Risk Factors Comparison 2024-03-14 to 2023-03-01 Form: 10-K

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Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this report, and in our other public filings in evaluating our business. Our business, financial condition, operating results, cash flow, and prospects could be materially and adversely affected by any of these risks or uncertainties. In that event, the market price of our common stock could decline, and you could lose part or all of your investment. Risks Related to our Business and Industry Unfavorable conditions, including inflationary pressure, in the global economy or the industries we serve could limit our ability to grow our business and negatively affect our operating results. General worldwide economic conditions have ~~experienced~~ **created** significant instability in recent years ~~including the recent global economic uncertainty and financial market conditions~~. For example, inflation rates ~~, particularly in the United States and United Kingdom,~~ have ~~increased~~ **fluctuated significantly in** ~~recently~~ -- **recent periods** ~~to levels not seen in years~~, and increased inflation may result in decreased demand for our products and solutions, increases in our operating costs (including our labor costs), reduced liquidity and ~~limits~~ **limitations** on our ability to access credit or otherwise raise capital. In addition, the Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation, which coupled with reduced government spending and volatility in financial markets may have the effect of further increasing economic uncertainty and heightening these risks. Additionally, financial markets around the world experienced volatility following the invasion of Ukraine by Russia in February 2022 **and escalating conflicts in the Middle East in late 2023. Further, concerns have recently arisen with respect to the financial condition of a number of banking organizations in the United States, in particular those with exposure to certain types of depositors and large portfolios of investment securities. While we do not have any exposure to banking organizations that have entered receivership or become insolvent, we do maintain our cash at financial institutions, at times in balances that exceed the current insurance limits set forth by the Federal Deposit Insurance Corporation (the" FDIC"). If other banks and financial institutions enter receivership or become insolvent in the future due to financial conditions affecting the banking system and financial markets, our ability to access our cash, cash equivalents and investments, including our ability to transfer funds, make payments or receive funds, may be threatened and could have a material adverse effect on our business and financial condition**. These conditions make it extremely difficult for marketers and us to accurately forecast and plan future business activities and could cause marketers to **begin or** continue to reduce or delay their marketing spending. Historically, economic downturns have resulted in overall reductions in marketing spending ~~. Alternatively, as the market recovers from the pandemic, marketing spend may be volatile and unpredictable as certain industries recover at different speeds~~. If macroeconomic conditions deteriorate or are characterized by uncertainty or volatility, marketers may curtail or freeze spending on marketing in general and for services such as ours specifically, which could have a material and adverse impact on our business, financial condition and operating results. In addition, our business may be materially and adversely affected by weak economic conditions in the industries that we serve. We have historically generated a substantial majority of our revenue from marketers in the restaurant, brick and mortar retail, telecommunications and cable industries, and have ~~recently entered~~ **expanded into** new industries such as travel and entertainment, direct- to- consumer, grocery and gas. All of these industries have been negatively impacted by ~~the pandemic and~~ inflationary pressure and certain precautions taken to control ~~the pandemic and~~ inflationary pressure. We ~~cannot predict the timing, strength or duration of any economic slowdown or recovery. In addition, we~~ cannot predict the timing, strength or duration of any economic slowdown or recovery. In addition, even if the overall economy is robust, we cannot assure you that the market for services such as ours will experience growth or that we will experience growth. Our quarterly operating results have fluctuated and may continue to vary from period to period, which could result in our failure to meet expectations with respect to operating results and cause the trading price of our stock to decline. Our operating results have historically fluctuated, and our future operating results may vary significantly from quarter to quarter due to a variety of factors, many of which are beyond our control. Period- to- period comparisons of our operating results should not be relied upon as an indication of our future performance. Given our relatively short operating history and the rapidly evolving purchase intelligence industry, our historical operating results may not be useful in predicting our future operating results. Factors that may impact our quarterly operating results include the factors set forth in this ~~“~~ **"** Risk Factors ~~”~~ **"** section, as well as the following: • our ability to attract and retain marketers and partners; • the amount and timing of revenue, operating costs and capital expenditures related to the operations and expansion of our business, particularly with respect to our efforts to attract new marketers and partners to our network; • the revenue mix revenue generated from our operations in the U. S. and U. K.; • the revenue mix generated from the operations of Cardlytics ~~, Inc.~~ and its subsidiaries; • decisions made by our FI partners to increase Consumer Incentives or use their ~~Partners~~ - **Partner** Share to fund their Consumer Incentives; • changes in the economic prospects of marketers, the industries that we primarily serve, or the economy generally, which could alter marketers ~~’~~ **'** spending priorities or budgets; • the termination or alteration of relationships with our partners in a manner that impacts ongoing or future marketing campaigns; • reputational harm; • the amount and timing of expenses required to grow our business, including the timing of our payments of Partner Share and Partner Share commitments as compared to the timing of our receipt of payments from our marketers; • changes in demand for our solutions or similar solutions; • seasonal trends in the marketing industry; • competitive market position, including changes in the pricing policies of our competitors; • exposure related to our international operations and foreign currency exchange rates; • quarantine, private travel limitation, or business disruption in regions affecting our operations, stemming from actual, imminent or perceived outbreak of contagious disease ~~, including the~~

~~COVID- 19 pandemic; • volatile recovery from the pandemic, including inflationary pressure~~ ; • other events or factors, including those resulting from war, such as ~~the current~~ hostilities between Russia and Ukraine ~~or~~ **, and the current armed conflict in the Middle East, and** incidents of terrorism; • expenses associated with items such as litigation, regulatory changes, cyberattacks or security breaches; • the introduction of new technologies, products or solution offerings by competitors; **and** • costs related to acquisitions of other businesses or technologies ~~; and • our ability to maintain and grow our business in light of the global COVID- 19 pandemic and precautions taken to reduce the risk of this virus~~ . Fluctuations in our quarterly operating results, non- GAAP ~~metrics~~ and other metrics and the price of our common stock may be particularly pronounced in the current economic environment ~~due to the uncertainty caused by and the unprecedented nature of the current COVID- 19 pandemic~~ . Each factor above or discussed elsewhere in this" Risk Factors" section or the cumulative effect of some of these factors may result in fluctuations in our operating results. This variability and unpredictability could result in our failure to meet expectations with respect to operating results, or those of securities analysts or investors, for a particular period. If we fail to meet or exceed expectations for our operating results for these or any other reasons, the market price of our stock could fall and we could face costly lawsuits, including securities class action suits. We may not be able to sustain our revenue and billings growth rate in the future. Our revenue increased ~~43~~ **4** % **to $ 309. 2 million in 2023** from $ ~~186~~ **298** . ~~9~~ **5** million in ~~2020~~ **2022** ~~to $ 267. 1 million in 2021,~~ and ~~our revenue~~ increased 12 % **to $ 298. 5 million in 2022** from $ 267. 1 million in 2021 ~~to $ 298. 5 million in 2022~~ . Our billings increased ~~50~~ **2** % **to $ 453. 4 million in 2023** from $ ~~263~~ **442** . ~~4~~ **5** million in ~~2020~~ **2022** ~~to $ 394. 1 million in 2021,~~ and ~~our billings~~ increased 12 % **to $ 442. 5 million in 2022** from $ 394. 1 million in 2021 ~~to $ 442. 5 million in 2022~~ . We may not be able to maintain year- over- year revenue and billings growth in the near term or at all, and you should not consider our revenue and billings growth in any specific historical periods as indicative of our future performance. Our revenue and billings may be negatively impacted in future periods due to a number of factors, including slowing demand for our solutions, increasing competition, decreasing growth of our overall market, inflationary pressure, our inability to engage and retain a sufficient number of marketers or partners, or our failure, for any reason, to capitalize on growth opportunities. If we are unable to maintain consistent revenue, revenue growth or billings growth, our stock price could be volatile, and it may be difficult for us to achieve and maintain profitability. We are dependent upon the Cardlytics platform. The majority of our revenue and billings during ~~2021~~ **2023** and 2022 were derived from sales of advertising via the Cardlytics platform. Our operating results could suffer due to: • lack of continued participation by FI partners in our network or our failure to attract new FI partners; • any decline in demand for the Cardlytics platform by marketers or their agencies; • failure by our FI partners to increase engagement with our solutions within their customer bases, **adopt our new technology and products,** improve their customers' user experience, increase customer awareness, leverage additional customer outreach channels like email or otherwise promote our incentive programs on their websites and mobile applications, including by making the programs difficult to access or otherwise diminishing their prominence; • our failure to offer compelling incentives to our FI partners ~~'~~ **'** customers; • FI partners may elect to use their Partner Share to fund their Consumer Incentives; • the introduction by competitors of products and technologies that serve as a replacement or substitute for, or represent an improvement over, the Cardlytics platform, or an FI partner' s decision to implement any existing or future product or technology of a competitor alongside, or in lieu, of the Cardlytics platform; • FI partners developing, or acquiring, their own technology to support purchase intelligence marketing or other incentive programs; • technological innovations or new standards that the Cardlytics platform does not address; and • sensitivity to current or future prices offered by us or competing solutions. In addition, ~~in the majority of instances~~ we ~~would be~~ **are often** required to pay Consumer Incentives ~~associated with the Cardlytics platform marketing campaigns even if the amount of such Consumer Incentives exceeded the amount of billings that we are paid by the applicable marketer. Further, we are often required to pay such Consumer Incentives~~ before we receive payment from the applicable marketer. Accordingly, if ~~the amount of Consumer Incentives that we are required to pay materially exceeds the billings that we receive or~~ we encounter any significant failure to ultimately collect payment, our business, financial condition and operating results could be adversely affected. If we are unable to grow our revenue and billings from sales of the Cardlytics platform, our business and operating results would be harmed. We are substantially dependent on Chase, Bank of America, Wells Fargo and a limited number of other FI partners. We require participation from our FI partners in the Cardlytics platform and access to their purchase data in order to offer our solutions to marketers and their agencies. We must have FI partners with a sufficient number of customers and levels of customer engagement to ensure that we have robust purchase data and marketing space to support a broad array of incentive programs for marketers. In addition, we pay most of our FI partners a Partner Share, which is a negotiated and fixed percentage of our billings less certain costs. During **the years ended December 31,** ~~2020~~ **2023 , 2022** and 2021 ~~, our top two FI partners combined to account for over 75 % of the total Partner Share we paid to all partners, with each representing over 25 %. No other partner accounted for over 10 % of Partner Share during these periods. During 2022~~ , our top three FI partners combined to account for over **85 %,** 80 % **and 75 %, respectively,** of the total Partner Share we paid to all partners **. During 2023** , ~~with~~ **the top FI partner represented over 50 % and the second and third largest FI partners represented over 10 % of Partner Share. During 2022 and 2021** the top two FI partners ~~each representing~~ **represented** over 20 % and **25 %, respectively, and the** third largest FI partner ~~representing~~ **represented** over 10 % **,** of Partner Share **for each period** . No other partner accounted for over 10 % of Partner Share during these periods. Our agreements with a substantial majority of our FI partners have three- to seven- year terms but are generally terminable by the FI partner on 90 days or ~~less~~ **more** prior notice. If an FI partner terminates its agreement with us, we would lose that FI **partner** as a source of purchase data and online banking customers. Our FI partners may elect to withhold from us or limit the use of their purchase data for many reasons, including: • a change in the business strategy; • if there is a competitive reason to do so; • if new technical requirements arise; • concern by our FI ~~Partners~~ **partners** or their customers related to our use of purchase data; • if they choose to develop and use in- house solutions or use a competitive solution in lieu of our solutions; and • if legislation is passed restricting the dissemination, or our use, of the data that is currently provided to us **,** or if judicial interpretations result in similar limitations. To the extent that we breach or are alleged to have breached the terms of our agreement with any FI partner, or a disagreement arises with an FI partner regarding the interpretation of our contractual arrangements, which has occurred in the past and may occur again in the future, such an FI partner may be more likely to cease providing us data or to terminate its agreement with us. The loss of **Chase,** Bank of America ~~, Chase~~ , Wells Fargo or any other significant FI partner would significantly harm our business, results of operations and financial conditions. We may fail to meet our publicly announced guidance or other expectations about our business and future operating results, which would cause our stock price to decline. We have provided and may continue to provide guidance about our business, future operating results and other business metrics. In developing this guidance, our management must make certain assumptions and judgments about our future performance. Some of those key assumptions relate to the impact of ~~COVID- 19~~ **unfavorable macroeconomic conditions** and the associated economic uncertainty on our business and the timing and scope of economic recovery globally, which are inherently difficult to predict. Furthermore, analysts and investors may develop and publish their own projections of our business, which may form a consensus about our future performance. Our business results may vary significantly from such guidance or that consensus due to a number of factors, many of which are outside of our control, ~~including due to the global economic uncertainty and financial market conditions caused by the COVID- 19 pandemic,~~ which could adversely affect our operations and operating results. Furthermore, if we make downward revisions of any publicly announced guidance, or if our publicly announced guidance of future operating results fails to meet expectations of securities analysts, investors or other interested parties, the price of our common stock ~~would~~ **may** decline. If we fail to maintain our relationships with current FI partners or attract new FI partners, we may not be able to sufficiently grow our revenue, which could significantly harm our business, results of operations and financial condition. Our ability to grow our revenue depends on our ability to maintain our relationships with current FI partners and attract new FI partners. A significant percentage of consumer credit and debit card spending is concentrated with the 10 largest FIs in the U. S., five of which are currently part of our network, while the balance of card spending is spread across thousands of smaller FIs. Accordingly, our ability to efficiently grow our revenue will specifically depend on our ability to maintain our relationships with the large FIs that are currently part of our network and establish relationships with the large FIs that are not currently part of our network. ~~In addition, we must continue to maintain our relationships with our existing bank processor and digital banking provider FI partners and attract new such FI partners because these FI partners aggregate smaller FIs into our network.~~ We have in the past and may in the future be unsuccessful in attempts to establish and maintain relationships with large FIs. If we are unable to maintain our relationships with current FI partners and attract new FI ~~partners, maintain our relationships with our existing bank processor and digital banking provider partners or attract new bank processor and digital provider~~ partners, our business, results of operations and financial condition would be significantly harmed, and we may fail to capture a material portion of the native bank advertising market opportunity. Our future success will depend, in part, on our ability to expand into new industries. We have historically generated a substantial majority of our revenue from marketers in the restaurant, brick and mortar retail, telecommunications and cable industries, and have ~~recently entered~~ **expanded into** new industries such as travel and entertainment, direct- to- consumer, grocery and gas, and believe that our future success will depend, in part, on our ability to expand adoption of our solutions in new industries. As we market to a wider group of potential marketers and their agencies, we will need to adapt our marketing strategies to meet the concerns and expectations of customers in these new industries. Our success in expanding sales of our solutions to marketers in new industries will depend on a variety of factors, including our ability to: • tailor our solutions so that they that are attractive to businesses in such industries; • hire personnel with relevant industry experience to lead sales and services teams; and • develop sufficient expertise in such industries so that we can provide effective and meaningful marketing programs and analytics. If we are unable to successfully market our solutions to appeal to marketers and their agencies in new industries, we may not be able to achieve our growth or business objectives. An actual or perceived breach of the security of our systems **, or those of third parties upon which we rely,** could result in **adverse consequences resulting from such breach, including but not limited to** a disruption of our operations, **reputational harm, loss of revenue** or ~~a third- party' s entry into~~ **profits, loss of customers, regulatory investigations or actions, litigation, fines and penalties and other adverse consequences. We leverage** our FI partners **'** ~~' systems, which would be detrimental to our business, reputation, financial condition and operating results. We leverage our FI partners'~~ purchase data and infrastructures to deliver our Cardlytics platform. We do not currently receive or have access to any ~~personally identifiable information ("~~ PII ~~")~~ from our FI partners, although we may obtain or have access to PII from our FI partners in the future as our business evolves. ~~There is a risk that third parties may attempt to gain access to our systems, or our FI partners' systems through our systems, for the purpose of stealing sensitive or proprietary data, accessing sensitive information on our network, or disrupting our or their respective operations.~~ Additionally, we receive **, collect, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, share** and have access to ~~PII~~ **personal data** as a result of other aspects of our business. ~~In turn~~ **As such** , we may be a more visible target for cyberattacks ~~and /~~ or physical breaches of our **systems,** databases or data centers, and we may in the future suffer from such attacks or breaches. **There is a risk that actors may attempt to gain access to our systems, for the purpose of stealing personal data, sensitive or proprietary data, accessing sensitive information on our network, or disrupting our or their respective operations.** Cyberattacks, malicious internet- based activity and online and offline fraud **, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information systems, and those of the third parties upon which we rely. Such threats** are prevalent and continue to ~~increase~~ **rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer" hackers," threat actors," hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors. Some actors now engage and are expected to continue to engage in cyberattacks, including without limitation nation- state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties upon which we rely, and our customers may be vulnerable to a heightened risk of these attacks, including**

retaliatory cyberattacks, that could materially disrupt our systems and operations, and ability to provide our service . In addition to traditional computer ~~“~~**"** hackers, ~~”~~**" we and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social- engineering attacks (including deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks),** threat actors, software bugs, malicious code (such as viruses and worms), employee theft or misuse, denial- of- service attacks **,** ~~(such as~~ credential ~~stuffing)~~ **attacks, credential harvesting** , and ransomware attacks, sophisticated nation- state and nation- state supported actors now engage in attacks (including advanced persistent threat intrusions). We also may be the subject of ~~phishing attacks,~~ viruses, malware installation, server malfunction, software or hardware failures, loss of data or other computer assets, adware, malicious or unintentional actions or in actions by employees or others with authorized access to our network that create or expose vulnerabilities **, attacks enhanced or facilitated by artificial intelligence (" AI"), and other similar threats** or other similar issues. **In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.** Current or future criminal capabilities, discovery of existing or new vulnerabilities in our systems and attempts to exploit those vulnerabilities or other developments may compromise ~~or breach~~ the technology protecting our systems. Due to a variety of both internal and external factors, including defects or misconfigurations of our technology, our services could become vulnerable to security incidents (both from intentional attacks and accidental causes) that cause them to fail to secure networks and detect and block attacks. In the event that our protection efforts are unsuccessful, and our systems are compromised such that a third- party gains entry to our or any of our FI partners ~~’~~**'** systems, we could suffer substantial harm. In addition, **many** ~~a vast majority~~ of our employees work remotely, which may make us more vulnerable to cyberattacks **and has increased risks to our systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations** . A security breach could result in operational or administrative disruptions, or impair our ability to meet our marketers’ requirements, which could result in decreased revenue. Also, our reputation could suffer irreparable harm, causing our current and prospective marketers and FI partners to decline to use our solutions in the future. **We rely on third- party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, and other functions. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third- party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third- party service providers fail to satisfy their data privacy or security- related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply- chain attacks have increased in frequency and severity, and we cannot guarantee that third parties’ infrastructure in our supply chain or our third- party partners' supply chains have not been compromised. While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our systems (such as our hardware and software, including that of third parties upon which we rely). We may not, however, detect and remediate all such vulnerabilities, at all or on a timely basis.** Further, we **may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Even if we have issued or otherwise made patches for vulnerabilities in our software applications, products or services, our customers may be unwilling or unable to deploy such patches and use such information effectively and in a timely manner. Vulnerabilities** could be ~~forced~~ **exploited and result in a security incident. Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access** to **our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our platform. Further, we could** expend significant financial and operational resources to protect against or in response to a security incident, including repairing system damage, increasing cybersecurity protection costs by deploying additional personnel and protection technologies, dealing with regulatory scrutiny, and litigating and resolving legal claims, all of which could divert resources and the attention of our management and key personnel away from our business operations. **Applicable data privacy and security obligations may require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences.** In any event, an actual or ~~suspected~~ **perceived** breach of the security of our **, or the third parties on which we rely,** systems or data could materially harm our business, financial condition and operating results **. Security incidents and associated consequences may prevent or cause customers to stop using our platform, deter new customers from using our platform, and negatively impact our ability to grow and operate our business** . We cannot assure you that any limitations of liability provisions in our contracts would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim relating to a security lapse or breach. While we maintain cybersecurity insurance, our insurance may be insufficient or may not cover all liabilities incurred by such attacks. We also cannot be certain that our insurance coverage will be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceeds available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results and reputation. **In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.** Our business could be adversely affected if marketers or their agencies are not satisfied with our solutions or our systems and infrastructure fail to meet their needs. We derive nearly all of our revenue from marketers and their agencies. Accordingly, our business depends on our ability to satisfy marketers and their agencies with respect to their marketing needs. We are in the process of updating our platforms. Any failure ~~of,~~ or delays in the performance ~~(or in the case~~ of ~~the self- service tool, the rollout) of,~~ our systems could cause service interruptions or impaired system performance. Such failures in our systems could cause us to fail to maximize our earning potential with respect to any given marketing campaign. Such failures in our systems could also cause us to over- run on campaigns, thus committing us to higher redemptions, which may negatively affect the profitability of the affected campaigns. If sustained or repeated, these performance issues could adversely affect our business, financial condition or operating results, and further reduce the attractiveness of our solutions to new and existing marketers and cause existing marketers to reduce or cease using our solutions, which could also adversely affect our business, financial condition or operating results. In addition, negative publicity resulting from issues related to our marketer relationships, regardless of accuracy, may damage our business by adversely affecting our ability to attract new marketers or marketing agencies and maintain and expand our relationships with existing marketers. 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. If we fail to generate sufficient revenue to offset our contractual commitments to FIs, our business, results of operations and financial conditions could be harmed. We ~~have~~ **had** a minimum Partner Share commitment to a certain FI partner totaling $ 10. 0 million over a 12- month period which ~~began~~ **ended** on ~~April 1~~ **March 31** , ~~2022~~ **2023** . **The** ~~To the extent that this commitment is expected to exceed the amount of~~ Partner Share ~~otherwise payable to such FI partner in the absence of such commitment, we accrue any expected~~ shortfall ~~over the commitment period~~ **totaled $ 4. 5 million, which is included within Partner Share liability on our condensed consolidated balance sheet** . We ~~accrued~~ **have paid,** ~~for~~ **or** ~~zero~~ **are paying, this shortfall on a quarterly basis from October 1, 2023 through June 30, 2024. During the years ended December 31, 2023 and 2022, we recognized $ 1. 3 million** and $ 3. 2 million **, respectively,** of expected minimum Partner Share commitment shortfalls ~~as~~ **within Partner Share and other third-party costs on our condensed consolidated statements of operations. As** of December 31, ~~2021~~ **2023** ~~and 2022~~ , ~~respectively~~ **we paid $ 1. 2 million of our shortfall** . To the extent that we are unable to generate revenue from marketers sufficient to offset our Partner Share commitments and other obligations, our business, results of operations and financial conditions could be harmed ~~. If we are unable to successfully integrate Dosh' s, Bridg' s and Entertainment' s businesses and employees, it could have an adverse effect on our future results and the market price of our common stock. The success of our acquisitions of Dosh, Bridg and HSP EPI Acquisition, LLC (" Entertainment") will depend, in part, on our ability to integrate Dosh' s, Bridg' s and Entertainment' s operations and to realize the anticipated benefits, including in certain instances annual net operating synergies and cost reductions from combining the businesses. These integrations may be complex and time- consuming. The failure to successfully integrate and manage the challenges presented by the integration processes may result in our failure to achieve some or all of the anticipated benefits of the acquisitions. Potential difficulties that may be encountered in the integration processes, which may be enhanced as a result of our efforts to integrate both businesses concurrently, include the following: • complexities associated with managing the larger combined company; • integrating personnel from Dosh, Bridg and Entertainment with Cardlytics personnel; • current and prospective employees may experience uncertainty regarding their future roles with our company, which might adversely affect our ability to retrain, recruit and motivate key personnel; • difficulties ensuring the proper controls and policies are implemented and followed in the acquired and expanded business; • increased cyber threats due to the expanded profile of the enlarged business as well as the challenges associated with ensuring the integrating and protecting the expanded IT footprint with security and prevention, detection and response protocols; • potential lost sales and customers if Dosh' s or Bridg' s or Entertainment' s partners or advertising clients, or our partners or advertising clients, decide not to do business with the combined company; • issues associated with running a consumer- facing mobile application including proper notifications, rewards, and charges; • potential unknown liabilities and unforeseen expenses associated with the acquisitions; • performance shortfalls as a result of the diversion of management' s attention caused by integrating the companies' operations;. • Legal or regulatory hurdles regarding privacy or other data rights in the United States and abroad; and • Unanticipated challenges in expanding the businesses in the United States and abroad. In addition, acquisitions are inherently risky, and our due diligence processes in connection with the acquisitions may have failed to identify significant problems, liabilities or other shortcomings or challenges of Dosh' s, Bridg' s or Entertainment' s businesses. If any of~~

~~these events were to occur, our ability to maintain relationships with customers, suppliers and employees or our ability to achieve the anticipated benefits of the acquisition could be adversely affected or could reduce our future earnings or otherwise adversely affect our business and financial results and, as a result, adversely affect the market price of our common stock. The amount we will have to pay in connection with the acquisition of Bridg has not been conclusively determined, and it may be materially larger than we expect. As part of the acquisition of Bridg, we agreed to make two earnout payments: a First Anniversary Payment and a Second Anniversary Payment. We have agreed to pay at least 30 % of the First Anniversary Payment and the Second Anniversary Payment in cash, with the remainder to be paid in cash or our common stock, at our option. Depending on the total amount we have to pay for the earnout payments and the price of our stock during the relevant time periods, we may be required to pay more than 30 % of one or both earnout payments in cash even if we did not want to do so, due to a provision in the merger agreement that does not allow us to issue more than 19. 9 % of our common stock in connection with the transactions contemplated by the merger agreement. In June 2022, we calculated the First Anniversary Payment and provided the calculation to the Stockholder Representative. The Stockholder Representative has objected to our calculation of the amount of the First Anniversary Payment. We are following the dispute resolution process specific to the First Anniversary Payment stated in the merger agreement. It is possible that the final amount of the First Anniversary Payment will be materially larger than we currently expect, and it is further possible that, as a result of this process, the Second Anniversary Payment will be materially larger than we currently expect, which could adversely affect our business, results of operations and financial conditions~~ . We derive a material portion of our revenue from a limited number of marketers, and the loss of one or more of these marketers could adversely impact our business, results of operations and financial conditions. Our revenue and accounts receivable are diversified among a large number of marketers segregated by both geography and industry. **Our revenue and accounts receivable are diversified among a large number of marketers segregated by both geography and industry.** During **the years ended December 31,** ~~2020~~ **2023** ~~, 2021~~ and 2022 ~~,~~ our top five marketers accounted for ~~35~~ **15** % **of our revenue for each period** , ~~29~~ **with no marketer representing over 10** % **during each of 2023** and ~~17~~ **2022. During the year ended December 31, 2021 our top five marketers accounted for 27** % of our revenue ~~, respectively~~ , with one marketer accounting for over 10 % during ~~2020 and~~ 2021 ~~. While no marketer accounted for over 10 % of our revenue during 2022, we may have one or more marketer account for over 10 % of our revenue in future periods~~ . As of December 31, ~~2021~~ **2023** and 2022, our top five marketers accounted for 19 % and 18 % of our accounts receivable, respectively, with no individual marketer representing over 10 % as of the end of each period ~~, respectively~~ . We do not have material long- term commitments from most of these marketers. If we were to lose one or more of our significant marketers, our revenue may significantly decline. In addition, revenue from significant marketers may vary from period- to- period depending on the timing or volume of marketing spend. Further, our credit risk is concentrated among a limited number of marketers. The loss of one or more of our significant marketers could adversely affect our business, results of operations and financial conditions. ~~The ongoing COVID- 19 pandemic could materially and adversely affect our business, results of operations and financial condition. COVID- 19, including variants of COVID- 19, has resulted, at times, in the implementation or reimplementation of significant governmental measures, including lockdowns, closures, quarantines, occupancy limits and travel bans intended to control the spread of the virus. In response to the pandemic, our employees began working remotely in March 2020 and many are still primarily or exclusively working from home. In addition, many of our marketers and prospective marketers, as well as our partners, are working remotely. We have had to expend, and may be required to continue to expend, significant time, attention, and resources to respond to the COVID- 19 pandemic and the associated global economic uncertainty, including to develop and implement internal policies and procedures and track changes in laws and government guidelines and restrictions. The remote working environment may also create increased vulnerability to cybersecurity incidents, including breaches of information systems security, which could damage our reputation and commercial relationships. To the extent that future COVID restrictions are reinstated or additional prevention and mitigation measures are implemented, or there is uncertainty about the effectiveness of these or any other measures to contain or treat COVID- 19 or any of its variants, there potentially could be an adverse impact on global economic conditions, which could materially and adversely impact our operations and the operations of our marketers, partners, suppliers and others with whom we work. While, at this time, we are working to manage and mitigate potential disruptions from the virus or any of its variants on our employees and operations, the fluid nature of the pandemic and uncertainties regarding the related economic impact are likely to result in sustained market turmoil, which may materially and adversely impact our business, results of operations and financial condition. We cannot predict how the COVID- 19 pandemic, including with respect to variants of COVID- 19, will continue to develop, whether and to what extent government regulations or other restrictions may impact our operations or those of our customers, or whether or to what extent the COVID- 19 pandemic or the effects thereof may have longer term unanticipated impacts on our business. The full extent of COVID- 19' s impact on our operations and financial performance depends on future developments that are uncertain and unpredictable, including the duration, spread and intensity of future variants of the virus, the virus' impact on capital and financial markets, the timing of an economic recovery and any new information that may emerge concerning the severity of the virus, among others. As a result, it is not currently possible to ascertain the overall impact of COVID- 19 on our business. If, however, the pandemic continues to persist as a severe worldwide health crisis, it may harm our business, and also may have the effect of heightening many of the other risks described in this " Risk Factors " section.~~ We have a **relatively** short operating history, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful. We have a relatively short operating history, which limits our ability to forecast our future operating results and subjects us to a number of uncertainties, including with respect to our ability to plan for and model future growth. We have encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in developing industries. If our assumptions regarding these uncertainties, which we use to manage our business, are incorrect or change in response to changes in our markets, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, our business could suffer and our stock price could decline. Any success that we may experience in the future will depend in large part on our ability to, among other things: • maintain and expand our network of partners; • build and maintain long- term relationships with marketers and their agencies; • develop and offer competitive solutions that meet the evolving needs of marketers; • expand our relationships with partners to enable us to use their purchase data for new solutions; • improve the performance and capabilities of our solutions; • successfully expand our business; • successfully compete with other companies that are currently in, or may in the future enter, the markets for our solutions; • increase market awareness of our solutions and enhance our brand; • manage increased operating expenses as we continue to invest in our infrastructure to scale our business; and • attract, hire, train, integrate and retain qualified and motivated employees. 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 ~~measuring~~ **measure** those customers subsequent in- store or digital spending. We are also reliant on our network of partners to promote their digital incentive programs, increase customer awareness and leverage additional customer outreach channels like email, all of which can increase customer engagement ~~, as well as expand our network of partners~~ . We believe that key factors in the success and effectiveness of our incentive program include the level of accessibility and prominence of the program on the partners ~~’~~ **'** website and mobile applications, as well as the user interface through which a customer is presented with marketing content. In certain cases, we have little control over the prominence of the incentive program and design of the user interface that our partners choose to use. To the extent that our partners de- emphasize incentive programs, make incentive programs difficult to locate on their website ~~and /~~ or mobile applications ~~and /~~ or fail to provide a user interface that is appealing to partners' customers, partners' customers may be less likely to engage with the incentive programs, which could negatively impact the amount of fees that we are able to charge our marketer customers in connection with marketing campaigns, and, therefore, our revenue. In addition, a failure by our partners to properly deliver or sufficiently promote marketing campaigns ~~would~~ **may** reduce the efficacy of our solutions and impair our ability to attract and retain marketers and their agencies. As a result, the revenue we generate from our Cardlytics platform may be adversely affected, which would materially and adversely affect our business, financial condition and results of operations. If we do not effectively grow and train our sales team, we may be unable to add new marketers or increase sales to our existing marketers and our business will be adversely affected. We continue to be substantially dependent on our sales team to obtain new marketers and to drive sales with respect to our existing marketers. We believe that the characteristics and skills of the best salespeople for our solutions are still being defined, as our market is relatively new. Further, we believe that there is, and will continue to be, significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training, integrating and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training, and it may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, as we continue to grow, a large percentage of our sales team will be new to our company and our solutions. If we are unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new marketers or increasing sales to our existing marketers, our business will be adversely affected. We generally do not have long- term commitments from marketers, and if we are unable to retain and increase sales of our solutions to marketers and their agencies or attract new marketers and their agencies, our business, financial condition and operating results would be adversely affected. Most marketers do business with us by placing insertion orders for particular marketing campaigns, either directly or through marketing agencies that act on their behalf. We often do not have any commitment from a marketer beyond the ~~campaign~~ **campaigns** governed by a particular insertion order, and we frequently must compete to win further business from a marketer. In most circumstances, our insertion orders may be canceled by marketers or their marketing agencies prior to the completion of all the campaigns contemplated in the insertion orders; provided that marketers or their agencies are required to pay us for services performed prior to cancellation. As a result, our success is dependent upon our ability to outperform our competitors and win repeat business from existing marketers, while continually expanding the number of marketers for which we provide services. To maintain and increase our revenue, we must encourage existing marketers and their agencies to increase their use of our solutions and add new marketers. Many marketers and marketing agencies, however, have only just begun using our solutions for a limited number of marketing campaigns, and our future revenue growth will depend heavily on these marketers and marketing agencies expanding their use of our solutions across campaigns and otherwise increasing their spending with us. Even if we are successful in convincing marketers and their agencies to use our solutions, it may take several months or years for them to meaningfully increase the amount that they spend with us. Further, larger marketers with multiple brands typically have individual marketing budgets and marketing decision makers for each of their brands, and we may not be able to leverage our success in securing a portion of the marketing budget of one or more of a marketer ~~’~~ **'** s 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 ~~caused by the COVID- 19 pandemic~~ . Larger marketers may themselves have a substantial amount of purchase data and they may also seek to augment their own purchase data with additional purchase, impression ~~and /~~ or demographic data acquired from third- party data providers, which may allow them to develop, individually or with partners, internal targeting and measurement capabilities. Because many of our agreements with our marketers or their agencies are not long- term, we may not be able to accurately predict future revenue streams, and we cannot guarantee that our current marketers will continue to use our solutions, or that we will be able to replace departing marketers with new marketers that provide us with comparable revenue. If we are unable to retain and increase sales of our solutions to existing marketers and their agencies or attract new marketers and their agencies for any of the reasons above or for other reasons, our business, financial condition and operating results would be adversely affected. We have a history of losses and may not achieve ~~profitability~~ **net income** in the future. We have incurred **annual** net losses since inception and expect to incur net losses in **certain periods in** the future. ~~We incurred~~ **During 2023 and 2022, our** net ~~losses~~ -- **loss** ~~of~~ **was** $ ~~55~~ **134** . **7** ~~4 million, $ 128. 6~~ million and $ 465. 3 million ~~in 2020, 2021 and 2022~~ , respectively. **We** ~~As of December 31, 2022, we~~ had an accumulated deficit of $ ~~976~~ **1** . ~~6~~ **1** ~~million~~ **billion as of December 31, 2023** . We have never achieved ~~profitability~~ **net income** on an annual basis, and we do not know if we will be able to achieve or sustain **net income** ~~profitability. Although our revenue has increased substantially in recent periods, we also do not expect to maintain this rate of revenue growth~~ . 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** ~~We also expect our~~ general and administrative ~~expense~~ **expenses** ~~to~~ **may** increase as a result of our growth **as well** . Our ability to achieve and sustain ~~profitability~~ **net income** is based on numerous factors, many of which are beyond our control. We may never be able to generate sufficient revenue to achieve or sustain ~~profitability~~ **net income** . We operate in an emerging industry and future demand and market acceptance for our solutions is uncertain. We believe that our future success will depend in large part on the growth, if any, of the market for purchase intelligence. Utilization of consumer purchase data to inform marketing is an emerging industry and future demand and market acceptance for this type of marketing is uncertain. If the market for purchase intelligence does not continue to develop or develops more slowly than we expect, our business, financial condition and operating results could be harmed. The market in which we participate is competitive and we may not be able to compete successfully with our current or future competitors. The market for purchase intelligence is nascent and we believe that there is no one company with which we compete directly across our range of solutions. With respect to the Cardlytics platform, we believe that we are the only company that enables marketing through FI channels at scale, although we believe we currently have competition from other companies that deliver similar solutions on a smaller scale. In the future, we may face competition from online retailers, credit card companies, established enterprise software companies, advertising and marketing companies and agencies, digital publishers and mobile pay providers with access to a substantial amount of consumer purchase data. While we may successfully partner with a wide range of companies that are **only moderately** ~~to some extent currently~~ competitive to us, these companies may become more competitive to us in the future. As we introduce new solutions, as our existing solutions evolve and as other companies introduce new products and solutions, we are likely to face additional competition. Some of our actual and potential competitors may have advantages over us, such as longer operating histories, significantly greater financial, technical, marketing or other resources, stronger brand and recognition, larger intellectual property portfolios and broader global distribution and presence. In addition, our industry is evolving rapidly and is becoming increasingly competitive. Larger and more established companies may focus on purchase intelligence marketing and could directly compete with us. Smaller companies could also launch new products and services that we do not offer and that could gain market acceptance quickly. Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. Larger competitors are also often in a better position to withstand any significant reduction in capital spending and will therefore not be as susceptible to economic downturns and inflationary pressure. In addition, current or potential competitors may be acquired by third parties with greater available resources. As a result of such relationships and acquisitions, our current or potential competitors might be able to adapt more quickly to new technologies and customer needs, devote greater resources to the promotion or sale of their products and services, initiate or withstand substantial price competition, take advantage of other opportunities more readily or develop and expand their product and service offerings more quickly than we ~~do~~ **can** . For all of these reasons, we may not be able to compete successfully against our current or future competitors. If we fail to identify and respond effectively to rapidly changing technology and industry needs, our solutions may become less competitive or obsolete. Our future success depends on our ability to adapt and innovate. To attract, retain and increase new marketers and partners, we will need to expand and enhance our solutions to meet changing needs, add functionality and address technological advancements. Specifically, we ~~are migrating~~ **have largely migrated** to a cloud- based solution hosted by Amazon Web Services. If we are unable to adapt our solutions to evolving trends in the marketing industry, if we are unable to properly identify and prioritize appropriate solution development projects or if we fail to develop and effectively market new solutions or enhance existing solutions to address the needs of existing and new marketers and partners, we may not be able to achieve or maintain adequate market acceptance and penetration of our solutions, ~~and~~ **or** our solutions may become less competitive or obsolete. In addition, new, more effective or less costly technologies may emerge that use data sources that we do not have access to, that use entirely different analytical methodologies than we do or that use other indicators of purchases by consumers. If existing and new marketers and their agencies perceive greater value in alternative technologies or data sources, our ability to compete for marketers and their agencies could be materially and adversely affected. A number of factors could impair our ability to collect the significant amounts of data that we use to deliver our solutions. Our ability to collect and use data may be restricted or prevented by a number of other factors, including: • the failure of our network or software systems, or the network or software systems of our partners; • decisions by our partners to restrict our ability to collect data from them (which decision they may **be able to** make at their discretion) or to refuse to implement the mechanisms that we request to ensure compliance with our **technical requirements or** legal obligations ~~or technical requirements~~ ; • decisions by our partners to limit our ability to use their purchase data outside of the applicable banking channel; • decisions by our partners ~~’~~ **'** customers to opt out of the incentive program or to use technology ~~, such as browser settings,~~ that reduces our ability to deliver relevant advertisements; • interruptions, failures or defects in our or our partners ~~’~~**'** data collection, mining, analysis and storage systems; • changes in regulations impacting the collection and use of data; • changes in browser or device functionality and settings, and other new technologies, which impact our partners’ ability to collect and / or share data about their customers; and • changes in international laws, rules, regulations and industry standards or increased enforcement of international laws, rules, regulations, and industry standards. Any of the above- described limitations on our ability to successfully collect, utilize and leverage data could also materially impair the optimal performance of our solutions and severely limit our ability to target consumers or bill marketers for our services, which would harm our business, financial condition and operating results. The efficacy of some of our solutions depends upon third- party data providers. We rely on several third parties to assist us in matching our anonymized identifiers with third- party identifiers. This matching process enables us to, among other things, use purchase intelligence to measure in- store and online campaign sales impact or provide marketers with valuable visibility into the behaviors of current or prospective customers both within and outside the context of their marketing efforts. If any of these key data providers were to withdraw or withhold their identifiers from us, our ability to provide our solutions could be adversely affected, and certain marketers may severely limit their spending on our solutions or stop spending with us entirely. Replacements for any of these third- party identifiers may not fit the needs of certain marketers or be available in a timely manner or under economically beneficial terms ~~, or at all~~. Defects, errors or delays in our solutions could harm our reputation, which would harm our operating results. The technology underlying our solutions may contain material defects or errors that ~~can~~ **could** adversely affect our ability to operate our business and cause significant harm to our reputation. This risk is compounded by the complexity of the technology underlying our solutions and the large amounts of data that we leverage and process. In addition, with regard to the Cardlytics platform, if we are unable to attribute Consumer Incentives to our partners ~~’~~**'** customers in a timely manner, our FI partners may limit or discontinue their use of our solutions. Any such error, failure, malfunction, disruption or delay could result in damage to our reputation and could harm our business, financial condition and operating results. 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** ~~begun to migrate~~ **migrated** ~~and will continue to migrate~~ our data storage capabilities to Amazon Web Services ~~’~~**'** cloud- hosting solution. If we do not complete the migration ~~, are not successful~~ in ~~completing~~ a seamless **fashion** ~~migration,~~ or fail to administer the cloud- hosting solution in a well- managed, secure and effective manner, we may experience unplanned service disruptions or unforeseen costs. If for any reason our arrangements with our ~~third- party data centers or other~~ data- hosting solutions are terminated, or if we are unable to renew our agreements on commercially reasonable terms, we may be required to transfer that portion of our operations to new data ~~center facilities or other data~~ - hosting solutions, and we may incur significant costs and possible service interruption in connection with doing so. Further, protection of our ~~third- party data centers or other~~ data- hosting solutions against damage or interruption from cyber- attacks, fire, flood, tornadoes, power loss, telecommunications or equipment failure or other disasters and events beyond our control is important to our continued success. Any damage to, or failure of, the systems of the data ~~centers~~ **- hosting solutions that we utilize could result in interruptions to the availability or functionality of** ~~or~~ **our solutions. In addition,** ~~other~~ -- **the failure of the** data- hosting solutions that we utilize ~~,~~ **to meet** ~~or~~ **our capacity** ~~of our own equipment~~ **requirements** ~~located within such data centers,~~ could result in interruptions ~~to~~ **in** the availability or functionality of our solutions **or impede** ~~. In addition, the failure of the data centers or~~ **our ability to scale our operations. Any damage to** ~~other~~ -- **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 centers or other data- hosting solutions that we utilize, or to our own equipment located within such data centers,~~ that causes loss of capacity or otherwise causes interruptions in our operations could materially adversely affect our ability to quickly and effectively respond to our marketers ~~’~~**'** or partners ~~’~~**'** requirements, which could result in loss of their confidence, adversely impact our ability to attract new marketers ~~and /~~ or partners and force us to expend significant resources. The occurrence of any such events could adversely affect our business, financial condition and operating results. Seasonal fluctuations in marketing activity could adversely affect our cash flows. We expect our revenue, operating results, cash flows from operations and other key performance metrics to vary from quarter to quarter in part due to the seasonal nature of our marketers ~~’~~**'** spending on digital marketing campaigns. For example, many marketers tend to devote a significant portion of their budgets to the fourth quarter of the calendar year to coincide with consumer holiday spending and to reduce spend in the first quarter of the calendar year. Seasonality could have a material impact on our revenue, operating results, cash flow from operations and other key performance metrics from period to period. Our corporate culture has contributed to our success, and if we cannot maintain it as we grow, ~~or our corporate culture is negatively impacted by the COVID- 19 pandemic,~~ we could lose the innovation, creativity and teamwork fostered by our culture, and our business may be harmed. As of December 31, ~~2022~~ **2023** , we had ~~501~~ **434** full- time employees. We intend to further expand our overall headcount and operations, with no assurance that we will be able to do so while effectively maintaining our corporate culture ~~. Additionally, our corporate culture may be negatively impacted by the COVID- 19 pandemic~~ . We believe our corporate culture is one of our fundamental strengths as it enables us to attract and retain top talent and deliver superior results for our customers. As we grow ~~and~~ **,** change ~~,~~ **and** integrate acquired businesses and their employees ~~, and as the COVID- 19 pandemic continues~~ , we may find it difficult to preserve our corporate culture, which could reduce our ability to innovate and operate effectively. In turn, the failure to preserve our culture could negatively affect our ability to attract, recruit, integrate and retain employees, continue to perform at current levels and effectively execute our business strategy **. Additionally, available share count, at current market price, may limit our ability to attract and retain key talent as a part of our equity compensation** . If we are unable to attract, integrate and retain additional qualified personnel, including top technical talent, our business could be adversely affected. Our future success depends in part on our ability to identify, attract, integrate and retain highly skilled technical, managerial, sales and other personnel, including top technical talent from the industry ~~and top research institutions~~ . We face intense competition for qualified individuals from numerous other companies, including other software and technology companies, many of whom have greater financial and other resources than we do. These companies also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than those we have to offer. In addition, new hires often require significant training and, in many cases, take significant time before they achieve full productivity. We may incur significant costs to attract and retain qualified personnel, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards **,** and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them **. Additionally, available share count, at current market price, may limit our ability to attract and retain key talent as a part of our equity compensation** . Moreover, new employees may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. In addition, as we move into new geographies, we will need to attract and recruit skilled personnel in those areas. We have little experience with recruiting in geographies outside of the U. S **. and the U. K** ., and may face additional challenges in attracting, integrating and retaining international employees. If we are unable to attract, integrate and retain suitably qualified individuals who are capable of meeting our growing technical, operational and managerial requirements, on a timely basis or at all, our business ~~will~~ **may** be adversely affected. We are dependent on the continued services and performance of our senior management and other key personnel, the loss of any of whom could adversely affect our business. Our future success depends in large part on the continued contributions of our senior management and other key personnel. In particular, the leadership of key management personnel is critical to the successful management of our company, the development of our solutions and our strategic direction. We do not maintain ~~“~~ **"** key person ~~”~~ **"** insurance for any member of our senior management team or any of our other key employees. Our **U. S.- based** senior management and key personnel are all employed on an at- will basis, which means that they could terminate their employment with us at any time, for any reason and without notice. The loss of any of our key management personnel could significantly delay or prevent the achievement of our development and strategic objectives and adversely affect our business. ~~Further, if members of our management and other key personnel in critical functions across our organization are unable to perform their duties or have limited availability due to COVID- 19, we may not be able to execute on our business strategy and / or our operations may be negatively impacted.~~ Our international sales and operations subject us to additional risks that can adversely affect our business, operating results and financial condition. During ~~each of~~ **the years ended** ~~2020~~ **2023** , **2022 and** 2021 ~~and 2022~~ , we derived **5.** 8 % **, 7. 8 % and 7. 8 %, respectively,** of our revenue **from** outside the U. S ~~., respectively~~ . While substantially all of our operations are located in the U. S., we have an office in the U. K. and may continue to expand our international operations as part of our growth strategy. Our ability to convince marketers to expand their use of our solutions or renew their agreements with us is directly correlated to our direct engagement with such marketers or their agencies. To the extent that we are unable to engage with non- U. S. marketers and agencies effectively with our limited sales force capacity, we may be unable to grow sales to existing marketers to the same degree we have experienced in the U. S. Our international operations subject us to a variety of risks and challenges, including: • localization of our solutions, including adaptation for local practices; • increased management, travel, infrastructure and legal **and** compliance costs associated with having international operations; • fluctuations in currency exchange rates and related ~~effect~~ **effects** on our operating results; • longer payment cycles and difficulties in collecting accounts receivable or satisfying revenue recognition criteria; • increased financial accounting and reporting burdens and complexities; • general economic conditions in each country or region, including inflationary pressure; • the global economic uncertainty and financial market conditions ~~caused by the COVID- 19 pandemic, including inflationary pressure~~ ; • reduction in billings ~~,~~ **associated with the U. K as well as issues related to** foreign currency exchange rates ~~,~~ and trade with the ~~United Kingdom~~ **, U. K.** ; • contractual and legislative restrictions or changes; • economic uncertainty around the world; • compliance with foreign laws and regulations and the risks and costs of non- compliance with such laws and regulations; • compliance with **applicable** ~~U. S.~~ laws and regulations for foreign operations, including the Foreign Corrupt Practices Act, the U. K. Bribery Act, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on our ability to sell our ~~software~~ **products** in certain foreign markets, and the risks and costs of non- compliance; • potential changes in a specific country ~~’~~ **'** s or region ~~’~~ **'** s political or economic climate, including the current hostilities between Russia and Ukraine **and conflict in the Middle East** ; • heightened risks of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results ~~and~~ **, which may also** result in restatements of financial statements ~~and~~ **or** irregularities in financial statements; • difficulties in repatriating or transferring funds from or converting currencies in certain countries; • cultural differences inhibiting foreign employees from adopting our corporate culture; • reduced protection for intellectual property rights in some countries and practical difficulties of enforcing rights abroad; and • compliance with the laws of foreign taxing jurisdictions and overlap of different tax regimes. Any of these risks could adversely affect our international operations, reduce our international revenues or increase our operating costs, adversely affecting our business, financial condition and operating results. If we do not manage our growth effectively, the quality of our solutions may suffer, and our business, financial condition and operating results may be negatively affected. The ~~recent~~ growth in our business has placed, and is expected to continue to place, a significant strain on our managerial, administrative, operational and financial resources, as well as our infrastructure. We rely heavily on information technology (" IT") systems to manage critical functions such as data storage, data processing, matching and retrieval, revenue recognition, budgeting, forecasting and financial reporting. To manage our growth effectively, we must continue to improve and expand our infrastructure, including our IT, financial and administrative systems and controls. In particular, we may need to significantly expand our IT infrastructure as the amount of data we store and transmit increases over time, which will require that we both utilize existing IT products and adopt new technologies. If we are not able to scale our IT infrastructure in a cost- effective and secure manner, our ability to offer competitive solutions will be harmed and our business, financial condition and operating results may suffer. We must also continue to manage our employees, operations, finances, research and development and capital investments efficiently in an environment where **many** ~~nearly all~~ employees are working from home. Our productivity and the quality of our solutions may be adversely affected if we do not integrate and train our new employees quickly and effectively or if we fail to appropriately coordinate across our executive, research and development, technology, service development, analytics, finance, human resources, marketing, sales, operations and customer support teams. If we continue our rapid growth, we will incur additional expenses, and our growth may continue to place a strain on our resources, infrastructure and ability to maintain the quality of our solutions. If we do not adapt to meet these evolving challenges, or if the current and future members of our management team do not effectively manage our growth, the quality of our solutions may suffer and our corporate culture may be harmed. Failure to manage our future growth effectively could cause our business to suffer, which, in turn, could have an adverse impact on our business, financial condition and operating results. If currency exchange rates fluctuate substantially in the future, the results of our operations could be adversely affected. Due to our international operations, we may be exposed to the effects of fluctuations in currency exchange rates, including inflationary pressure. We generate revenue and incur expenses for employee compensation and other operating expenses at our U. K. office in the local currency. Fluctuations in the exchange rates between the U. S. dollar ~~,~~ **and** British pound ~~and Canadian dollar~~ could result in the dollar equivalent of such revenue and expenses being lower, which could have a negative net impact on our reported operating results. Although we may in the future decide to undertake foreign exchange hedging transactions to cover a portion of our foreign currency exchange exposure, we currently do not hedge our exposure to foreign currency exchange risks. 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-** ~~carryforwards~~ ----- **forwards** could expire unused and be unavailable to offset future tax liabilities because of their limited duration or because of restrictions under U. S. tax law. As of December 31, **2023 and December 31,** 2022, we had U. S. federal and state NOLs of $ ~~626~~ **896** . ~~5~~ **0** million and $ ~~255~~ **879** . 6 million, respectively. Our federal NOLs generated in tax years beginning before January 1, 2018, are only permitted to be carried forward for 20 years under applicable U. S. tax law. Our federal NOLs generated in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal NOL **carry-** ~~carryforwards~~ ----- **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-** ~~carryforwards~~ ----- **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-** ~~carryforwards~~ ----- **forwards** under IRC Section 382, our federal NOL **carry-** ~~carryforwards~~ ----- **forwards** could expire unutilized or underutilized, even if we earn taxable income against which our federal NOL **carry-** ~~carryforwards~~ ----- **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-** ~~carryforwards~~ ----- **forwards** is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. Changes in tax laws or regulations could materially adversely affect our company. New tax laws or regulations could be enacted at any time, and existing tax laws or regulations could be interpreted, modified or applied in a manner that is adverse to us, which could adversely affect our business and financial condition. For instance, the ~~United States recently passed the~~ Inflation Reduction Act **was passed in the U. S. in 2022** , which provides for a minimum tax equal to 15 % of the adjusted financial statement income of certain large corporations, as well as a 1 % excise tax on certain share buybacks by public corporations **,** that would be imposed on such corporations. In addition, it is uncertain if and to what extent various states will conform to federal tax legislation. The impact of such changes or future legislation could increase our U. S. tax expense and could have a material adverse impact on our business and financial condition. Future acquisitions could disrupt our business and adversely affect our business, financial condition and operating results. We may choose to expand by making acquisitions that could be material to our business, financial condition or operating results ~~. Our ability as an organization to successfully acquire and integrate technologies or businesses is unproven~~ . Acquisitions involve many risks, including the following: • an acquisition may negatively affect our business, financial condition, operating results or cash flows because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition; • we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us; • an acquisition, whether or not consummated, may disrupt our ongoing business, divert resources, increase our expenses and distract our management; • an acquisition may result in a delay or reduction of purchases for both us and the company that we acquired due to uncertainty about continuity and effectiveness of solution from either company; • we may encounter difficulties in, or may be unable to, successfully sell any acquired products or solutions; • an acquisition may involve the entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions; • challenges inherent in effectively managing an increased number of employees in diverse locations; • ~~the~~ potential strain on our financial and managerial controls and reporting systems and procedures; • potential known and unknown liabilities associated with an acquired company; • our use of cash to pay for acquisitions would limit other potential uses for our cash; • 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 and Entertainment~~ ' 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. ~~During the year ended December 31, 2022 we recognized a goodwill and intangible impairment of $ 453. 29 million. Refer to Note 5 — Goodwill and Acquired Intangibles to our condensed consolidated financial statements for additional information regarding the goodwill impairment.~~ We may require additional capital to support growth, and such capital might not be available on terms acceptable to us, if at all, which may in turn hamper our growth and adversely affect our business. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new solutions or enhance our solutions, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity, equity- linked or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or equity- linked securities, including convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities that we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital- raising activities and other financial and operational matters, including the ability to pay dividends or repurchase shares of our capital stock. This may make it more difficult for us to obtain additional capital, to pursue business opportunities, including potential acquisitions, or to return capital to our stockholders. We also may not be able to obtain additional financing on terms favorable to us, if at all. ~~For example, while the potential impact and duration of the COVID- 19 pandemic on the global economy and our business in particular may be difficult to assess or predict, the pandemic has resulted in, and may continue to result in significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity.~~ If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, service our indebtedness and respond to business challenges could be significantly impaired, and our business may be adversely affected ~~. Regulatory, legislative or self- regulatory developments regarding Internet privacy matters could adversely affect our ability to conduct our business~~ . Through our consumer application, users accumulate rewards that could be deemed subject to abandoned property laws and / or could be deemed to constitute stored value subject to certain legal requirements under applicable state and federal laws and regulations. The Dosh application enables consumers to accumulate non- monetary rewards (~~“~~ **"** Dosh Rewards ~~”~~ **"**) within the application, which may be converted to U. S. dollars only when certain requirements are met. Dosh Rewards have no cash value but users are able to receive U. S. dollar payouts from Dosh based on Dosh Rewards provided that certain requirements are met. State regulators could deem that Dosh Rewards constitute property that is subject to state property laws, which could potentially create a large liability for us as well as legal and related compliance obligations and costs to manage escheatment of any Dosh Rewards constituting abandoned property. Additionally, state and / or federal regulators could conclude that Dosh Rewards constitute monetary value or money and therefore subject to regulation pursuant to laws regulating the issuance, sale, redemption, and maintenance of stored value, prepaid access, or gift cards (or similar terminology). Such laws and regulations may include, but are not necessarily limited to, U. S. state money- transmitter licensing laws and the federal Bank Secrecy Act (including registration requirements), and our failure to comply with applicable laws could expose us to monetary penalties or damages and adversely affect our ability to operate our business in its current form. Bringing new FI partners into our network can require considerable time and expense and can be long and unpredictable. Our FI partners and FI partner prospects engage in highly regulated businesses, are often slow to adopt technological innovation and have rigorous standards with respect to providing third parties, like us, with access to their data. Our operating results depend in part on expanding our FI **partner** network to maintain and enhance the scale of our solutions. The length of time that it takes to add an FI partner to our network, from initial evaluation to integration into our network, varies substantially from FI to FI and may take several years. Our sales and integration cycle with respect to our FI partners is long and unpredictable, requires considerable time and expense and may not ultimately be successful. It is difficult to predict exactly when, or even if, a new FI partner will join our network and we may not generate revenue from a new FI partner in the same period as we incurred the costs associated with acquiring such FI partner, or at all. Once an FI partner has agreed to work with us, it may take a lengthy period of time for the implementation of our solutions to be prioritized and integrated into the FI partner' s infrastructure. Because a substantial portion of our expenses are relatively fixed in the short ~~-~~ term, our operating results will suffer if revenue falls below our expectations in a particular quarter, which could cause the price of our stock to decline. Ultimately, if additions to our FI **partner' s** network are not realized in the time period expected or not realized at all, or if an FI partner terminates its agreement with us, our business, financial condition and operating results could be adversely affected. Bringing new FI partners into our network may impede our ability to accurately forecast the performance of our network. Bringing new FI partners into our network may impede our ability to accurately predict how certain marketing campaigns will perform, and thus may impede our ability to accurately forecast the performance of our network. Such inaccurate predictions could result in marketing campaigns underperforming, which impacts the total fees we can collect from marketers, or over performing, which may result ~~is~~ **in** us paying certain Consumer Incentives to consumers without adequate compensation from the marketers. The amount of time it will take us to be able to understand the impact of a new FI partner on our network is uncertain and difficult to predict. Additionally, our understanding of the impact of any given FI **partner** is subject to change at any time, as such understanding can be impacted by factors such as changes to an FI ~~'~~ **partner'** s business strategy, changes to an FI ~~'~~ **partner'** s user interface, or changes in the behavior or makeup of an FI **partner** ' s consumer base. If we are not able to maintain and enhance our brand, our business, financial condition and operating results may be adversely affected. We believe that developing and maintaining awareness of the Cardlytics brand in a cost- effective manner is critical to achieving widespread acceptance of our existing solutions and future solutions and is an important element in attracting new marketers and partners. Furthermore, we believe that the importance of brand recognition will increase as competition in our market increases. Successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and on our ability to deliver valuable solutions for our marketers, their agencies and our partners. In the past, our efforts to build our brand have involved significant expense. Brand promotion activities may not yield increased revenue and billings, and even if they do, any increased revenue and billings may not offset the expenses that we incurred in building our brand. If we fail to successfully promote and maintain our brand or incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract enough new marketers or partners or retain our existing marketers or partners and our business could suffer. Risks Related to our Outstanding Convertible Senior Notes Servicing our debt may require a significant amount of cash. We may not have sufficient cash flow from our business to pay our indebtedness, and we may not have the ability to raise the funds necessary to settle for cash conversions of the Notes or to repurchase the Notes for cash upon a fundamental change, which could adversely affect our business and results of operations. In September 2020, we issued convertible senior notes with an aggregate principal amount of $ 230. 0 million bearing an interest rate of 1. 00 % due ~~in~~ **on September 15,** 2025 (the" Notes"). The interest rate is fixed at 1. 00 % per annum and is payable semi- annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2021. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flows from operations in the future that are sufficient to service our debt. If we are unable to generate such cash flows, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. In addition, any of our future debt agreements may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt. Holders of the Notes have the right to require us to repurchase their Notes upon the occurrence of a fundamental change (as defined in the indenture governing the Notes) at a repurchase price equal to 100 % of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any. Upon conversion, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases in connection with such conversion and our ability to pay may additionally be limited by law, by regulatory authority or by agreements governing our existing and future indebtedness. Our failure to repurchase the Notes at a time when the repurchase is required by the indenture governing the Notes or to pay any cash payable on future conversions as required by such indenture would constitute a default under such indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our existing and future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or make cash payments upon conversions thereof. In addition, our indebtedness, combined with our other financial obligations and contractual commitments, could have other important consequences. For example, it could: • make us more vulnerable to adverse changes in ~~general~~ **the** U. S. and worldwide economic **climate;** ~~, industry, and~~ • **negatively expose us to** competitive conditions and adverse changes in government regulation; • limit our flexibility in planning for, or reacting to, changes in our business and our industry; • place us at a disadvantage compared to our competitors who have less debt; • limit our ability to borrow additional amounts for ~~funding acquisitions, for~~ working capital, **funding future acquisitions,** and ~~for~~ other general corporate purposes; and • make an acquisition of our company less attractive or more difficult. Any of these factors could harm our business, results of operations, and financial condition. In addition, if we incur additional indebtedness, the risks related to our business and our ability to service or repay our indebtedness would increase. The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and results of operations. In the event the conditional conversion feature of the Notes is triggered, holders of Notes will be entitled to convert the Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital. Transactions relating to our Notes may affect the value of our common stock. The conversion of some or all of the Notes would dilute the ownership interests of existing stockholders to the extent we satisfy our conversion obligation by delivering shares of our common stock upon any conversion of such Notes. Our Notes may become in the future convertible at the option of their holders under certain circumstances. If holders of our Notes elect to convert their Notes, we may settle our conversion obligation by delivering to them a significant number of shares of our common stock, which would cause dilution to our existing stockholders. In addition, in connection with the pricing of the Notes, we entered into capped call transactions (the" Capped Calls") with certain financial institutions (the" Option Counterparties"). The Capped Calls are expected generally to reduce the potential dilution to our common stock upon any conversion or settlement of the Notes and / or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and / or offset subject to a cap. In connection with establishing their initial hedges of the Capped Calls, the Option Counterparties or their respective affiliates entered into various derivative transactions with respect to our common stock and / or purchased shares of our common stock concurrently with or shortly after the pricing of the Notes. From time to time, the Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Notes (and are likely to do so following any conversion of the Notes, any repurchase of the Notes by us on any fundamental change repurchase date, any redemption date, or any other date on which the Notes are retired by us, in each case, if we exercise our option to terminate the relevant portion of the Capped Calls). This activity could cause a decrease and / or increased volatility in the market price of our common stock. We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of the Notes or our common stock. In addition, we do not make any representation that the Option Counterparties will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice. We are subject to counterparty risk with respect to the Capped Calls. The Option Counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the Capped Calls. Our exposure to the credit risk of the Option Counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an Option Counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the Capped Calls with such Option Counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an Option Counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the Option Counterparties. ~~The accounting method for convertible debt securities that may be settled in cash, such as the Notes, could have a material effect on our reported financial results. The accounting method for reflecting the notes on our balance sheet, accruing interest expense for the notes and reflecting the underlying shares of our common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition. We expect that, under applicable accounting principles, the initial liability carrying amount of the notes will be the fair value of a similar debt instrument that does not have a conversion feature, valued using our cost of capital for straight, unconvertible debt. We expect to reflect the difference between the net proceeds from this offering and the initial carrying amount as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the notes. As a result of this amortization, the interest expense that we expect to recognize for the notes for accounting purposes will be greater than the cash interest payments we will pay on the notes, which will result in lower reported income or higher reported loss. The lower reported income or higher reported loss resulting from this accounting treatment could depress the trading price of our common stock and the notes. However, in August 2020, the Financial Accounting Standards Board published an Accounting Standards Update (" ASU") 2020- 06, eliminating the separate accounting for the debt and equity components as described above. ASU 2020- 06 effective for SEC- reporting entities for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. On January 1, 2022, we adopted this standard using the modified retrospective method which allowed for a cumulative- effect adjustment to the opening balance sheet without restating prior periods. As we did not elect the fair value option in the process, the notes, net of issuance costs, are accounted for as a single liability measured at amortized cost. Upon adoption, we recorded a decrease in accumulated deficit of $ 11. 2 million, an increase to the notes, net of $ 40. 2 million and a decrease to additional paid in capital of $ 51. 4 million. If accounting standards change in the future and we are not permitted to use the treasury stock method, then our diluted earnings per share may decline. For example, the Financial Accounting Standards Board' s ASU described above amends these accounting standards, effective as of the dates referred to above, to eliminate the treasury stock method for convertible instruments that can be settled in whole or in part with equity and instead require application of the " if- converted " method. Under that method, diluted earnings per share would generally be calculated assuming that all the notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti- dilutive. The application of the if- converted method may reduce our reported diluted earnings per share. Furthermore, if any of the conditions to the convertibility of the notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the notes as a current, rather than a long- term, liability. This reclassification could be required even if no noteholders convert their notes and could materially reduce our reported working capital.~~ Risks Related to Regulatory and Intellectual Property Matters We and our FI partners are subject to stringent and ~~changing~~ **evolving U. S. and foreign** privacy and data security laws, rules, contractual obligations, ~~self- regulatory schemes, government~~ regulation **, industry standards** , policies and other obligations related to data privacy and security. The actual or perceived failure by us, our ~~customers, our~~ partners, or other third parties **whom we rely** upon ~~whom we rely~~ to comply with such obligations could lead to regulatory investigations or actions, litigation **(including class claims), mass arbitration demands** , disruptions of our business operations, **or** loss of customers or sales, harm our reputation, result in significant expense ~~,~~ **or** loss of revenue or profits, subject us to significant fines and liability or otherwise adversely affect our business. In the ordinary course of business, we collect, receive, store, process, use, generate, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share personal **data and other sensitive** information **including proprietary** and ~~other information~~ **confidential business data, trade secrets, and intellectual property** (~~“~~ **"** ~~Process~~ **process** ~~”~~ **"** or ~~“~~ **"** ~~Processing~~ **processing** ~~”~~ **"**) necessary to operate our business, for legal and marketing purposes, and for other business- related purposes. We, our FI partners, our marketers and other third parties **whom we rely** upon ~~whom we rely~~ are subject to a number of data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy policies, contractual requirements, and other obligations relating to data privacy and security as well as laws and regulations regarding online services and the Internet generally. In the U. S., the rules and regulations to which we, directly or contractually through our partners, or our marketers may be subject **,** include **but are not limited to** those promulgated under the authority of the Federal Trade Commission, the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the Health Insurance Portability and Accountability Act, the Gramm- Leach- Bliley Act and state cybersecurity, privacy and breach notification laws, as well as regulator enforcement positions and expectations reflected in federal and state regulatory actions, settlements, consent decrees and guidance documents. The regulatory framework for online services and data privacy and security issues worldwide can vary substantially from jurisdiction to jurisdiction, is rapidly evolving and is likely to remain uncertain for the foreseeable future. Many of these obligations conflict with each other, and interpretation of these laws, rules and regulations and their application to our solutions in the U. S. and foreign jurisdictions is ongoing and cannot be fully determined at this time. A number of existing bills are pending in the U. S. Congress that contain provisions that would regulate how companies can use **various** ~~cookies and other~~ tracking technologies to collect and utilize user information. Additionally, new legislation proposed or enacted in various ~~other~~ states will continue to shape the data privacy environment nationally. The California Consumer Privacy Act (~~“~~ **"** CCPA ~~”~~ **"**), which took effect on January 1, 2020, is an example of the trend towards increasingly comprehensive privacy legislation being introduced in the United States. The CCPA gives California residents expanded rights to request access to and deletion of their personal ~~information~~ **data** , opt out of certain personal ~~information~~ **data** sharing, and receive detailed information about how their personal ~~information~~ **data** is used. The CCPA also increases the **data** privacy and security obligations on entities handling personal ~~information~~ **data** , which is broadly defined under the law. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches, and includes statutorily defined damages of up to $ ~~750~~ **7, 500** per ~~citizen~~ **intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages** , which is expected to increase data breach litigation. The CCPA also imposes requirements on businesses that “ sell ” information (which is defined broadly under the CCPA); there is significant ambiguity regarding what constitutes a sale and many of our or our partner’ s business practices may qualify. Further the California Privacy Rights Act (~~“~~ **"** CPRA ~~”~~ **"**), ~~became~~ **which took** ~~effective~~ --- **effect** ~~starting~~ on January 1, 2023, ~~which~~ significantly modifies the CCPA, including by expanding consumers ~~’~~ **'** rights with respect to certain sensitive personal ~~information~~ **data** . The CPRA also ~~creates~~ **created** a new state agency that **is** ~~will be~~ vested with authority to implement and enforce the CCPA and the CPRA. **In the past few years,** ~~Other~~ **other** states, **including** ~~such as~~ Virginia, Colorado, Utah, **Iowa, Montana, Indiana, Tennessee, Oregon, Texas, Delaware, New Jersey, New Hampshire** and Connecticut, have also passed comprehensive privacy laws **that impose certain obligations on covered businesses** , **including requiring covered businesses to provide specific disclosures in privacy notices** and **to afford residents with certain rights concerning their personal data.** ~~similar~~ **Similar** laws are being considered in several other states, as well as at the federal and local levels. These developments may further complicate compliance efforts, and may increase legal risk and compliance costs for us and the third parties upon whom we rely. Outside of the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the European Union’ s General Data Protection Regulation (~~“~~ **"** EU GDPR ~~”~~ **"**) and the United Kingdom’ s GDPR (~~“ UK~~ **" 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~~ **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** ~~as applicable~~ to providers of ~~particular~~ **certain** public electronic communications services. Additional European Union member state laws of this type may follow. In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (**"** EEA **"**) and the **U. K.** ~~United Kingdom (UK)~~ have significantly restricted the transfer of personal data to the ~~United States~~ **U. S.** and other countries whose privacy laws it believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross- border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and ~~UK~~ **U. K.** to the ~~United States~~ **U. S.** in compliance with law, such as the EEA standard contractual clauses and ~~UK~~ **U. K.** ’ s International Data Transfer Agreement, **and the EU- U. S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U. S.- based organizations who self- certify compliance and participate in the framework),** these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the ~~United States~~ **U. S** . If there is no lawful manner for us to transfer personal data from the EEA, the ~~UK~~ **U. K.** , or other jurisdictions to the ~~United States~~ **U. S.** , or if the requirements for a legally ~~–~~compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and ~~UK~~ **U. K.** to other jurisdictions, particularly to the ~~United States~~ **U. S.** , are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of ~~Europe~~ **the EEA** for allegedly violating GDPR ~~'~~ **'** s cross- border data transfer limitations. **Our employees and personnel may use generative AI technologies to perform their work, and the disclosure and use of personal data in generative AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages. In addition to data privacy and security laws, we are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. We publish privacy policies, marketing materials and other statements regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresent our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.** Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to ~~those~~ -- **the services, information, technologies, systems and practices** of any third parties that process personal data on our behalf. In addition, these obligations may require us to change or business model. We may, for example, be required to, or otherwise may determine that it is advisable to, develop or obtain additional tools and technologies for validation of certain of our limited sales related to online purchases to compensate for a potential lack of cookie data. Even if we are able to do so, such additional tools may be subject to further regulation, time consuming to develop or costly to obtain, and less effective than our current use of cookies. ~~Our business model materially depends on our ability to process personal data, so we are particularly exposed to the risks associated with the rapidly changing legal landscape. For example, we may be at heighten risk of regulatory scrutiny, and any changes in the regulatory framework could require us to fundamentally change our business model.~~ We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties ~~on~~ which we rely **upon** fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including, but not limited to: government enforcement actions (~~e. g.~~ **which could result in** investigations, fines, penalties, audits and inspections) ~~;~~ **,** litigation (including class- action claims) ~~;~~ **,** additional reporting requirements and / or oversight ~~;~~ **,** 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 ~~. If the use of matching technologies, such as cookies, pixels and device identifiers, is rejected by Internet users, restricted or otherwise subject to unfavorable terms, such as by non- governmental entities, our validation methodologies could be impacted and we may lose customers and revenue. Our solution can be utilized by in- store and online marketers; however, a large majority of consumer purchases continue to be made in- store. For validation of certain of these limited online purchases, our solutions may use digital matching technologies, such as mobile advertising identifiers, pixels and cookies to match the Cardlytics IDs we have assigned to our FIs' customers with their digital presence outside of the FI partners' websites and mobile applications. In most cases, the matching technologies we use relate to mobile advertising identifiers that we use in limited cases to validate that we influenced an online purchase. If our access to matching technology data is reduced, our ability to validate certain online purchases in the current manner may be affected and thus undermine the effectiveness of our solutions. On occasion, " third- party cookies " may be placed through an Internet browser to validate online purchases. Internet users may easily block and / or delete cookies (e. g., through their browsers or " ad blocking " software). The most commonly used Internet browsers allow Internet users to modify their browser settings to prevent cookies from being accepted by their browsers or are set to block third- party cookies by default. Further, Google eliminated third- party cookies from its browser in 2022. If more browser providers and Internet users adopt these settings or delete their cookies more frequently than they currently do, our practices related to the validation of limited online purchases could be impacted, which could result in us needing to implement other available methodologies. Some government regulators and privacy advocates have suggested creating a " Do Not Track " standard that would allow Internet users to express a preference, independent of cookie settings in their browser, not to have website browsing recorded. If Internet users adopt a " Do Not Track " browser setting and the standard either gets imposed by state or federal legislation or agreed upon by standard- setting groups, it may curtail or prohibit us from using non- personal data as we currently do. This could hinder growth of marketing on the Internet generally~~

~~and cause us to change our business practices and adversely affect our business, financial condition and operating results. In addition, browser manufacturers could replace cookies with their own product and require us to negotiate and pay them for use of such product to record information about Internet users' interactions with our marketers, which may not be available on commercially reasonable terms, or at all~~ . Failure to protect our proprietary technology and intellectual property rights could substantially harm our business, financial condition and operating results. Our future success and competitive position depend in part on our ability to protect our intellectual property and proprietary technologies. To safeguard these rights, we rely on a combination of patent, trademark, copyright and trade secret laws and contractual protections in the U. S. and other jurisdictions, all of which provide only limited protection and may not now or in the future provide us with a competitive advantage. As of the date of filing, we had ~~eight~~ **sixteen** issued patents relating to our software. We cannot assure you that any patents will issue from any patent applications, that patents that issue from such applications will give us the protection that we seek or that any such patents will not be challenged, invalidated ~~,~~ or circumvented. Any patents that may issue in the future from our pending or future patent applications may not provide sufficiently broad protection and may not be enforceable in actions against alleged infringements. We have registered, or are registering, the ~~“~~ **"** Cardlytics, ~~”“~~ **""** Dosh,"" Bridg" and" ~~Entertainment~~ **Rippl** " names and logos in the U. S. and certain other countries. We have registrations and / or pending applications for additional marks in the U. S. and other countries; however, we cannot assure you that any future trademark registrations will be issued for pending or future applications or that any registered trademarks will be enforceable or provide adequate protection of our proprietary rights. We also license software from third parties for integration into our products, including open **-** source software and other software available on commercially reasonable terms. We cannot assure you that such third parties will maintain such software or continue to make it available. In order to protect our unpatented proprietary technologies and processes, we rely on trade secret laws and confidentiality agreements with our employees, consultants, vendors and others. Despite our efforts to protect our proprietary technology and trade secrets, unauthorized parties may attempt to misappropriate, reverse engineer or otherwise obtain and use them. ~~Bank of America also has a right to purchase some of the source code underlying the Cardlytics platform upon the occurrence of specified events, which could compromise the proprietary nature of the Cardlytics platform and / or allow Bank of America to discontinue the use of our solutions.~~ Additionally, ~~other~~ **certain** FIs have a right to obtain the source code underlying Cardlytics Ad Server through the release of source code held in escrow upon the occurrence of specified events, which could compromise the proprietary nature of the Cardlytics platform and / or allow these FIs to discontinue the use of our solutions. In addition, others may independently discover our trade secrets, in which case we would not be able to assert trade secret rights or develop similar technologies and processes. Further, the contractual provisions that we enter into may not prevent unauthorized use or disclosure of our proprietary technology or intellectual property rights and may not provide an adequate remedy in the event of unauthorized use or disclosure of our proprietary technology or intellectual property rights. Moreover, policing unauthorized use of our technologies, trade secrets and intellectual property is difficult, expensive and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the U. S. and where mechanisms for enforcement of intellectual property rights may be weak. We may be unable to determine the extent of any unauthorized use or infringement of our solutions, technologies or intellectual property rights. From time to time, legal action by us may be necessary to enforce our patents and other intellectual property rights, ~~to~~ protect our trade secrets, ~~to~~ determine the validity and scope of the intellectual property rights of others or ~~to~~ defend against claims of infringement or invalidity. Such legal action could result in substantial costs and diversion of resources and could negatively affect our business, financial condition and operating results. Assertions by third parties of infringement or other violations by us of their intellectual property rights, whether or not correct, could result in significant costs and harm our business, financial condition and operating results. Patent and other intellectual property disputes are common in our industry. We have in the past and may in the future be subject to claims alleging that we have misappropriated, misused, or infringed other parties' intellectual property rights. Some companies, including certain of our competitors, own larger numbers of patents, copyrights and trademarks than we do, which they may use to assert claims against us. Third parties may also assert claims of intellectual property rights infringement against our partners, whom we are typically required to indemnify. As the numbers of solutions and competitors in our market increases and overlap occurs, claims of infringement, misappropriation and other violations of intellectual property rights may increase. Any claim of infringement, misappropriation or other violation of intellectual property rights by a third- party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from our business. The patent portfolios of our most significant competitors are larger than ours. This disparity may increase the risk that they may sue us for patent infringement and may limit our ability to counterclaim for patent infringement or settle through patent cross- licenses. In addition, future assertions of patent rights by third parties, and any resulting litigation, may involve patent holding companies or other adverse patent owners who have no relevant product revenues and against whom our own patents may therefore provide little or no deterrence or protection. There can be no assurance that we will not be found to infringe or otherwise violate any third- party intellectual property rights or to have done so in the past. An adverse outcome of a dispute may require us to: • pay substantial damages, including treble damages, if we are found to have willfully infringed a third ~~-~~ party ~~'~~ **'** s patents or copyrights; • cease developing or selling solutions that rely on technology that is alleged to infringe or misappropriate the intellectual property of others; • expend additional development resources to attempt to redesign our solutions or otherwise develop non- infringing technology, which may not be successful; • enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies or intellectual property rights; and • indemnify our partners and other third parties. In addition, royalty or licensing agreements, if required or desirable, may be unavailable on terms acceptable to us, or at all, and may require significant royalty payments and other expenditures. Some licenses may also be non- exclusive, and therefore our competitors may have access to the same technology licensed to us. Any of the foregoing events could seriously harm our business, financial condition and operating results. Our use of open **-** source software could negatively affect our ability to sell our solutions and subject us to possible litigation. We use open- source software to deliver our solutions and expect to continue to use open- source software in the future. Some of these open- source licenses may require that source code subject to the license be made available to the public and that any modifications or derivative works to open- source software continue to be licensed under open **-** source licenses. This may require that we make certain proprietary code available under an open- source license. We may face claims from others claiming ownership of, or seeking to enforce the license terms applicable to, such open **-** source software, including by demanding release of the open **-** source software, derivative works or our proprietary source code that was developed using such software. Few of the licenses applicable to open- source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. These claims could also result in litigation, require us to purchase costly licenses or require us to devote additional research and development resources to change the software underlying our solutions, any of which would have a negative effect on our business, financial condition and operating results and may not be possible in a timely manner. We and our customers may also be subject to suits by parties claiming infringement due to the reliance by our solutions on certain open- source software, and such litigation could be costly for us to defend or subject us to an injunction. In addition, if the license terms for the open- source code change, we may be forced to re- engineer our software or incur additional costs. Finally, we cannot assure you that we have not incorporated open- source software into the software underlying our solutions in a manner that may subject our proprietary software to an open- source license that requires disclosure, to customers or the public, of the source code to such proprietary software. In the event that portions of our proprietary technology are determined to be subject to an open **-** source license, we could be required to publicly release portions of our source code, re- engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our solutions and technologies and materially and adversely affect our ability to sustain and grow our business. Many open- source licenses also limit our ability to bring patent infringement lawsuits against open- source software that we use without losing our right to use such open- source software. Therefore, the use of open- source software may limit our ability to bring patent infringement lawsuits, to the extent we ever have any patents that cover open- source software that we use. We are subject to government regulation, including import, export, economic sanctions and anti- corruption laws and regulations that may expose us to liability and increase our costs. Various of our products are subject to U. S. export controls, including the U. S. Department of Commerce' s Export Administration Regulations and economic and trade sanctions regulations administered by the U. S. Treasury Department' s Office of Foreign Assets Controls. These regulations may limit the export of our products and provision of our solutions outside of the U. S., or may require export authorizations, including by license, a license exception or other appropriate government authorizations, including annual or semi- annual reporting. Export control and economic sanctions laws may also include prohibitions on the sale or supply of certain of our products to embargoed or sanctioned countries, regions, governments, persons and entities. In addition, various countries regulate the importation of certain products, through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products. The exportation, reexportation, and importation of our products and the provision of solutions, including by our partners, must comply with these laws or else we may be adversely affected, through reputational harm, government investigations, penalties and a denial or curtailment of our ability to export our products or provide solutions. Complying with export control and sanctions laws may be time consuming and may result in the delay or loss of sales opportunities. Although we take precautions to prevent our products from being provided in violation of such laws, our products may have previously been, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. If we are found to be in violation of U. S. sanctions or export control laws, it could result in substantial fines and penalties for us and for the individuals working for us. Changes in export or import laws or corresponding sanctions ~~,~~ may delay the introduction and sale of our products in international markets, or, in some cases, prevent the export or import of our products to certain countries, regions, governments, persons or entities altogether, which could adversely affect our business, financial condition and ~~results of operations.~~ We are also subject to various domestic and international anti- corruption laws, such as the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act, as well as other similar anti- bribery and anti- kickback laws and regulations. These laws and regulations generally prohibit companies and their employees and intermediaries from authorizing, offering or providing improper payments or benefits to officials and other recipients for improper purposes. We rely on certain third parties to support our sales and regulatory compliance efforts and can be held liable for their corrupt or other illegal activities, even if we do not explicitly authorize or have actual knowledge of such activities. Although we take precautions to prevent violations of these laws, our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in foreign jurisdictions. Risks Related to Ownership of Our Common Stock The market price of our common stock has been and is likely to continue to be volatile. The market price of our common stock may be highly volatile and may fluctuate substantially as a result of a variety of factors, some of which are related in complex ways. Since shares of our common stock were sold in our initial public offering in February 2018 at a price of $ 13. 00 per share, our stock price has ranged from an intraday low of $ ~~3~~ **2** . ~~50~~ **60** to an intraday high of $ 161. 47 through ~~February 28~~ **March 13** , ~~2023~~ **2024** . Factors that may affect the market price of our common stock include: • actual or anticipated fluctuations in our financial condition and operating results; • variance in our financial performance from expectations of securities analysts or investors; • changes in the prices of our solutions; • changes in laws or regulations applicable to our solutions; • announcements by us or our competitors of significant business developments, acquisitions or new offerings; • our involvement in litigation; • our sale of our common stock or other securities in the future; • changes in senior management or key personnel; • trading volume of our common stock; • changes in the anticipated future size and growth rate of our market; and • general economic, regulatory and market conditions. **The** ~~Recently, 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

~~and the COVID- 19 pandemic~~ . 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 ~~(including the ongoing COVID- 19 pandemic)~~ , or a natural disaster, such as an earthquake, fire or ~~a~~ flood, or a significant power outage could have a material adverse impact on our business, operating results and financial condition. A significant portion of our employee base, operating facilities and infrastructure are centralized in Atlanta, ~~Georgia~~ **GA; Menlo Park, CA and New York, NY** . Any of our facilities may be harmed or rendered inoperable by natural or man- made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, acts of terrorism or other criminal activities, infectious disease outbreaks and power outages, which may render it difficult or impossible for us to operate our business for some period of time. Our facilities would likely be costly to repair or replace, and any such efforts would likely require substantial time. Any disruptions in our operations could negatively impact our business, financial condition and operating results, and harm our reputation. In addition, we may not carry business insurance or may not carry sufficient business insurance to compensate for losses that may occur. Any such losses or damages could have a material adverse effect on our business, financial condition and operating results. In addition, the facilities of significant marketers, partners or third- party data providers may be harmed or rendered inoperable by such natural or man- made disasters, which may cause disruptions, difficulties or material adverse effects on our business. An active trading market for our common stock may not ~~develop or~~ be sustained. Although our common stock is listed on the Nasdaq Global Market, we cannot assure you that an active trading market for our shares will be sustained. If an active market for our common stock is not sustained, it may be difficult for investors in our common stock to sell shares without depressing the market price for the shares or to sell the shares at all. Future sales of our common stock in the public market could cause our share price to decline. Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales, particularly sales by our directors, executive officers, and significant stockholders, may have on the prevailing market price of our common stock. All of our outstanding shares of common stock are available for sale in the public market, subject only to the restrictions of Rule 144 under the Securities Act in the case of our affiliates. In addition, the shares of common stock subject to outstanding options under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans, as well as shares issuable upon vesting of restricted stock unit awards, will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. In addition, certain holders of our common stock have the right, subject to various conditions and limitations, to request we include their shares of our common stock in registration statements we may file relating to our securities. We may issue common stock or other securities if we need to raise additional capital. The number of new shares of our common stock issued in connection with raising additional capital could constitute a material portion of our then- outstanding shares of our common stock. If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our stock price and trading volume could decline. The trading market for our common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If our financial performance fails to meet analyst estimates or one or more of the analysts who cover us downgrade our stock or change their opinion of our business or market value, our share price would likely decline. If one or more of these analysts cease providing coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline. Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the U. S. Generally accepted accounting principles in the U. S. are subject to interpretation by the Financial Accounting Standards Board (" FASB"), the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change ~~. We have incurred and will continue to incur increased costs as a result of being a public company. As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Stock Market and other applicable securities rules and regulations impose various requirements on public companies. We expect that compliance with these requirements will continue to increase certain of our expenses and make some activities more time-consuming than they have been in the past when we were a private company. Such additional costs going forward could negatively affect our financial results~~. Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism. Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expenses, hinder the execution of our business and growth strategy and impact the price of our common stock. In the past, securities class action litigation often has been brought against companies following a decline in the market price of such companies ~~’~~' securities. In addition, stockholder activism, which could take many forms and arise in a variety of situations, has been increasing recently, and new universal proxy rules could significantly lower the cost and further increase the ease and likelihood of stockholder activism. This risk is especially relevant for us as a result of the significant stock price volatility experienced by technology companies in recent years. Volatility in our stock price or other reasons may in the future cause us to become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs, including significant legal fees and other expenses, and divert our management and board of directors’ attention and resources from our business. Additionally, securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with customers and business partners, adversely affect our reputation, and make it more difficult to attract and retain qualified personnel. Our stock price could also be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.