



**Q1 2022
EARNINGS PRESENTATION**

May 9, 2022



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Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures that are not prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and that may be different from non-GAAP financial measures used by other companies. The Company believes EBITDA and Adjusted EBITDA are useful to investors in evaluating the Company's financial performance. The Company uses these measures internally to establish forecasts, budgets and operational goals to manage and monitor its business, as well as evaluate its underlying historical performance and to measure incentive compensation, as we believe that these non-GAAP financial measures depict the true performance of the business by encompassing only relevant and controllable events, enabling the Company to evaluate and plan more effectively for the future. In addition, the Company's debt agreements contain covenants that use a variation of these measures for purposes of determining debt covenant compliance. The Company believes that investors should have access to the same set of tools that its management uses in analyzing operating results. EBITDA and Adjusted EBITDA should not be considered as measures of financial performance under U.S. GAAP, and the items excluded from EBITDA and Adjusted EBITDA are significant components in understanding and assessing the Company's financial performance. Accordingly, these key business metrics have limitations as an analytical tool. They should not be considered as an alternative to Net Income or any other performance measures derived in accordance with U.S. GAAP or as an alternative to cash flows from operating activities as a measure of the Company's liquidity, and may be different from similarly titled non-GAAP measures used by other companies. Please refer to the Appendix of this presentation for reconciliation of Net Income to EBITDA and Adjusted EBITDA for the quarters ended March 31, 2022 and 2021 respectively.

Industry and Market Information

Statements in this presentation concerning our industry and the markets in which we operate, including our general expectations and competitive position, business opportunity and market size, growth and share, are based on information from independent industry organizations and other third-party sources, data from our internal research and management estimates. Management estimates are derived from publicly available information and the information and data referred to above and are based on assumptions and calculations made by us based upon our interpretation of such information and data. The information and data referred to above are imprecise and may prove to be inaccurate because the information cannot always be verified with complete certainty due to the limitations on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, please be aware that the data and statistical information in this presentation may differ from information provided by our competitors or from information found in current or future studies conducted by market research institutes, consultancy firms or independent sources.

Key Highlights – Q1 2022

Net Sales of \$84M, 32% higher than Q1 '21 driven by strong sales execution and growth across new and existing clients

Adjusted EBITDA¹ of \$33M, 14% higher than Q1 '21 due to increased customer acquisitions by our clients and a focus on operational excellence and process improvement

International Net Sales of \$22M, 178% higher than Q1 '21 and 96% growth vs. Q4 '21 driven by expansion of the international sales team, distributor growth, and demand for premium payment cards

Strong momentum from Fintechs and traditional banks in the payment card business along with initial Arculus B2B momentum from multiple cryptocurrency platforms selecting Arculus as their digital authentication partner

Significant enhancements for Arculus wallet enabling NFT viewing, sending, and receiving, connection to DeFi ecosystem via WalletConnect, and expansion of digital asset/cryptocurrencies on track for Q2 launch

Reaffirming 2022 guidance of \$336M to \$376M of Net Sales and \$100M to \$110M of Adjusted EBITDA¹

¹ Adjusted EBITDA is a non-GAAP financial measure. For reconciliation of Adjusted EBITDA to the most directly comparable measure prepared in accordance with GAAP, please see the Appendix

Company Highlights

CompoSecure is driving strong partnership momentum across the payment card and Arculus ecosystems

Payment Cards

Traditional Banks

Bank of America
Capital One

JPM Chase
Wells Fargo

FinTechs

one card
GREENWOOD
crypto.com
GEMINI

Crypto Cold Storage
ARCULUS
Digital Authentication

Crypto Exchanges & Fintech Partners

VOYAGER
Lode
MassPay

Technology Partners

WalletConnect
1KOSMOS

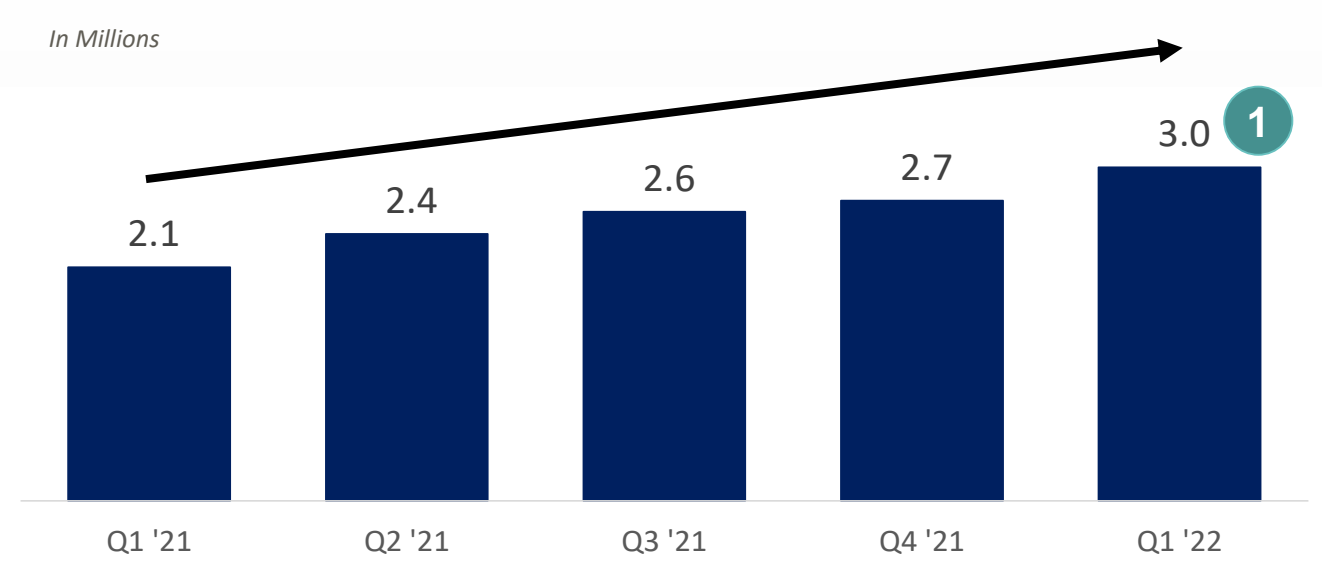
Events

- Key Sponsor & Panel Speaker at BTC 2022 Conference in Miami
- BTC purchased 25K cobranded Arculus cold storage cards for attendees

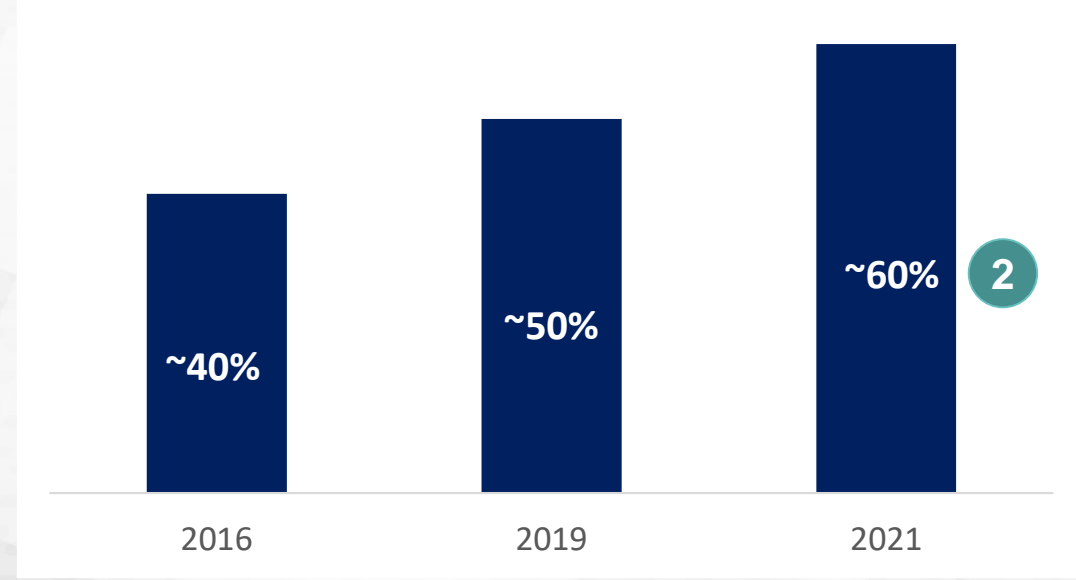
Trends & Momentum

- 1 New cards acquired growth driven by all-time highs across US Consumer Platinum & Gold as well as US Business Platinum portfolios
- 2 Millennials and Gen Z are representing a growing percentage of new accounts acquired
- 3 Long runway for growth in the Premium (fee-based) US Consumer target market

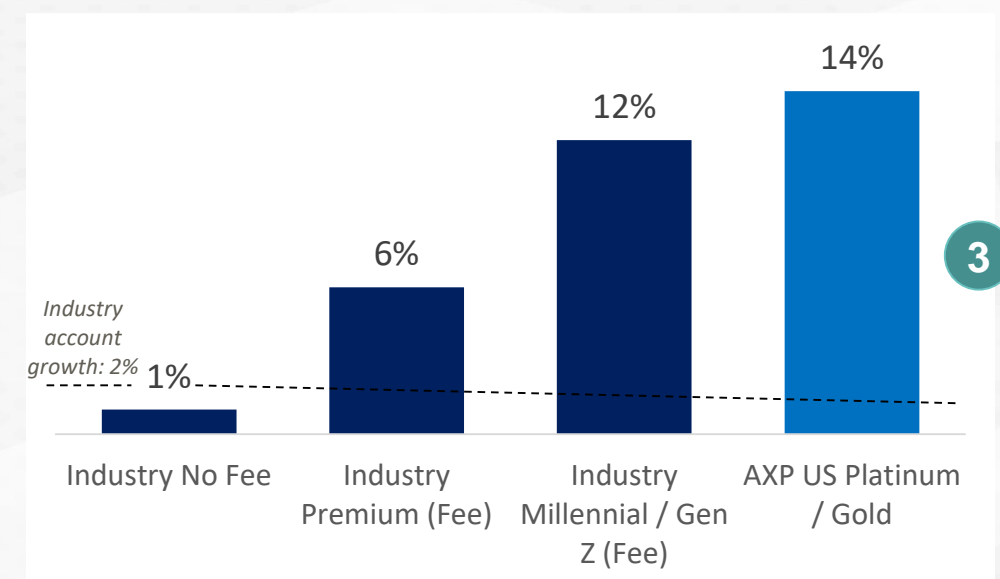
American Express Proprietary Cards Acquired¹



U.S. Consumer New Accounts Acquired, Millennial & Gen Z % of Total¹



2017-2021 Consumer Card Growth, CAGR %¹

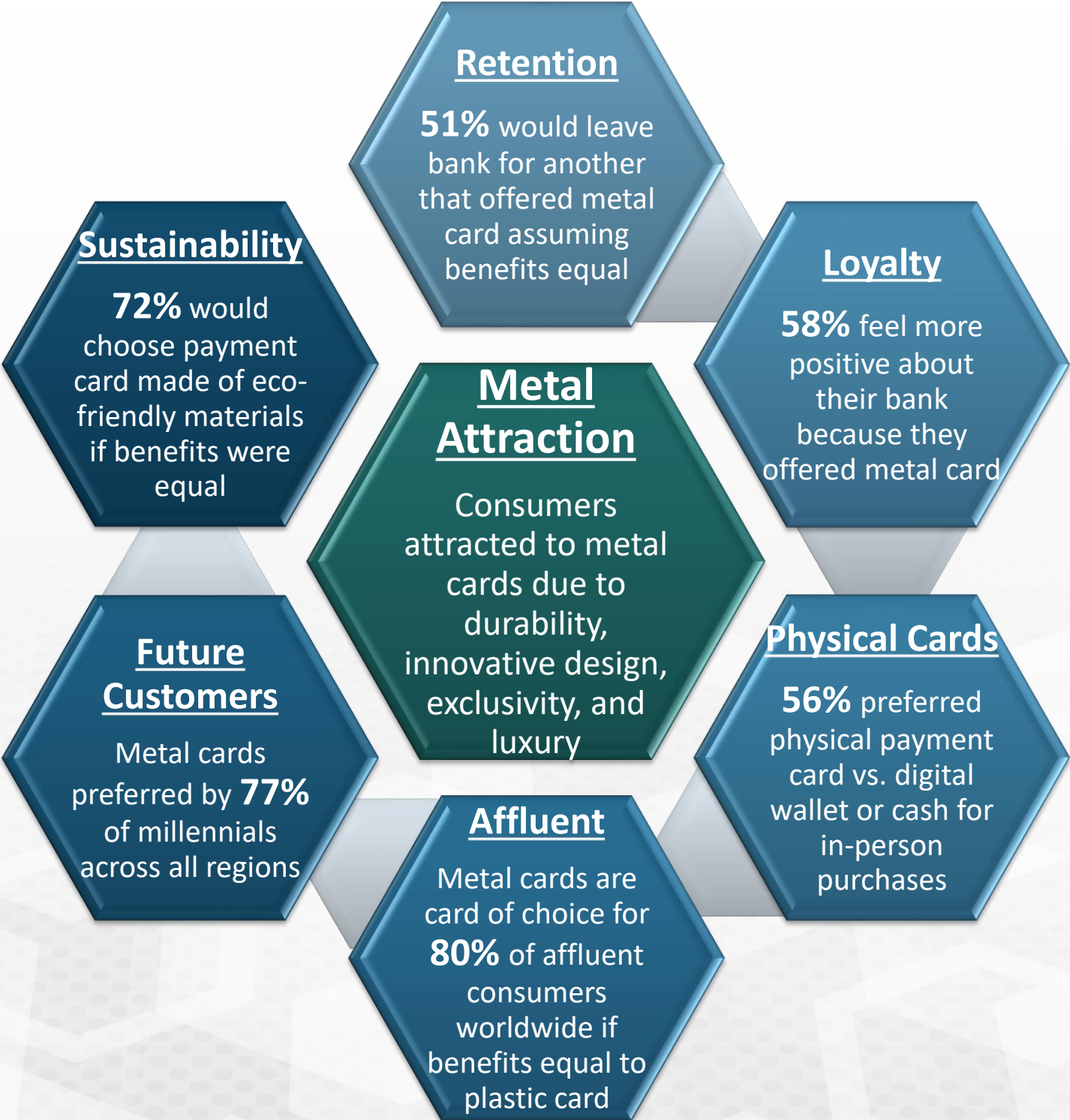


~20%
AXP U.S. Consumer Share of Industry Premium (Fee-based) Accounts

¹Source: American Express March Investor Day & Q1 2022 Earnings Presentations

Metal Payment Card Survey – Across 18 Countries


- Independent study by Edgar, Dunn, & Company
- Surveyed 18K consumers



Product Portfolio

Variety of Key Capabilities to Meet Customer Demand

Payment Card



Crypto Cold Storage



Available Now

Payment Card + Digital Authentication¹



Crypto Cold Storage + Digital Authentication¹



Available in 2022
Client Pilots in Q2/Q3

Payment Card + Crypto Cold Storage + Digital Authentication¹



¹ FIDO2 Certified

Arculus First Half 2022 Priorities

Customer/Market Need

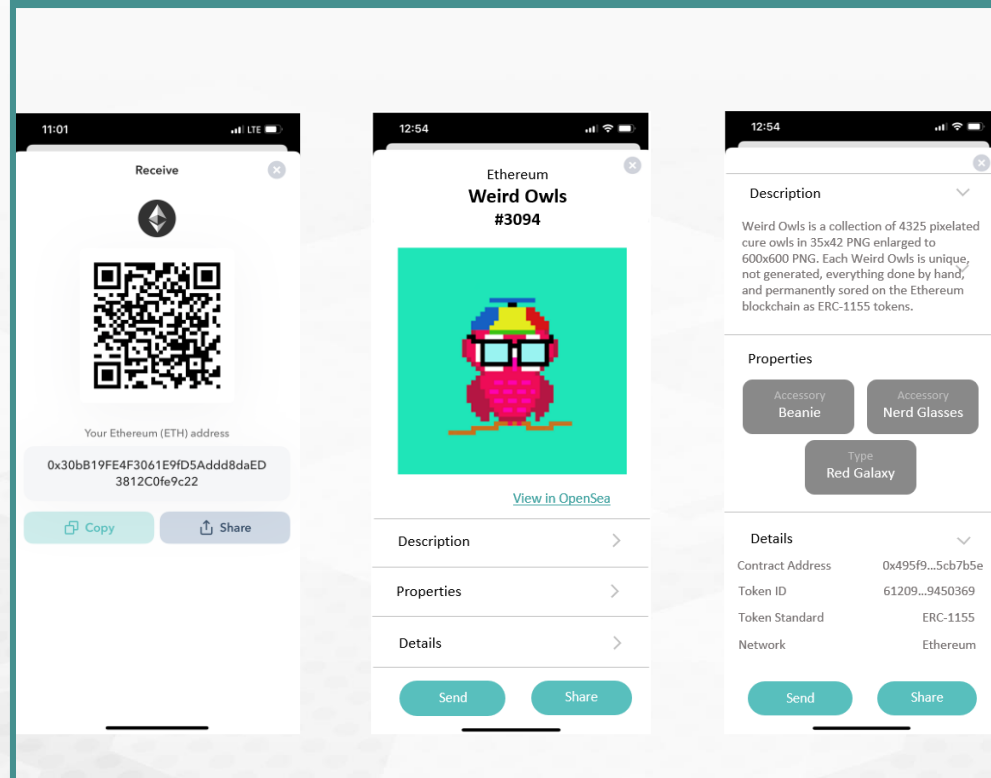
1 Non-Fungible Tokens (NFTs)

2 Cryptocurrency/
Digital Asset Support

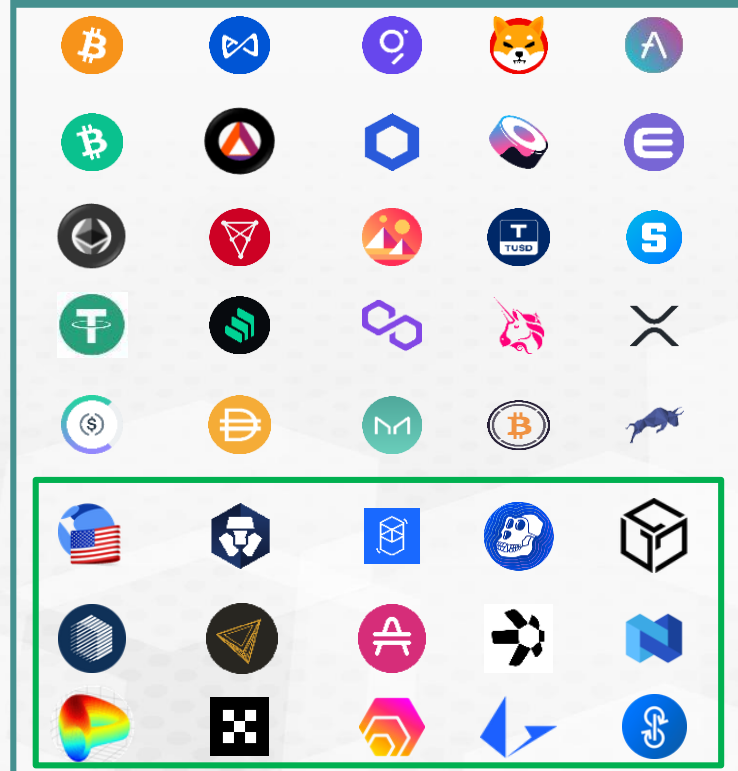
3 Access to DeFi
Ecosystem

Arculus Solution

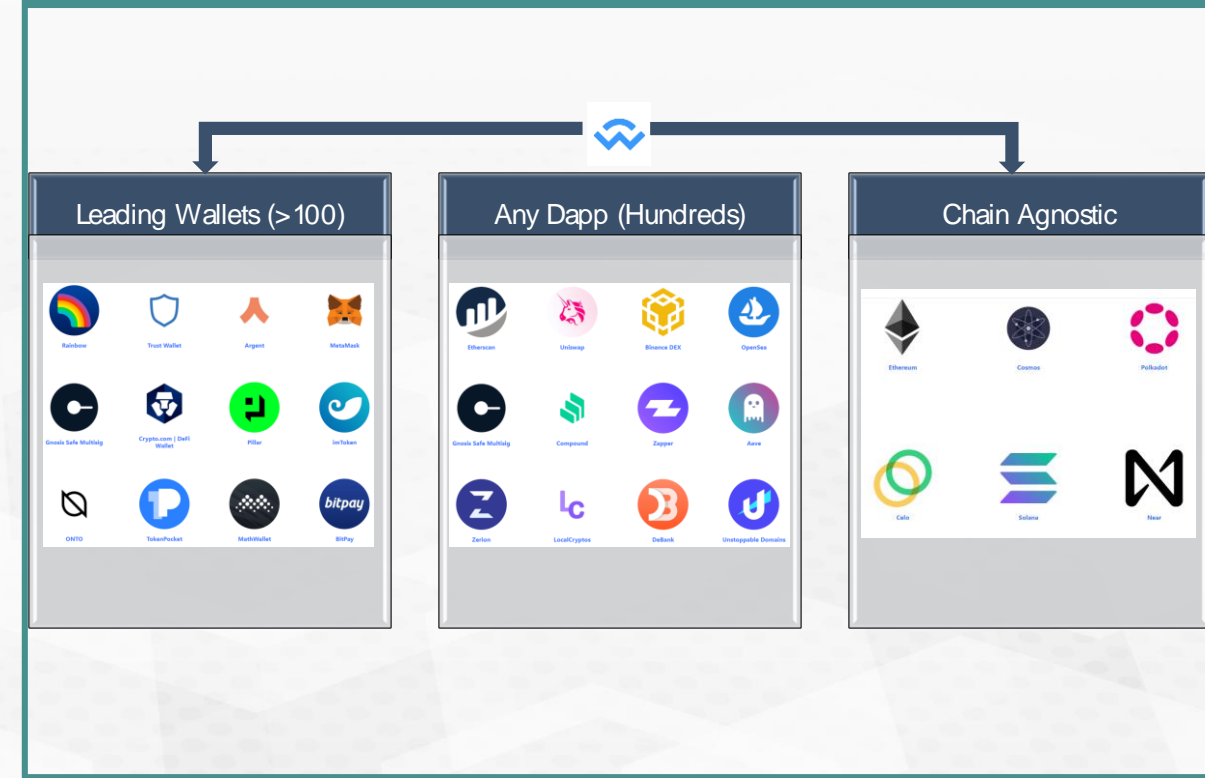
Wallet Integration w/Send, Receive, Store, & View Functionality



Continue Expansion: Adding 15+ in May '22

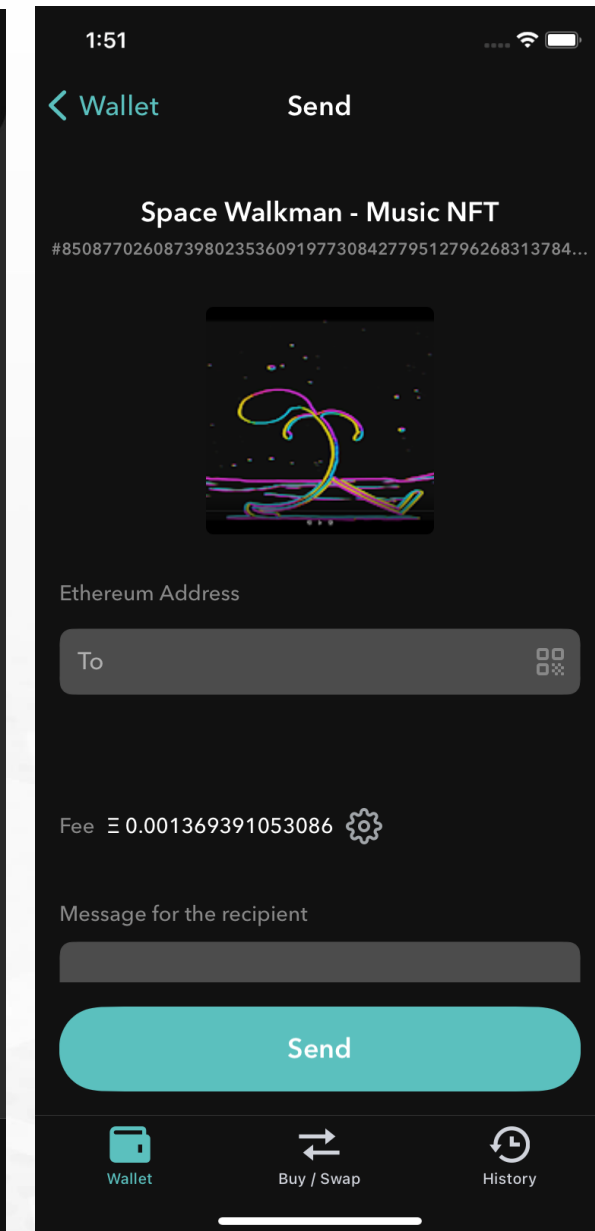
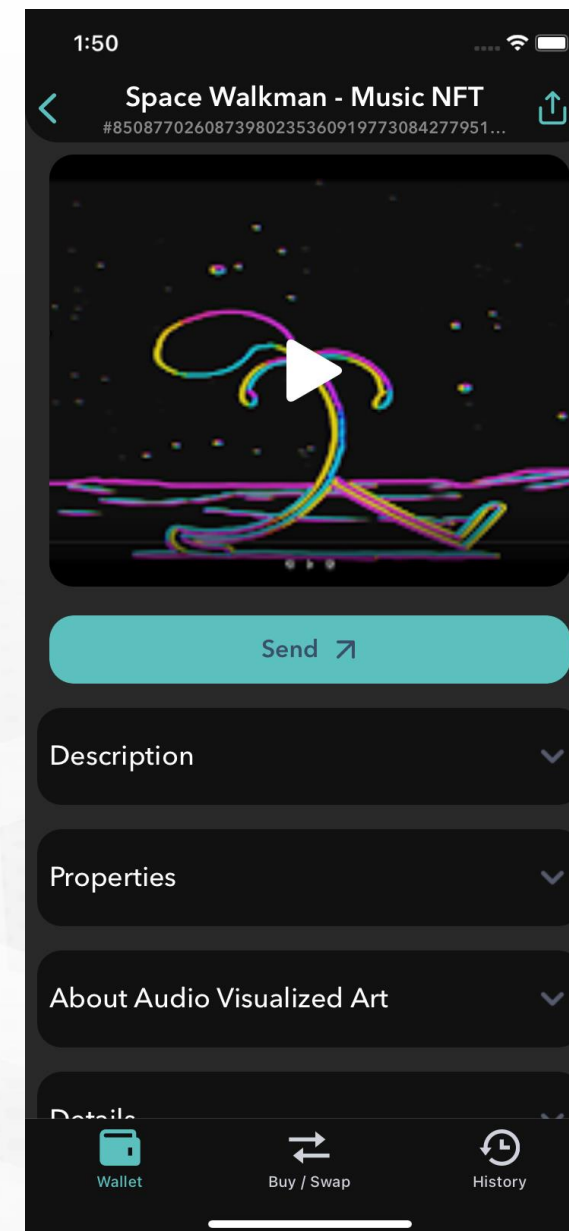
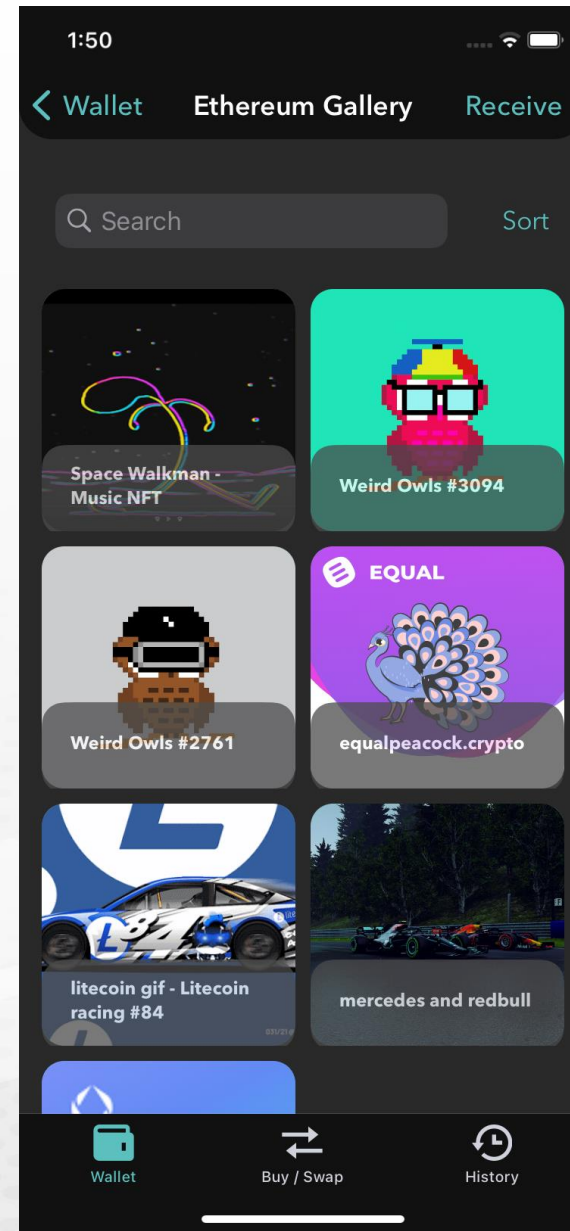
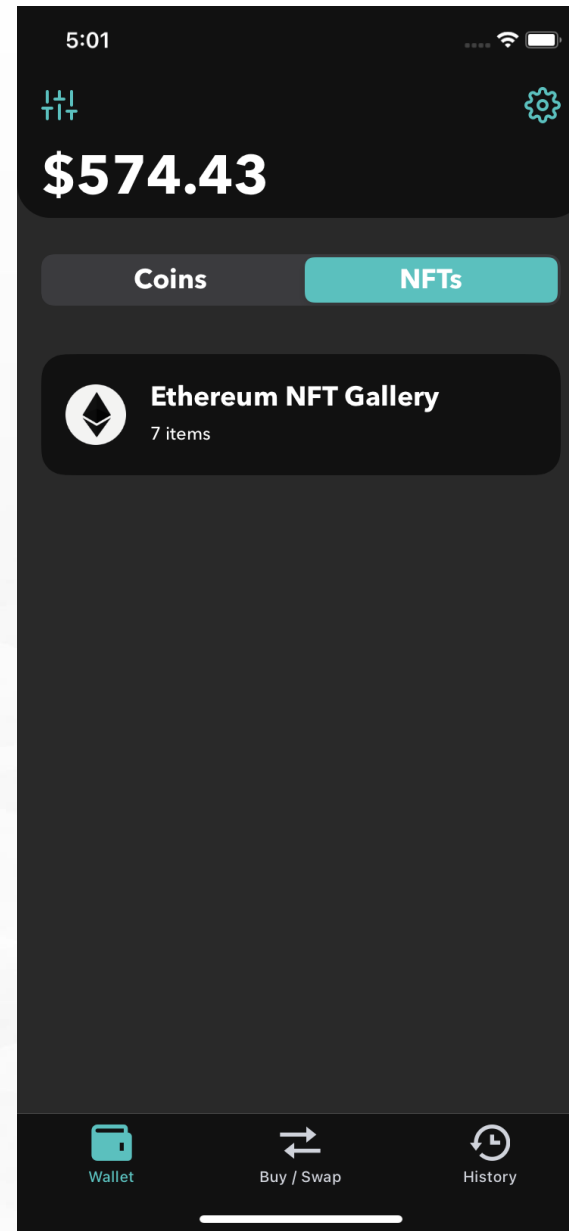
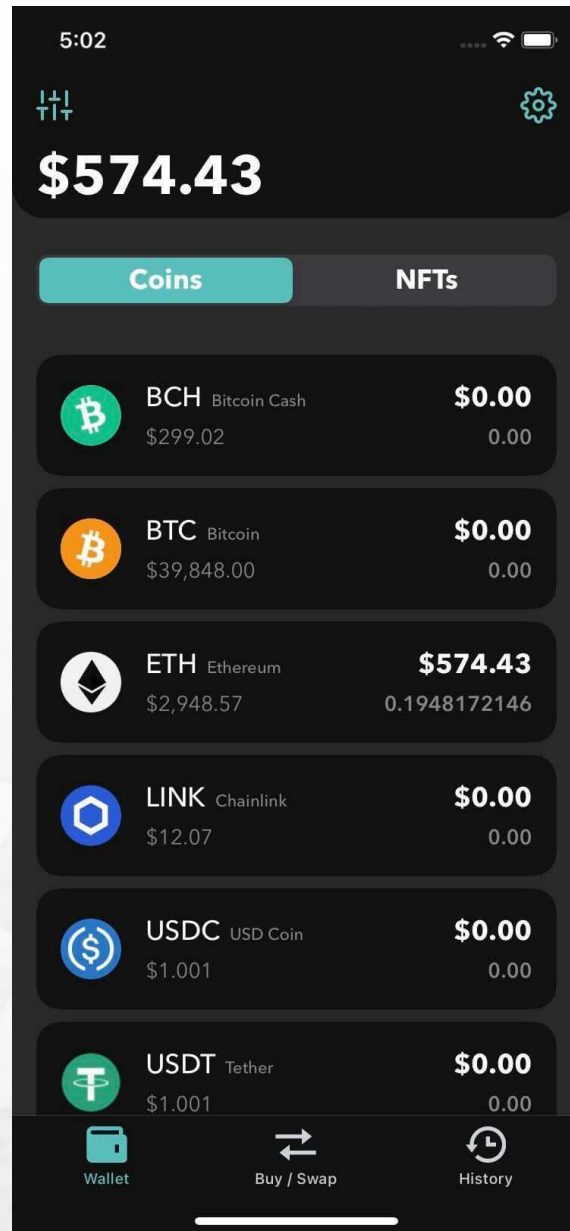


WalletConnect Integration



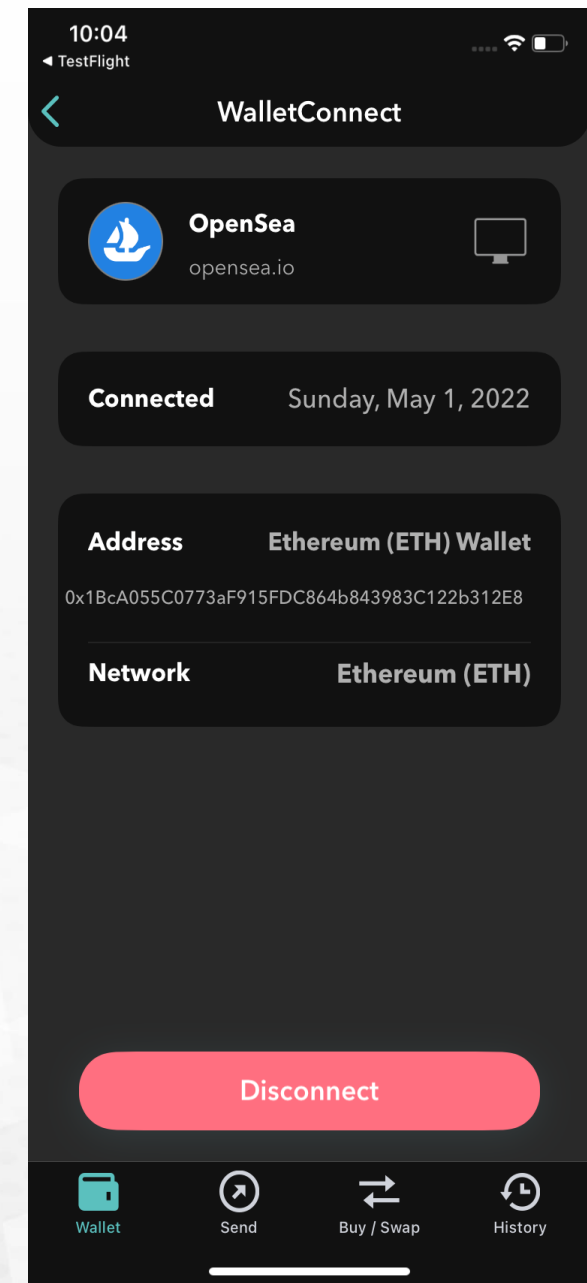
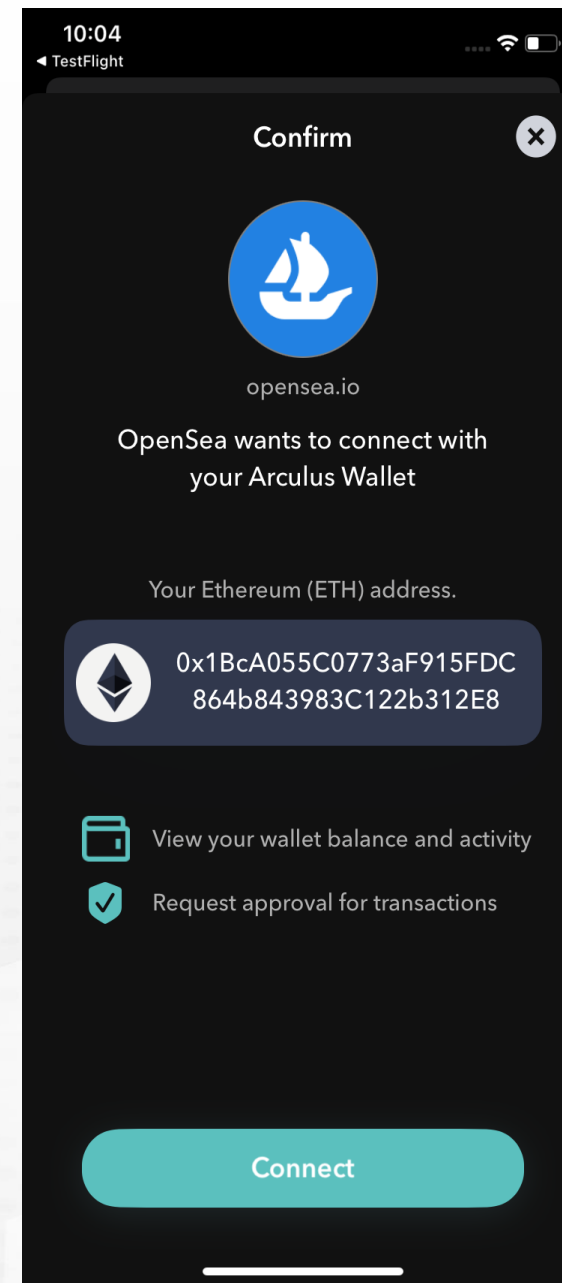
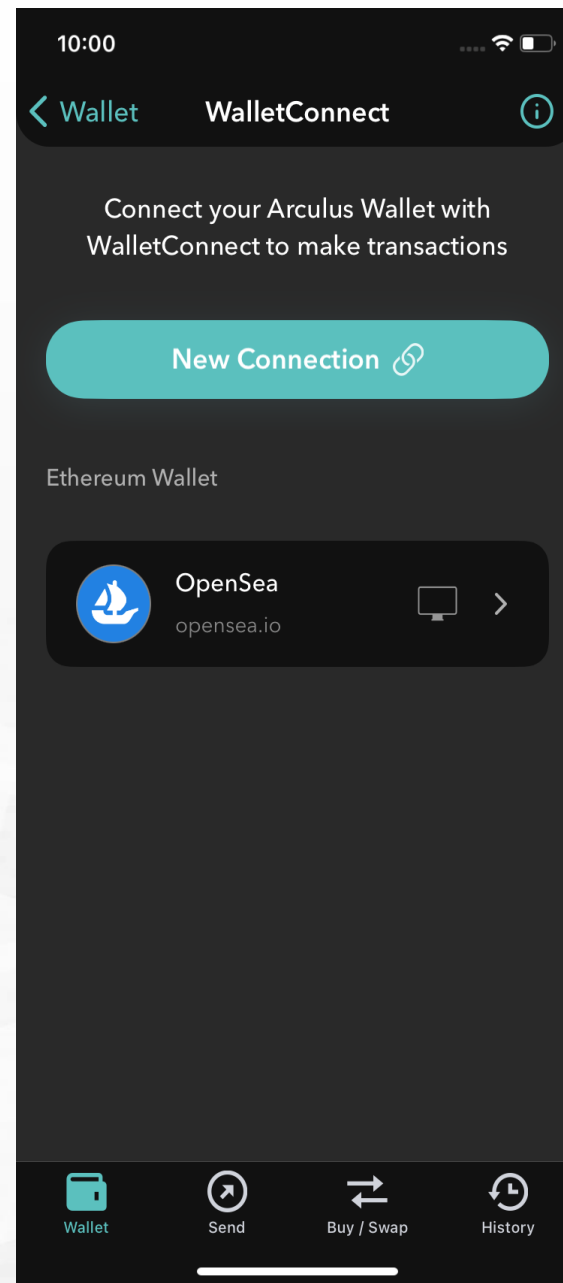
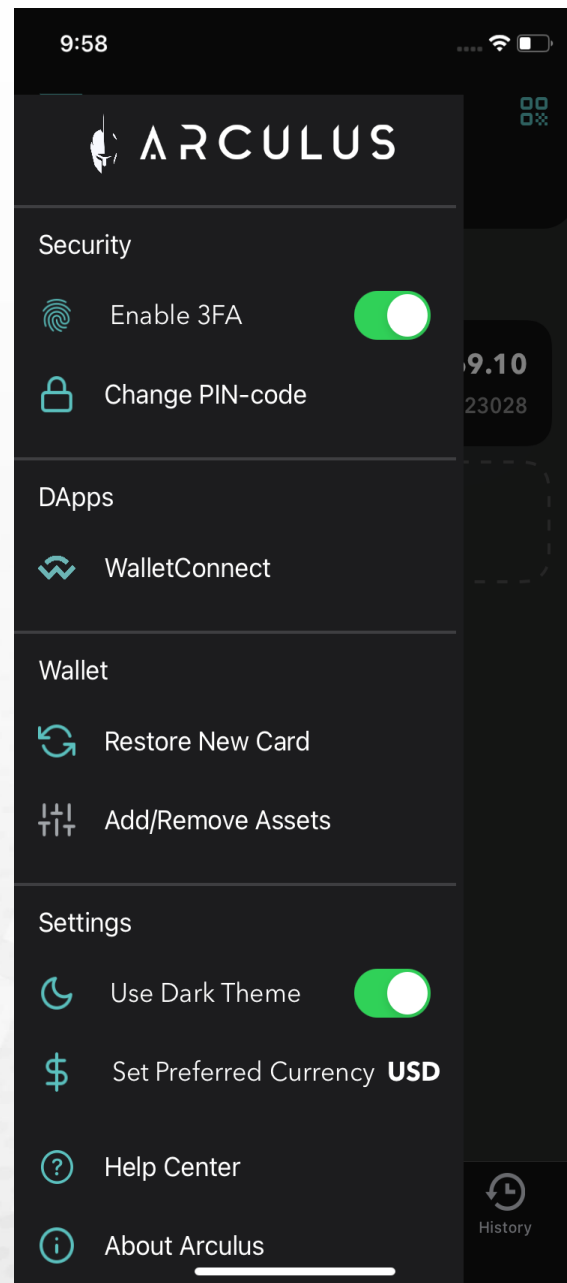
Arculus Secures NFTs: Anticipated Mid-June Launch

Enables users to view their NFTs and securely send, receive, and securely store the keys to their NFTs



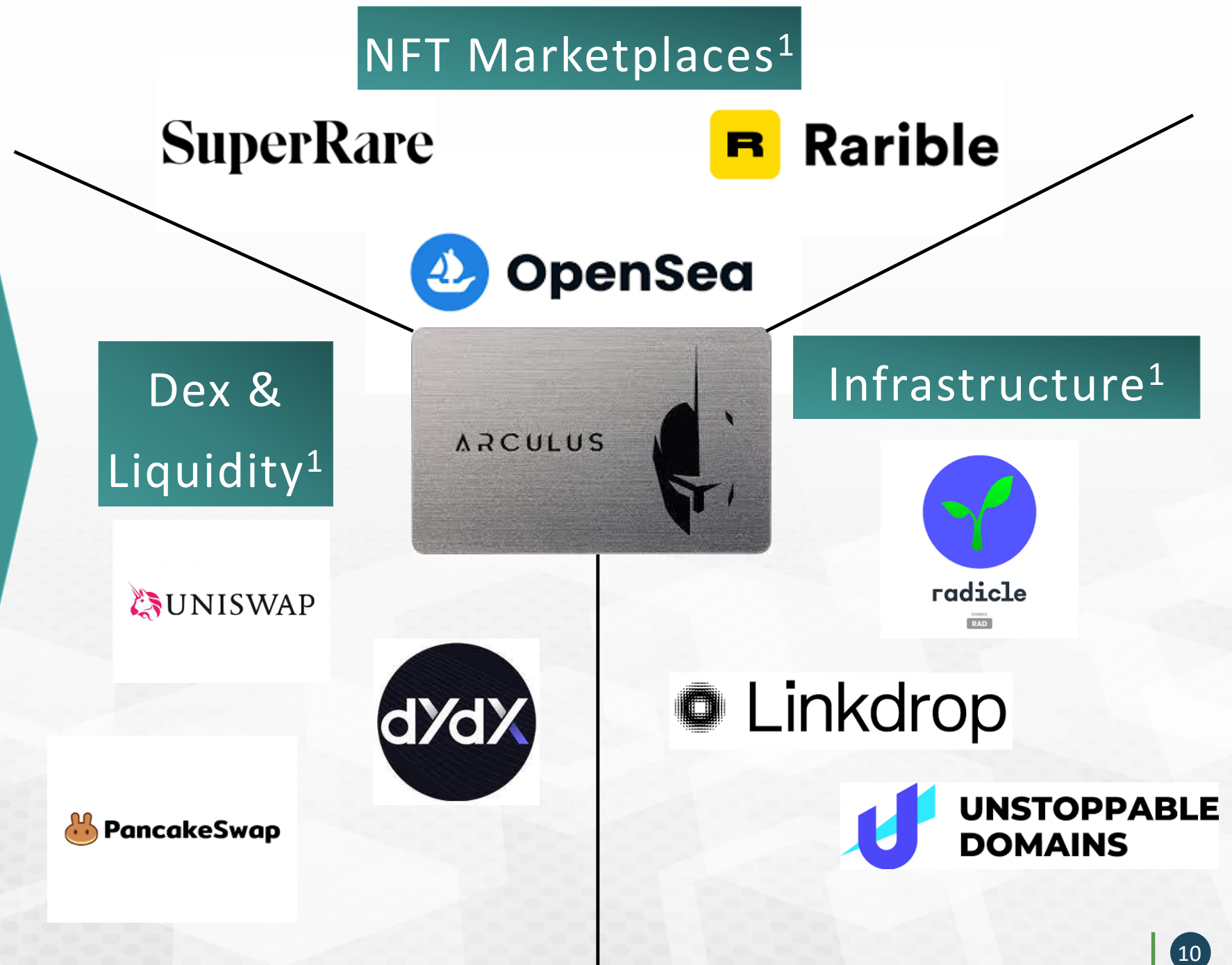
Arculus Integrates WalletConnect: Anticipated Mid-June Launch

Allows users to securely connect their wallets to DeFi platforms such as OpenSea and UniSwap



Arculus Secures DeFi: WalletConnect

- Integration of DeFi capabilities unlocks massive new target market for Arculus ecosystem
- Secures keys for NFTs and other digital assets
- Provides the ease of use of a browser extension with the security of a hardware wallet
- Provides secure access to Decentralized Exchanges (Dex) and Decentralized Autonomous Organizations (DAOs)
- 'Tap to transact' experience creates easy entry point for Web3 & Crypto owners not previously considering hardware wallet



¹ Examples of applications accessible via WalletConnect

Arculus Investment

Leveraging a multi-channel approach to drive B2C and B2B brand awareness, adoption, and engagement

Targeted Media

CoinDesk
BitCoin Magazine
Google Shopping
Yahoo
Cluep
Morning Brew
Brave

Social Media

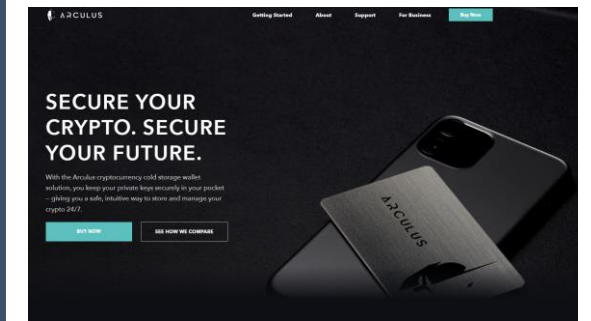


Product Reviews

BitBoy Crypto
Apple Insider
Popzara
Dealerscope
G for Gadget

Distribution Channels

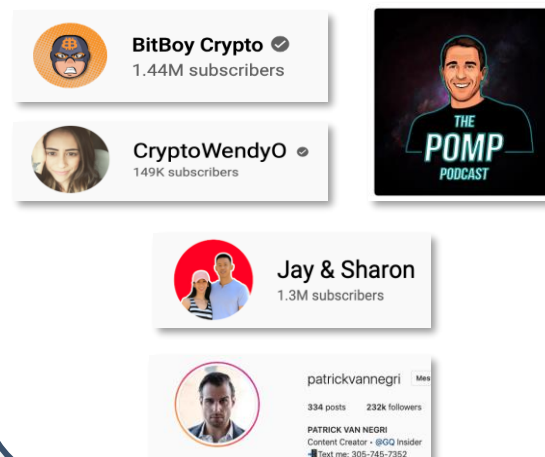
GetArculus.com



Event Strategy

Money2020: Las Vegas
CES: Las Vegas
BTC: Miami
Consensus: Austin
Money2020: Europe

Influencers



Attracting Talent

Product Management
Sales
Software Engineers
Solutions Architects
Marketing
Customer Service
Information Technology

Amazon.com





FINANCIAL OVERVIEW

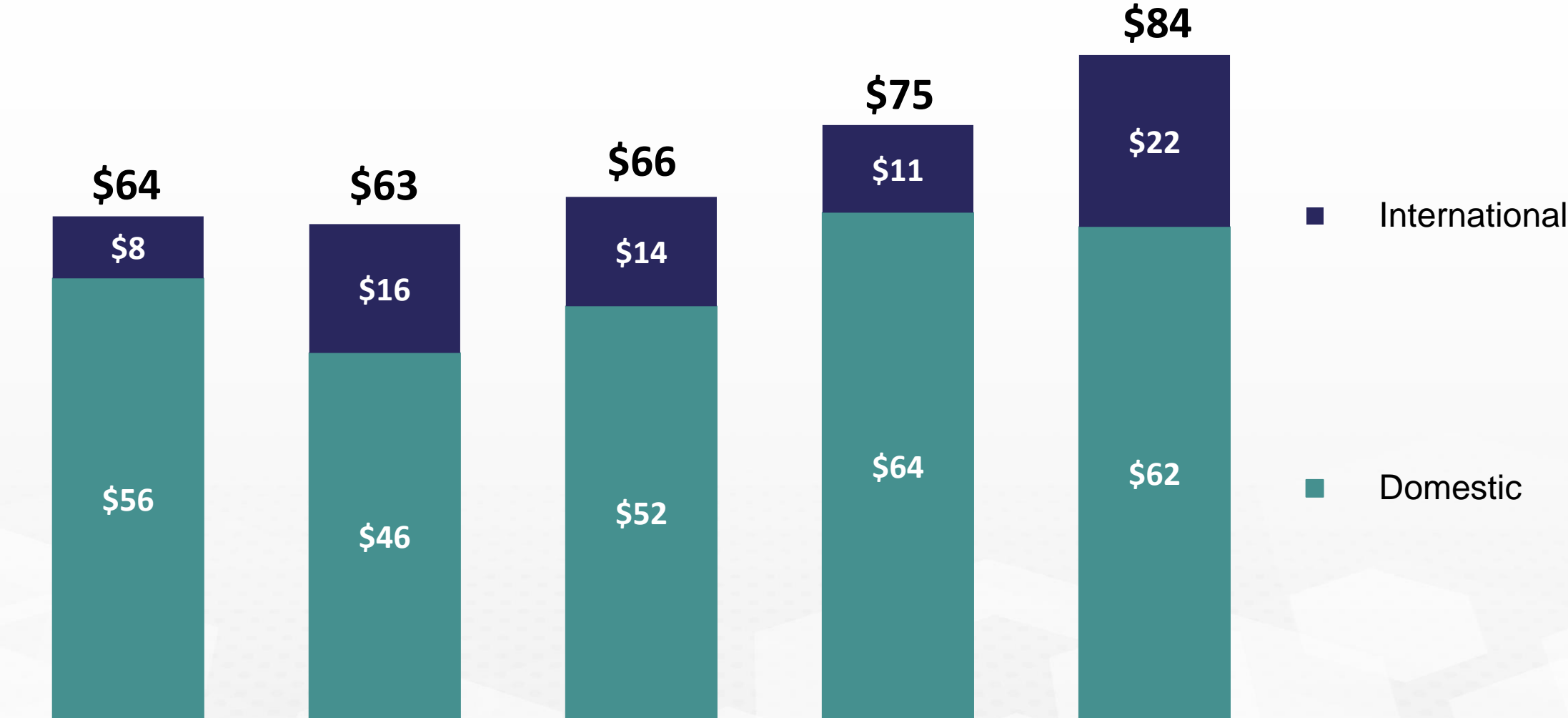
Q1 2022 Results

	Q1 '22	Q1 '21	% Change	Commentary
Net Sales	\$84mm	\$64mm	32%	Strong sales with traditional banks & fintechs across domestic & international regions
Gross Margin	58%	54%	407bps	Process efficiencies benefit
Net Income	\$27mm	\$23mm	16%	
Adjusted EBITDA ¹	\$33mm	\$29mm	14%	Includes (~\$6mm) net impact from Arculus and other expenses
Adjusted EBITDA Margin ¹	40%	46%	(636 bps)	

¹ Adjusted EBITDA is a non-GAAP financial metric. For a reconciliation of Adjusted EBITDA to the most-comparable GAAP metric, please see the Appendix to this presentation

Net Sales Trend

In millions



International

12%

26%

21%

15%

26%

Domestic

88%

74%

79%

85%

74%

Balance Sheets

(Unaudited)

(\$mm)	Q1 2022A	2021A
Assets		
Current Assets		
Cash & cash equivalents	\$15	\$22
Accounts receivable, net	39	28
Inventories	27	26
Prepaid expenses and other Current assets	7	3
Total Current Assets	88	78
Property and equipment, net	21	22
Deferred tax assets	25	26
Other assets	9	4
Total assets	\$143	\$131
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	\$5	\$7
Accrued expenses	17	40
Other current liabilities	3	1
Current portion of long-term debt	14	13
Total current liabilities	38	60
Long-term debt, net of deferred finance costs	229	233
Line of credit	25	15
Convertible Debt, net of debt discount	127	127
Other liabilities	101	104
Total liabilities	\$520	\$539
Members' Equity	(377)	(408)
Total liabilities and members' equity	\$143	\$131

Source: Company financials

Note: Audits completed to PCAOB standards. Financial position has been derived from CompoSecure's consolidated financial statements for the quarters ended March 31, 2022 and December 31, 2021 respectively.

Earnings per Share

	Q1 '22
Net Income	\$27mm
x Controlling Interest	20%
= Net Income for Basic EPS	\$4.7mm
÷ Class A Outstanding Shares	14.9mm
= Earnings per Share - Basic	\$0.32

2022 Guidance

	2022E	2021	% Change
Net Sales	\$336mm - \$376mm	\$268mm	25% - 40%
Adjusted EBITDA ¹	\$100mm - \$110mm	\$102mm	(2%) - 7%

¹ Adjusted EBITDA is a non-GAAP financial metric. For a reconciliation of Adjusted EBITDA to the most-comparable GAAP metric, please see the Appendix to this presentation

ESG Initiatives & Recognition

CompoSecure continues to be recognized as an industry leader in sustainability, innovation, and leadership



1st Metal Card Manufacturer to receive new ICMA EcoLabel Standard Program

Obtained Certification for UL's Environmental Claim Validation Program

Achieved ISO 14001 Certification

Conducted Greenhouse Gas Inventory

Purchased Renewable Energy to offset 100% of Electricity and Gas Consumption



Manufacturing Leadership Award in the Digital Transformation Category

(Jon Wilk)

NJBIZ Digi-Tech Innovator Award

(Adam Lowe)

NJ Best Places to Work

(CompoSecure)

Strategic Priorities

A Category Leader of Next-Gen Payment Technology, Security, and Cryptocurrency Solutions

Drive premium payment card sales through continued domestic growth, international expansion, and FinTechs

Deliver innovative new card constructs and leverage our scale and existing relationships

Continue to enhance Arculus capabilities (NFTs, WalletConnect, Coin Expansion, etc...) to drive adoption across key B2B verticals and consumers demanding three factor authentication security solutions

Optimize investment in product lines across advertising initiatives, talent, software development, and partnerships to accelerate growth

Focus on process efficiencies, materials procurement, and upsell opportunities to maintain strong margins

Investor Relations Contact

ir.composesecure.com

Marc Griffin (ICR)

646-277-1290

CompoSecure-IR@icrinc.com





APPENDIX

CompoSecure, Inc. (Nasdaq: CMPO)

Summary Equity Capitalization Table (with net exercise model)

As of March 31, 2022

Enterprise Value at de-SPAC was \$1,179M¹ and the current Enterprise Value is \$1,008M²

<u> Holders </u>	<u> # of Shares Issued & Outstanding </u>	<u> # of Shares Issued & Outstanding </u>
Public Shareholders (Class A)	4.6M	4.6M
PIPE Investors (Class A)	4.5M	4.5M
Roman Sponsor (Class A)	5.8M	5.8M
Historic CompoSecure Owners (Class B)	61.1M	61.1M
Subtotal	76.1M	76.1M
<u> Holders </u>	<u> # of Shares Reserved for Immediately Exercisable In-The-Money Options </u>	<u> # of Shares Reserved for Immediately Exercisable In-The-Money Options (assuming net exercise)³ </u>
Merger Rollover Options	5.0M	4.6M
Total	81.1M	80.6M
<u> Convertible Instruments </u>	<u> # of Shares Reserved for Conversion </u>	<u> # of Shares Reserved for Conversion (assuming net exercise) </u>
Public Warrantholders ⁴	11.6M	4.2M
Roman Sponsor Warrantholders ⁵	10.8M	3.9M
Exchangeable Noteholders	11.3M	11.3M
Grand Total	114.8M	100.0M

Notes: The table above excludes shares which may be issued in the future for contingent "earnout", equity incentive plan, employee stock purchase plan, and 401K plan

¹ Includes Net Debt of \$243M + Convertible of \$130M. Equity of 80.6M shares @ \$10.00 price/share

² Includes Net Debt of \$257M + Convertible of \$130M. Equity of 80.6M shares @ \$7.71 price/share as of market close 5/6/22

³ Assumes exercise net of strike price, valuation at assumed FMV of \$10.00

⁴ Assumes exercise net of strike price, valuation at assumed FMV of \$10.00

⁵ Assumes treasury stock method, valuation at assumed FMV of \$18.00

Statements of Operations (Unaudited)

(\$mm)	Q1 2022A	Q1 2021A	Q1 2020A
Revenue			
Net Sales	\$84	\$64	\$80
Cost of Sales	(35)	(29)	(39)
Gross Profit	\$49	\$34	\$42
Operating Expenses			
Selling, general and administrative	(19)	(8)	(12)
Income from operations	\$30	\$26	\$29
Other expense			
Other income (expense), net	(3)	(3)	(1)
Net Income	\$27	\$23	\$28

Source: Company financials

Note: Financial position has been derived from CompoSecure's consolidated financial statements for the quarters ended March 31, 2020, 2021 and 2022 respectively.

Statements of Cash Flows (Unaudited)

(\$mm)	Q1 2022A	Q1 2021A	Q1 2020A
Cash flows from operating activities			
Net income	\$27	\$23	\$28
Depreciation	2	3	2
Equity compensation expense	1	0	0
Inventory reserve	0	0	
Amortization of deferred finance costs	1	0	0
Mark to market adjustments	(4)	0	
Change in assets and liabilities	2	0	
Accounts receivable	(11)	(17)	(7)
Inventories	(1)	(1)	(2)
Prepaid expenses and other assets	(4)	(0)	(0)
Other liabilities	(3)	2	6
Accrued expenses	3	(4)	(4)
Net cash provided by operating activities	\$12	\$6	\$23
Cash flows from investing activities			
Acquisition of property and equipment	(1)	(0)	(5)
Net cash used in investing activities	(\$1)	(\$0)	(\$5)
Cash flows from financing activities			
Business combination and PIPE financing			
Proceeds from line of credit	10		20
Payment of line of credit		(5)	
Proceeds from term loan			
Payment of term loan	(3)	(6)	(4)
Distributions		(3)	
Deferred finance costs related to debt origination			
Issuance cost related to business combination	(24)		
Tax Distribution to members			(25)
Net cash used in financing activities	(\$17)	(\$14)	(\$9)
Net increase (decrease) cash, cash equivalents and restricted cash	(5)	(8)	10
Cash, cash equivalents and restricted cash, beginning of year	\$22	\$13	\$27
Cash, cash equivalents and restricted cash, end of year	\$15	\$5	\$37
Supplementary disclosure of cash flow information			
Cash paid during the year for interest	5	3	1

Non-GAAP Adjusted EBITDA Reconciliation (Unaudited)

\$mm	Q1 2022A	Q1 2021A	Q1 2020A
Net Income	\$27	\$23	\$28
Interest Expense	5	3	1
Depreciation and Amortization	2	3	2
Taxes	1	-	-
Unadjusted EBITDA	\$35	\$29	\$31
1 Non-Cash Stock Option Expense	1	0	0
2 Non-Recurring Transaction Costs	0	0	1
3 Mark-to-Market Adjustments	(3)	-	-
4 Special Distribution	-	-	3
Total EBITDA Adjustments	(\$2)	\$0	\$4
Adjusted EBITDA	\$33	\$29	\$35
Adjusted EBITDA %	40%	46%	44%

- 1 Non-Cash Stock Option Expense:** Non-cash stock option expenses related to the executive incentive plan
- 2 Nonrecurring Transaction Costs:** Transaction related costs associated with prior transaction processes.
- 3 Non-Cash Mark to Market Adjustments:** Related to changes in fair value of liabilities for warrants, earnouts and derivatives assets.
- 4 Special Distribution:** Adjustment to add back special distributions to Class C unit holders. The distributions are akin to equity distributions