses, a $0.5 million reduction in data center expenses, and a $0.2 million reduction in staff expense.

Sales and Marketing Expense

	Year Ended December 31,		Change	
in thousands	2024	2023	$	%
Sales and marketing expense excluding stock-based compensation expense	$ 42,632	$ 44,801	$ (2,169)	(5)%
Plus:				
Stock-based compensation expense	10,017	12,624	(2,607)	(21)
Total sales and marketing expense	$ 52,649	$ 57,425	$ (4,776)	(8)%
% of Revenue	19 %	19 %		

Total sales and marketing expenses decreased by $4.8 million during 2024 compared to 2023. Sales and marketing expenses excluding stock-based compensation decreased by $2.2 million during 2024 compared to 2023 primarily due to a $2.2 million decrease in staff expenses, mostly related to the divestiture of entertainment in December 2023, a $0.3 million decrease in training, dues and subscriptions expenses, and a $0.3 million decrease in travel and entertainment, partially offset by a $0.5 million increase in marketing events and a $0.1 million increase in software licenses.

Research and Development Expense

in thousands	Year Ended December 31, 2024	2023	Change $	%
Research and development expense excluding stock-based compensation expense	$ 34,650	$ 34,960	$ (310)	(1)%
Plus:				
Stock-based compensation expense	14,957	16,392	(1,435)	(9)
Total research and development expense	$ 49,607	$ 51,352	$ (1,745)	(3)%
% of Revenue	18 %	17 %		

Total research and development expenses decreased $1.7 million in 2024 compared to 2023. Research and development expenses excluding stock-based compensation decreased by $0.3 million during 2024 compared to 2023, primarily due to a $0.8 million decrease in professional fees, a $0.3 million decrease in administrative expenses, and a $0.2 million decrease in staff expenses partially offset by a $1.0 million increase in data storage and data center expense.

General and Administrative Expense

in thousands	Year Ended December 31, 2024	2023	Change $	%
General and administrative expense excluding stock-based compensation expense	$ 43,769	$ 49,273	$ (5,504)	(11)%
Plus:				
Stock-based compensation expense	12,713	9,537	3,176	33
Total general and administrative expense	$ 56,482	$ 58,810	$ (2,328)	(4)%
% of Revenue	20 %	19 %		

Total general and administrative expenses decreased by $2.3 million during 2024 compared to 2023. General and administrative expense excluding stock-based compensation decreased by $5.5 million during 2024 compared to 2023, primarily due to a $4.0 million decrease in software licenses and data storage related to our transition to the cloud and the divestiture of Entertainment, a $3.8 million decrease in professional fees, a $1.2 million decrease in staff expenses and a $1.2 million decrease in lease expenses, partially offset by a $4.3 million increase in bad debt and a $0.4 million increase in travel and entertainment expense.

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, 2024	2023	Change $	%
Delivery costs	$ 2,680	$ 2,427	$ 253	10 %
Sales and marketing expense	10,017	12,624	(2,607)	(21)
Research and development expense	14,957	16,392	(1,435)	(9)
General and administrative expense	12,713	9,537	3,176	33
Total stock-based compensation expense	$ 40,367	$ 40,980	$ (613)	(1)%
% of Revenue	15 %	13 %		

Stock-based compensation expense decreased by $0.6 million during 2024 compared to 2023. In 2024, we reversed the expense associated with the 2022 PSUs, the second tranche of the 2022 Bridg PSUs, and the restricted share awards related to the departure of a key executive. In 2024, we also granted restricted share awards to a key executive. In 2023, we reversed the expense associated with the 2021 PSUs and restricted share awards related to certain executive departures. 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, 2024	2023	Change $	%
Acquisition, integration and divestiture (benefits)	$ 161	(6,313)	$ 6,474	(103)%
% of Revenue	— %	(2)%		

During 2024, we recognized a $0.1 million expense associated with the net working capital adjustment related to the divestiture of Entertainment. During 2023, we 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 due to the divestiture of Entertainment. Refer to Note 4—Business Combinations to our consolidated financial statements for additional information regarding these acquisitions.

Change in contingent consideration

in thousands	Year Ended December 31, 2024	2023	Change $	%
Change in contingent consideration	$ 210	$ 1,246	$ (1,036)	(83)%
% of Revenue	— %	— %		

During 2024, the change in contingent consideration was a $0.2 million expense as a result of the $6.1 million loss related to the change of contingent consideration to the former Bridg shareholders, almost entirely offset by the $5.9 million gain we recognized due to the Settlement Agreement. During 2023 we realized a $1.2 million expense primarily due to the change in contingent consideration to the former Bridg shareholders. Refer to Note 12—Fair Value Measurements to our consolidated financial statements for additional information regarding the contingent consideration.

Impairment of goodwill and intangible assets

in thousands	Year Ended December 31, 2024	2023	Change $	%
Impairment of goodwill and intangible assets	$ 131,595	$ 70,518	$ 61,077	87 %
% of Revenue	47 %	23 %		

During 2024, we recognized $131.6 million of impairment of goodwill and intangible assets related to the Bridg platform. During 2023, we recognized $70.5 million of impairment of goodwill and intangible assets related to the Bridg platform. The impairment of goodwill and intangible assets resulted from a continued slowdown in the economy, decreased consumer spend, and a sustained decline in our stock price. Refer to Note 5—Goodwill and Acquired Intangibles to our consolidated financial statements for additional information regarding the goodwill impairment.

Loss on divestiture

in thousands	Year Ended December 31, 2024	2023	Change $	%
Loss on divestiture	$ —	$ 6,550	$ (6,550)	n/a
% of Revenue	— %	2 %		

On December 7, 2023 we sold and transferred substantially all of the assets of HSP EPI Acquisition, LLC ("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 consolidated financial statements for additional information regarding the loss on divestiture.

Depreciation and Amortization Expense

	Year Ended December 31,		Change	
in thousands	**2024**	**2023**	**$**	**%**
Depreciation and amortization expense	$ 25,689	$ 26,460	$ (771)	(3)%
% of Revenue	9 %	9 %		

Depreciation and amortization expense decreased by $0.8 million during 2024 compared to 2023, primarily due to a decrease in fixed assets.

Interest Expense, Net

	Year Ended December 31,		Change	
in thousands	**2024**	**2023**	**$**	**%**
Interest expense	$ (8,901)	$ (6,189)	$ (2,712)	44 %
Interest income	3,350	3,847	(497)	(13)
Interest expense, net	$ (5,553)	$ (2,336)	$ (3,217)	138 %
% of Revenue	(2)%	(1)%		

Interest expense, net increased by $3.2 million during 2024 compared to 2023 primarily due to an increase in our interest expense related to our 2024 Convertible Senior Notes, partially offset by repayment of our 2018 Line of Credit. Refer to Note 9—Debt and Financing Arrangements to our consolidated financial statements for additional information regarding the 2024 Convertible Senior Notes.

Foreign Currency (Loss) Gain

	Year Ended December 31,		Change	
in thousands	**2024**	**2023**	**$**	**%**
Foreign currency (loss) gain	$ (1,269)	$ 3,304	$ (4,573)	(138)%
% of Revenue	— %	1 %		

Foreign currency loss was $1.3 million during 2024 compared to a gain of $3.3 million during 2023, primarily due to the change in the value of the British pound relative to the U.S. dollar.

Gain on Debt Extinguishment

	Year Ended December 31,		Change	
in thousands	**2024**	**2023**	**$**	**%**
Gain on debt extinguishment	$ 13,017	$ —	$ 13,017	n/a
% of Revenue	5 %	— %		

Gain on debt extinguishment was $13.0 million during 2024 compared to zero during 2023, due to the aggregated payment towards the 2020 Convertible Senior Notes in April 2024. Refer to Note 9—Debt and Financing Arrangements to our consolidated financial statements for additional information regarding the 2020 Convertible Senior Notes.

Liquidity and Capital Resources

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

	December 31,	
	2024	2023
Cash and cash equivalents	$ 65,594	$ 91,830
Working capital[(1)]	29,028	52,779
Accounts receivable and contract assets, net	103,252	120,622
Unused available borrowings[(2)]	60,000	16,688

(1) We define working capital as current assets less current liabilities. See our consolidated financial statements for further details regarding our current assets and current liabilities.
(2) As part of our amended and restated Loan and Security Agreement, we are required to maintain a minimum unrestricted cash of $25.0 million in demand deposit accounts.

Our cash and cash equivalents are available for working capital purposes. We do not enter into investments for trading purposes, and our investment policy is to invest any excess cash in short-term, highly liquid investments that limit the risk of principal loss. Currently, a significant portion of our cash and cash equivalents are held in fully FDIC-insured money market accounts, demand deposit accounts and U.S. Treasury Bills. As of December 31, 2024, our money market account and our U.S. Treasury Bills had earned approximately 4.3% and 4.5% annual rate of interest, respectively. As of December 31, 2024, we had $4.1 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 our operations in the U.K. is not considered indefinitely invested, we do not have any current plans to repatriate these funds.

Through December 31, 2024, we have incurred accumulated net losses of $1,300.6 million since inception, including net losses of $189.3 million, $134.7 million and $465.3 million during 2024, 2023 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.

Sources of Material Cash Requirements

2020 Convertible Senior Notes

On September 22, 2020, we issued convertible senior notes with an aggregate principal amount of $230.0 million bearing an interest rate of 1.00% due on September 15, 2025 (the "2020 Convertible Senior Notes"), including the exercise in full of the initial purchasers' option to purchase up to an additional $30.0 million principal amount of the 2020 Convertible Senior Notes. The 2020 Convertible Senior Notes were issued pursuant to an indenture, dated September 22, 2020 between us and U.S. Bank National Association, as trustee. The net proceeds from this offering were $222.7 million, after deducting the initial purchasers' discounts and commissions and the offering expenses payable by us. We used $26.5 million of the net proceeds to pay the cost of the capped call transactions. Refer to Note 9—Debt and Financing Arrangements to our consolidated financial statements for additional information regarding the contingent consideration.

On April 1, 2024, we partially paid down the 2020 Convertible Senior Notes at prices below par and issued the 2024 Convertible Senior Notes (as defined below) with an aggregate principal amount of $172.5 million bearing an interest rate of 4.25% due on April 1, 2029 as described below. The remaining portion not paid down on the 2020 Convertible Senior Notes are due on September 15, 2025.

Other Commitments

In January 2024, we renewed our cloud hosting arrangement guaranteeing an aggregated spend of $17.0 million each year over a 36-month period. As of December 31, 2024 we have paid $19.4 million towards our cloud hosting arrangement guarantee.

Sources of Funds

Equity Distribution Agreement

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

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

2024 Convertible Senior Notes

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

2018 Loan Facility

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, 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 2020 Convertible Senior 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 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, 2024, we could extend the maturity date of the loan to April 29, 2025. Additionally with this amendment, the former cash covenant, as described below, was removed and was replaced with a requirement to maintain a minimum level of Adjusted Contribution and a minimum adjusted cash of $25.0 million, which is reduced by eligible accounts receivable in excess of the loan capacity. On November 29, 2022, we amended our 2018 Loan Facility to modify the eligible account receivable to exclude U.K. accounts, reduce the ability to borrow up to 85% of the amount of our eligible accounts receivable to 50% and adjusted the required minimum level of Adjusted Contribution. On February 16, 2023, we amended our 2018 Loan Facility to remove and replace the former Adjusted Contribution covenant with a requirement to maintain a minimum level of Adjusted EBITDA. On May 3, 2023, we amended our 2018 Loan Facility to modify the covenants related to the maximum amount of cash we are allowed to pay for the First Anniversary Payment Amount and Second Anniversary Payment Amount under the Merger Agreement. On February 9, 2024, we amended our 2018 Loan Facility to increase the ability to borrow up to 75% of the amount of our eligible accounts receivable, adjusted the required minimum level of Adjusted EBITDA and increased the interest rate to the prime rate plus 0.25%. We also confirmed the extension of the maturity date of the loan to April 29, 2025 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, dispositions of assets, incurrence of indebtedness, encumbrances on our assets and the payment or declaration of dividends, in each case subject to specified exceptions.

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

In April 2024, we repaid in full $30.0 million of the principal balance of the 2018 Line of Credit. Interest on advances under the 2018 Line of Credit bore an interest rate equal to the prime rate plus 0.25%. In addition, we were required to pay an unused line fee of 0.15% per annum on the average daily unused amount of the revolving commitment.

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

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

During the year ended December 31, 2024, we incurred $0.7 million of interest expense associated with the 2018 Loan Facility. As of December 31, 2024, we had $60.0 million of unused available borrowings under our 2018 Line of Credit. We believe we are in compliance with all financial covenants as of December 31, 2024.

Uses of Funds

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

Our operating cash flows also vary from quarter to quarter due to the seasonal nature of our marketers' advertising spending. Many marketers tend to devote a significant portion of their marketing budgets to the fourth quarter of the calendar year to coincide with consumer holiday spending and reduce marketing spend in the first quarter of the calendar year. Any lag between the timing of our 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.

Historical Cash Flows

In this section, we discuss the activity of our cash flows for the year ended December 31, 2024 and the year ended December 31, 2023. For a discussion of the year ended December 31, 2023, 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 for the year ended December 31, 2022.

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

	Year Ended December 31,	
	2024	**2023**
Cash, cash equivalents and restricted cash at beginning of period	$ 91,830	$ 121,985
Net cash used in operating activities	(8,824)	(185)
Net cash used in investing activities	(18,746)	(10,062)
Net cash provided by (used in) financing activities	1,444	(20,026)
Effect of exchange rates on cash, cash equivalents and restricted cash	(110)	118
Cash, cash equivalents and restricted cash at end of period	$ 65,594	$ 91,830

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 $8.8 million of cash in 2024, which reflected our net loss of $189.3 million, $196.3 million of which were non-cash charges, and a $15.8 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 contingent consideration, and credit loss expense. The change in our net operating assets and liabilities was primarily due to a $12.5 million increase in accounts receivable and contract assets, a $6.6 million decrease in other accrued expenses, and a $7.1 million decrease in our Consumer Incentive liability, partially offset by a $1.4 million decrease in prepaid expense and other assets and a $16.4 million increase in Partner Share liability.

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.

Investing Activities

Our cash flows used in investing activities are primarily driven by 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 $18.7 million and $10.1 million in 2024 and 2023, respectively. Our investing cash outflows during these periods primarily consisted of funds used for the purchases of technology hardware and costs to develop internal-use software. Additionally, in 2024 and 2023, we had cash inflows of $0.6 million and $2.3 million, respectively, related to proceeds from divestitures, net of cash divested. Refer to Note 4—Business Combinations to our consolidated financial statements for additional disclosures related to our acquisitions and divestitures.

Financing Activities

Our cash flows 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 provided $1.4 million in cash in 2024, which consisted of aggregated net proceeds of $166.8 million from issuance of our 2024 Convertible Senior Notes offering ($172.5 million gross proceeds from the issuance of the 2024 Convertible Senior Notes offset by $5.6 million in debt issuance costs) and $48.6 million proceeds from the issuance of common stock, partially offset by $199.3 million principal payment of debt ($169.3 million related to the repurchase of 2020 Convertible Senior Notes and $30.0 million related to pay down of the 2018 Line of Credit) and $14.2 million paid in cash related to the settlement agreement with the Stockholder Representative to resolve all outstanding disputes related to the Merger Agreement, inclusive of brokerage fees and transaction bonuses and accounting for all true-ups and credit.

Financing activities used $20.0 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.

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.

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.

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 estimated 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 assessed the triggering events criteria along with related conditions and developments as of September 30, 2024, and we concluded that we had a triggering event as a result of a sustained decline in our stock price during the three months ended September 30, 2024. We, therefore, performed a quantitative impairment test as of September 30, 2024, and determined that the carrying value of the Bridg platform exceeded its fair value. As such, we recognized a goodwill impairment of $117.8 million for the Bridg platform. We performed our annual goodwill impairment test in the fourth quarter of 2024 and concluded that there was no impairment associated with the Cardlytics platform in the U.S. As of December 31, 2024, there was no remaining goodwill associated with the Bridg platform.

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.

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 Cardlytics platform and Bridg platform. 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. Significant judgement includes deciding if a project is eligible for capitalization, determining whether the incurred costs are directly associated with the project, and evaluating the current stage of the project's development.

During 2024, 2023 and 2022, we capitalized development costs for improvements to our platforms, including our Ads Manager and Ad Server, totaling $22.9 million, $14.6 million and $12.8 million, respectively.

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 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.

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.

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 rates under the 2018 Line of Credit are variable. Interest on advances under the 2018 Line of Credit bears an interest rate of the prime rate of 8.50% plus 0.25%. In July 2024, we amended our 2018 Loan Facility, which decreased the interest rate to prime rate plus 0.125%. As of December 31, 2024, the prime rate was 8.50% and a 10% increase in the current prime rate would, for example, result in a $0.5 million annual increase in interest expense if the maximum amount under the 2018 Line of Credit was outstanding for an entire year. The interest rate on the 2020 Convertible Senior Notes is fixed at 1.00%. On April 1, 2024, we issued the 2024 Convertible Senior Notes bearing an interest rate of 4.25%. 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. We bear foreign currency risks related to the extent that any unfavorable fluctuation in the exchange rate between U.S. dollars and the British pound could result in an adverse impact to either revenue or expense. For example, if the average value of the British pound had been 10% lower relative to the U.S. dollar during 2024, 2023 and 2022, our revenue would have decreased by $2.4 million, 1.8 million and 2.3 million, respectively. The overall impact to net loss would be partially mitigated by decreases in operating expense of $1.8 million, $0.5 million and $1.1 million in 2024, 2023 and 2022, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CARDLYTICS, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, 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, 2024, 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 12, 2025, 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 are highly automated and are based on contractual terms with marketers, partners, 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 automated controls and those in place to reconcile the information from various systems to the Company’s general ledger.
- 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.

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 September 30, 2024. 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 the 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 September 30, 2024. As a result of the continued slowdown in the economy and decreased consumer spend, which resulted in further declines in the Company’s stock price, the Company recognized a goodwill impairment charge of $117.8 million for the Bridg platform reporting unit, as the fair value of the reporting unit was determined to be less than its carrying value. This eliminated all remaining Goodwill allocated to the Bridg platform. No impairment charge was recorded for the Cardlytics platform in the U.S. reporting unit. The consolidated goodwill balance was $159.4 million as of December 31, 2024, the entire balance of which was allocated to the Cardlytics platform in the U.S. reporting unit.

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 reporting units. 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 12, 2025

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

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

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 65,594	$ 91,830
Accounts receivable and contract assets, net	103,252	120,622
Other receivables	3,801	5,379
Prepaid expenses and other assets	5,336	6,097
Total current assets	177,983	223,928
Long-term assets:		
Property and equipment, net	2,596	3,323
Right-of-use assets under operating leases, net	6,341	7,310
Intangible assets, net	11,371	35,003
Goodwill	159,429	277,202
Capitalized software development costs, net	33,341	24,643
Other long-term assets, net	1,650	2,735
Total assets	$ 392,711	$ 574,144
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,689	$ 4,425
Accrued liabilities:		
Accrued compensation	5,494	11,662
Accrued expenses	7,175	9,587
Partner Share liability	32,479	48,867
Consumer Incentive liability	45,513	52,678
Deferred revenue	2,154	2,405
Short-term debt	45,863	—
Current operating lease liabilities	2,025	2,127
Current contingent consideration	4,563	39,398
Total current liabilities	148,955	171,149
Long-term liabilities:		
Convertible senior notes, net	167,729	227,504
Line of credit	—	30,000
Long-term deferred revenue	—	67
Long-term operating lease liabilities	6,034	6,391
Long-term contingent consideration	—	4,162
Other long-term liabilities	—	73
Total liabilities	322,718	439,346
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, $0.0001 par value—100,000 shares authorized and 51,257 and 39,728 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	10	9
Additional paid-in capital	1,366,958	1,243,594
Accumulated other comprehensive income	3,601	2,467
Accumulated deficit	(1,300,576)	(1,111,272)
Total stockholders' equity	69,993	134,798
Total liabilities and stockholders' equity	$ 392,711	$ 574,144

See notes to the consolidated financial statements

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

	Year Ended December 31,		
	2024	**2023**	**2022**
Revenue	$ 278,298	$ 309,204	$ 298,542
Costs and expenses:			
Partner Share and other third-party costs	127,761	150,578	155,507
Delivery costs	29,643	28,248	30,403
Sales and marketing expense	52,649	57,425	74,745
Research and development expense	49,607	51,352	54,435
General and administrative expense	56,482	58,810	81,446
Acquisition, integration and divestiture costs (benefits)	161	(6,313)	(2,874)
Change in contingent consideration	210	1,246	(128,174)
Impairment of goodwill and intangible assets	131,595	70,518	453,288
Loss on divestiture	—	6,550	—
Depreciation and amortization expense	25,689	26,460	37,544
Total costs and expenses	473,797	444,874	756,320
Operating loss	(195,499)	(135,670)	(457,778)
Other income (expense):			
Interest expense, net	(5,553)	(2,336)	(2,556)
Foreign currency (loss) gain	(1,269)	3,304	(6,376)
Gain on debt extinguishment	13,017	—	—
Total other income (expense)	6,195	968	(8,932)
Loss before income taxes	(189,304)	(134,702)	(466,710)
Income tax benefit	—	—	1,446
Net Loss	(189,304)	(134,702)	(465,264)
Net loss per share, basic and diluted	$ (3.91)	$ (3.69)	$ (13.92)
Weighted-average common shares outstanding, basic and diluted	48,361	36,488	33,419

See notes to the consolidated financial statements

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

	Year Ended December 31,		
	2024	**2023**	**2022**
Net Loss	$ (189,304)	$ (134,702)	$ (465,264)
Other comprehensive loss:			
Foreign currency translation adjustments	1,134	(3,131)	5,112
Total Comprehensive Loss	$ (188,170)	$ (137,833)	$ (460,152)

See notes to the consolidated financial statements

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

Year Ended December 31, 2024:

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total
	Shares	Amount				
Balance – December 31, 2023	39,728	$ 9	$ 1,243,594	$ 2,467	$ (1,111,272)	$ 134,798
Exercise of common stock options	6	—	15	—	—	15
Stock-based compensation	—	—	45,370	—	—	45,370
Issuance of restricted stock	3,503	1	—	—	—	1
Issuance of common stock, net of issuance cost	3,592	—	27,451	—	—	27,451
Issuance of common stock, net of issuance costs - ATM Offering Program (as defined below)	3,908	—	48,151	—	—	48,151
Issuance of common stock pursuant to the 2018 ESPP (as defined below)	520	—	2,262	—	—	2,262
Termination of capped calls related to 2020 Convertible Senior Notes	—	—	115	—	—	115
Other comprehensive income	—	—	—	1,134	—	1,134
Net loss	—	—	—	—	(189,304)	(189,304)
Balance – December 31, 2024	51,257	$ 10	$ 1,366,958	$ 3,601	$ (1,300,576)	$ 69,993

Year Ended December 31, 2023:

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total
	Shares	Amount				
Balance – December 31, 2022	33,477	$ 9	$ 1,182,568	$ 5,598	$ (976,570)	$ 211,605
Exercise of common stock options	10	—	54	—	—	54
Stock-based compensation	—	—	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 loss	—	—	—	(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

See notes to the consolidated financial statements

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

Year Ended December 31, 2022:

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total
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

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

	Year Ended December 31,		
	2024	**2023**	**2022**
Operating activities			
Net Loss	$ (189,304)	$ (134,702)	$ (465,264)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Credit loss expense	6,106	1,704	2,399
Depreciation and amortization	25,689	26,460	37,544
Amortization of financing costs charged to interest expense	1,633	1,648	1,595
Amortization of right-of-use asset	2,187	3,055	6,196
Impairment of goodwill and intangible assets	131,595	70,518	453,288
Loss on divestiture	—	6,550	—
Gain on debt extinguishment	(13,017)	—	—
Stock-based compensation expense	40,367	40,980	44,686
Change in contingent consideration	210	1,246	(128,174)
Other non-cash expense (income), net	1,481	(4,170)	6,589
Income tax benefit	—	—	(1,446)
Change in operating assets and liabilities:			
Accounts receivable and contracts assets, net	12,497	(7,725)	(4,546)
Prepaid expenses and other assets	1,360	2,492	535
Accounts payable	499	239	(893)
Other accrued expenses	(6,644)	(7,492)	(9,516)
Partner Share liability	(16,350)	405	1,721
Customer Incentive liability	(7,133)	(1,393)	1,382
Net cash used in operating activities	(8,824)	(185)	(53,904)
Investing activities			
Acquisition of property and equipment	(1,562)	(667)	(1,171)
Acquisition of patents	—	—	(175)
Capitalized software development costs	(17,736)	(11,725)	(12,140)
Business acquisitions, net of cash acquired	—	—	(2,274)
Proceeds from divestitures, net of cash divested	552	2,330	—
Net cash used in investing activities	(18,746)	(10,062)	(15,760)
Financing activities			
Proceeds from issuance of debt	172,500	30,000	—
Principal payments of debt	(199,303)	(31)	(35)
Proceeds from termination of capped calls related to convertible notes	115	—	—
Proceeds from issuance of common stock	48,645	55	379
Settlement of contingent consideration	(14,167)	(50,050)	—
Repurchase of common stock	—	—	(40,000)
Equity issuance costs	(309)	—	(157)
Debt issuance costs	(6,037)	—	(174)
Net cash provided by (used in) financing activities	1,444	(20,026)	(39,987)
Effect of exchange rates on cash, cash equivalents and restricted cash	(110)	118	(1,926)
Net decrease in cash, cash equivalents and restricted cash	(26,236)	(30,155)	(111,577)
Cash, cash equivalents, and restricted cash — Beginning of period	91,830	121,985	233,562
Cash, cash equivalents, and restricted cash — End of period	$ 65,594	$ 91,830	$ 121,985

See notes to the consolidated financial statements

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

	Year Ended December 31,		
	2024	2023	2022
Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheet:			
Cash and cash equivalents	$ 65,594	$ 91,830	$ 121,905
Restricted cash	—	—	80
Total cash, cash equivalents and restricted cash — End of period	$ 65,594	$ 91,830	$ 121,985
Supplemental schedule of non-cash investing and financing activities:			
Cash paid for interest	$ 6,119	$ 4,240	$ 2,381
Amounts accrued for property and equipment	$ 95	$ 579	$ 67
Amounts accrued for capitalized software development costs	$ 174	$ 40	$ 155
Issuance of common stock, net of issuance costs - Settlement Agreement (as defined below)	$ 27,451	$ —	$ —

See notes to the consolidated financial statements

CARDLYTICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Cardlytics, Inc. ("we," "our," "us," the "Company," or "Cardlytics") is a Delaware corporation and was formed on June 26, 2008. We operate a commerce media platform that is designed to make commerce smarter and rewarding for everyone. At the core of our commerce media platform is the financial media network that we run within our partners' digital channels, which includes online and mobile applications (the "Cardlytics platform"). Additionally, we operate an identity resolution platform that utilizes point-of-sale ("POS") data, including product-level purchase data, to enable marketers to perform analytics and targeted loyalty marketing and also measure the impact of their marketing (the "Bridg platform"). The partners for the Cardlytics platform are predominantly financial institutions ("FI partners") that provide us with access to their anonymized purchase data and digital banking customers. The partners for the Bridg platform are predominantly merchants ("merchant data partners") that provide us with access to their POS data, including product-level purchase data. By applying advanced analytics to the purchase data we receive, we make it actionable, helping marketers reach potential buyers at scale and measure the true sales impact of their marketing spend. We have strong relationships with leading marketers across a variety of industries, including everyday spend, specialty retail, restaurant, travel and entertainment. Using our transaction data and analytics, we enable marketers to reach potential customers across our network of FI partners through their digital banking accounts and present them relevant offers to save money when they are thinking about their finances.

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

2024 Convertible Senior Notes

On April 1, 2024, we issued $172.5 million principal amount of our 4.25% Convertible Senior Notes due in 2029 (the "2024 Convertible Senior Notes") in a private offering, including the exercise in full of the initial purchasers' option to purchase up to an additional $22.5 million principal amount of the 2024 Convertible Senior Notes. Refer to Note 9—Debt and Financing Arrangements for further details.

Equity Distribution Agreement

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

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

Divestitures and Acquisitions

The Dosh app, a consumer facing cashback mobile application operated by Dosh Holdings LLC, was decommissioned on February 28, 2025.

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 adjustments. The resulting loss on sale of $6.6 million is recorded within "Loss on divestiture" within the statement of operations. During the year-ended December 31, 2024, we received $0.6 million of cash from escrow, and we classified the receipt of cash within investing activities within the consolidated statement of cash flows. We also recorded a $0.1 million divestiture expense associated with the net working capital adjustment.

Contingent Consideration for the Acquisition of Bridg

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

On January 25, 2024, we entered into a settlement agreement (the "Settlement Agreement") with the Stockholder Representative to resolve all outstanding disputes related to the Merger Agreement, pursuant to which we agreed to pay $25.0 million in cash and issue 3,600,000 shares of our common stock to the Stockholder Representative, inclusive of broker fees and transaction bonuses. Pursuant to the Settlement Agreement we paid the Stockholder Representative $20.0 million in cash on January 26, 2024 and we issued 3.6 million shares of our common stock on February 1, 2024. We subsequently paid the Stockholder Representative $3.0 million in cash on January 29, 2025. The remaining $2.0 million cash payment related to the Settlement Agreement will be paid by June 30, 2025. Refer to Note 12—Fair Value Measurements and Note 13—Commitments and Contingencies for further information about the Bridg acquisition and related contingent consideration.

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

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.

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 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

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 2022, we initiated a strategic reduction of our 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 consolidated 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 closed our India office as of 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 were $2.4 million. These fees were paid in full in 2023.

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), net in the accompanying consolidated statements of operations. We recorded a foreign currency loss totaling $1.3 million in 2024, a gain totaling $3.3 million in 2023 and a loss totaling $6.4 million in 2022.

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 fluctuate over time in connection with changes in our revenue.

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 changes in inflation, the U.S. Federal Reserve raising interest rates, disruptions in access to bank deposits or lending commitments due to bank failures, the Russia-Ukraine war and the Middle East conflict have led to economic uncertainty globally. Historically, during periods of economic uncertainty and downturns, businesses may slow spending on advertising, which may impact our business and our customers' businesses.

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

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 the carrying value exceeds its fair value. During the year ended December 31, 2024, we recorded an intangible asset impairment of $13.7 million. 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 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, 2024, we recorded impairment charges of $117.8 million. 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. The decline in the fair values of the Bridg platform reporting unit below its carrying values at September 30, 2024, October 1, 2023 and 2022 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.

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 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.

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 60 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 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.

The 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 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.

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.

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,		
	2024	**2023**	**2022**
Beginning balance	$ 2,239	$ 1,808	$ 1,327
Credit loss expense	6,106	1,704	2,399
Write-offs, net of recoveries	(2,597)	(1,273)	(1,918)
Ending balance	$ 5,748	$ 2,239	$ 1,808

Unbilled receivables were $0.4 million, $0.2 million and $1.6 million, as of December 31, 2024, 2023 and 2022, 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 administrative 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 of 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

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 2024, 2023 and 2022, we capitalized development costs for improvements to our platforms, including our Ads Manager and Ad Server, totaling $22.9 million, $14.6 million and $12.8 million, respectively.

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

	December 31,	
	2024	**2023**
Capitalized software development costs, gross	$ 69,269	$ 46,373
Less accumulated amortization	(35,928)	(21,730)
Capitalized software development costs, net	$ 33,341	$ 24,643

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.

2020 Convertible Senior Notes

On September 22, 2020, we issued $230.0 million principal amount of 2020 Convertible Senior Notes, including the exercise in full of the initial purchasers' option to purchase up to an additional $30.0 million principal amount of the 2020 Convertible Senior Notes. The 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 2020 Convertible Senior Notes, the allocation of issuance costs incurred between the liability and equity components was based on their relative fair values.

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

2024 Convertible Senior Notes

On April 1, 2024, we issued $172.5 million principal amount of our 2024 Convertible Senior Notes in a private offering, including the exercise in full of the initial purchasers' option to purchase up to an additional $22.5 million principal amount of the 2024 Convertible Senior Notes. The net proceeds from this offering were $166.8 million, after deducting the initial purchasers' discounts, commissions and the offering expenses payable by us.

Amortization of debt issuance costs included in interest expense, net totaled $1.6 million for each period in 2024, 2023 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,	
	2024	2023
Debt issuance costs, gross	$ 1,211	$ 839
Less accumulated amortization	(990)	(780)
Debt issuance costs, net	$ 221	$ 59

Deferred debt issuance costs related to our 2024 Convertible Senior Notes included in debt are as follows (in thousands):

	December 31,	
	2024	2023
Debt issuance costs, gross	$ 5,610	$ —
Less accumulated amortization	(839)	—
Debt issuance costs, net	$ 4,771	$ —

Deferred debt issuance costs related to our 2020 Convertible Senior Notes included in debt are as follows (in thousands):

	December 31,	
	2024	2023
Debt issuance costs, gross	$ 5,572	$ 7,275
Less accumulated amortization	(5,365)	(4,779)
Debt issuance costs, net	$ 207	$ 2,496

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

Years Ending December 31,	Amortization
2025	$ 1,329
2026	1,122
2027	1,122
2028	1,122
2029	283
Total	$ 4,978

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 $2.4 million, $1.9 million and $4.7 million in 2024, 2023 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.

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.

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 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.

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. The depreciation and amortization deferred income taxes line includes these capitalized research and development expenses.

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 Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB released ASU 2024-03, titled "Disaggregation of Income Statement Expenses," which mandates that certain costs and expenses be disclosed in the notes to financial statements. These amendments will take effect for fiscal years starting after December 15, 2026, with early adoption allowed. The changes should be applied either prospectively to financial statements for periods after the effective date or retrospectively to any or all prior periods presented. We are currently assessing how the enhanced disclosure requirements of ASU 2024-03 will impact our financial statements.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvement to Income Tax Disclosures," aimed at improving the transparency and usefulness of income tax information by enhancing disclosures related to rate reconciliation and income taxes paid. These amendments will be effective for annual periods beginning with our fiscal year ending December 31, 2025. The amendments should be applied prospectively, although there is an option to apply the standard retrospectively. We are currently assessing how the enhanced disclosure requirements of ASU 2024-03 will impact our financial statements.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280). The new standard requires enhanced disclosures about significant segment expenses and other segment items and requires companies to disclose all annual disclosures about segments in interim periods. The new standard also permits companies to disclose more than one measure of segment profit or loss, requires disclosure of the title and position of the Chief Operating Decision Maker, and requires companies with a single reportable segment to provide all disclosures required by Topic 280. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and companies are required to apply the ASU retrospectively to all periods presented. During the year ended December 31, 2024, we adopted this standard and added additional disclosure in our Segment Footnote. Refer to Note 15—Segments for further information.

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 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.

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 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 2020 Convertible Senior 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 2020 Convertible Senior 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 2020 Convertible Senior 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 2020 Convertible Senior 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.

During the years ended December 31, 2024, December 31, 2023 and December 31, 2022, we incurred $0.2 million of cost, $6.3 million of benefit and $2.9 million of benefit in connection with our acquisitions and divestitures, respectively. During the year ended December 31, 2023 and 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, offset by the expense related to the divestiture of Entertainment. These expenses and gains are included in acquisition, integration and divestiture costs (benefit) on our consolidated statements of operations.

Divestiture and Acquisition of Entertainment

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. During the year ended December 31, 2024, we received $0.6 million of cash from the escrow, and we classified the receipt of cash within investing activities within the consolidated statement of cash flows. We also recorded a $0.1 million divestiture expense associated with the net working capital adjustment.

5. GOODWILL AND ACQUIRED INTANGIBLES

Goodwill

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

The changes in the carrying amount of goodwill for the years ended December 31, 2024, 2023 and 2022 are as follows (in thousands):

	Cardlytics Platform	Bridg Platform	Consolidated
Balance as of December 31, 2023	$ 159,429	$ 117,773	$ 277,202
Goodwill impairment	—	(117,773)	(117,773)
Balance as of December 31, 2024	$ 159,429	$ —	$ 159,429

	Cardlytics Platform	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	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

We assessed the triggering events criteria along with related conditions and developments as of September 30, 2024, and we concluded that we had a triggering event as a result of a sustained decline in our stock price during the three months ended September 30, 2024. We, therefore, performed a quantitative impairment test as of September 30, 2024, and determined that the carrying value of the Bridg platform exceeded its fair value. As such, we recognized a goodwill impairment of $117.8 million for the Bridg platform. We performed our annual goodwill impairment test in the fourth quarter of 2024 and concluded that there was no impairment associated with the Cardlytics platform in the U.S. As of December 31, 2024, there is no remaining goodwill associated with the Bridg platform.

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 exceeded its fair value, and consequently, we recognized a goodwill impairment of $83.1 million, with $455.1 million of goodwill 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. 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 the Bridg platform reporting unit below its carrying values at September 30, 2024, October 1, 2023, October 1, 2022 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 that led to a sustained decline in our stock price. The method of determining fair values of the reporting units at September 30, 2024, 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 values 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.

Acquired Intangibles

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

2024 Acquired Intangibles

Acquired intangible assets subject to amortization as of December 31, 2024 were as follows:

	Gross Carrying Amount	Accumulated Amortization	Impairment of intangible assets		Net	Weighted Average Remaining Useful Life
	(in thousands)					(in years)
Developed technology	63,621	(41,442)	(13,748)	9,333.9	8,431	2.5
Merchant relationships	21,930	(18,989)	—	3,491.91	2,941	1.4
Total other intangible assets	$ 85,551	$ (60,432)	$ (13,748)	12,825.81	$ 11,371	

Amortization expense of acquired intangibles for the year ended December 31, 2024 was $9.8 million.

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

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

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

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

We have assessed the triggering events criteria along with related conditions and developments as of September 30, 2024. As a result of a triggering event in 2024 as discussed above, we performed an impairment test as of September 30, 2024, and determined that the carrying value of the Bridg platform Developed technology intangible asset exceeded its fair values. As such, we recognized an acquired intangible asset impairment of $13.7 million during the year ended December 31, 2024.

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 statements of operations.

Our impairment analysis at September 30, 2024 and 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.

As of December 31, 2024, we expect amortization expense in future periods to be as follows (in thousands):

	Amount
2025	5,819
2026	4,348
2027	1,204
2028	—
Thereafter	—
Total expected future amortization expense	$ 11,371

6. REVENUE

The Cardlytics Platform

The Cardlytics platform is our proprietary native bank advertising channel that enables marketers to reach consumers through the FI partners' trusted and frequently visited digital banking channels. Working with the marketer, we design a campaign that targets customers based on their purchase history. The consumer is offered an incentive to make a purchase from the marketer within a specified period. We use a portion of the fees that we collect from marketers to provide these Consumer Incentives to our FI partners' customers after they make qualifying purchases ("Consumer Incentives"). Leveraging our 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 the years ended December 31, 2024, 2023 and 2022, Consumer Incentives totaled $165.5 million, $144.2 million and $143.9 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 has two different pricing models: (1) served based pricing and (2) engagement based pricing.

- **Served Based Pricing** Our primary pricing model is Cost per Served Sale ("CPS"). We generate Revenue by charging a percentage, which we refer to as the CPS rate, of all purchases from the marketer by consumers who (1) are served marketing and (2) subsequently make a purchase from the marketer during the campaign period, regardless of whether consumers engage with the applicable offer and thereby becomes eligible to earn the applicable Consumer Incentive. We set CPS rates for marketers based on our expectation of the marketer's return on spend for the relevant campaign. Additionally, we set the amount of the Consumer Incentives payable for each campaign based on our estimation of our ability to drive incremental sales for the marketer. We seek to optimize the level of Consumer Incentives to retain a greater portion of Billings. However, if the amount of Consumer Incentives exceeds the amount of Billings that we are paid by the applicable marketer we are still responsible for paying the total Consumer Incentive. In some instances, we may also charge the marketer, the Consumer Incentive, in which case the marketer determines the level of Consumer Incentive for the campaign.
- **Engagement Based Pricing.** Under our engagement based pricing model, marketers generally pay us a fee for each purchase that we generate following a consumer's engagement with an offer. Marketers may choose between three variations of our engagement based pricing model: (1) Cost per Redemption whereby marketers specify and fund the Consumer Incentive and pay us a separate negotiated, fixed marketing fee, (2) Cost per Transaction whereby marketers pay us a negotiated, fixed marketing fee out of which we fund the Consumer Incentive, which is determined in our discretion or (3) Cost per Engagement whereby marketers specify a target return on ad spend based on which we will determine a fee for each engagement a consumer has with the applicable offer. We generate Revenue if the consumer (i) is served an offer, (ii) selects the offer and thereby becomes eligible to earn the applicable Consumer Incentive, and (iii) makes a qualifying purchase from the marketer during the campaign period. We set the fees for engagement based pricing 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,		
	2024	**2023**	**2022**
Served based pricing	$ 151,455	$ 191,260	$ 180,701
Engagement based pricing	99,412	86,529	87,992
Other Revenue(1)	4,747	7,636	8,492
Cardlytics platform revenue	$ 255,614	$ 285,425	$ 277,185

(1) Other Revenue during the year ended December 31, 2024 primarily includes pricing models that do not relate to Served based pricing and Engagement based pricing, which includes proof-of-concept pricing models that we are exploring and hosting fees that we charge our FI partners to support the costs required to host our services. Other Revenue during the year ended December 31, 2023 and December 31, 2022 primarily consists of revenue from Entertainment.

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

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

	Year Ended December 31,		
	2024	2023	2022
Subscription revenue	$ 22,684	$ 23,779	$ 21,190
Other revenue	—	—	167
Bridg platform revenue	$ 22,684	$ 23,779	$ 21,357

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

		Year Ended December 31,	
Contract Balance Type	Consolidated Balance Sheets Location	2024	2023
Contract assets, current	Accounts receivable and contract assets, net	$ 232	$ 41
Contract assets, long-term	Other long-term assets, net	—	—
Total contract assets		$ 232	$ 41
Contract liabilities, current	Deferred revenue	$ 2,154	$ 2,204
Contract liabilities, long-term	Long-term deferred revenue	—	67
Total contract liabilities		$ 2,154	$ 2,271

During the year ended December 31, 2024, we recognized $0.6 million of Revenue related to amounts that were included in Deferred revenue as of December 31, 2023.

The following information represents the total transaction price for the remaining performance obligations as of December 31, 2024 related to contracts expected to be recognized over future periods. This includes deferred revenue on our consolidated balance sheets and contracted amounts that will be invoiced and recognized as revenue in future periods. As of December 31, 2024, we had $32.9 million of remaining performance obligations, of which $16.1 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 2032. During the year ended December 31, 2024 and December 31, 2023, we recognized additional right-of-use assets and lease liabilities of $1.6 million and $2.7 million, respectively, related to new lease agreements and lease modifications for office space.

During the year ended December 31, 2024 and 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. Refer to Note 15—Segments for more information on our operating segments.

During the year ended December 31, 2024 and 2023, respectively, we made cash payments of $2.3 million and $4.5 million for operating leases which are included in cash flows used in operating activities in our consolidated statement of cash flows.

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

Lease Type	Consolidated Balance Sheets Location	December 31, 2024	December 31, 2023
Operating lease assets	Right-of-use assets under operating leases, net	$ 6,341	$ 7,310
Finance lease assets	Property and equipment, net	—	14
Total lease assets		6,341	7,324
Operating lease liabilities, current	Current operating lease liabilities	2,025	2,127
Operating lease liabilities, long-term	Long-term operating lease liabilities	6,034	6,391
Finance lease liabilities, current	Accrued expenses	—	10
Total lease liabilities		$ 8,059	$ 8,528

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

	December 31, 2024	December 31, 2023
Operating lease expense	$ 2,822	$ 3,295
Variable lease expense	693	1,191
Short-term lease expense	1,058	600

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

	December 31, 2024	December 31, 2023
Operating leases:		
Weighted average borrowing rate	7.3 %	6.8 %
Weighted average remaining lease term (years)	3.81	4.06

The following table summarizes future maturities of lease liabilities as of December 31, 2024 (in thousands):

Fiscal Year	Operating Leases
2025	$ 2,525
2026	1,640
2027	1,503
2028	1,191
Thereafter	2,906
Total lease payments	9,765
Imputed interest	1,706
Total lease liabilities	$ 8,059

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,	
	2024	**2023**
Computer equipment	$ 9,753	$ 26,580
Leasehold improvements	2,034	8,514
Furniture and fixtures	464	1,269
Construction in progress	—	27
Property and equipment, gross	12,251	36,390
Less accumulated depreciation and amortization	(9,655)	(33,067)
Property and equipment, net	$ 2,596	$ 3,323

Depreciation expense was $1.8 million, $3.7 million and $5.4 million for the years ended December 31, 2024, 2023 and 2022, respectively.

9. DEBT AND FINANCING ARRANGEMENTS

Our debt consists of the following (in thousands):

	December 31,	
	2024	**2023**
Line of Credit	$ —	$ 30,000
2024 Convertible Senior Notes, net	167,729	$ —
2020 Convertible Senior Notes, net	45,863	$ 227,504
Total debt	$ 213,592	$ 257,504

Accrued interest is included within accrued expenses in our consolidated balance sheet. We had accrued interest related to our 2024 Convertible Senior Notes and 2020 Convertible Senior Notes of $1.9 million and $0.9 million as of December 31, 2024 and December 31, 2023, respectively. For the years ended December 31, 2024, 2023 and 2022, interest expense, net reflected on the consolidated statements of operations consisted of interest expense of $8.9 million, $6.2 million and $4.0 million and interest income of $3.4 million, $3.8 million, and $1.4 million, respectively.

2024 Convertible Senior Notes

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

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

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

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

	December 31, 2024
Principal	$ 172,500
Minus:	
Unamortized issuance costs	(4,771)
Net carrying amount	$ 167,729

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

	December 31, 2024
Contractual interest expense (due in cash)	$ 5,478
Amortization of debt issuance costs	838
Total interest expense related to the 2024 Convertible Senior Notes	$ 6,316
Effective interest rate	4.90 %

2020 Convertible Senior Notes

On September 22, 2020, we issued $230.0 million principal amount of our 2020 Convertible Senior Notes, including the exercise in full of the initial purchasers' option to purchase up to an additional $30.0 million principal amount of the 2020 Convertible Senior Notes. The 2020 Convertible Senior Notes were issued pursuant to an indenture, dated September 22, 2020 (the "2020 Indenture"), between us and U.S. Bank National Association, as trustee.

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

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

The conversion rate for the 2020 Convertible Senior Notes 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 $85.14 per share of common stock. The conversion rate for the 2020 Convertible Senior Notes is subject to adjustment under certain circumstances in accordance with the terms of the Indenture. In addition, following certain corporate events that occur prior to the maturity date of the 2020 Convertible Senior Notes or if we deliver a notice of redemption in respect of the 2020 Convertible Senior Notes, we will, in certain circumstances, increase the conversion rate of the 2020 Convertible Senior Notes for a holder who elects to convert its 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.

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 2020 Convertible Senior Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

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

	December 31,	
	2024	2023
Principal	$ 46,070	$ 230,000
Minus: Unamortized issuance costs	(207)	(2,496)
Net carrying amount of the liability component	$ 45,863	$ 227,504

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

	December 31,	
	2024	2023
Contractual interest expense (due in cash)	$ 921	$ 2,300
Amortization of debt issuance costs	585	1,461
Total interest expense related to the 2020 Convertible Senior Notes	$ 1,506	$ 3,761
Effective interest rate	1.64 %	1.64 %

Capped Call Transactions

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

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

2018 Loan Facility

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, 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 2020 Convertible Senior 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 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, 2024, we could extend the maturity date of the loan to April 29, 2025. Additionally with this amendment, the former cash covenant, as described below, was removed and was replaced with a requirement to maintain a minimum level of Adjusted Contribution and a minimum adjusted cash of $25.0 million, which is reduced by eligible accounts receivable in excess of the loan capacity. On November 29, 2022, we amended our 2018 Loan Facility to modify the eligible account receivable to exclude U.K. accounts, reduce the ability to borrow up to 85% of the amount of our eligible accounts receivable to 50% and adjusted the required minimum level of Adjusted Contribution. On February 16, 2023, we amended our 2018 Loan Facility to remove and replace the former Adjusted Contribution covenant with a requirement to maintain a minimum level of Adjusted EBITDA. On May 3, 2023, we amended our 2018 Loan Facility to modify the covenants related to the maximum amount of cash we are allowed to pay for the First Anniversary Payment Amount and Second Anniversary Payment Amount under the Merger Agreement. On February 9, 2024, we amended our 2018 Loan Facility to increase the ability to borrow up to 75% of the amount of our eligible accounts receivable, adjusted the required minimum level of Adjusted EBITDA and increased the interest rate to the prime rate plus 0.25%. We also confirmed the extension of the maturity date of the loan to April 29, 2025 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, dispositions of assets, incurrence of indebtedness, encumbrances on our assets and the payment or declaration of dividends, in each case subject to specified exceptions.

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

In April 2024, we repaid in full $30.0 million of the principal balance of the 2018 Line of Credit. Interest on advances under the 2018 Line of Credit bore an interest rate equal to the prime rate plus 0.25%. In addition, we were required to pay an unused line fee of 0.15% per annum on the average daily unused amount of the revolving commitment.

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

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

During the year ended December 31, 2024, we incurred $0.7 million of interest expense associated with the 2018 Loan Facility. As of December 31, 2024, we had $60.0 million of unused available borrowings under our 2018 Line of Credit. We believe we are in compliance with all financial covenants as of December 31, 2024.

Future Payments

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

Years Ending December 31,		Debt
2025	$	46,070
2026		—
2027		—
2028		—
Future periods		172,500
Total debt	$	218,570

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. On November 6, 2024, our board of directors approved an amendment to the 2022 Inducement Plan to reserve an additional 2,500,000 shares of our common stock. As of December 31, 2024, there were 2,657,349 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, 2024, there were 529,419 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 2,562,851 shares on January 1, 2025.

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.

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

	Year Ended December 31, 2024	2023	2022
Delivery costs	$ 2,680	$ 2,427	$ 2,682
Sales and marketing expense	10,017	12,624	11,935
Research and development expense	14,957	16,392	13,262
General and administrative expense	12,713	9,537	16,807
Total stock-based compensation expense	$ 40,367	$ 40,980	$ 44,686

During 2024, 2023 and 2022, we capitalized $5.0 million, $2.5 million and $1.4 million, respectively, of stock-based compensation expense for software development.

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:

	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, 2023	5,485	$ 15.70		
Granted	4,949	9.65		
Vested	(3,503)	13.30		
Forfeited	(2,424)	11.47		
Unvested - December 31, 2024	4,507	$ 13.20	1.20	$ 43,710

	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	5,956	$ 25.43		
Granted	3,560	7.19		
Vested	(2,947)	19.51		
Forfeited	(1,084)	31.66		
Unvested - December 31, 2023	5,485	$ 15.70	2.01	$ 68,092

	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/canceled	(1,536)	59.94		
Unvested - December 31, 2022	5,956	$ 25.43	2.93	$ 116,941

Service-based Restricted Stock Units

During the year ended December 31, 2024, we granted 4,948,914 RSUs to employees and non-employee directors, which have vesting periods ranging from vesting immediately to vesting in four years.

Subsequent to December 31, 2024, we granted 725,800 RSUs to employees, which have vesting periods ranging from eighteen months to two years. The unamortized stock-based compensation expense related to all RSUs granted subsequent to December 31, 2024 is $2.2 million.

Performance-based Restricted Stock Units

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

In March 2022 and August 2022, we granted 269,202 and 25,248 performance-based restricted stock units ("2022 PSUs"), respectively, consisting of three tranches. In December 2022, the compensation committee of our board of directors certified that the first tranche's milestone related to the installation of our Ad Server at our FI partners had been achieved, which resulted in the immediate vesting of the first tranche representing 25% of the grant. In January 2025, the compensation committee of our board of directors certified that the second tranche's milestone had been achieved, which resulted in the immediate vesting of the second tranche representing 25% of the grant. The first two tranches each represent 25% of the grant, and each vest upon the achievement of certain milestones related to the installation of our Ad Server at our FI Partners. 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. During the three months-ended September 30, 2024, we reassessed the likelihood of achieving this PSU and concluded that the achievement is no longer probable. As a result of the change in estimate, we have reversed the previously recognized cumulative expense associated with this grant as a benefit to stock-based compensation during the three months ended September 30, 2024.

In September 2021, we granted 6,666 PSUs 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. As of April 1, 2024, the 2020 PSU was forfeited as the performance condition was not met during the performance period.

In July 2021, we granted 34,344 performance-based restricted stock units ("Bridg PSUs") 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 units vesting between 80% - 99.999% achievement and 100% of the units vesting upon 100% achievement. During 2023, the compensation committee of our board of directors certified the vesting of shares associated with the 50% attainment of the units based on the achieved annual run rate during the specified period.

In April 2021, we granted 110,236 performance-based restricted stock units ("2021 PSUs") consisting of two tranches. The first tranche consists of 55,118 units that have a performance-based vesting condition based on a minimum revenue target over a trailing 12-month period. The units in this first tranche fully vest upon achievement. The second tranche consists of 55,118 units with a performance-based vesting condition based on a different minimum revenue target over a trailing 12-month period. Half of the units in the second tranche vest upon achievement and the remaining units vest six months after the achievement date, subject to continued service. Each performance-based vesting condition within the two tranches must be achieved within four years of the grant date and are subject to certification by the compensation committee of our board of directors. During the year ended December 31, 2024, 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, 2024.

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 over a trailing 12-month period as described below.

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

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

Employee Stock Purchase Plan

Our 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 the years ended December 31, 2024, 2023 and 2022, a total of 520,197, 555,915 and 167,622 shares of common stock were purchased by employees under the 2018 ESPP, respectively.

As of December 31, 2024, 534,912 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, 2028, 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 500,000 shares on January 1, 2025. 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,		
	2024	2023	2022
Domestic	$ (179,555)	$ (122,026)	$ (455,202)
Foreign	(9,749)	(12,676)	(11,508)
Loss before income taxes	$ (189,304)	$ (134,702)	$ (466,710)

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

	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	$ —	$ —	$ —
State	—	—	—
Foreign	—	—	—
Total current	—	—	—
Deferred:			
Federal	10,391	10,236	38,508
State	833	335	6,317
Foreign	3,118	961	3,075
Change in uncertain tax positions	(625)	(1,320)	(587)
Change in valuation allowance	(13,717)	(10,212)	(45,867)
Total deferred	—	—	1,446
Income tax benefit	$ —	$ —	$ 1,446

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

	Year Ended December 31,		
	2024	2023	2022
Tax benefit at federal statutory rate	21.00 %	21.00 %	21.00 %
State income taxes, net of federal benefit	— %	(0.01)%	0.08 %
Change in federal and state statutory rate	1.69 %	0.01 %	0.15 %
Foreign rate differential	0.06 %	(0.22)%	0.01 %
Goodwill impairment	(13.06)%	(10.94)%	(17.82)%
Contingent liability remeasurement	(0.78)%	(0.81)%	5.71 %
Other adjustments	(1.61)%	(1.40)%	1.03 %
Valuation allowance	(7.24)%	(7.54)%	(9.87)%
Income tax benefit	0.06 %	0.09 %	0.29 %

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

	December 31, 2024	December 31, 2023
Net operating loss carry-forwards	$ 161,418	$ 158,916
Allowance for credit losses	1,474	809
Depreciation and amortization	23,233	11,574
Stock-based compensation	3,025	3,566
Deferred costs	740	3,735
ROU asset	(1,457)	(1,565)
Lease liability	1,867	1,856
Other tax credit carry-forward	11,625	9,641
Other temporary differences	1,451	1,129
Valuation allowance	(203,377)	(189,660)
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 statements 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, 2024	2023	2022
Beginning balance	$ (189,660)	$ (179,448)	$ (123,867)
Allowance for domestic and foreign net operating loss carry-forwards	(299)	(2,442)	(13,360)
Rate change on domestic net operating loss carry-forwards	(3,241)	(424)	235
Convertible debt additional paid-in capital tax adjustment - valuation allowance impact	—	—	(9,714)
Other changes	(10,177)	(7,346)	(32,742)
Ending balance	$ (203,377)	$ (189,660)	$ (179,448)

As of December 31, 2024 and 2023, we have $631.6 million and $628.7 million, respectively, of gross U.S. federal net operating loss carry-forwards that will begin to expire in the 2028 tax year. Additionally, we have $269.1 million and $267.3 million of gross state net operating loss carry-forwards as of December 31, 2024 and 2023, respectively that will expire between the 2024 and 2044 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, with the last identified ownership change occurring on April 2, 2020. We have analyzed whether we have experienced an additional ownership change through December 31, 2023 and have not identified an ownership change. It is possible that we have experienced an ownership change during 2024 or that we may experience an ownership change in the future. Any such ownership change may limit our ability to utilize net operating losses.

Our results during the years ended December 31, 2023 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 and $0.9 million, respectively. During the year ended December 31, 2024, we recognized an expense in research and development expense of $1.4 million primarily from a revision to previously recognized credits.

As of December 31, 2024 and 2023, Cardlytics UK had gross net operating losses of $50.0 million and $55.7 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, 2024, Cardlytics UK held cash and cash equivalents of $4.1 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,		
	2024	2023	2022
Beginning balance	$ 2,925	$ 1,606	$ 1,128
Increase related to current year tax position	625	1,319	478
Ending balance	$ 3,550	$ 2,925	$ 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"). 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 years ended December 31, 2024, 2023 and 2022, we recognized a goodwill impairment of $117.8 million, $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; and
- Level 3 - unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability at fair value.

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

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$ 32,332	$ —	$ —	$ 32,332
US Treasury Bills	13,450	—	—	13,450
Total cash equivalents at fair value	$ 45,782	$ —	$ —	$ 45,782

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

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

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

	December 31, 2024	December 31, 2023
Beginning balance	$ 43,560	$ 104,121
Decrease due to earnout settlement	(45,114)	(61,807)
Change in contingent consideration	5,817	1,246
Reclassification due to remaining payments being fixed per Settlement Agreement	(4,263)	—
Ending balance	$ —	$ 43,560

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, 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 $20.0 million in cash on January 26, 2024 and we issued 3,600,000 shares of our common stock on February 1, 2024. We subsequently paid the Stockholder Representative $3.0 million in cash on January 29, 2025. The remaining $2.0 million cash payment related to the Settlement Agreement will 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, 2024, the contingent consideration is valued at $4.6 million, exclusive of $0.3 million in broker fees and other costs, which is included in accrued expenses on our consolidated balance sheets. We determined the present value of the contingent consideration by discounting the future payments to be paid by January 31, 2025 and June 30, 2025. As the remaining payments are fixed as per the Settlement Agreement, the contingent consideration is no longer subject to ASC 820, Fair Value Measurement.

13. COMMITMENTS AND CONTINGENCIES

Commitments

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

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 September 2025. During the nine months ended September 30, 2024, we partially paid down the 2020 Convertible Senior Notes and issued 2024 Convertible Senior Notes with an aggregate principal amount of $172.5 million bearing an interest rate of 4.25% due on April 1, 2029. Refer to Note 9—Debt and Financing Arrangements for further details. In connection with our acquisition of Bridg, we owe a brokerage fee as per the 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, we renewed a cloud hosting arrangement guaranteeing an aggregated spend of $13.5 million over a 12 month period. In January 2024, we renewed our agreement guaranteeing an aggregated spend of $17.0 million each year over the next thirty-six month period.

Litigation

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

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

On April 28, 2023, the independent accountant made its determination of the appropriate amount of the First Anniversary ARR, determining the First Anniversary ARR to be $23.2 million. After review of the determination by the independent accountant, we filed a verified complaint in the Delaware Court of Chancery in May 2023 seeking declaratory judgment that a certain portion of the independent accountant's determination related to the First Anniversary ARR be stricken as null and void. Subsequently, on January 25, 2024, we entered into the Settlement Agreement with the Stockholder Representative to resolve all outstanding disputes related to the Merger Agreement, including the First Anniversary Payment Amount, pursuant to which we agreed to pay $25.0 million in cash and issue 3,600,000 shares of our common stock to the Stockholder Representative, inclusive of broker fees and transaction bonuses and to dismiss our verified complaint in the Delaware Court of Chancery.

On January 22, 2025, a putative securities class action lawsuit was filed against Cardlytics and certain of its current and former officers in the U.S. District Court for the Northern District of Georgia, captioned Froess v. Cardlytics, Inc., Case No. 1:25-cv-00279-MHC. The complaint, brought on behalf of a putative class of all persons who purchased our securities between March 14, 2024 and August 7, 2024, alleged that defendants violated Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder.

On February 13, 2025, we filed a motion to dismiss the complaint. Subsequently, on March 7, 2025, the plaintiff voluntarily dismissed the action without prejudice pursuant to Rule 41(a)(1)(A)(i) of the Federal Rules of Civil Procedure. Because the dismissal is without prejudice, the plaintiff reserves the right to refile similar claims in the future.

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.

14. EARNINGS PER SHARE

Diluted net loss per share is the same as basic net loss per share for 2024, 2023 and 2022 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,		
	2024	2023	2022
Common stock options	52	84	380
2020 Convertible Senior Notes	541	2,701	2,701
2024 Convertible Senior Notes	9,573	—	—
Unvested restricted stock units	4,507	5,491	5,956
Common stock issuable pursuant to the ESPP	150	65	95

15. SEGMENTS

As of December 31, 2024, 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. Our CODM allocates resources to, and evaluates the performance of, our operating segments based on Adjusted Contribution. Our CODM uses Adjusted Contribution extensively to measure the efficiency of our advertising platform, make decisions to manage advertising campaigns and evaluate our operational performance. We view Adjusted Contribution as an important operating measure of our financial results. We believe that Adjusted Contribution provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management and Board of Directors. 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. Refer to Note 6—Revenue for further information.

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

	Year Ended December 31,		
	2024	2023	2022
Cardlytics platform			
Revenue	$ 255,615	$ 285,425	$ 277,185
Minus: Adjusted Partner Share	122,370	144,502	147,872
Minus: Other third-party costs(1)	4,171	5,405	6,332
Adjusted Contribution	$ 129,074	$ 135,518	$ 122,981
Bridg platform			
Revenue	$ 22,683	$ 23,779	$ 21,357
Minus: Adjusted Partner Share	—	—	—
Minus: Other third-party costs(1)	1,220	671	1,303
Adjusted Contribution	$ 21,463	$ 23,108	$ 20,054

(1) Other third-party costs above primarily represents media and data costs that we incur to support the Cardlytics and Bridg platform.

Adjusted Contribution

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

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

	Year Ended December 31,		
	2024	2023	2022
Adjusted Contribution	$ 150,537	$ 158,626	$ 143,035
Minus:			
Delivery costs	29,643	28,248	30,403
Sales and marketing expense	52,649	57,425	74,745
Research and development expense	49,607	51,352	54,435
General and administrative expense	56,482	58,810	81,446
Change in contingent consideration	210	1,246	(128,174)
Impairment of goodwill and intangible assets	131,595	70,518	453,288
Acquisition, integration and divestiture costs (benefits)	161	(6,313)	(2,874)
Loss on divestitures	—	6,550	—
Depreciation and amortization expense	25,689	26,460	37,544
Total non-operating (income) expense(1)	(6,195)	(968)	8,932
Loss before income taxes	$ (189,304)	$ (134,702)	$ (466,710)

(1) Non-operating (income) expense includes interest income, interest expense and foreign currency loss.

As a percentage of our total consolidated revenues, revenues from external customers in the United States for the years ended December 31, 2024, December 31, 2023 and December 31, 2022 was 92%, 94% and 91%, respectively. Revenues from external customers are attributed to individual countries based on the location of the customer arrangements. Our results of operations and our financial condition are not significantly reliant upon any single customer.

The following tables provide geographical information (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Revenue:			
United States	$ 254,081	$ 291,420	$ 275,256
United Kingdom	24,217	17,784	23,286
Total	$ 278,298	$ 309,204	$ 298,542

	December 31,	
	2024	2023
Property and equipment:		
United States	$ 2,530	$ 3,244
United Kingdom	66	79
Total	$ 2,596	$ 3,323

Capital expenditures within the United Kingdom and India were $0.1 million, $0.2 million and $0.5 million during 2024, 2023 and 2022, 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 treasury obligation funds and money market accounts at financial institutions with high credit facility. Our remaining 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.

Marketers

As of December 31, 2024, we define a marketer as a customer who has a distinct contractual relationship with us, rather than aggregating by parent company. We believe this is a more accurate representation for how marketing budgets are managed at our customer level. This methodology change in our aggregation impacts how we calculate our revenue and accounts receivable concentration and we changed the prior year presentation to be in conformity.

Our Revenue and accounts receivable are diversified among a large number of marketers segregated by both geography and industry. During the years ended December 31, 2024, December 31, 2023 and December 31, 2022, our top five marketers accounted for 16%, 15% and 15% of our Revenue, respectively, with no marketer accounting for over 10% during each period. As of December 31, 2024 and 2023, our top five marketers accounted for 17% and 19% of our accounts receivable, respectively, with no individual marketer representing over 10% as of the end of each 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 the years ended December 31, 2024, 2023 and 2022, our top three FI partners combined to account for over 85%, 85% and 80%, respectively, of the total Partner Share we paid to all partners. During 2024 and 2023 the top FI partner represented over 50% and the second and third largest FI partners each represented over 10% of Partner Share. During 2022 the top two FI partners represented over 20% and 25%, respectively, and the third largest FI partner representing over 10% of Partner Share for each period. No other partner accounted for over 10% of Partner Share during these periods.

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 controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under 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.

Based on the evaluation of our disclosure controls and procedures as of December 31, 2024, 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.

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, 2024, our internal control over financial reporting was effective.

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

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended December 31, 2024 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, 2024, 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, 2024, 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, 2024, of the Company and our report dated March 12, 2025, 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.

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.

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 12, 2025

ITEM 9B. OTHER INFORMATION.

Not applicable.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

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 2025 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission ("SEC") within 120 days of the fiscal year ended December 31, 2024.

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.

We have adopted an insider trading policy governing the purchase, sale, and/or other dispositions of our securities and those of public companies in which we have a business relationship by our directors, executive officers, employees and consultants, that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. A copy of our insider trading policy, including any amendments thereto, is filed incorporated by reference as Exhibit 19 to 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 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024.

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 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024.

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 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated by reference to our Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024.

PART IV.

ITEM 15. 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			
Exhibit	Exhibit Description	Schedule /Form	File Number	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Registrant	S-1	333-222531	3.2	1/12/2018
3.2	Amended and Restated Bylaws of the Registrant	S-1	333-222531	3.4	1/12/2018
4.1	Form of Common Stock Certificate of the Registrant	S-1/A	333-222531	4.1	1/29/2018
4.2	Description of Cardlytics, Inc. Common Stock	10-K	001-38386	4.3	3/3/2020
4.3	Indenture, dated as of September 22, 2020, by and between the Registrant ant U.S. Bank National Association, as Trustee.	8-K	001-38386	4.1	9/22/2020
4.4	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	Indenture, dated as of April 1, 2024, by and between the Registrant ant U.S. Bank National Association, as Trustee.	8-K	001-38386	4.1	4/1/2024
4.6	Form of Global Note, representing the Registrant's 4.25% Convertible Senior Notes due 2029 (included as Exhibit A to the Indenture filed as Exhibit 4.6)	8-K	001-38386	4.2	4/1/2024
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	1/12/2018
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	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	1/29/2018
10.4†	2018 Employee Stock Purchase Plan	S-1/A	333-222531	10.3	1/29/2018
10.5†	Form of restricted securities unit award of the Registrant under 2018 Equity Incentive Plan	S-1	333-222531	10.8	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	1/12/2018
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	1/12/2018

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	8/14/2018
10.9^	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
10.10^	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
10.11^	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
10.12	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
10.13^	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
10.14^	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
10.15^	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
10.16†	Offer Letter Agreement between Karim Temsamani and Cardlytics, Inc.	10-Q	001-38386	10.2	11/1/2022
10.17†	Severance Agreement between Karim Temsamani and Cardlytics, Inc.	10-Q	001-38386	10.3	11/1/2022
10.18†	Severance Agreement between Nick Lynton and Cardlytics, Inc.	10-Q	001-38386	10.4	11/1/2022
10.19†	2022 Inducement Plan	10-Q	001-38386	10.7	11/1/2022
10.20†	Form of option grant notice and agreement under 2022 Inducement Plan	10-Q	001-38386	10.8	11/1/2022
10.21†	Form of restricted stock unit grant notice and agreement under 2022 Inducement Plan	10-Q	001-38386	10.9	11/1/2022
10.22†	Offer Letter Agreement between Amit Gupta and Cardlytics, Inc.	10-K	001-38386	10.41	3/1/2023
10.23†	Severance Agreement between Amit Gupta and Cardlytics, Inc.	10-K	001-38386	10.41	3/1/2023
10.24†	Amendment to Inducement Plan	10-K	001-38386	10.41	3/1/2023
10.25^	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
10.26	Second Amendment to Inducement Plan	S-8	001-38386	4.8	7/18/2023
10.27^	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
10.28†	Offer Letter Agreement between Alexis DeSieno and the Registrant dated June 20, 2023	10-Q	001-38386	10.2	8/1/2023
10.29†	Separation Pay Agreement between Alexis DeSieno and the Registrant, dated July 13, 2023.	10-Q	001-38386	10.3	8/1/2023

10.30	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
10.31	Settlement Agreement by and between the Company and Shareholder Representative Services LLC, dated as of January 25, 2024	10-K	001-38386	10.5	3/14/2025
10.32	Amended Non-Employee Director Compensation Plan	10-K	001-38386	10.53	3/14/2025
10.33	Work Order between the Company and American Express Travel Related Services Company dated March 14, 2024 to Master Hosted Services Agreement	10-Q	001-38386	10.4	5/8/2024
10.34^	Statement of Work Change Order dated May 24, 2024, between the Registrant and Bank of America, N.A.	10-Q	001-38386	10.1	8/7/2024
10.35	Offer Letter between Amit Gupta and the Registrant, dated August 21, 2024.	10-Q	001-38386	10.1	11/6/2024
10.36	Amended and Restated Loan and Security Agreement dated as of September 30, 2024, by and among Cardlytics, Inc., as Borrower and Banc of California, as Lender	10-Q	001-38386	10.3	11/6/2024
10.37*	Assumption Agreement and First Amendment to Loan and Security Agreement, dated as of December 6, 2024, by and among Cardlytics, Inc., as Borrower and Banc of California, as Lender				
10.38*^	Assumption Agreement and Second Amendment to Loan and Security Agreement, dated as of January 27, 2025, by and among Cardlytics, Inc., as Borrower and Banc of California, as Lender				
10.39	2024 Bonus Plan of the Registrant				
19.1	Insider Trading Policy				
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	10-K	001-38386	97.1	3/14/2025
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 With Embedded 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.

† Indicates management contract or compensatory plan

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

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.

Cardlytics, Inc.

March 12, 2025

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

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/ Amit Gupta Amit Gupta	Chief Executive Officer and Director (*Principal Executive Officer*)	March 12, 2025
/s/ Alexis DeSieno Alexis DeSieno	Chief Financial Officer *(Principal Financial and Accounting Officer)*	March 12, 2025
/s/ John Klinck John Klinck	Board Chairperson	March 12, 2025
/s/ Andre Fernandez Andre Fernandez	Director	March 12, 2025
/s/ Jon Francis Jon Francis	Director	March 12, 2025
/s/ Srishti Gupta Srishti Gupta	Director	March 12, 2025
/s/ Scott Hill Scott Hill	Director	March 12, 2025
/s/ Liane Hornsey Liane Hornsey	Director	March 12, 2025
/s/ Alex Mishurov Alex Mishurov	Director	March 12, 2025

First Amendment to Amended and Restated Loan and Security Agreement and Consent

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

Date: **December 6, 2024**

This **FIRST AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT AND CONSENT** (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 Amended and Restated Loan and Security Agreement between them, dated September 30, 2024 (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.)

Borrower has advised Lenders and Agent that Borrower intends to dissolve each of AFIN Intermediate Holdings, Inc. ("AFIN Intermediate"), AFIN Holdings Inc. ("AFIN Holdings") and HSP EPI Acquisition, LLC ("HSP"), each of which is a Borrower under the Loan Agreement. Pursuant to Section 5.5 of the Loan Agreement, Borrower cannot dissolve or elect to dissolve without Agent's prior written consent. Borrower has requested that Agent consent to the dissolution of each of AFIN Intermediate, AFIN Holdings and HSP. Subject to the terms of this Amendment, Agent is willing to provide such consent.

1. **Consent to Dissolution of Certain Borrowers.** Agent hereby consents to the dissolution of each of AFIN Intermediate, AFIN Holdings and HSP (each a "Dissolving Borrower" and collectively, the "Dissolving Borrowers"). Agent further agrees that, upon the effectiveness of the dissolution of a particular Dissolving Borrower (including, without limitation, the filing of the necessary dissolution documentation with the Secretary of State of such particular Dissolving Borrower and providing written evidence of the same to Agent satisfactory to Agent in its Good Faith Business Judgment), such Dissolving Borrower will be deemed, without any further action on the part of Borrower or Agent or Lenders, removed as a Borrower under the Loan Agreement and all other Loan Documents.

2. **Added Definition of First Amendment.** The definition of "First Amendment" is hereby added to Section 8 of the Loan Agreement, in alphabetical order, and shall read as follows: "First Amendment" means that First Amendment to Amended and Restated Loan and Security Agreement and Consent, dated as of December 6, 2024 by and between Borrower, Agent and Lenders.

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

4. **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.

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

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

6. **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.

7. **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.

8. **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.

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

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

Borrower:

CARDLYTICS, INC.

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

Borrower:

DOSH HOLDINGS LLC

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

Borrower:

AFIN INTERMEDIATE HOLDINGS INC.

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

Borrower:

AFIN HOLDINGS INC.

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

Borrower:

HSP EPI ACQUISITION, LLC

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

Agent and Lender:

BANC OF CALIFORNIA

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

[Signature Page—First Amendment to A&R Loan and Security Agreement]

Second Amendment to Amended and Restated Loan and Security Agreement

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

Date: **January 27, 2025**

This **SECOND AMENDMENT TO AMENDED AND RESTATED 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 Amended and Restated Loan and Security Agreement between them, dated September 30, 2024 (as amended, the "Loan Agreement"), as follows, effective as of the date hereof except as otherwise provided below. (Capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Loan Agreement.)

1. **Added Definition of First Amendment.** The definition of "Second Amendment" is hereby added to Section 8 of the Loan Agreement, in alphabetical order, and shall read as follows:

"Second Amendment" means that Second Amendment to Amended and Restated Loan and Security Agreement, dated as of January 27, 2025 by and between Borrower, Agent and Lenders.

1. **Restated Minimum Cumulative Adjusted EBTIDA Financial Covenant**. That portion of Section 5 of the Schedule that currently reads as follows:

"Minimum Cumulative

Adjusted EBTIDA: Borrower shall maintain a cumulative minimum Adjusted EBITDA of not less than the following amounts during the following periods:

Period Ended	*Minimum Cumulative Adjusted EBITDA (000s omitted) "( )" denotes negative Adjusted EBTIDA, in which case Minimum Cumulative Adjusted EBITDA cannot exceed (i.e., be more negative than) the negative amounts set forth below*
6-months ending June 30, 2024	[***]
9-months ending September 30, 2024	[***]
12-months ending December 31, 2024	[***]

is hereby amended and restated to read as follows:

"Minimum Cumulative

Adjusted EBTIDA: Borrower shall maintain a cumulative minimum Adjusted EBITDA of not less than the following amounts during the 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.

Period Ended	Minimum Cumulative Adjusted EBITDA (000s omitted) "( )" denotes negative Adjusted EBTIDA, in which case Minimum Cumulative Adjusted EBITDA cannot exceed (i.e., be more negative than) the negative amounts set forth below
1-month ending March 31, 2024	[***]
6-months ending June 30, 2024	[***]
9-months ending September 30, 2024	[***]
12-months ending December 31, 2024	[***]

1. **Legal Expenses.** Without limitation on the terms of the Loan Documents, Borrower agrees to reimburse Lender for all its documented costs and expenses (including reasonable attorneys' fees) incurred in connection with this Amendment.
2. **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.
3. **General Release.** In consideration for Agent and Lenders entering into this Amendment, Borrower hereby irrevocably releases and forever discharges Agent, Lenders, and their successors, assigns, agents, shareholders, directors, officers, employees, agents, attorneys, parent corporations, subsidiary corporations, affiliated corporations, affiliates, participants, and each of them (collectively, the "Releasees"), from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, of every nature and description, known and unknown, which Borrower now has or at any time may hold, by reason of any matter, cause or thing occurred, done, omitted or suffered to be done prior to the date of this Amendment arising under or in any way related to the Loan Agreement, this Amendment or any other Loan Document or any of the transactions contemplated herein or therein (collectively, the "Released Claims"). Borrower hereby irrevocably waives the benefits of any and all statutes and rules of law to the extent the same provide in substance that a general release does not extend to claims which the creditor does not know or suspect to exist in its favor at the time of executing the release. Borrower represents and warrants that it has not assigned to any other Person any Released Claim, and agrees to indemnify Agent and Lenders against any and all actions, demands, obligations, causes of action, decrees, awards, claims, liabilities, losses and costs, including but not limited to reasonable attorneys' fees of counsel of Lenders' choice and costs, which Lenders may sustain or incur as a result of a breach or purported breach of the foregoing representation and warranty.
4. **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.
5. **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.
6. **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.

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

8. **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.**

Exhibit 10.38

Borrower:

CARDLYTICS, INC.

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

Borrower:

DOSH HOLDINGS LLC

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

Agent and Lender:

BANC OF CALIFORNIA

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

[Signature Page—Second Amendment to A&R Loan and Security 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.

2024 Bonus Plan

Overview

The 2024 Cardlytics Bonus Plan ("Bonus Plan") outlines certain cash bonus payouts that may be awarded to certain employees for helping Cardlytics, Inc. ("Company") reach its corporate goals and in recognition of their personal performance during the year. All bonuses earned are paid as lump-sum payments after the conclusion of the 2024 annual review process.

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 based on your base salary at the end of that period. Your bonus % is based upon your level and will be communicated to you by your manager. Your bonus % can also be found in Workday.

Bonus Components

Your bonus consists of two components: corporate and personal. The weight of each of these components depends upon your level.

In the event that the Company hits its Modified Adjusted EBITDA goal, each employee's bonus will be 100% funded. In the event the Company exceeds its Modified Adjusted EBITDA goal, bonuses will be funded based on the exact percentage dependent on the level by which the company exceeds its goal, and is capped at 120% maximum. In the event the Company misses its Modified Adjusted EBITDA goal, each employee's bonus will be funded by less than 100%, and may not be funded at all in the event of a significant miss. The philosophy is that for each incremental dollar we make above the budget, we keep a portion of it and pay the remainder to employees. On the flip side, for each dollar below budget, we protect our bottom line by reducing the bonus pool by each dollar missed.

Corporate Component

The corporate component of the bonus is paid out based on one metric:

1. Adjusted EBITDA (as reported)

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% to 49% payout
- From the Threshold to just below the Target: 50% payout
- At Target: 100% payout
- Over the Target: capped at 120% payout

Personal Component

The second component of the Bonus Plan is tied to your personal performance in 2024 as determined by your manager during the Company's annual performance review process.

Annual reviews for 2024 will take place in Q1 2025 and will result in you receiving a performance rating tied to the below five-point scale. Based on your rating, your allotted bonus based on the Company's financial performance (component 1) may be multiplied by a modifier (multiplied by a maximum of 120% or a minimum of 0%). For example, company performance resulting in 120% payout and personal performance resulting in 120% payout would lead to an employee receiving 144% payout (120% personal x 120% company = 144%). Note: performance rating descriptors may change.

Performance Rating	Bonus Modification
No Impact	—%
Minimal Impact	50%
Satisfactory Impact	100%
Significant Impact	110%
Transformative Impact	120%

Executives

For Executives, 100% of the employee's target is paid out annually based on annual corporate performance.

Fine Print

- The Bonus Plan applies to all employees of the Company and its subsidiaries who are not on a commission plan, unless otherwise dictated by the Company, and will be consistent with your employment agreement.
- Employees hired at any point between January 1, 2024 and September 30, 2024 will receive a pro-rated annual bonus based on their time served during 2024. Employees hired on or after October 1, 2024 are not eligible for the 2024 bonus.
- Employees who switch from the Bonus Plan to a commission plan, or vice versa, in 2024 are eligible for a prorated 2024 bonus based on the portion of the year they were bonus eligible, unless otherwise dictated by the Company.
- Your bonus percentage is based upon your job level at the Company and can be located in Workday's Compensation tab in your Workday profile.
- If you are promoted during the year, your bonus target percentage will be a weighted average of your old and new target percent.
- The specific date on which bonuses are paid shall be determined by the Company in its sole discretion. The bonus has historically been paid after the 2024 annual review process has concluded, near the end of the first quarter.
- All bonus payments are subject to applicable federal, state and local tax withholdings.
- 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 are final.
- An employee must be actively employed at Cardlytics on the bonus payout date in order to be eligible for any bonus payment. Individuals who are not employed by Cardlytics on the bonus payout date are not eligible to receive the 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.
- The Company's calculation of any bonus payments, and any interpretations of the Bonus Plan, are final in all respects.
- The Bonus Plan does not create a contract of employment or a contract for pay.

Exhibit 19.1

Cardlytics, Inc.

Amended and Restated Insider Trading and Window Period Policy

Effective as of March 7, 2024

I. Introduction

This policy determines acceptable transactions in the securities of **Cardlytics, Inc.** (the "***Company***") by our employees, directors and consultants. During the course of your employment, directorship or consultancy with the Company, you may receive important information that is not yet publicly available about the Company or about other publicly-traded companies with which the Company has business dealings ("***inside information***"). Because of your access to this inside information, you may be in a position to profit financially by buying or selling, or in some other way dealing, in the Company's stock, or stock of another publicly- traded company, or to disclose such information to a third party who does so profit (a "***tippee***").

II. Insider Trading Policy

A. Securities Transactions

Use of inside information by someone for personal gain, or to pass on, or "tip," the inside information to someone who uses it for personal gain, is illegal, regardless of the quantity of shares, and is therefore prohibited. You can be held liable both for your own transactions and for transactions effected by a tippee, or even a tippee of a tippee. Furthermore, it is important that the **appearance** of insider trading in securities be avoided. The only exception is that transactions directly with the Company, *e.g.,* option exercises for cash or purchases under the Company's employee stock purchase plan, are permitted. However, the subsequent **sale** (including the sale of shares in a cashless exercise program) or other disposition of such stock **is** fully subject to these restrictions.

B. Inside Information

As a practical matter, it is sometimes difficult to determine whether you possess inside information. The key to determining whether nonpublic information you possess about a public company is inside information is whether dissemination of the information would likely affect the market price of the company's stock or would likely be considered important, or "material," by investors who are considering trading in that company's stock. Certainly, if the information makes **you** want to trade, it would probably have the same effect on others. Remember, both positive and negative information can be material. If you possess inside information, you may not trade in a company's stock, advise anyone else to do so or communicate the information to anyone else until you know that the information has been publicly disseminated. This means that in some circumstances, you may have to forego a proposed transaction in a company's securities even if you planned to execute the transaction prior to learning of the inside information and even though you believe you may suffer an economic loss or sacrifice an anticipated profit by waiting. "***Trading***" includes engaging in short sales, transactions in put or call options, hedging transactions and other inherently speculative transactions.

Although by no means an all-inclusive list, information about the following items may be considered to be inside information until it is publicly disseminated:

(a) financial results or forecasts;

(b) communications with government agencies;

(c) strategic plans;

(d) major new products or processes;

(e) acquisitions or dispositions of assets, divisions, companies, etc.;

(f) pending public or private sales of debt or equity securities;

(g) declaration of stock splits, dividends or changes in dividend policy;

(h) major contract awards or cancellations;

(i) scientific, clinical or regulatory results;

(j) top management or control changes;

(k) possible tender offers or proxy fights;

(l) significant writeoffs;

(m) significant litigation;

(n) impending bankruptcy;

(o) gain or loss of a significant licensor agreement or other contracts with customers or suppliers;

(p) pricing changes or discount policies;

(q) corporate partner relationships; and

(r) notice of issuance of patents.

For information to be considered publicly disseminated, it must be widely disclosed through a press release or SEC filing, and a sufficient amount of time must have passed to allow the information to be fully disclosed. Generally speaking, information will be considered publicly disseminated after two full trading days have elapsed since the date of public disclosure.

of the information. For example, if an announcement of inside information of which you were aware was made prior to trading on Wednesday, then you may execute a transaction in the Company's securities on Friday.

III. Stock Trading by Directors, Officers and Other Employees

Because the officers and directors of the Company are the most visible to the public and are most likely, in the view of the public, to possess inside information about the Company, we require them to do more than refrain from insider trading and require that they notify, and receive approval from, a Clearing Officer (as defined below) prior to engaging in transactions in the Company's stock and observe other restrictions designed to minimize the risk of apparent or actual insider trading. We also require that all employees and directors limit their transactions in the Company's stock to defined time periods following public dissemination of quarterly and annual financial results.

A. Covered Insiders

The provisions outlined in this stock trading policy apply to all directors and employees of the Company. Generally, any entities or family members whose trading activities are controlled or influenced by any of such persons should be considered to be subject to the same restrictions.

B. Window Period

Generally, except as set forth in this paragraph B and in paragraphs C, D and G of this policy, directors and employees may buy or sell securities of the Company only during a "***window period***" that opens after two full trading days have elapsed after the public dissemination of the Company's annual or quarterly financial results and closes on the last trading day 7 days before the end of the quarter. This window period may be closed early or may not open if, in the judgment of the Company's Chief Executive Officer, Chief Financial Officer or Chief Legal and Privacy Officer, there exists undisclosed information that would make trades inappropriate. It is important to note that the fact that the window period has closed early or has not opened should be considered inside information. An employee or director who believes that special circumstances require him or her to trade outside the window period should consult with the Company's Clearing Officer. Permission to trade outside the window period will be granted only where the circumstances are extenuating and there appears to be no significant risk that the trade may subsequently be questioned.

C. Exceptions to Window Period

1. ESPP/Option Exercises. Employees who are eligible to do so may purchase stock under the Company's Employee Stock Purchase Plan ("***ESPP***") on periodic designated dates in accordance with the ESPP without restriction to any particular period. Directors and employees may also exercise options for cash granted under the Company's stock option plans without restriction to any particular period. However, the subsequent **sale** of the stock (including sales of stock in a cashless exercise) acquired upon the exercise of options or pursuant to the ESPP is subject to all provisions of this policy.

2. 10b5-1 Automatic Trading Programs. In addition, purchases or sales of the Company's securities made pursuant to, and in compliance with, a written plan established by a director or employee that meets the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") (a "***Trading Plan***") may be made without restriction to any particular period provided that (i) the Trading Plan was established in good faith, in compliance with the requirements of Rule 10b5-1, at the time when such individual was not in possession of inside information about the Company and the Company had not imposed any trading blackout period, (ii) the Trading Plan was reviewed by the Company prior to establishment, solely to confirm compliance with this policy and the securities laws and (iii) the Trading Plan allows for the cancellation of a transaction and/or suspension of such Trading Plan upon notice and request by the Company to the individual if any proposed trade (a) fails to comply with applicable laws (*e.g.*, exceeding the number of shares that may be sold under Rule 144) or (b) would create material adverse consequences for the Company. The Company must be notified of the establishment of any such Trading Plan, any amendments to such Trading Plan and the termination of such Trading Plan.

D. Pre-Clearance and Advance Notice of Transactions

In addition to the requirements of paragraph B above, certain employees, officers and directors (the "Preclearance Group") may not engage in any transaction in the Company's securities, including any purchase or sale in the open market, loan, or other transfer of beneficial ownership without first obtaining pre-clearance of the transaction from the Company's Chief Legal and Privacy Officer or his designee (each, a "***Clearing Officer***") at least two business days in advance of the proposed transaction. The Preclearance Group will be changed from time to time and members will be informed by the Finance organization. The Clearing Officer will then determine whether the transaction may proceed and, if so, will direct the Compliance Coordinator (as identified in the Company's Section 16 Compliance Program) to assist in complying with the reporting requirements under Section 16(a) of the Exchange Act, if any. Pre- cleared transactions not completed within ten business days shall require new pre-clearance under the provisions of this paragraph. The Company may, at its discretion, shorten such period of time.

Advance notice of gifts or an intent to exercise an outstanding stock option shall be given to a Clearing Officer. To the extent possible, advance notice of upcoming transactions to be effected pursuant to an established Trading Plan under Section III.C.2 above shall also be given to a Clearing Officer. Upon completion of any transaction, the officer or director must immediately notify the Compliance Coordinator and any other individuals identified in Section 1 of the Company's Section 16 Compliance Program so that the Company may assist in any Section 16 reporting obligations.

E. Prohibition of Speculative or Short-term Trading

No employee or director may engage in short sales, transactions in put or call options, hedging transactions, margin accounts, pledges or other inherently speculative transactions with respect to the Company's stock at any time.

F. Short-Swing Trading/Control Stock/Section 16 Reports

Officers and directors subject to the reporting obligations under Section 16 of the Exchange Act should take care not to violate the prohibition on short-swing trading (Section 16(b) of the Exchange Act) and the restrictions on sales by control persons (Rule 144 under the Securities Act of 1933, as amended), and should file all appropriate Section 16(a) reports (Forms 3, 4 and 5), which are enumerated and described in the Company's Section 16 Compliance Program, and any notices of sale required by Rule 144.

G. Prohibition of Trading During Pension Fund Blackouts

In accordance with Regulation BTR under the Exchange Act, no director or executive officer of the Company shall, directly or indirectly, purchase, sell or otherwise acquire or transfer any equity security of the Company (other than an exempt security) during any "blackout period" (as defined in Regulation BTR) with respect to such equity security, if such director or executive officer acquires or previously acquired such equity security in connection with his or her service or employment as a director or executive officer. This prohibition shall not apply to any transactions that are specifically exempted from Section 306(a)(1) of the Sarbanes-Oxley Act of 2002 (as set forth in Regulation BTR), including but not limited to, purchases or sales of the Company's securities made pursuant to, and in compliance with, a Trading Plan; compensatory grants or awards of equity securities pursuant to a plan that, by its terms, permits executive officers and directors to receive automatic grants or awards and specifies the terms of the grants and awards; acquisitions or dispositions of equity securities involving a bona fide gift or by will or the laws of descent or pursuant to a domestic relations order; etc. The Company shall timely notify each director and executive officer of any blackout periods in accordance with the provisions of Regulation BTR.

IV. Duration of Policy's Applicability

This policy continues to apply to your transactions in the Company's stock or the stock of other public companies engaged in business transactions with the Company even after your employment or directorship with the Company has terminated. If you are in possession of inside information when your relationship with the Company concludes, you may not trade in the Company's stock or the stock of such other company until the information has been publicly disseminated or is no longer material.

V. Penalties

Anyone who effects transactions in the Company's stock or the stock of other public companies engaged in business transactions with the Company (or provides information to enable others to do so) on the basis of inside information is subject to both civil liability and criminal penalties, as well as disciplinary action by the Company. An employee, director or consultant who has questions about this policy should contact his or her own attorney or the Chief Legal and Privacy Officer of the Company.

Exhibit 19.1

Carldytics, Inc.

Insider Trading and Window Period Policy

CERTIFICATION

To: **Cardlytics, Inc.**

I, ____, have received and read a copy of the **Cardlytics, Inc.** Insider Trading and Window Period Policy. I hereby agree to comply with the specific requirements of the policy in all respects during my employment or other service relationship with **Cardlytics, Inc.** I understand that this policy constitutes a material term of my employment or other service relationship with **Cardlytics, Inc.** (or a subsidiary thereof) and that my failure to comply in all respects with the policy is a basis for termination for cause.

____

(Signature)

____

(Name)

____

(Date)

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, 333-269361, 333-273299, 333-276737, 333-283036, 333-284434 on Form S-8, and Registration Statement No. 333-276738 on Form S-3 of our reports dated March 12, 2025, 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, 2024.

/s/ DELOITTE & TOUCHE LLP
Atlanta, Georgia
March 12, 2025

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Amit Gupta, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 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 12, 2025	By:	/s/ Amit Gupta
			Amit Gupta 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, Alexis DeSieno, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 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 12, 2025	By:	/s/ Alexis DeSieno
			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), Amit Gupta, Chief Executive Officer of Cardlytics, Inc. (the "Company"), and 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, 2024 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	March 12, 2025	By:	/s/ Amit Gupta
			Amit Gupta Chief Executive Officer (Principal Executive Officer)
Date:	March 12, 2025	By:	/s/ Alexis DeSieno
			Alexis DeSieno Chief Financial Officer *(Principal Financial and Accounting Officer)*

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this Report, irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.