



**Q2 2022  
EARNINGS PRESENTATION**

**August 4, 2022**



# Disclaimers

## Forward Looking Statements

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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, Adjusted EBITDA, and Non-GAAP EPS 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, Adjusted EBITDA, and Non-GAAP EPS 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 these non-GAAP measures to the GAAP measures used in the Company's financial statements.

## 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 – Q2 2022

Net Sales of \$97mm, 55% higher than Q2 '21 driven by continued strong sales execution, deep customer relationships, and growth across both domestic (+50%) and international (+71%)

Adjusted EBITDA<sup>1</sup> of \$40mm, 45% higher than Q2 '21 due to net sales momentum and a constant focus on process improvement

Current challenges in the digital asset market, including crypto exchanges freezing or limiting withdrawals, are driving an increased need for consumers to control their private keys, and we are encouraged by recent partnerships for security, authentication, and cold storage leveraging our Arculus platform


This market cycle has created uncertainty in timing for our Arculus ramp up since some of our partners and targets have been impacted, but we remain focused on margins and managing investments to capture long-term value for our shareholders and are confident that the Arculus platform will deliver against market needs

Raising 2022 full year guidance; now expect Net Sales to be in the range of \$355mm to \$380mm (up from \$336mm to \$376mm) and Adjusted EBITDA<sup>1</sup> to be in the range of \$110mm to \$120mm (up from \$100mm to \$110mm)

<sup>1</sup> 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**

- Amex Delta Reserve
- Chase Hyatt Business
- Truist
- Credit Suisse
- FNBO Verizon Business

**FinTechs**

- X1
- Oxygen



Security  
ARCULUS  
Digital Authentication

**FinTech & Technology Partners**

- INBESTGO
- CHANGE.
- HEDGE
- MassPay
- VISA
- mastercard

**Marketing & Events**

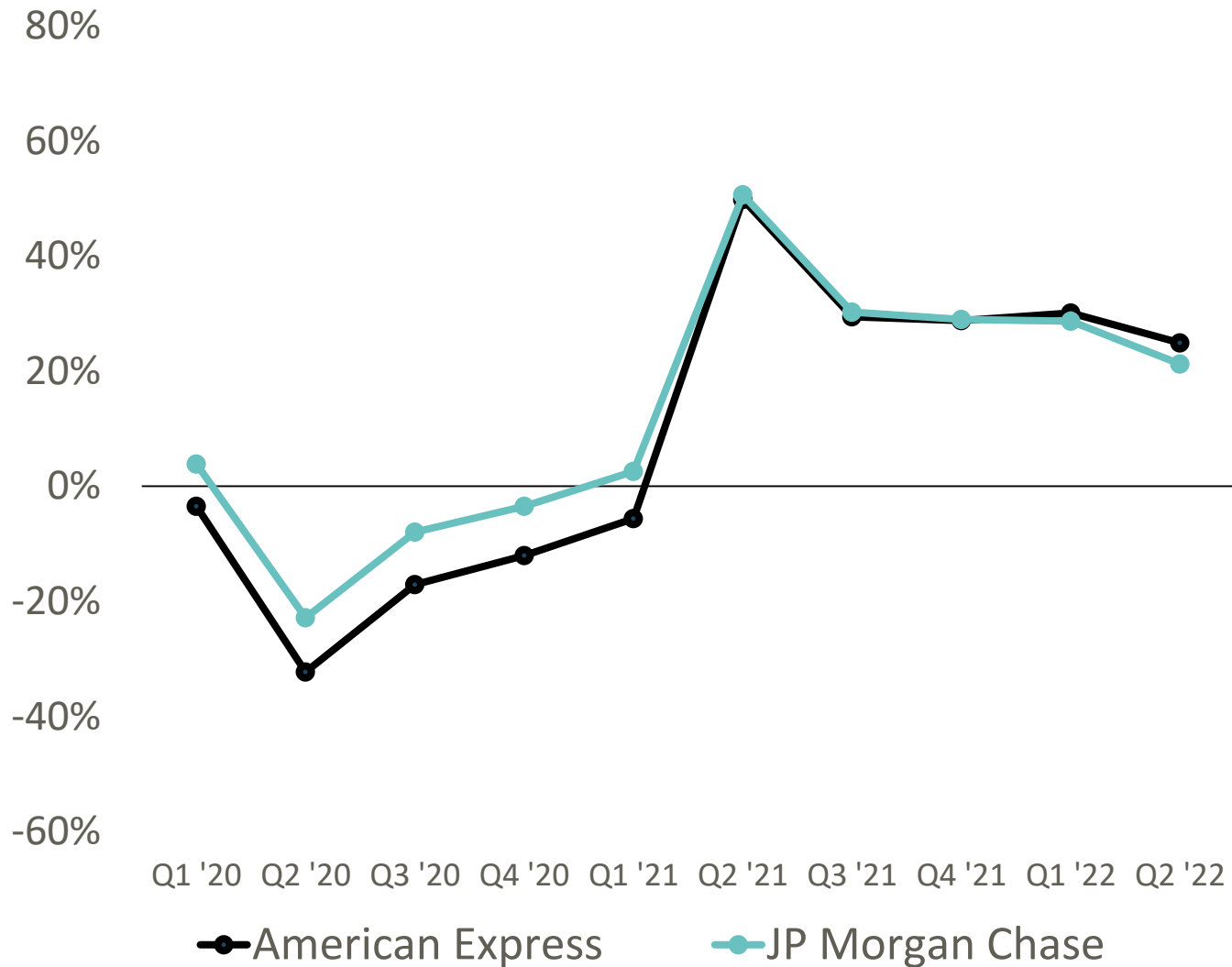
- ABiresearch.
- CONSENSUS 20/22 by CoinDesk
- MONEY 20/20 AN ASCENTIAL COMPANY
- SuperRare

# Positive Trends & Momentum across Payment Cards

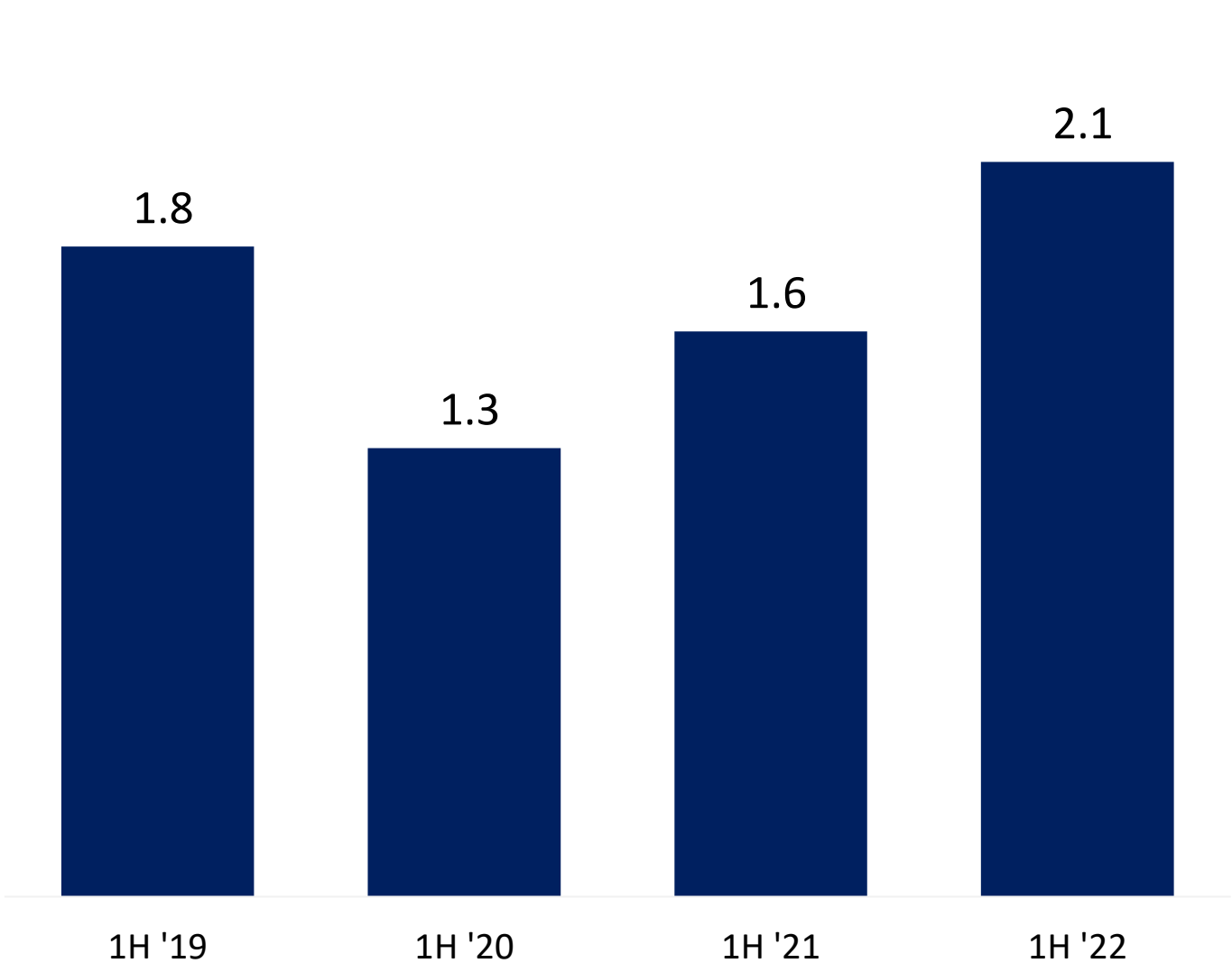
CompoSecure's Largest Customers Continue to Report Strong Growth after Pandemic Slowdown

"Banks Spend Big to Boost Credit-Card Sign-Ups, Defying Recession Fears"<sup>2</sup>

Year over Year Purchase Volume Growth<sup>1</sup>



US Credit Card Solicitations (B)<sup>3</sup>



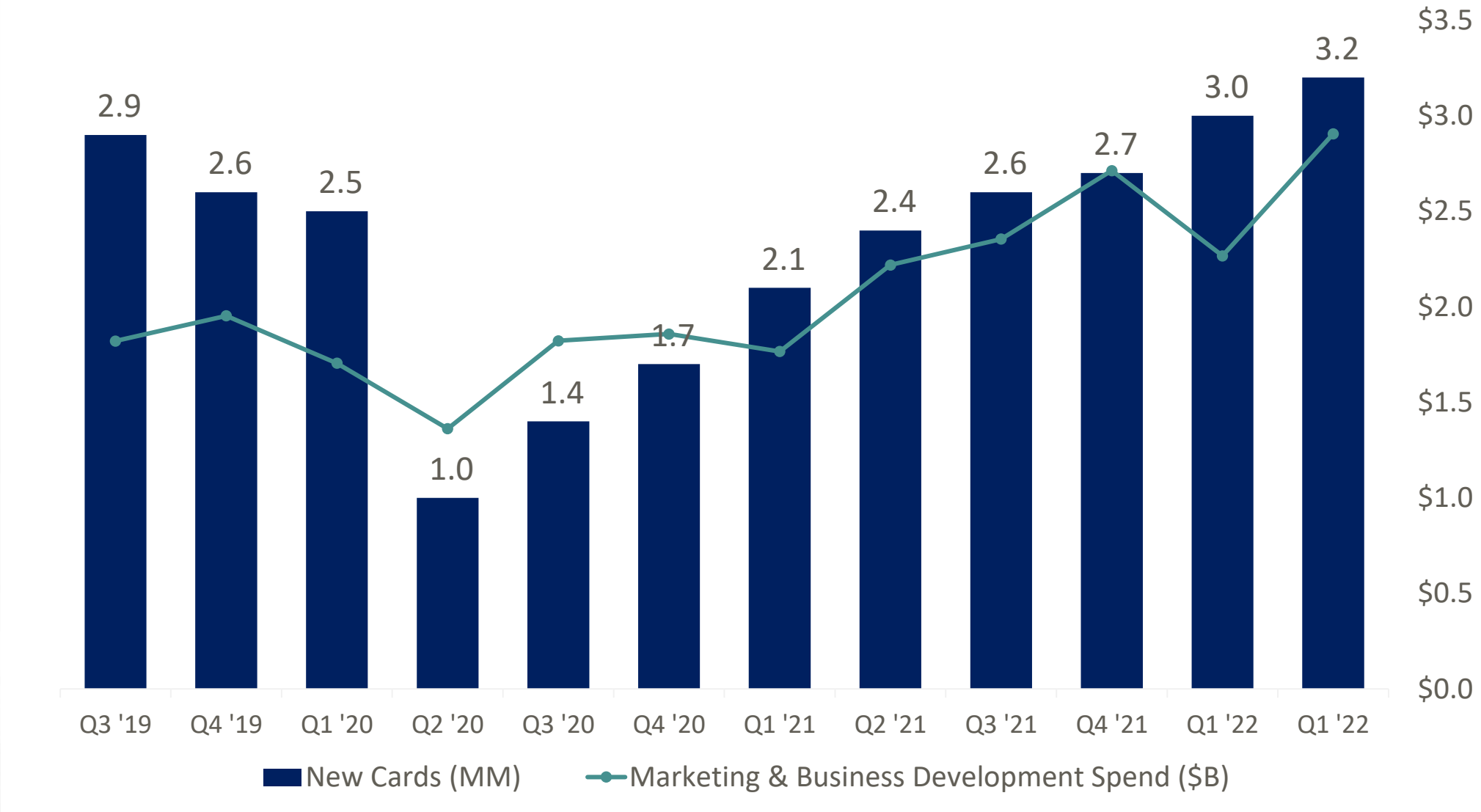
<sup>1</sup>American Express & JP Morgan Chase Earnings Presentations

<sup>2</sup>Wall Street Journal – 8/2/22

<sup>3</sup>Mintel Comperemedia – Note: Data are Estimates

# Positive Trends & Momentum across Payment Cards

American Express continues to report strong card acquisition numbers and investment to grow the business



~40%

YoY Card Growth	(52%)	(35%)	(16%)	+140%	+86%	+59%	+43%	+33%
YoY Marketing & Business Development Spend Growth	+0%	(5%)	+4%	+63%	+29%	+46%	+28%	+31%

Source: American Express Earnings Presentations

# ABI Research Projects Strong Metal Payment Cards Growth to Continue as Traditional Banks and FinTechs Look to Differentiate their Premium Offerings

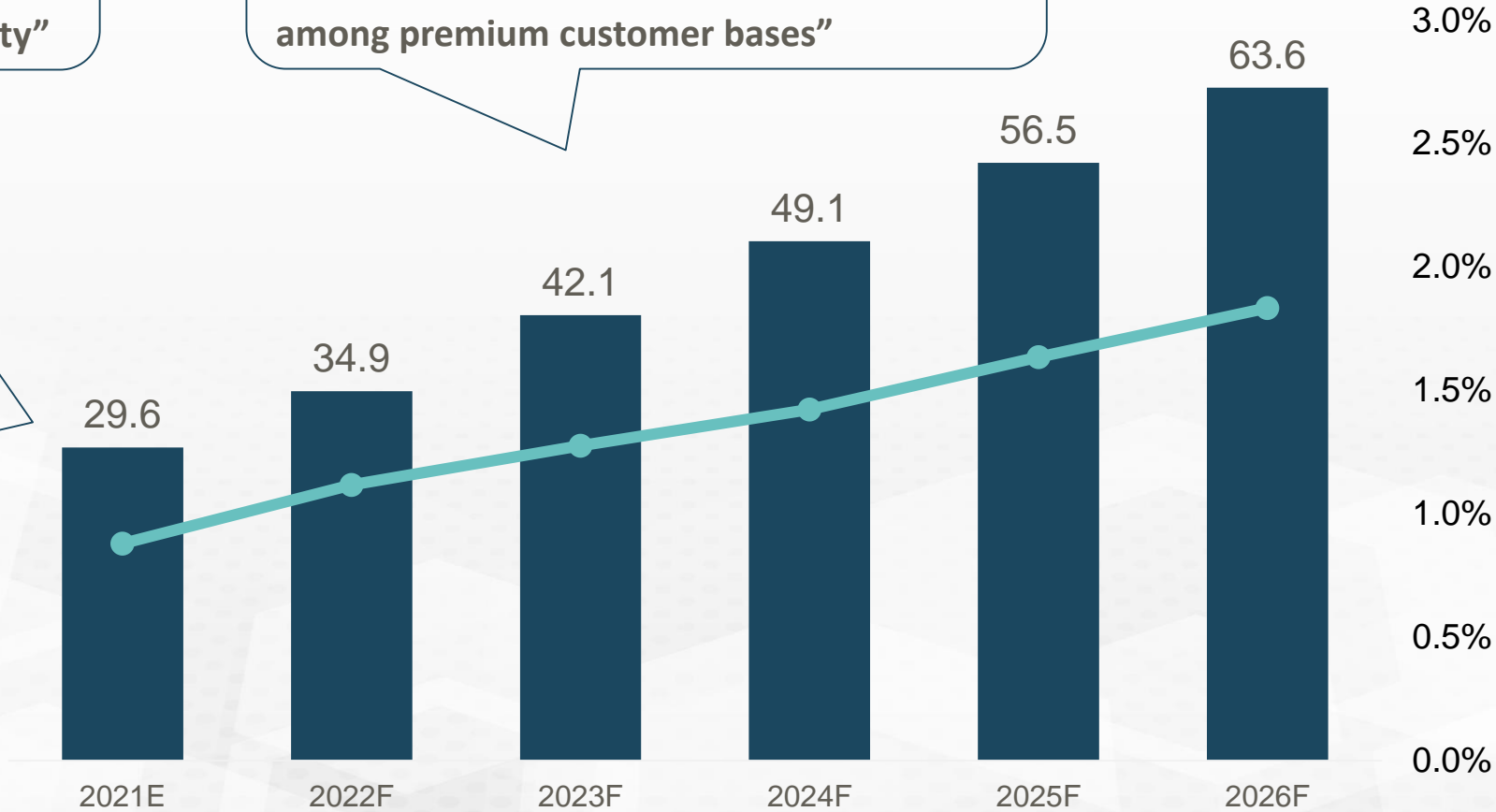
“Issuers are not looking to replace metal card customers with biometric or DCVV payment cards, instead looking toward other physical solutions related to security”

“The higher price points associated with metal cards should be considered part of its success, increasing appeal and appetite among premium customer bases”

“Found no evidence to suggest a level of metal fatigue is taking hold”

“The market ceiling for metal cards will be in the 5% to 10% range of the total Europay, Mastercard, Visa (EMV) payment card market”

“Expansion toward other vertical payment segments, including crypto cold wallets could open up other payment vertical sub-segments”



YoY Growth	2021E	2022F	2023F	2024F	2025F	2026F
	+13%	+18%	+21%	+17%	+15%	+13%

Source: ABI Research – Metal Payment Card Trends, Products, and Opportunities

# The Arculus Platform Offers a Broad Range of Security & Authentication Solutions Targeting a Variety of Verticals



B2B to Consumer Security Solutions

Direct to Consumer Cold Storage Solution

Secure Authentication

Identity Verification

Cold Storage for Digital Assets

Cold Storage Key Card for Digital Assets

Arculus Wallet App

## KEY VERTICALS

Financial Institutions

Crypto Exchanges

FinTechs

NFT Marketplaces

Gaming & Gambling

Sports & Entertainment

Telecom

Healthcare



# Payment, Security, & Authentication Solutions

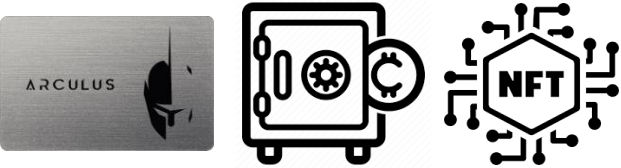
## CORE OFFERING

Payment Card




Available Now

Digital Asset Cold Storage Card



Available Now


Secure Authentication Card



Available Now

## HYBRID PRODUCTS

Payment + Secure Authentication Card



Available Now

Digital Asset Cold Storage + Secure Authentication Card



Expected Available Q3 '22

Payment + Digital Asset Cold Storage Card



Expected Available Q4 '22

Payment + Digital Asset Cold Storage + Secure Authentication Card



Expected Available 2023

# Crypto Winter Drives Consumer Need for Enhanced Protection of Digital Assets

coinbase

“Coinbase warns customers they may lose crypto if company goes bankrupt”<sup>1</sup>

finblox

“Finblox withdrawal restrictions trigger concerns from the community”<sup>3</sup>

HOO

“Hong Kong crypto platforms freeze accounts as turmoil deepens”<sup>5</sup>

CoinDCX

“CoinDCX freezes cryptocurrency withdrawals causing panic among investors”<sup>7</sup>

CoinLoan

“CoinLoan is the latest to limit user withdrawals”<sup>9</sup>

May 11

June 13

June 17

June 17

June 20

June 23

June 24

July 4

July 5

July 6

“Big crypto lender Celsius freezes all account withdrawals”<sup>2</sup>

Celsius

“Crypto lender Babel Finance freezes all account withdrawals”<sup>4</sup>

BABEL FINANCE

“CoinFlex latest crypto exchange on withdrawal freeze”<sup>6</sup>

CoinFLEX

“Keys lost in the Vault: Singapore crypto exchange freezes withdrawals”<sup>8</sup>

VAULD

“Crypto broker Voyager Digital files for bankruptcy as industry falters”<sup>10</sup>

VOYAGER

<sup>1</sup> New York Post

<sup>2</sup> The Wall Street Journal

<sup>3</sup> CoinTelegraph

<sup>4</sup> The Wall Street Journal

<sup>5</sup> Nikkei Asia

<sup>6</sup> Yahoo Finance

<sup>7</sup> ET Now

<sup>8</sup> CoinTelegraph

<sup>9</sup> Coin Desk

<sup>10</sup> The Washington Post

# Arculus Capability Roadmap

Delivered in Q2 '22

B2B to Consumer Security Solutions

Direct to Consumer Cold Storage Solutions

Payment + Authentication Card Capability

Access to DeFi Ecosystem through WalletConnect Integration

Ability to View NFTs and Securely Send, Receive, & Store Keys to NFTs

Cryptocurrency & Digital Asset Support Expansion

2<sup>nd</sup> Half '22  
Planned  
Enhancements

Launching Arculus 2.0 that will Expand Blockchain Support to Increase Digital Currency Compatibility for Crypto/NFT Cold Storage Product

Introducing White-Labeled Payment Card with Integrated Crypto/NFT Cold Storage Functionality

Simplifying Crypto Succession Planning Offering through Joint Wallet Solution

Continue Enhancing SDK for Security & Authentication Capabilities

Expanding Direct to Consumer Distribution Channels to Attract Additional Segments of Target Customers

# Arculus Well Positioned for Growth





# FINANCIAL OVERVIEW

# Q2 2022 Results

	Q2 '22	Q2 '21	% Change	Commentary
Net Sales	\$97mm	\$63mm	55%	Increased momentum across domestic & international
Gross Margin	61%	56%	459bps	Process efficiencies mitigating increasing supply chain costs
Net Income	\$61mm	\$21mm	182%	\$35mm increase from re-valuation of earnout & warrants
Adjusted EBITDA <sup>1</sup>	\$40mm	\$27mm	45%	Excludes \$35mm increase from re-valuation of earnout & warrants Includes (~\$7mm) net impact from Arculus investment
Adjusted EBITDA Margin <sup>1</sup>	41%	43%	(272 bps)	

<sup>1</sup> 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

# June YTD 2022 Results

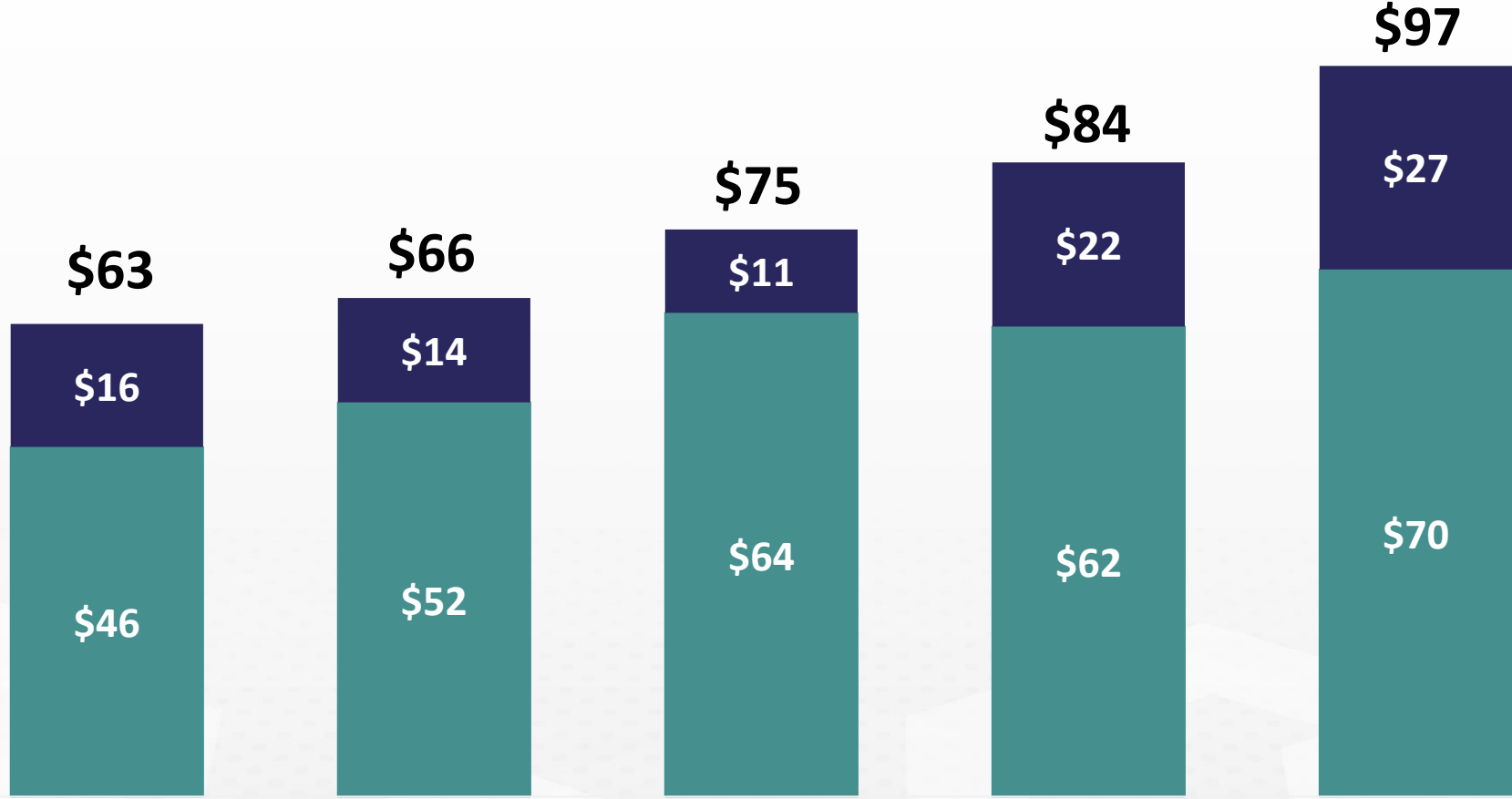
	1H '22	1H '21	% Change	Commentary
<b>Net Sales</b>	\$181mm	\$127mm	43%	Increased momentum across traditional banks & FinTechs
<b>Gross Margin</b>	59%	55%	443bps	Process efficiencies mitigating increasing supply chain costs
<b>Net Income</b>	\$88mm	\$45mm	96%	\$37mm increase from re-valuation of earnout & warrants
<b>Adjusted EBITDA<sup>1</sup></b>	\$73mm	\$57mm	29%	Excludes \$37mm increase from re-valuation of earnout & warrants Includes (~\$10mm) net impact from Arculus investment
<b>Adjusted EBITDA Margin<sup>1</sup></b>	40%	45%	(450 bps)	

<sup>1</sup> 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

Domestic and international are both contributing to CompoSecure's growth

*In millions*



■ International  
+71%  
Q2 '22 vs. Q2 '21

■ Domestic  
+50%  
Q2 '22 vs. Q2 '21

	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
International	26%	21%	15%	26%	28%
Domestic	74%	79%	85%	74%	72%



# Earnings per Share: GAAP

	Three months ended 6/30/22		Six months ended 6/30/22	
	Basic	Diluted	Basic	Diluted
GAAP Net Income	\$61mm	\$61mm	\$88mm	\$88mm
Net Income used in EPS	\$8mm <sup>1</sup>	\$17mm <sup>2</sup>	\$12mm <sup>3</sup>	\$24mm <sup>4</sup>
% of Total Net Income	14.0%	27.5%	13.6%	27.6%
Total Shares used in EPS	15mm <sup>5</sup>	32mm <sup>6</sup>	15mm <sup>5</sup>	32mm <sup>6</sup>
Earnings per Share	\$0.56	\$0.52	\$0.80	\$0.75

Source: Company Financials

<sup>1</sup> 19.9% of Operating Net Income of \$65.1mm less 100% of C-Corp Costs of \$4.5mm

<sup>2</sup> 34.7% of Operating Net Income of \$65.1mm less 100% of C-Corp Costs of \$4.5mm less Interest on Dilutive Convertible Debt of \$0.8mm

<sup>3</sup> 19.9% of Operating Net Income of \$94.4mm less 100% of C-Corp Costs of \$6.8mm

<sup>4</sup> 34.7% of Operating Net Income of \$94.4mm less 100% of C-Corp Costs of \$6.8mm less Interest on Dilutive Convertible Debt of \$1.6mm

<sup>5</sup> Weighted Average Class A Shares of 15.1mm

<sup>6</sup> Weighted Average Class A Shares of 15.1mm plus 4.3mm Outstanding Options (Assuming Exercise Net of Strike Price) plus 13.0mm Shares from Convertible Debt Conversion

# Earnings per Share: Non-GAAP

	Three months ended 6/30/22		Six months ended 6/30/22	
	Basic	Diluted	Basic	Diluted
GAAP Net Income	\$61mm	\$61mm	\$88mm	\$88mm
Net Income Adjusted for Fair Value & Stock Based Comp	\$25mm <sup>1</sup>	\$25mm <sup>1</sup>	\$46mm <sup>2</sup>	\$46mm <sup>2</sup>
% of Total Net Income	100.0%	100.0%	100.0%	100.0%
Total Shares used in EPS	76mm <sup>3</sup>	88mm <sup>4</sup>	76mm <sup>3</sup>	88mm <sup>4</sup>
Non-GAAP Earnings per Share <sup>5</sup>	\$0.33	\$0.29	\$0.60	\$0.52

Source: Company Financials

<sup>1</sup> GAAP Net Income of \$60.7mm less Additional Tax Provision of \$3.9mm less Fair Value Mark to Market Change for Warrants and Earnout and Stock Based Compensation Adjustment of \$31.4mm

<sup>2</sup> GAAP Net Income of \$87.6mm less Additional Tax Provision of \$8.9mm less Fair Value Mark to Market Change for Warrants and Earnout and Stock Based Compensation Adjustment of \$33.1mm

<sup>3</sup> Outstanding Class A plus Class B Shares

<sup>4</sup> Outstanding Class A plus Class B Shares plus 8.1mm Public and Private Warrants (Converted Using Treasury Stock Method) and 4.3mm Options (Assuming Exercise Net of Strike Price)

<sup>5</sup> Non-GAAP EPS is a non-GAAP financial measure. For reconciliation of Non-GAAP EPS to the most directly comparable measure prepared in accordance with GAAP, please see the Appendix

# 2022 Guidance

Increasing full year net sales and adjusted EBITDA guidance

	Updated 2022E	Prior 2022E	2021
Net Sales	\$355mm - \$380mm	\$336mm - \$376mm	\$268mm
<i>B/(W) vs. Prior '22E</i>	<i>+\$19MM / +\$4mm</i>		
<i>B/(W) vs. '21</i>	<i>+32% / +42%</i>		
Adjusted EBITDA <sup>1</sup>	\$110mm - \$120mm	\$100mm - \$110mm	\$102mm
<i>B/(W) vs. Prior '22E</i>	<i>+\$10mm / +\$10mm</i>		
<i>B/(W) vs. '21</i>	<i>+7% / +17%</i>		

<sup>1</sup> 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

# Strategic Priorities

Leader in Metal Payment Cards, Security, Storage, and Authentication Technology

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

Enhance Arculus capabilities (blockchain support, payment card integration, & channel expansion) to drive adoption across key B2B verticals given demand for multi-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

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# APPENDIX

# Environmental Initiatives

CompoSecure continues to implement environmental projects across the manufacturing process



<p><b>1<sup>st</sup> Metal Card Manufacturer to Receive ICMA EcoLabel Standard Program</b></p> <p>Achieved ISO 14001 Certifications</p> <p>Obtained Certification for UL's Environmental Claim Validation Program</p>	<p>Carbon Neutral in June 2022</p>	<p>Evaluating New Equipment to Reduce Water Consumption in Q3 2022</p> <p>Continuing Waste Recycling Process</p>	<p>Use of Recycled Material - Stainless Steel (65%)</p> <p>Investigating Recycled Polymers</p>
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# CompoSecure, Inc. (Nasdaq: CMPO)

## Summary Equity Capitalization Table (with net exercise model)

As of June 30, 2022

**Enterprise Value at de-SPAC was \$1,179mm<sup>1</sup> and the current Enterprise Value is \$861mm<sup>2</sup>**

<u> Holders </u>	<u> # of Shares Issued &amp; Outstanding </u>	<u> # of Shares Issued &amp; Outstanding </u>
Public Shareholders & PIPE Investors (Class A)	9.3mm	9.3mm
Roman Sponsor (Class A)	5.8mm	5.8mm
Historic CompoSecure Owners (Class B)	61.0mm	61.0mm
<b>Subtotal</b>	<b>76.1mm</b>	<b>76.1mm</b>
<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)<sup>3</sup> </u>
Merger Rollover Options	5.1mm	4.6mm
<b>Total</b>	<b>81.2mm</b>	<b>80.7mm</b>
<u> Convertible Instruments </u>	<u> # of Shares Reserved for Conversion </u>	<u> # of Shares Reserved for Conversion (assuming net exercise) </u>
Public Warrantholders <sup>4</sup>	11.6mm	4.2mm
Roman Sponsor Warrantholders <sup>4</sup>	10.8mm	3.9mm
Exchangeable Noteholders	11.3mm	11.3mm
<b>Grand Total</b>	<b>115.0mm</b>	<b>100.1mm</b>

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

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

<sup>2</sup> Includes Net Debt of \$237mm + Convertible of \$130mm. Equity of 80.7mm shares @ \$6.13 price/share as of market close 8/3/22

<sup>3</sup> Assumes exercise net of strike price, valuation at assumed FMV of \$10.00

<sup>4</sup> Assumes treasury stock method, valuation at assumed FMV of \$18.00



# Balance Sheets

## (Unaudited)

(\$mm)	Q2 2022A	Q4 2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash & cash equivalents	\$13.4	\$21.9
Accounts receivable, net	45.2	27.9
Inventories	28.7	25.8
Prepaid expenses and other Current assets	3.7	2.6
<b>Total Current Assets</b>	<b>91.1</b>	<b>78.3</b>
Property and equipment, net	21.1	22.2
Deferred tax assets	24.8	25.7
Other assets	14.9	5.3
<b>Total Assets</b>	<b>\$151.9</b>	<b>\$131.4</b>
<b>Liabilities and Stockholders Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$6.9	\$7.1
Accrued expenses	26.2	39.8
Other current liabilities	1.7	1.1
Current portion of long-term debt	5.0	12.5
<b>Total Current Liabilities</b>	<b>39.7</b>	<b>60.5</b>
Long-term debt, net of deferred finance costs	224.8	233.1
Line of credit	25.0	15.0
Convertible Debt, net of debt discount	127.7	127.4
Other liabilities	69.8	102.9
<b>Total Liabilities</b>	<b>\$487.0</b>	<b>\$539.0</b>
Stockholders Equity	(335.1)	(407.6)
<b>Total Liabilities and Stockholders Equity</b>	<b>\$151.9</b>	<b>\$131.4</b>

Source: Company financials

Note: Financial position has been derived from CompoSecure's consolidated financial statements for the quarters ended June 30, 2022 and December 31, 2021 respectively.

# Statements of Operations (Unaudited)

(\$mm)	YTD Jun 2022A	YTD Jun 2021A
Revenue		
<b>Net Sales</b>	<b>\$181.4</b>	<b>\$126.5</b>
Cost of Sales	(73.8)	(57.0)
<b>Gross Profit</b>	<b>\$107.6</b>	<b>\$69.4</b>
Operating Expenses		
Selling, general and administrative	(43.2)	(18.8)
<b>Income from operations</b>	<b>\$64.4</b>	<b>\$50.6</b>
Other expense		
Other income (expense), net	23.2	(5.9)
<b>Net Income</b>	<b>\$87.6</b>	<b>\$44.7</b>

Source: Company financials

Note: Operating results have been derived from CompoSecure's consolidated financial statements for the quarters ended June 30, 2022 and 2021 respectively

# Statements of Cash Flows (Unaudited)

(\$mm)	YTD Jun 2022A	YTD Jun 2021A
<b>Cash flows from operating activities</b>		
<b>Net income</b>	<b>\$87.6</b>	<b>\$44.7</b>
Depreciation	4.6	5.2
Equity compensation expense	4.0	0.8
Inventory reserve	0.0	0.0
Amortization of deferred finance costs	1.3	0.8
Warrant Liability Revaluation	(18.0)	0.0
Earnout Revaluation	(19.0)	0.0
Accounts receivable	(17.3)	(20.5)
Inventories	(2.9)	(0.2)
Prepaid expenses and other assets	(1.1)	(0.5)
Other liabilities	2.2	(5.1)
Accrued expenses	10.3	2.1
<b>Net cash provided by operating activities</b>	<b>\$51.4</b>	<b>\$27.2</b>
<b>Cash flows from investing activities</b>		
<b>Acquisition of property and equipment</b>	<b>(3.5)</b>	<b>(1.3)</b>
<b>Net cash used in investing activities</b>	<b>(\$3.5)</b>	<b>(\$1.3)</b>
<b>Cash flows from financing activities</b>		
Business combination and PIPE financing	10.0	
Proceeds from line of credit		(5.0)
Payment of line of credit		(5.0)
Proceeds from term loan		(12.0)
Payment of term loan	(16.9)	
Distributions		
Deferred finance costs related to debt origination	(23.8)	
Issuance cost related to business combination	(25.7)	(14.6)
Tax Distribution to members	(25.7)	(14.6)
<b>Net cash used in financing activities</b>	<b>(\$56.4)</b>	<b>(\$31.6)</b>
<b>Net increase (decrease) cash, cash equivalents and restricted cash</b>	<b>(8.6)</b>	<b>(5.6)</b>
Cash, cash equivalents and restricted cash, beginning of year	\$21.9	\$13.4
Cash, cash equivalents and restricted cash, end of year	\$13.4	\$7.8
<b>Supplementary disclosure of cash flow information</b>		
Cash paid during the year for interest	9.6	5.1
Derivative asset - interest rate swap	5.6	

\$37mm Impact



# Non-GAAP Adjusted EBITDA Reconciliation (Unaudited)

\$mm	Q2 2022A	Q2 2021A	YTD Jun 2022A	YTD Jun 2021A	
Net Income	\$60.7	\$21.5	\$87.6	\$44.7	<b>1 Non-Cash Stock Option Expense:</b> Non-cash stock option expenses related to the executive incentive plan
Interest Expense	5.5	2.9	10.5	5.9	
Depreciation and Amortization	2.2	2.6	4.6	5.2	
Taxes	2.8		3.3		
<b>Unadjusted EBITDA</b>	<b>\$71.2</b>	<b>\$27.0</b>	<b>\$106.0</b>	<b>\$55.8</b>	<b>2 Non-Cash Mark to Market Adjustments:</b> Related to changes in fair value of liabilities for warrants, earnouts and derivatives assets
<b>1 Non-Cash Stock Comp Expense</b>	3.0	0.3	4.0	0.8	
<b>2 Mark to Market Adjustments</b>	-34.6		-37.0		
<b>Total EBITDA Adjustments</b>	<b>(\$31.6)</b>	<b>\$0.3</b>	<b>(\$33.0)</b>	<b>\$0.8</b>	
<b>Adjusted EBITDA</b>	<b>\$39.7</b>	<b>\$27.3</b>	<b>\$73.0</b>	<b>\$56.6</b>	
Adjusted EBITDA %	40.8%	43.5%	40.2%	44.7%	

# Non-GAAP EPS Reconciliation (Unaudited)

(\$mm)	Three months ended 6/30/2022		Six months ended 6/30/2022	
	<u>BASIC</u>	<u>DILUTED</u>	<u>BASIC</u>	<u>DILUTED</u>
GAAP Net Income	\$60.7	\$60.7	\$87.6	\$87.6
Add back tax provision	2.8	2.8	3.3	3.3
Tax Provision on 100% of Taxable Income	-6.7	-6.7	-12.2	-12.2
Adjusted Net Income	\$56.8	\$56.8	\$78.7	\$78.7
Fair Value and Stock Based Compensation Adjustment	-\$31.4	-\$31.4	-\$33.1	-\$33.1
Adjusted Net Income	\$25.4	\$25.4	\$45.7	\$45.7
Class A + Class B Shares	76.0	76.0	76.0	76.0
Public & Private Warrants <sup>1</sup>	-	8.1	-	8.1
Options <sup>2</sup>	-	4.3	-	4.3
Total Shares	76.0	88.4	76.0	88.4
Non-GAAP EPS	\$0.33	\$0.29	\$0.60	\$0.52

Source: Company financials

<sup>1</sup> Assumes treasury stock method, valuation at assumed FMV of \$18.00

<sup>2</sup> Assumes exercise net of strike price, valuation at assumed FMV of \$10.00