

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **December 16, 2021**

**Roman DBDR Tech Acquisition Corp.**  
(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or other jurisdiction of incorporation)	<b>001-39687</b> (Commission File Number)	<b>85-2749902</b> (IRS Employer Identification No.)
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**2877 Paradise Rd. #702**  
**Las Vegas, NV 89109**  
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **650-618-2524**

**Not applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Units, each consisting of one share of Class A Common Stock and one-half of one Redeemable Warrant	DBDRU	The Nasdaq Stock Market LLC
Class A Common Stock, par value \$0.0001 per share	DBDR	The Nasdaq Stock Market LLC
Redeemable Warrants, each whole warrant exercisable for one share of Class A Common Stock at an exercise price of \$11.50 per share	DBDRW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

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

**Item 7.01. Regulation FD Disclosure.**

As previously announced, Roman DBDR Tech Acquisition Corp., a Delaware corporation (the “**Company**”), has entered into a merger agreement (the “**Merger Agreement**”) by and among the Company, Roman Parent Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Company (“**Merger Sub**”), CompoSecure Holdings, L.L.C., a Delaware limited liability company (“**CompoSecure**”), and LLR Equity Partners IV, L.P., a Delaware limited partnership. Pursuant to the Merger Agreement, Merger Sub will merge with and into CompoSecure, with CompoSecure surviving as a wholly-owned subsidiary of the Company (the “**Merger**”).

*Analyst Presentation*

Furnished as Exhibit 99.1 hereto is an updated investor presentation to be used by the Company and CompoSecure.

The information in this Item 7.01, including Exhibit 99.1, is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Forward-Looking Statements**

Certain statements included in this Current Report on Form 8-K that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to statements regarding Roman DBDR’s or CompoSecure’s expectations, hopes, beliefs, intentions or strategies regarding the future, including, without limitation, statements regarding: (i) the ability of Roman DBDR and CompoSecure to complete the proposed merger described in the Press Release, (ii) the size, demand and growth potential of the markets for CompoSecure’s products and CompoSecure’s ability to serve those markets, (iii) the degree of market acceptance and adoption of CompoSecure’s products, (iv) CompoSecure’s ability to develop innovative products and compete with other companies engaged in the financial services and technology industry and (v) CompoSecure’s ability to attract and retain clients. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements generally are accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “predict,” “potential,” “seem,” “seek,” “future,” “outlook,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of other financial and performance metrics and projections of market opportunity. These statements are based on various assumptions, whether or not identified in this Press Release, and on the current expectations of CompoSecure’s and Roman DBDR’s management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, a prediction or a definitive statement of fact or probability. Neither Roman DBDR nor CompoSecure gives any assurance that either Roman DBDR or CompoSecure will achieve its expectations. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of CompoSecure and Roman DBDR. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond Roman DBDR’s and CompoSecure’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These factors include, among others: the inability to complete the proposed merger; the inability to recognize the anticipated benefits of the proposed merger, including due to the failure to receive required security holder approvals, or the failure of other closing conditions; and costs related to the proposed merger. You should carefully consider the risks and uncertainties described in the “Risk Factors” section of the definitive proxy statement on Schedule 14A (the “Proxy Statement”) relating to the proposed merger filed by Roman DBDR with the U.S. Securities and Exchange Commission (the “SEC”) and other documents filed by Roman DBDR from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that none of Roman DBDR or CompoSecure presently know or that Roman DBDR or CompoSecure currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Roman DBDR’s and CompoSecure’s expectations, plans or forecasts of future events and views as of the date of this Press Release. Roman DBDR and CompoSecure anticipate that subsequent events and developments will cause Roman DBDR’s and CompoSecure’s assessments to change. However, while Roman DBDR and CompoSecure may elect to update these forward-looking statements at some point in the future, Roman DBDR and CompoSecure specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing Roman DBDR’s and CompoSecure’s assessments as of any date subsequent to the date of this Press Release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

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**Additional Information about the Proposed Merger and Where to Find It**

In connection with the proposed merger, Roman DBDR has filed a definitive proxy statement with the SEC. The definitive proxy statement will be mailed to stockholders of Roman DBDR seeking approval of the proposed merger. Before making any voting decision, investors and security holders of Roman DBDR are urged to read the proxy statement and all other relevant documents filed or that will be filed with the SEC in connection with the proposed transaction as they become available because they will contain important information about the proposed transaction. The documents relating to the proposed merger (when they are available) can be obtained free of charge from the SEC’s website at [www.sec.gov](http://www.sec.gov). These documents (when they are available) can also be obtained free of charge by contacting CompoSecure at: Marc P. Griffin, ICR for CompoSecure, 646-277-1290, [CompoSecure-IR@icrinc.com](mailto:CompoSecure-IR@icrinc.com).

**Participants in the Solicitation**

CompoSecure, Roman DBDR and our respective directors, executive officers, other members of management and employees may be deemed to be participants in the solicitation of proxies from Roman DBDR’s stockholders in connection with the proposed merger. Information regarding the names and interests in the proposed merger of Roman DBDR’s directors and officers is contained Roman DBDR’s filings with the SEC. Additional information regarding the interests of potential participants in the solicitation process has also been included in the definitive proxy statement relating to the proposed merger and other relevant documents filed with the SEC. These documents can be obtained free of charge from the sources indicated above.

**Item 9.01. Financial Statements and Exhibits.**

(d) [Exhibits.](#)

[99.1](#) [Investor Presentation dated December 2021](#)

104 Cover Page Interactive Data File (formatted as Inline XBRL)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ROMAN DBDR TECH ACQUISITION CORP.**

By: /s/ Donald G. Basile

Name: Donald G. Basile

Title: Chairman of the Board and Co-Chief Executive Officer

Dated: December 16, 2021

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**INVESTOR PRESENTATION**

**December 2021**



# Disclaimer

This presentation (this "Presentation") was prepared for use by Roman DBDR Tech Acquisition Corp. ("Roman DBDR") and Composecure Holdings, L.L.C. (the "Company," "Composecure," "we" or "our") in connection with their proposed business combination (the "Proposed Transaction"). This Presentation is for informational purposes only and is being provided to assist in evaluating the Proposed Transaction. The information in this Presentation and any oral statements made in connection with this Presentation is subject to change and is not intended to be all-inclusive or to contain all the information that a person may desire in considering the Proposed Transaction and is not intended to form the basis of any investment decisions. This Presentation does not constitute either advice or a recommendation regarding any securities. You should consult your own legal, regulatory, tax, business, financial and accounting advisors to the extent you deem necessary, and must make your own decisions and perform your own independent investment and analysis of an investment in connection with the Proposed Transaction. This Presentation and any oral statements made in connection with this Presentation shall neither constitute an offer to sell nor the solicitation of an offer to buy any securities, or the solicitation of any proxy, vote, consent or approval in any jurisdiction in connection with the Proposed Transaction, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdictions.

This Presentation and any oral statements made in connection with this Presentation shall neither constitute an offer to sell nor the solicitation of an offer to buy any securities, or the solicitation of any proxy, vote, consent or approval in any jurisdiction in connection with the Proposed Transaction, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdictions. This communication is restricted by law; it is not intended for distribution to, or use by any person in, any jurisdiction where such distribution or use would be contrary to local law or regulation.

**Forward-Looking Statements**

This Presentation may contain certain "forward-looking statements" within the meaning of the federal securities laws. Statements included in this Presentation that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements regarding Roman DBDR's or Composecure's expectations, hopes, beliefs, intentions or strategies regarding the future, including, without limitation, statements regarding: (i) the ability of Roman DBDR and Composecure to complete the Proposed Transaction, (ii) the size, demand and growth potential of the markets for Composecure's products and Composecure's ability to serve those markets, (iii) the degree of market acceptance and adoption of Composecure's products, (iv) Composecure's ability to develop innovative products and compete with other companies engaged in the financial services and technology industry and the timing of the Aroclus launch and (v) Composecure's ability to attract and retain clients. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements generally are accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of other financial and performance metrics and projections of market opportunity. These statements are based on various assumptions, whether or not identified in this Presentation, and on the current expectations of Composecure's and Roman DBDR's management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, a prediction or a definitive statement of fact or probability. Neither Roman DBDR nor Composecure gives any assurance that either Roman DBDR or Composecure will achieve its expectations. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Composecure and Roman DBDR. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond Roman DBDR's and Composecure's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These factors include, among others: the inability to complete the Proposed Transaction; the inability to recognize the anticipated benefits of the Proposed Transaction, including due to the failure to receive required security holder approvals, or the failure of other closing conditions; and costs related to the Proposed Transaction. You should carefully consider the risks and uncertainties described in the "Risk Factors" section of the proxy statement on Schedule 14A (the "Proxy Statement") relating to the Proposed Transaction, which is expected to be filed by Roman DBDR with the U.S. Securities and Exchange Commission (the "SEC") and other documents filed by Roman DBDR from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that none of Roman DBDR or Composecure presently know or that Roman DBDR or Composecure currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Roman DBDR's and Composecure's expectations, plans or forecasts of future events and views as of the date of this Presentation. Roman DBDR and Composecure anticipate that subsequent events and developments will cause Roman DBDR's and Composecure's assessments to change. However, while Roman DBDR and Composecure may elect to update these forward-looking statements at some point in the future, Roman DBDR and Composecure specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing Roman DBDR's and Composecure's assessments as of any date subsequent to the date of this Presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements. Certain market data information in this Presentation is based on the estimates of Composecure and Roman DBDR management.

**Use of Projections and Illustrative Presentations**

The financial projections, estimates, targets and illustrative presentations contained herein are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond the Company's control. While all financial projections, estimates, targets and illustrative presentations are necessarily speculative, the Company believes that the preparation of prospective or illustrative financial information involves increasingly higher levels of uncertainty the further out the projection, estimate, target or illustrative presentation extends from the date of preparation. The assumptions and estimates underlying the projected, expected or target results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the financial projections, estimates and targets. The inclusion of financial projections, estimates, targets and illustrative presentations in this Presentation should not be regarded as an indication that the Company, or their representatives, considered or consider the financial projections, estimates, targets and illustrative presentation to be a reliable predictions of future events. Further, illustrative presentations are not necessarily based on management projections, estimates, expectations or targets but are presented for illustrative purposes only, for representation, express or implied, is or will be given by the Company or its affiliates and advisors as to the accuracy or completeness of the information contained herein, or any other written or oral information made available in the course of an evaluation of the Proposed Transaction. This Presentation shall not be deemed an indication of the state of affairs of the Company nor shall it constitute an indication that there has been no change in the business or affairs of the Company since the date hereof.

**Use of Data**

This Presentation contains statistical data, estimates and forecasts that have been provided by Composecure and/or are based on independent industry publications or other publicly available information, as well as other information based on Composecure's internal sources. This information involves many assumptions and limitations and you are cautioned not to give undue weight to these estimates. Accordingly, none of Roman DBDR, Composecure nor their respective affiliates and advisors makes any representations as to the accuracy or completeness of these data.

**Use of Non-GAAP Financial Metrics**

This Presentation includes certain non-GAAP financial measures (including on a forward-looking basis) such as Adjusted EBITDA, Adjusted EBITDA Margin, and FF Adjusted EBITDA Margin. These non-GAAP measures are an addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP. Composecure's management uses forward-looking non-GAAP measures to evaluate Composecure's projected financials and operating performance. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents, including that they exclude significant expenses that are required by GAAP to be recorded in Composecure's financial measures. In addition, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore, Composecure's non-GAAP measures may not be directly comparable to similarly titled measures of other companies. Furthermore, the non-GAAP measures presented in this Presentation may not be presented in future SEC filings by Roman DBDR or the combined company. See the Appendix for a description of these non-GAAP financial measures and a reconciliation of the historic measures to the Company's most comparable GAAP financial measures. Note however, that to the extent forward looking non-GAAP financial measures are provided herein, they are not reconciled to comparable forward-looking GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation.

**Financial Information**

The historic financial information respecting Composecure contained in this Presentation has been taken from or prepared based on the historical financial statements of Composecure for the periods presented. An audit of such financial statements in accordance with the standards of the U.S. Public Company Accounting Oversight Board is in process and will be included in any registration statement/ proxy statement related to the Proposed Transaction.

**Intellectual Property Rights**

All rights to the trademarks, copyrights, logos and other intellectual property depicted herein belong to their respective owners and the use hereof does not imply an affiliation with, or endorsement by the owners of such trademarks, copyrights, logos and other intellectual property. Solely for convenience, servicemarks, trademarks and trade names referred to in this Presentation may appear with the "™", "sm" or TM symbols, but such references are not intended to indicate, in any way, that the company names and logos are trademarks or registered trademarks of Roman DBDR or Composecure.

**Additional Information and Where to Find It**

This communication relates to the Proposed Transaction between Roman DBDR and Composecure. In connection with the Proposed Transaction, Roman DBDR intends to file relevant materials with the SEC, including the Proxy Statement. This communication is not a substitute for the Proxy Statement or for any other document that Roman DBDR may file with the SEC or send to Roman DBDR's stockholders in connection with the Proposed Transaction. BEFORE MAKING ANY VOTING DECISION, SECURITY HOLDERS OF ROMAN DBDR ARE URGED TO READ THE PROXY STATEMENT AND OTHER DOCUMENTS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ROMAN DBDR, COMPOSECURE, THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders may obtain free copies of the Proxy Statement (when available) and other documents filed with the SEC by Roman DBDR through the website maintained by the SEC at <http://www.sec.gov>. The documents filed by Roman DBDR with the SEC also may be obtained free of charge upon written request to Roman DBDR at 2877 Paradise Rd., # 702, Las Vegas, Nevada 89109.

**Participants in the Solicitation**

Roman DBDR and Composecure and their respective directors and executive officers may be considered participants in the solicitation of proxies with respect to the Proposed Transaction. Information regarding such directors and executive officers, including a description of their interests, by security holdings or otherwise, in the Proposed Transaction will be set forth in the Proxy Statement and other relevant materials to be filed with the SEC regarding the Proposed Transaction. Stockholders, potential investors and other interested persons should read the Proxy Statement carefully before making any voting or investment decisions. These documents, when available, can be obtained free of charge as described in the preceding paragraph.

## Presenters



**Dr. Don Basile, PhD**

Chairman & Co-CEO,  
Roman DBDR

- 20+ years of technology industry experience
- Executive, investor or board member in 30+ Silicon Valley growth companies
- Former CEO, Co-Founder and Director of two leading data storage companies which both completed IPOs on NYSE



**Jon Wilk**

Chief Executive Officer,  
CompoSecure

- 20+ years of industry experience
- Former Head of Product and Chief Marketing Officer for JPMorgan Chase Consumer Bank
- Former President of Paychoice, a leading SaaS-based payroll company (sold to Sage in October 2014)



**Timothy Fitzsimmons**

Chief Financial Officer,  
CompoSecure

- 30+ years of experience in accounting and finance
- Started his own consulting firm, Your CFO & Controller, providing a range of financial services



**Adam Lowe, PhD**

Chief Innovation Officer,  
CompoSecure

- 10+ years of experience in security and technology industry
- PhD and MBA from Cornell
- Former group leader of Innovation Development Team at SRC Inc.



# Transaction Overview

## TRANSACTION STRUCTURE

- Roman DBDR Tech Acquisition Corp. ("Roman") has proposed to enter into a business combination with CompoSecure, a **high-growth, profitable technology company** focused on **innovative payments, security, and cryptocurrency solutions**
- **\$130 million PIPE** in convertible unsecured notes and **\$45 million** in equity
- Closing expected week of December 27, 2021, subject to Roman shareholder approval, shareholder vote scheduled December 23, 2021

## VALUATION

- Transaction implies a pro forma enterprise value of approximately **\$1.2 billion**<sup>1</sup>
- Implied valuation multiples<sup>2</sup>:
  - **3.4x 2022E Net Revenue** (11.5x 2022E Adj. EBITDA)
  - **2.5x 2023E Net Revenue** (7.5x 2023E Adj. EBITDA)
- Significant investment opportunity – **projected 56% Net Revenue CAGR '21E – '25E**
- Current shareholders of CompoSecure to maintain approximately 60% pro forma ownership<sup>3</sup>

## CAPITAL STRUCTURE

- Anticipated net leverage at close of ~2x trailing Adj. EBITDA (excluding new 5-year convertible unsecured notes)

**Roman DBDR believes CompoSecure represents a unique opportunity to transform the payments ecosystem and unlock significant value by enabling mass adoption of digital assets across industries**

<sup>1</sup> Includes impact of all 5.789mm founder shares vesting at close

<sup>2</sup> Based on the midpoint of range of management projections. Please see Financial Overview section

<sup>3</sup> Existing CompoSecure shareholders may receive 7.5mm earnout shares. 3.75mm shares are earned if the VWAP is at least \$15.00 over any 20 trading days within any 30-trading day period during the first 36 months; another 3.75mm shares are earned if the VWAP is at least \$20.00 over any 20 trading days within any 30-trading day period during the first 48 months



## Key Investment Highlights

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

“Massive” TAM across markets including payments, cryptocurrency, digital authentication/Arculus payments, NFTs and gaming, and warranty & insurance

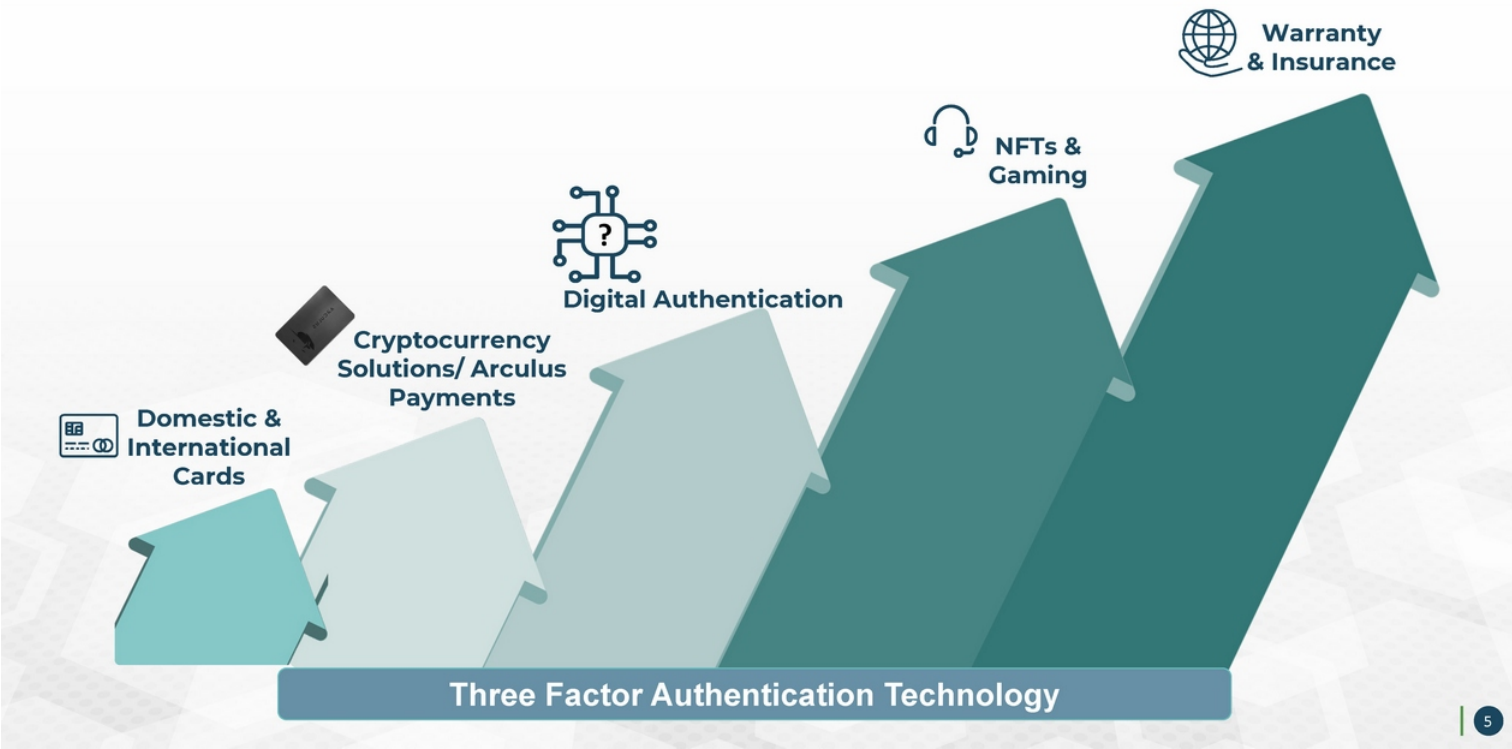
Premier payments technology and security provider coupled with highly scaled, advanced manufacturing capability

Trusted, highly embedded blue chip customer relationships with leading financial institutions and FinTechs, having produced nearly 100 million metal payment cards

Platform uniquely positioned to capitalize on fragmented markets in digital assets

Compelling financial profile with superior growth, attractive margins, and high cash flow

# CompoSecure is Pursuing Multiple Large Growth Opportunities



# Arculus is Live

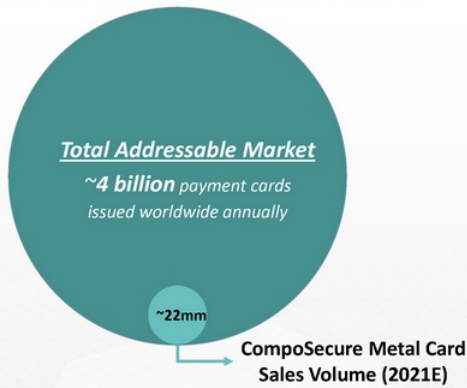
## Commercial Launch

- [www.GetArculus.com](http://www.GetArculus.com) is accepting payments and cards are shipping to consumers
- First shipments began on September 30
- Wallet app is available for download from the Apple AppStore and the Google Play store
- Marketing and Business Development spend of \$20+ million for 2021 underway and ramping into year-end
- B2B White label solution launched in November 2021



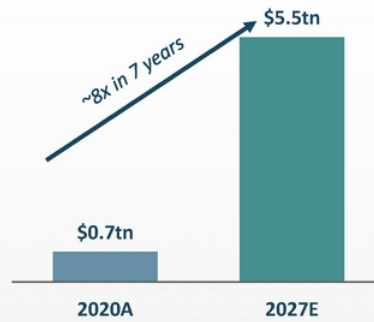
# Convergence of Three Massive Market Opportunities

## Payment Card Market Opportunity<sup>1</sup>



Metal cards are rapidly growing in popularity, but still only represent ~0.5% of the global addressable card market

## Explosive Growth in Crypto Asset Class<sup>2</sup>



Source: Verified Market Research's Cryptocurrency Market Size and Forecast

Massive growth in Crypto asset class will require solutions to securely store and access digital assets seamlessly

## Authentication Opportunity<sup>3</sup>



555 million passwords stolen on the dark web since 2017

## Industry Trends Create Strong Tailwinds:



Contactless / Tap-to-Pay



Crypto / Blockchain



Security & Fraud

<sup>1</sup> Edgar, Dunn & Company, 2019 Metal Cards Market Sizing and Consumer Research Report. "Total Addressable Market" is defined here as the estimated subset of payment cards issued globally in 2021 for which there is demand and viability for metal payment cards. The figure assumes a two-year replacement cycle to estimate annual issuance volumes

<sup>2</sup> Global Cryptocurrency Market Size By End User, By Type, By Component, By Process, By Geographic Scope And Forecast (Verified Market Research, 2018)

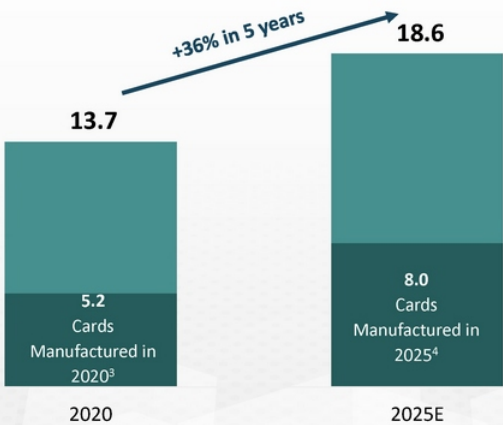
<sup>3</sup> Finances Online: 55 Important Password Statistics You Should Know: 2021 Breaches & Reuse Data



# Massive Global Payment Card Market

- CompoSecure is projected to increase its market share of cards manufactured from 0.38% to 0.48% by 2025
- The overall metal payment card industry’s global shipments are expected to grow 163% between 2020 and 2025<sup>1</sup>

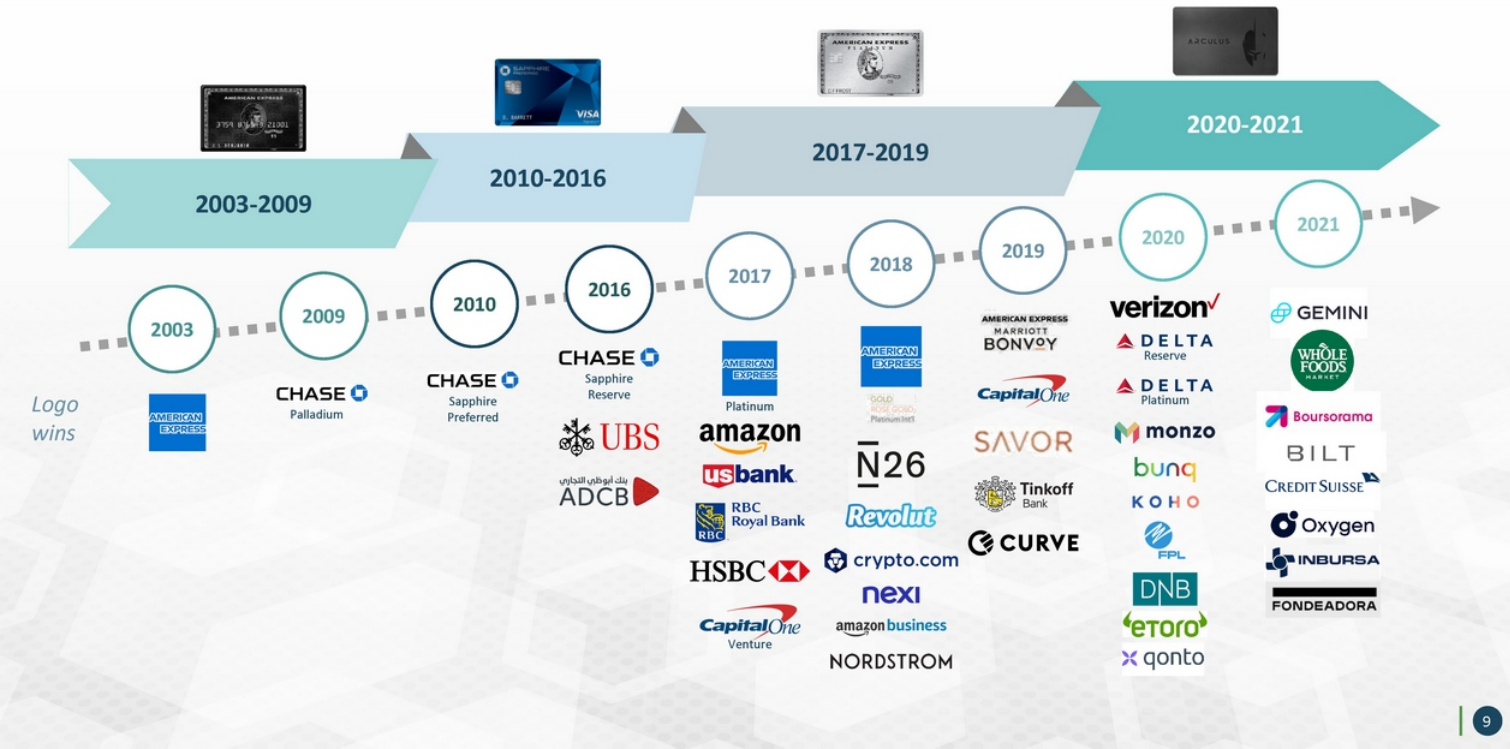
Total Number of Payment Cards in Circulation (bn)<sup>2</sup>



CompoSecure Payment Cards Shipped (mm)	20	39
% Share of Payment Cards in Circulation	0.15%	0.21%
% Share of Payment Cards Manufactured in Year	0.38%	0.48%

<sup>1</sup>ABIResearch's Metal Payment Cards – Q2 2021  
<sup>2</sup>Edgar, Dunn & Company, 2019 Metal Cards Market Sizing and Consumer Research Report – Payment Cards in Circulation  
<sup>3</sup>ICMA: 2020 Global Card Market Statistics Reports – Payment Cards Manufactured  
<sup>4</sup>Management estimates based on 2019 ratio of cards manufactured vs. cards in circulation

# Proven Track Record of Customer Acquisition



# Bespoke Card Programs Have Become Critical to Our Clients

Highly Customized Programs with Best-in-Class Security and Form to Meet Partner Needs



CompoSecure Issuer Client Since:

2008	2003	2014	2016
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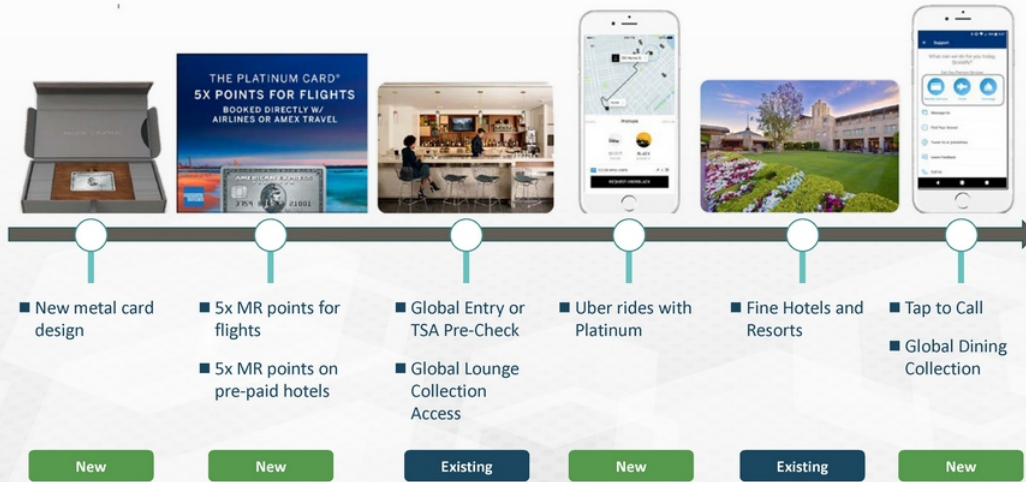
Selected Metal Card Programs:

<sup>1</sup> If CompoSecure is unable to provide its products and services at high quality and in a timely manner, its customer relationships may be adversely affected, which could result in the loss of customers, including JPMorgan Chase and American Express, which constituted 33% and 40%, respectively, of CompoSecure's total net revenue for the year ended December 31, 2020. CompoSecure's agreement with Amex is scheduled to expire in 2024 unless extended or terminated earlier by either party for cause. CompoSecure's agreement with Chase is scheduled to expire in 2023 unless extended or terminated earlier by either party for cause. There can be no assurances that CompoSecure's existing contracts, including with JPMorgan Chase and American Express, will be renewed on terms satisfactory to it, or if terminated, that it will be able to immediately secure a new contract with a new customer. CompoSecure's ability to maintain relationships with its customers may be impacted by several factors beyond its control, including more attractive product offerings from its competitors, pricing pressures or the financial health of these customers, many of whom operate in competitive businesses and depend on favorable macroeconomic conditions.

# American Express Product Refresh

## Consumer Product Refresh

In Q4'16, American Express enhanced its US Consumer Platinum value proposition including a new metal form factor



Source: American Express 3/7/18 Investor Day, Page 47

<sup>1</sup> Through Dec '17 YoY

<sup>2</sup> Non-airline billings growth. Airline increased by 20%

52% ↑

New Accounts Acquired & Upgrades<sup>1</sup>

17% ↑

Q4 '17 Spend Growth<sup>2</sup>

290K

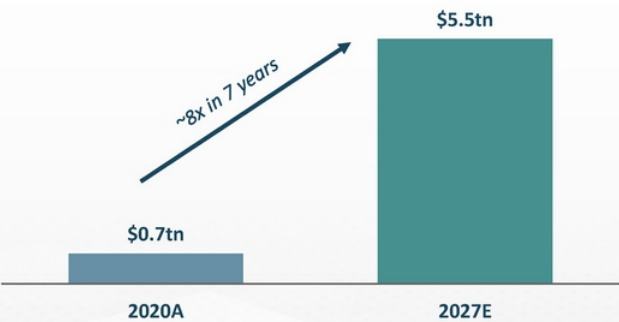
Metal Cards Proactively Requested by Customers

47%

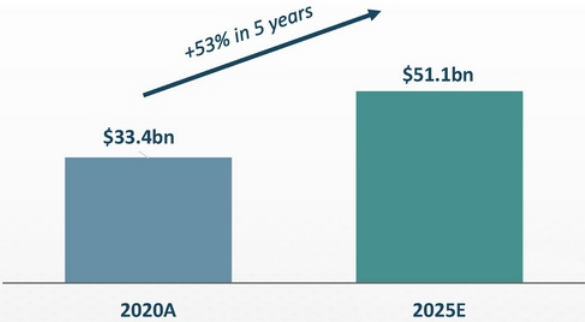
Percentage of New Platinum Accounts that are Millennials

# Substantial Forecasted Growth in Target Digital Asset Classes

Explosive Growth in Crypto Asset Class<sup>1</sup>



Increasing E-Gaming Online Microtransactions<sup>3</sup>



221 million

Global Crypto Users in June 2020 (3x June 2019)<sup>2</sup>

1.3 billion

E-Gamers purchased in-game asset in 2020<sup>4</sup>

Note: Online microtransactions market consists of sales of in-game virtual goods and related services  
<sup>1</sup> Global Cryptocurrency Market Size By End User, By Type, By Component, By Process, By Geographic Scope And Forecast (Verified Market Research, 2018)  
<sup>2</sup> Crypto.com  
<sup>3</sup> Online Microtransaction Global Market Report 2021: COVID-19 Impact and Recovery to 2030  
<sup>4</sup> Bloomberg; Mordor; Newzoo



# Hacking Threat Continues to Rise with \$8B+ Lost in 2021 YTD

**BREAKING** | Aug 10, 2021, 11:10am EDT | 137,422 views

**Forbes**

**More Than \$600 Million Stolen In Ethereum And Other Cryptocurrencies—Marking One Of Crypto's Biggest Hacks Ever**

**WIRE**

**Security News This Week: Hackers Stole Over \$90M From Japan's Liquid Crypto Exchange**

**Turkish crypto founder flees with reported \$2 bn**

**yahoo!**

**Fulya OZERKAN**  
April 22, 2021 · 3 min read

**Coinbase slammed for what users say is terrible customer service after hackers drain their accounts**

**CNBC**

PUBLISHED TUE, AUG 24 2021-9:00 AM EDT | UPDATED TUE, AUG 24 2021-9:10 AM EDT

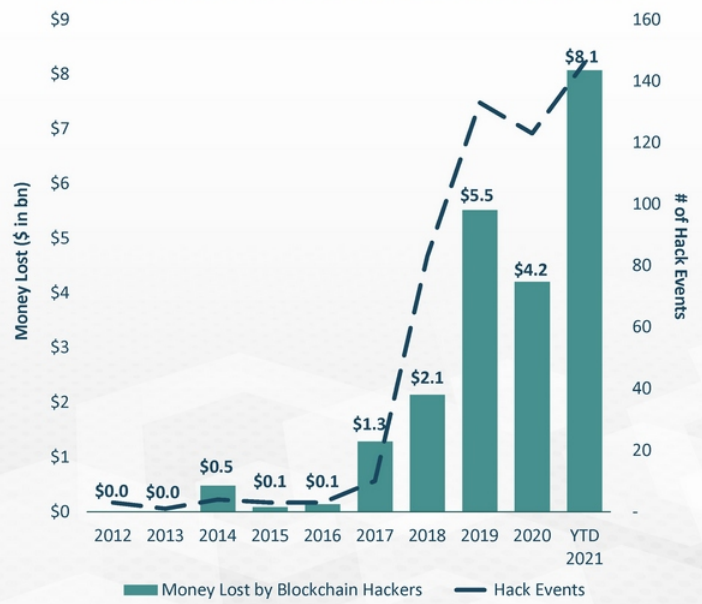
**Business** By Nate DiCamillo Oct. 1, 2021

**Coinbase Multi-Factor Authentication Hack Affects at Least 6,000 Customers**

**CoinDesk**

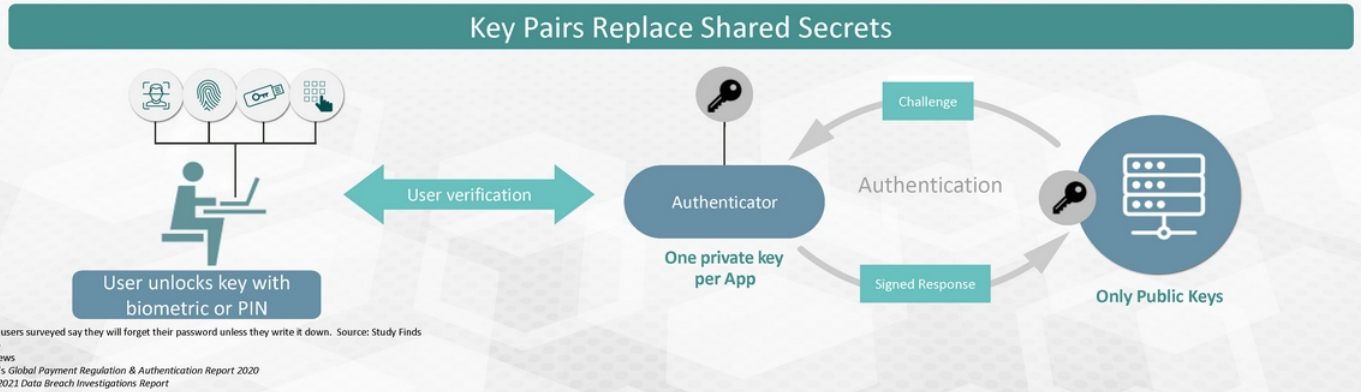
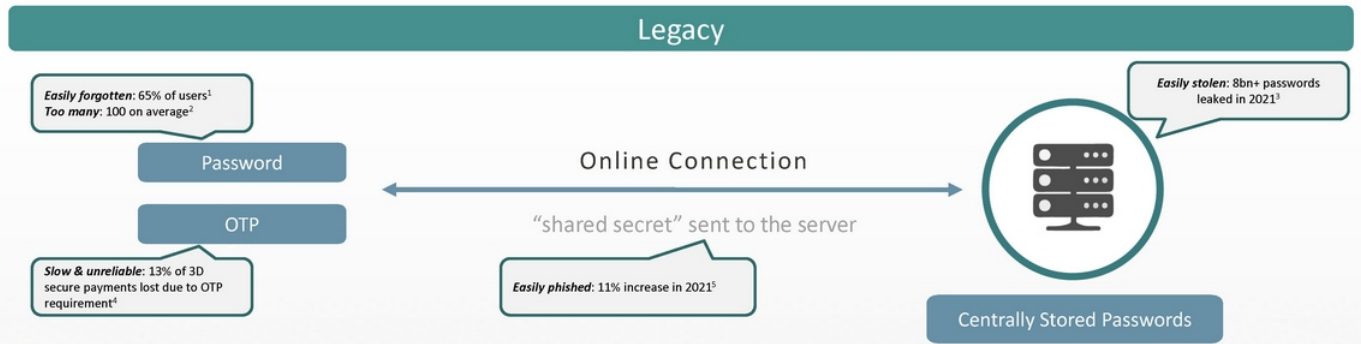
A flaw allowed hackers to get customers' SMS two-factor authentication code and break into their accounts.

**2021 YTD Hacking Losses Up Double 2020 Losses<sup>1</sup>**



<sup>1</sup> SlowMist Hacked

# Industry Trading Usernames and Passwords for Secure Authentication



# Critical Use Cases to Penetrate Digital Authentication Market





# CompoSecure at a Glance

Leading Developer of New, Highly Differentiated Payment and Digital Security Products

## Today



## Five-Year Outlook



<sup>1</sup> Figures reflect the midpoint of 2022E estimate for net revenue (\$336mm to \$376mm) and mid point of range for Adj. EBITDA (\$100mm to \$130mm)

<sup>2</sup> CAGR calculated using the midpoint of 2021E net revenue estimate range (\$267mm - \$269mm) and 2025E projection (\$1,577mm)

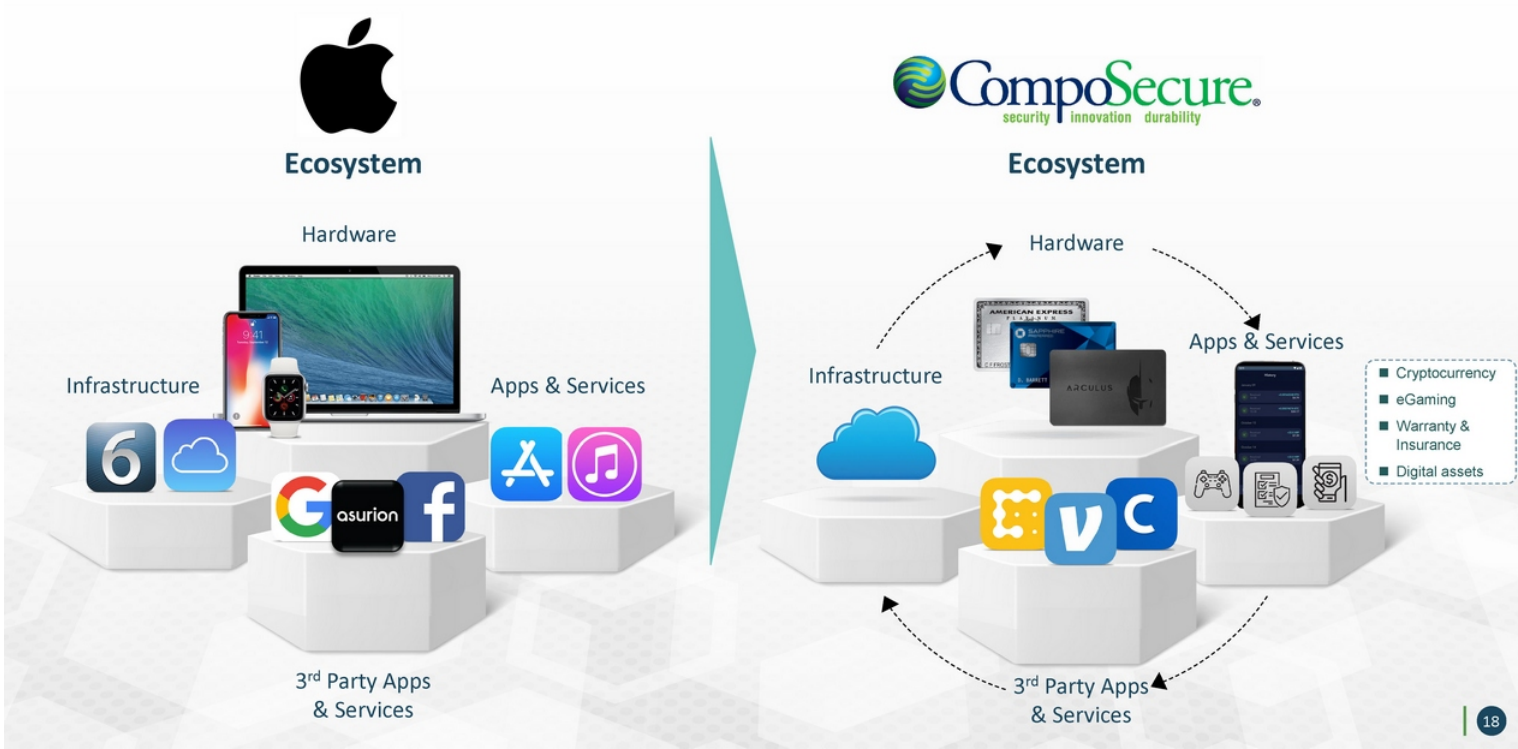
<sup>3</sup> Revenue-weighted average client tenure

<sup>4</sup> Arculus Ecosystem includes Cryptocurrency Solutions, Digital Assets & eGaming, Arculus Payments, and Warranty & Insurance segments

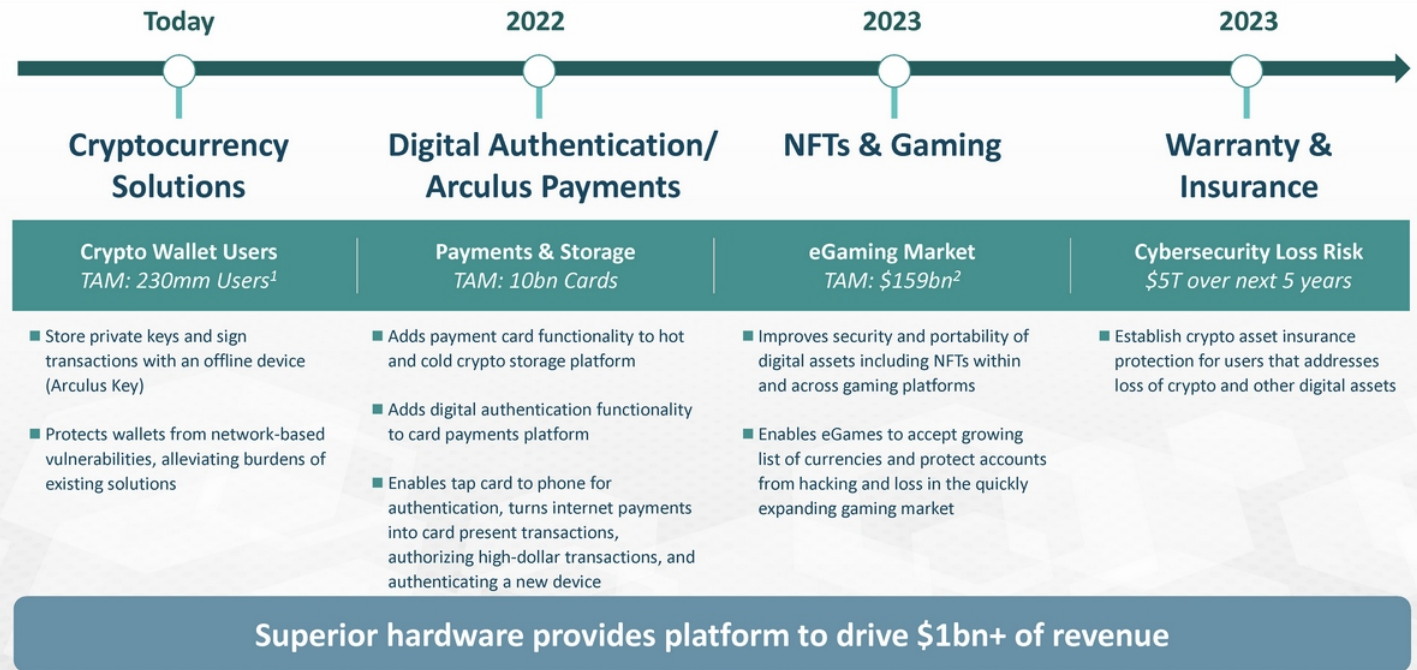


## GROWTH EXECUTION PLAN

# Building Digital Assets Ecosystem from Foundation in Superior Hardware



# The Arculus Ecosystem Roadmap



Sources: Accenture, Bessemer State of the Cloud 2020, Bond Capital, IDC  
<sup>1</sup> Estimated global crypto wallet users (all cold and hot) by 2025E  
<sup>2</sup> Spend on video games; increasingly monetized in-game. Source: NewZoo, 2020

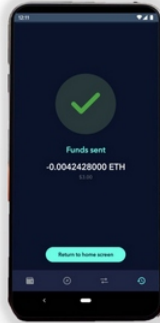


# Arculus Enables Safe Storage for Crypto Assets

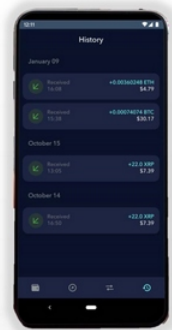
## Superior User Experience



*Simply tap-to-transact with the Arculus Key card*



*Seamlessly send, receive, and swap cryptocurrency*



*Easily track and record historical transactions*

## Convenience of a Hot Wallet with the Security of Cold Storage

**Secure:** Advanced three-factor authentication security across biometric, PIN and Key card and truly air-gapped

**Innovative:** No charging required, crypto key storage solution with encrypted NFC ("tap-to-transact")

**Convenient:** Easily send, receive, and trade crypto assets through the mobile app

App Video<sup>1</sup>

Password: Arculus2021

<sup>1</sup> Link to referenced video: <https://vimeo.com/514259399>

**Arculus™: Secure Cold Storage Wallet**




Arculus cold storage wallet combines the world's top security with an easy-to-use crypto portfolio manager. You can buy, swap, send, and receive your cryptocurrency "tap" of your Arculus Key™ Card.

Quantity: 1 **FREE FedEx® Shipping** **\$99.00** Tax not included

**BUY NOW**

Shipments began Sept. 30, 2021


# Arculus Alleviates the Burdens of Other Crypto Storage Solutions

	Hardware Cold Storage Devices			Hot Wallet
	ARCULUS	Other Cold Storage		
Offline Storage	 Card	 Fob	 USB	NONE
Ease of Use	✓	✗		✓
Superior Security	✓✓	✓		✗
Longer-Term Storage	✓	✓		✗
Premium Experience	✓	✗		✗

Arculus is the only Crypto storage product that combines ease of use and superior security standards

# Cold Storage Hardware Wallet Feature Comparison

## Arculus Offers Best-In-Class User Experience

	 <b>ARCULUS</b>	<b>Ledger</b>	<b>Trezor Model T</b>
Form Factor	Card	Fob with Display	Fob with Display
Companion App	Arculus Wallet	Ledger Live	Trezor Wallet
Key Storage Type	Cold	Cold	Cold
Secure Element	Certified Secure Element (CC EAL6+)	Certified Secure Element (CC EAL5+)	None
Pin Code	Yes	Yes	Yes
Restoration	12 Word Passcode	24 Word Passcode	12-24 Word Passcode
Passcode Storage	Separate from Device	On Device	On Device
Interface	Tap-to-Transact Rich GUI	Manual Inputs in Fob	Manual Inputs in Fob
Authentication	Biometric, Pin, Encrypted NFC connection between card and phone	Pin & Device	Pin & Device
Charge Required?	No	Yes	Yes
Price	\$99	\$60-\$120	\$170

# Diversified Revenue Model

## Multiple User Monetization Opportunities

### Hardware Sales

- Direct-to-Consumer sales
- Business-to-Business sales

### Transaction Fees

- Crypto currency trading fees
- eGaming trading and transfer fees

### Recurring Fees

- Hot wallet subscription fees (monthly)
- Crypto/digital asset insurance fees (monthly)

### Example Transactions

Customer purchases Arculus Key card

CompoSecure charges consumer per Arculus Key sold

Customer trades crypto on Arculus app

Gamers transfer currency to or from wallet via Arculus app

CompoSecure charges customer % fee based on total transaction value

Customer signs up for Arculus hot wallet

Customer purchases crypto insurance from third party insurance partner

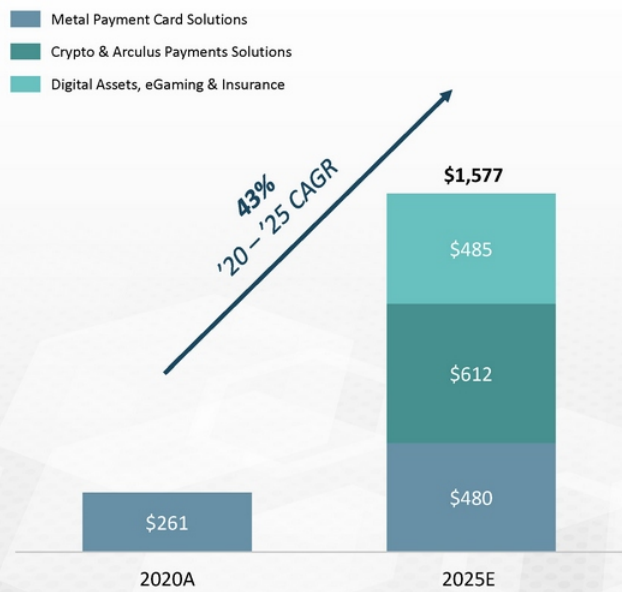
CompoSecure charges customer customary monthly hot wallet fee

CompoSecure earns monthly fee from third party insurance provider



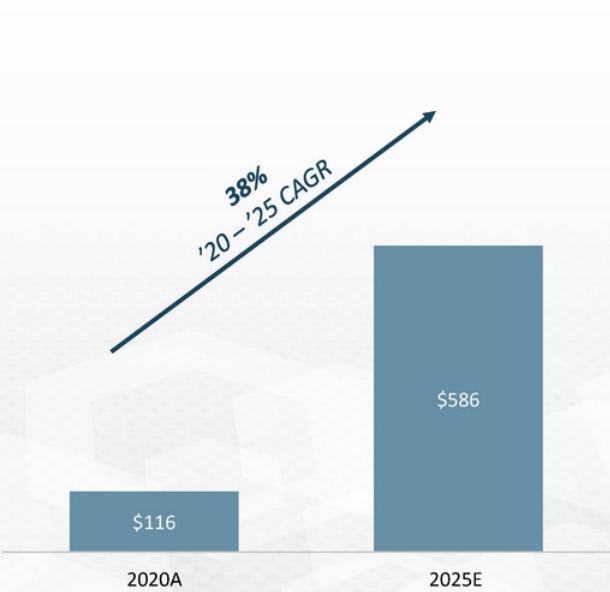
# Robust Growth from Substantial Base of Revenue and Profitability

Net Revenue by Solution (\$mm)



Source: Management estimates

Adjusted EBITDA (\$mm)

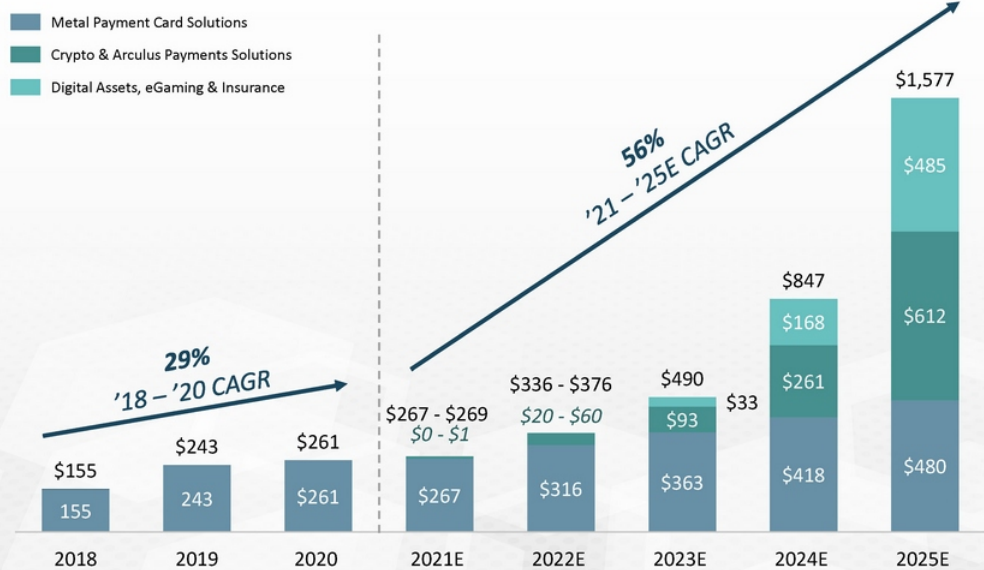


## FINANCIAL OVERVIEW

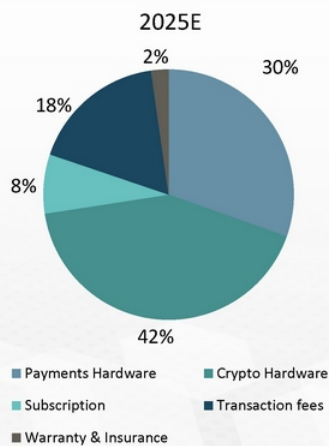
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# Projected Net Revenue Evolution

Net Revenue by Solution (\$mm)

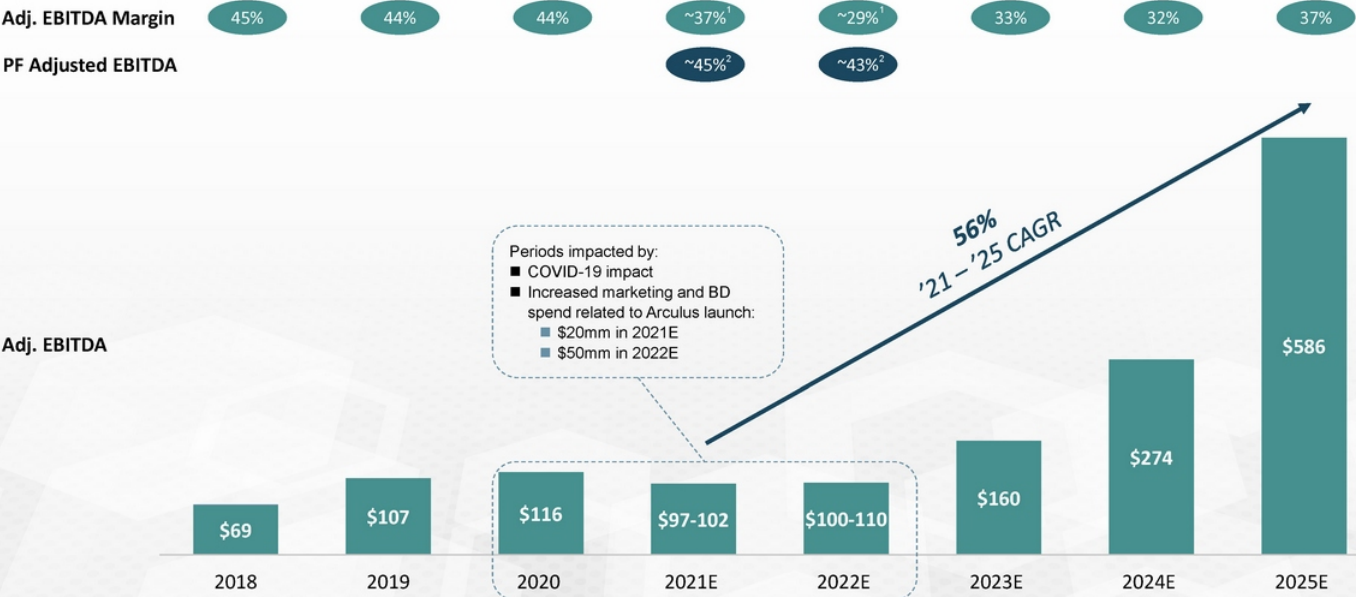


Net Revenue by Type (\$mm)



Source: Management estimates

# Strong EBITDA and Free Cash Flow



Source: Company financials and management estimates

Note: Margins are calculated on Net revenues

<sup>1</sup> Margins based on mid-points of the 2021E net revenue (\$267mm - \$269mm), 2022E net revenue (\$336mm - \$376mm), 2021E Adj. EBITDA (\$97mm - \$102mm), and 2022E Adj. EBITDA (\$100mm - \$110mm) ranges

<sup>2</sup> Pro forma adjusted to add back marketing spend related to the Arculus launch (total marketing and BD spend of \$20mm and \$50mm in 2021E and 2022E, respectively)

## Financial Information by Segment

	Metal Payment Card Solutions					Arculus Crypto & Digital Assets Ecosystem				
	2021E	2022E	2023E	2024E	2025E	2021E	2022E	2023E	2024E	2025E
<b>Unit Sales (mm)</b>	22	25	29	33	39	<0.1	0.3	2	7	17
<i>% growth</i>	7%	15%	14%	15%	15%	-	<i>nm</i>	533%	229%	155%
<b>Net Revenue (\$mm)</b>	\$268	\$316	\$363	\$418	\$480	\$0.5 <sup>1</sup>	\$40 <sup>2</sup>	\$127	\$429	\$1,097
<i>% growth</i>	3%	18%	15%	15%	15%	-	<i>nm</i>	217%	238%	156%
<b>Operating Expenses<sup>3</sup></b>	(156)	(178)	(205)	(237)	(272)	(1)	(23)	(55)	(161)	(368)
<b>Marketing Expenses</b>	(0.3)	(0.3)	(0.4)	(0.4)	(0.5)	(20)	(50)	(70)	(175)	(350)
<b>Adj. EBITDA</b>	<b>\$120</b>	<b>\$138</b>	<b>\$148</b>	<b>\$181</b>	<b>\$207</b>	<b>(\$20)<sup>4</sup></b>	<b>(\$33)<sup>5</sup></b>	<b>\$2</b>	<b>\$93</b>	<b>\$379</b>
<i>% margin</i>	44%	44%	44%	43%	43%	<i>nm</i>	<i>nm</i>	1%	22%	35%

<sup>1</sup> Assumes mid-point of Arculus ecosystem 2021E revenue range of \$0mm – \$1mm; <sup>2</sup> Assumes mid-point of Arculus ecosystem 2022E revenue range of \$20mm – \$60mm; <sup>3</sup> Operating Expenses excludes D&A and marketing expense, but includes COGS, personnel costs, commissions, professional fees, rent, non-income taxes, public company costs, and other expenses; <sup>4</sup> Assumes mid-point of Arculus ecosystem 2021E Adj. EBITDA range of (\$25mm) – (\$10mm); <sup>5</sup> Assumes mid-point of Arculus ecosystem 2022E Adj. EBITDA range of (\$38mm) – (\$28mm)

## Historical Levered Free Cash Flow

(\$mm)	2018A	2019A	2020A
<b>Adj. EBITDA</b>	<b>\$ 69</b>	<b>\$ 107</b>	<b>\$ 116</b>
Cash from Change in NWC	(23)	(11)	(5)
Capex	(9)	(10)	(8)
Cash Interest Paid	(5)	(5)	(5)
Mandatory Debt Repayment	(6)	(11)	(11)
<b>Levered Free Cash Flow <sup>1</sup></b>	<b>27</b>	<b>71</b>	<b>88</b>
<i>Adj. EBITDA Conversion</i>	<i>39%</i>	<i>66%</i>	<i>76%</i>
<i>Levered Free Cash Flow Yield <sup>2</sup></i>			<i>11%</i>

Source: Company financials

<sup>1</sup> These figures reflect the Company's historical legal structure as a pass-through entity for tax purposes that results in the Company historically not paying tax at the entity level. In the Proposed Transaction, the Company intends for CompoSecure Rollover Equity to be held in a traditional "UP-C" structure, and such equity holders will receive the benefits from a customary tax receivable agreement. <sup>2</sup> Levered Free Cash Flow Yield assumes de-SPAC total equity value of \$826mm.





## TRANSACTION OVERVIEW

# Transaction Overview

## Illustrative Sources and Uses (\$mm)

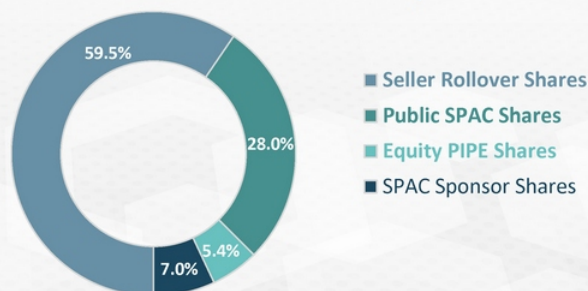
Sources	
CompoSecure Rollover Equity	\$492
SPAC Cash In Trust <sup>1</sup>	236
Common Equity PIPE Proceeds <sup>2</sup>	45
Convertible Notes Proceeds <sup>2</sup>	130
<b>Total Sources</b>	<b>\$903</b>

Uses	
CompoSecure Rollover Equity	\$492
Cash Consideration	361
Transaction Costs	50
<b>Total Uses</b>	<b>\$903</b>

## Pro Forma Enterprise Valuation at Close (\$mm)

Illustrative Share Price	\$10.00
Pro Forma Shares Outstanding <sup>3</sup>	82.6
<b>Total Common Equity Value<sup>3</sup></b>	<b>\$826</b>
Convertible Unsecured Notes	130
Pro Forma Net Debt (ex. Convertible Notes)	250
<b>Pro Forma Enterprise Value Valuation<sup>4</sup></b>	<b>\$1,206</b>
<i>EV / 2021E Net Revenue</i>	<i>\$268 4.5x</i>
<i>EV / 2022E Net Revenue</i>	<i>356 3.4x</i>
<i>EV / 2022E Adj. EBITDA</i>	<i>105 11.5x</i>

## Illustrative Post-Transaction Ownership<sup>1,2,3</sup>



<sup>1</sup> Assumes no SPAC investors redeem their shares for cash in trust

<sup>2</sup> Assumes \$45mm in Common Equity PIPE and \$130mm of 5-year Convertible Unsecured Notes proceeds

<sup>3</sup> Includes impact of all 5.8mm founder shares vesting at close. Excludes warrants; Excludes 7.5mm earnout shares for existing Composecure shareholders. 3.75mm shares are earned if the VWAP is at least \$15.00 over any 20 trading days within any 30-trading day period during the first 36 months; another 3.75mm shares are earned if the VWAP is at least \$20.00 over any 20 trading days within any 30-trading day period during the first 48 months

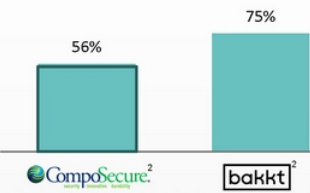
<sup>4</sup> Valuation multiples based on the midpoints of estimated 2021E net revenue (\$267mm - \$269mm), 2022E net revenue (\$336mm - \$376mm) and 2022E Adj. EBITDA (\$100mm - \$110mm) ranges



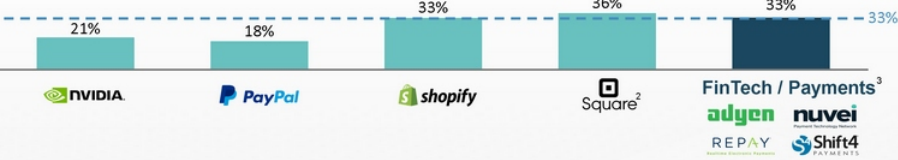
# Growth and Margins Compare Favorably to Peers

Crypto & Crypto-related      FinTech / Payments

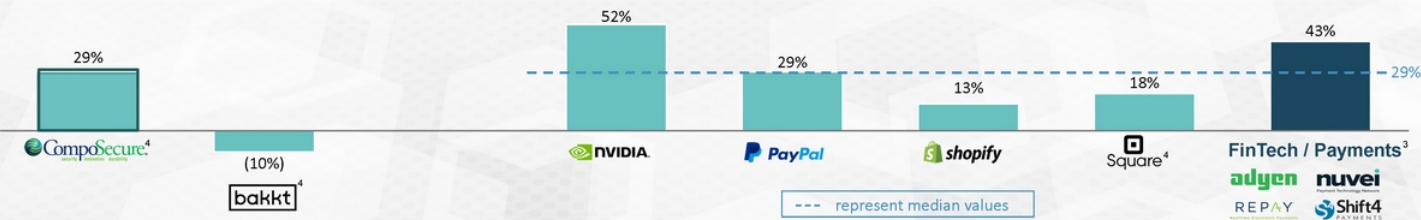
CY21E–CY25E Revenue CAGR<sup>1</sup>



CY21E–CY22E Annual Revenue Growth

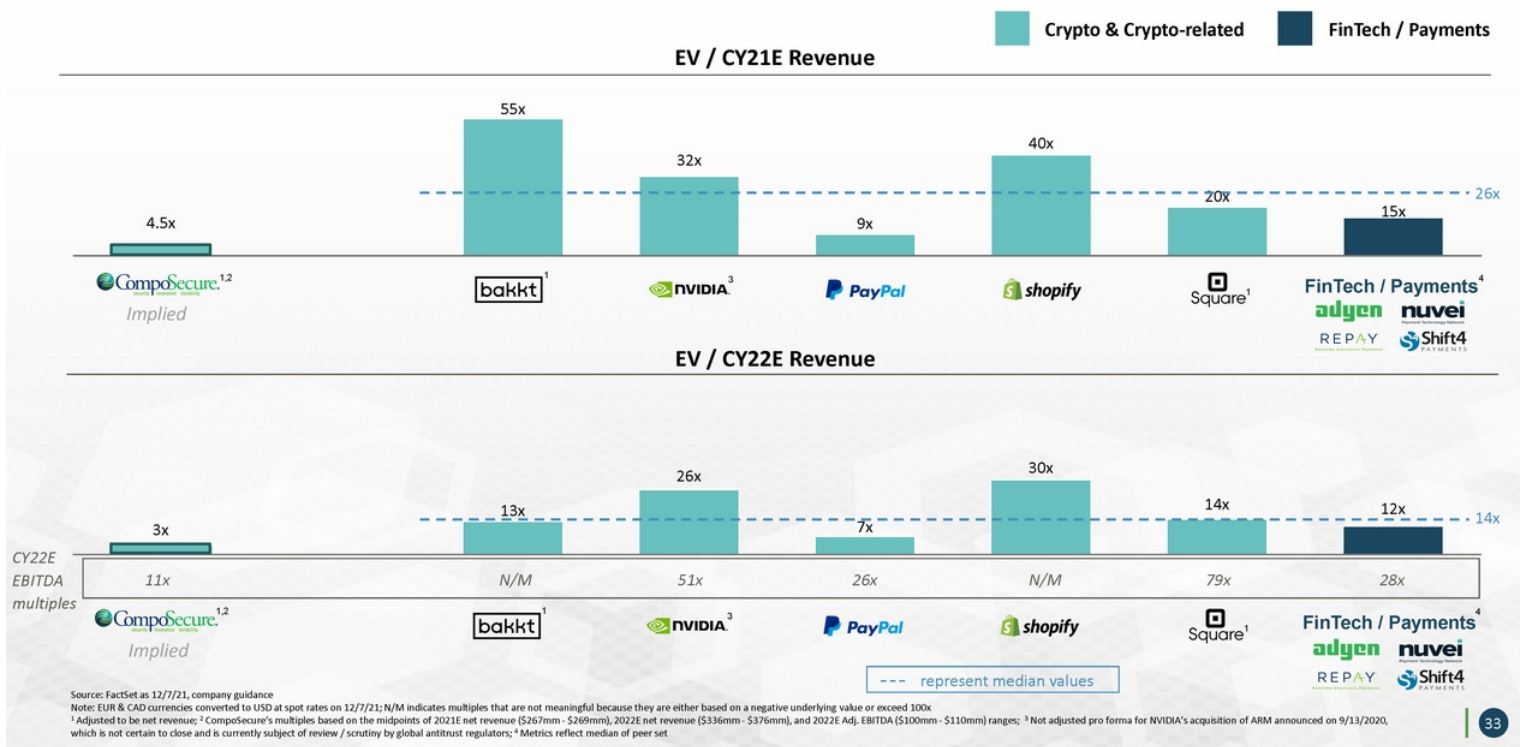


CY22E Adjusted EBITDA margin



Source: FactSet as 12/7/21, company guidance  
Note: EUR & CAD currencies converted to USD at spot rates on 12/7/21  
<sup>1</sup> CompoSecure's Revenue CAGR based on mid-point (\$267mm - \$269mm) of 2021E net revenue range and 2025E projection (\$1,577mm); <sup>2</sup> Adjusted to be net revenue; <sup>3</sup> Metrics reflect median of peer set; <sup>4</sup> Calculated as a percentage of net revenue. CompoSecure's margin calculated using mid-points of the 2022E Adj. EBITDA (\$100-110mm) and Net revenue (\$336mm - \$376mm) ranges

# Peer Valuation Comparison



## Trading Comparables – Group

(\$bn)	Firm value	Revenue growth		Revenue CAGR	Gross margin	Adj. EBITDA margin	EV / Revenue		EV / Adj. EBITDA
		CY21E	CY22E	CY21E - CY25E	CY22E	CY22E	CY21E	CY22E	CY22E
 <sup>1,2</sup>	\$1.2	3%	33%	56%	52%	29%	4x	3x	11x
Crypto and Crypto-related									
 <sup>3</sup>	\$820.4	59%	21%	N/A	67%	52%	32x	26x	51x
	221.5	18%	18%	N/A	52%	29%	9x	7x	26x
	167.0	56%	33%	N/A	53%	13%	36x	27x	N/M
 <sup>1</sup>	113.6	63%	36%	N/A	79%	18%	19x	14x	77x
 <sup>1</sup>	3.0	N/A	307%	75%	N/A	(10%)	55x	13x	N/M
Median		58%	33%	N/A	60%	18%	32x	14x	51x
FinTech / Payments									
	\$84.4	45%	39%	N/A	N/A	63%	75x	54x	87x
	16.6	92%	32%	N/A	80%	44%	23x	17x	40x
 <sup>1</sup>	5.4	63%	35%	N/A	60%	36%	10x	8x	21x
	2.1	43%	31%	N/A	75%	43%	10x	7x	17x
Median		54%	33%	N/A	75%	43%	17x	13x	31x

Source: FactSet as 12/7/21, company guidance

Note: Presented in descending order based on Firm values; EUR & CAD currencies converted to USD at spot rates on 12/7/21; N/M indicates multiples that are not meaningful because they are either based on a negative underlying value or exceed 100x

<sup>1</sup> Adjusted to be net revenue. EBITDA margins calculated based on net revenues as well; <sup>2</sup> CompuSecure growth rates, margins, CAGR are based on mid-points of the 2021E Net revenue (\$267mm - \$269mm), 2022E Net revenue (\$336mm - \$376mm) and 2022E Adj. EBITDA (\$100mm - \$110mm) ranges. Multiples are derived from the mid-points of these ranges as well; <sup>3</sup> Not adjusted pro forma for NVIDIA's acquisition of ARM announced on 9/13/2020, which is not certain to close and is currently subject of review / scrutiny by global antitrust regulators

# Trading Comparables – Metal Card Payment Solutions

(\$bn)	Firm value	Revenue growth		Revenue CAGR	Gross margin	Adj. EBITDA margin	EV / Revenue		EV / Adj. EBITDA
		CY21E	CY22E	CY21E - CY25E	CY22E	CY22E	CY21E	CY22E	CY22E
 Metal Card Payment Solutions <sup>1</sup>	\$1.2	3%	18%	16%	50%	43%	4x <sup>2</sup>	4x <sup>2</sup>	9x <sup>2</sup>
High-growth Industrial Tech									
	\$17.3	35%	34%	N/A	31%	19%	9x	7x	35x
	13.0	25%	12%	N/A	73%	34%	13x	11x	34x
	7.7	21%	69%	N/A	41%	33%	36x	22x	66x
	6.6	28%	22%	N/A	78%	52%	12x	10x	19x
Median		27%	28%	N/A	57%	33%	12x	11x	34x
Other select high-quality Industrial Tech									
	\$58.6	5%	5%	N/A	65%	41%	10x	10x	24x
	50.4	(2%)	12%	N/A	56%	48%	10x	9x	19x
	33.7	26%	5%	N/A	47%	23%	6x	6x	24x
	8.1	9%	8%	N/A	90%	41%	6x	6x	14x
	2.8	13%	10%	N/A	42%	22%	3x	3x	12x
Median		9%	8%	N/A	56%	41%	6x	6x	19x

Source: FactSet as 12/7/21, company guidance

Note: Presented in descending order based on Firm values; N/A indicates multiples that are not meaningful because they are either based on a negative underlying value or exceed 100x

<sup>1</sup> Adjusted to be net revenue. Gross and EBITDA margins calculated based on net revenues as well; <sup>2</sup> Multiples calculated using the total transaction value (\$1.2bn) divided by the applicable net revenue and adjusted EBITDA metrics pertaining only to the Metal Card Payment Solutions business

## Key Investment Highlights

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

“Massive” TAM across markets including payments, cryptocurrency, digital authentication/Arculus payments, NFTs and gaming, and warranty & insurance

Premier payments technology and security provider coupled with highly scaled, advanced manufacturing capability

Trusted, highly embedded blue chip customer relationships with leading financial institutions and FinTechs, having produced nearly 100 million metal payment cards

Platform uniquely positioned to capitalize on fragmented markets in digital assets

Compelling financial profile with superior growth, attractive margins, and high cash flow

## APPENDIX

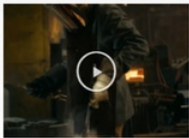


# CompoSecure's Products are Prominently Featured in Issuer Advertising


## Metal is a Marketing Tool to Stay “Top of Wallet”

- Demonstrates the importance of metal to issuer's product offering
- Management believes metal has become a key component of the consumer-facing marketing message
- Substantial need for issuers to differentiate in a highly commoditized industry
- Consumer demand for metal cards is robust; issuers without metal card offerings risk losing over the long term<sup>1</sup>
- 70%+ of people ages 25-44 would prefer metal if all other card benefits were equal<sup>1</sup>

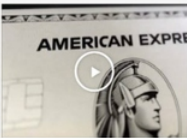
### Select Issuer Advertisements Highlight CompoSecure's Products<sup>2</sup>




**Capital One – Torched**  
A customer experience that is thoughtfully designed.



**Revolut Manufacturing**  
A first class experience that includes a contactless metal card.



**American Express  
Platinum Métal**



**N26 Metal Card**  
Europe's first contactless metal card. N26 Metal is a statement.

## CompoSecure Serves Issuers' Most Valuable Cardholder Portfolios

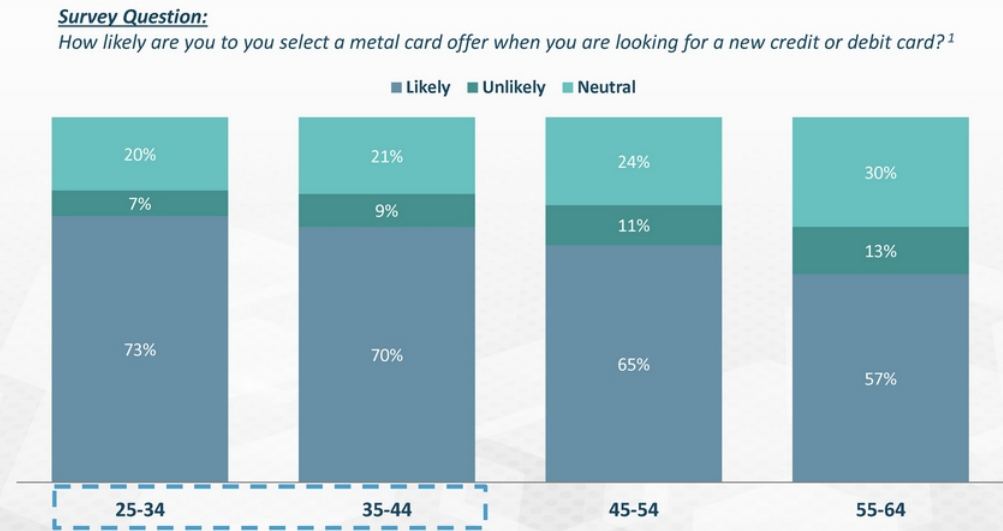
<sup>1</sup> Edgar, Dunn & Company, 2019 Metal Cards Market Sizing and Consumer Research Report

<sup>2</sup> See more in CompoSecure's video gallery at [composecure.com/media/#videoanchor](https://composecure.com/media/#videoanchor)

# Strong Consumer Demand for Metal Cards

Millennials Want to Show Status & Perceived Wealth, Highlighting Their Unique Experiences Via Social Media Channels

## Consumer Preference for Metal Cards by Age Group



<sup>1</sup> Edgar, Dunn & Company, 2019 Metal Cards Market Sizing and Consumer Research Report Surveys were completed at different times across different markets — UK, USA, Brazil, Japan, Hong Kong, Singapore (May 2018); Australia, Canada, India, Mexico (December 2018); Italy, Russia, Poland, France, Turkey, Germany, China, UAE (June 2019)

<sup>2</sup> Global Data — Millennials are an import cohort to the population; Nielson, Global Data, Deloitte, Euromonitor & EDC Research

70%+

individuals ages (25-44) prefer metal cards if all benefits were equal when selecting a new card<sup>1</sup>

55%

millennials are willing to pay a higher price for high-quality premium products, compared to 35% of Baby Boomers<sup>2</sup>

# Favorable Shift in Consumer Behavior

JPMORGAN  
CHASE & CO.



Achieves “Top of  
Wallet” Status

N26



Drives Consumer  
Willingness to Pay

crypto.com



Supports Greater Crypto  
Asset Holdings and Retention

> 50%↑  
Lift on Chase Spend<sup>1</sup>

+ €7/month  
Due to Metal Form Factor

~ \$450 - \$450k  
Range of Crypto.com Coin Stakes  
Qualifying for Lowest and Higher Tier  
Memberships that Feature Metal Card<sup>2</sup>

<sup>1</sup> JP Morgan Chase 2/27/18 Investor Day, Page 35 and JP Morgan Chase 2/27/17 Investor Day, Page 17. Compares credit card spend pre-Sapphire Reserve vs. post-Sapphire Reserve acquisitions for existing Chase card customers only

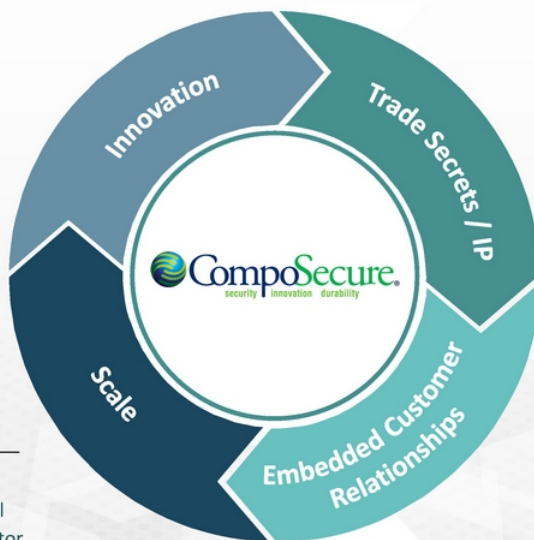
<sup>2</sup> Crypto.com Obsidian card tier requires minimum 5,000,000 (CRO) staked in a Crypto.com wallet. \$450k is converted from 5,000,000 CRO as per CRO/USD exchange rate provided by Coinmarket.com as of 2/13/21

# Why We Continue to Win

We Enable Clients to Grow Customer Acquisition, Spending, and Improve Retention



- First metal credit card (2003)
- First metal “tap-to-pay” credit card (2016)
- Arculus launch in 2021
- Pipeline of new tech including biometric security, dynamic CVV, keychain cards, LED



**675+**  
Employees



**22mm**  
Metal Cards  
Annually<sup>1</sup>



**9**  
Direct  
salespeople



**7**  
Global  
Distributor  
Partners



**30** Patents  
Issued



**44** Patents  
Pending

- Deep engineering expertise
- Proprietary material science capabilities

## 100+ Card Programs



CHASE

CURVE

Revolut

Capital One

MONACO



N26

verizon



20+

Year Partnership

45+

Years of Tech Industry Experience, with Expertise in Data Storage, Security and Blockchain

Multiple

Successful IPOs/  
Sale Processes

## Tech Industry Veterans with Extensive Operating and Investing Experience



**Dr. Don Basile, PhD**

Chairman and Co-Chief Executive Officer



- 20+ years of technology industry experience across software, hardware, IT, telecom and private equity
- Executive, investor or board member in 30+ Silicon Valley growth companies



**Dixon Doll, Jr.**

Co-Chief Executive Officer



- Former CEO and Chairman of DBM Cloud Systems, a pioneer in data management software
- Former COO and Director of Violin Memory, a flash-memory storage maker



**John C. Small**

Chief Financial Officer



- 20+ years of experience in investment management
- COO of Diamond Standard, creator of blockchain tokenized coins
- Former CFO of Viggie



**Dixon Doll**

Senior Director



- 35+ years of experience influencing entrepreneurs, investors and executives in communications, internet and other technology industries
- Co-Founder of DCM Ventures and Accel Partners (Telecom vertical)

### First-Class Board of Directors



**James Nelson**

CEO & President, Global Net Lease (NYSE: GNL)



**Alan Clingman**

LRG ENERGY



**Paul Misir**

NotosLLC

TAPSTATS



**Arun Abraham**

M. Klein & Company CHURCHILL CAPITAL

EVERCORE LAZARD

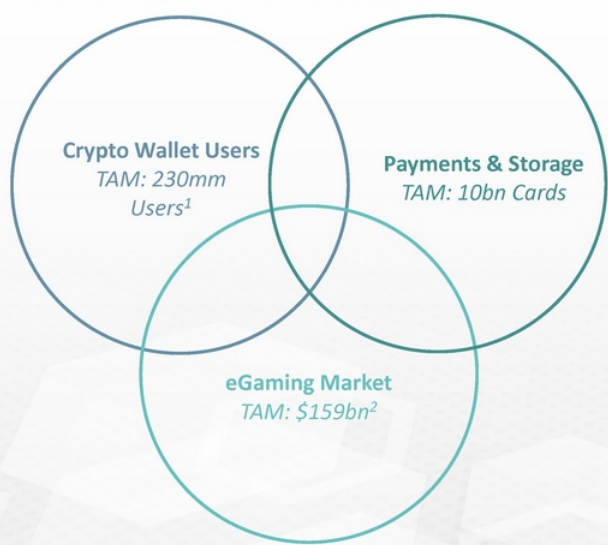
CADWALADER

<sup>1</sup> Key DCM Investments  
<sup>2</sup> Prior Board Involvement

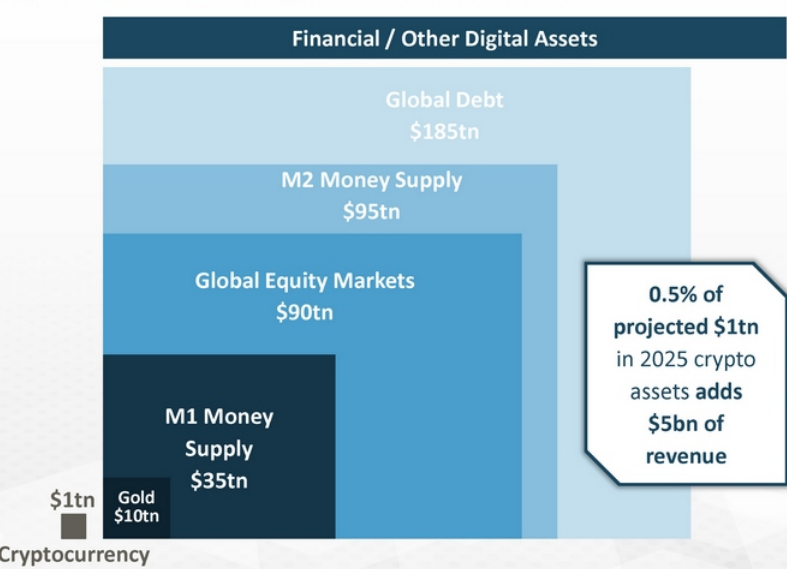


# Large and Growing Addressable Market

## Massive Long-Term Revenue Opportunities



## Significant Room for Crypto Asset Class Growth

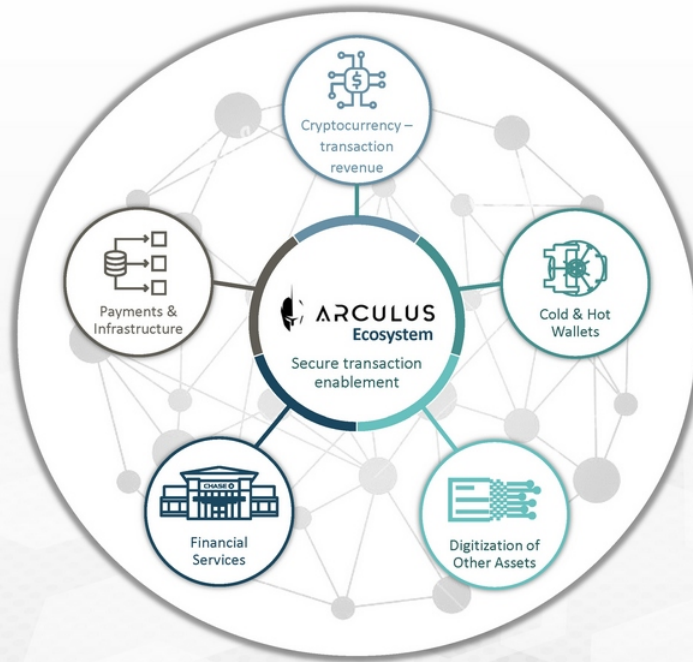


Arculus is entering an ecosystem that is forming the basis for a new global financial system with massive monetization opportunities

Sources: Accenture, Bessemer State of the Cloud 2020, Bond Capital, IDC  
<sup>1</sup> Estimated global crypto wallet users (all cold and hot) by 2025E  
<sup>2</sup> Spend on video games; increasingly monetized in-game. Source: NewZoo, 2020



# Cryptocurrency is a Burgeoning Asset Class Requiring Bespoke Solutions



<sup>1</sup>Source: Coinmarketcap.com; average daily volume for January 2021; <sup>2</sup>Verified Market Research; <sup>3</sup>Blockchain.com historical data and management estimates; <sup>4</sup>Mordor Intelligence and management estimates; <sup>5</sup>January 2016-January 2021. Source: Glassnode.com; <sup>6</sup>January 2021. Source: Glassnode.com

## \$162bn

Avg. Daily Trading Volume for Top 200 Cryptocurrencies by Market Cap<sup>1</sup>

## \$5.5tn

Expected Market Value of All Cryptocurrencies by 2027E<sup>2</sup>

## 234mm

Crypto Wallets by 2025E<sup>3</sup>

## 36mm

Crypto Cold Storage Wallets by 2025E<sup>4</sup>

## 65%

CAGR of Total BTC and ETH Addresses<sup>5</sup>

## 87mm

BTC and ETH Addresses with Non-Zero Balances as of 2021<sup>6</sup>

# Unlocking Value Through Partnership with Roman DBDR



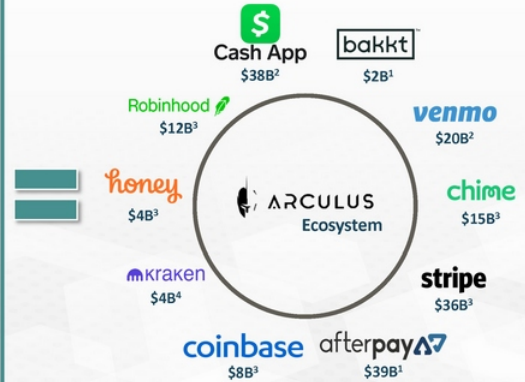
## Key CompoSecure differentiators

- ✓ Payments and security
- ✓ Proprietary, highly scaled manufacturing
- ✓ Significant base of growing, profitable revenue
- ✓ IP and patents
- ✓ Three-factor authentication
- ✓ Air-gapped hardware wallet
- ✓ Containerized blockchain infrastructure
- ✓ Integrated fiat-to-crypto and crypto-to-crypto services
- ✓ Cash flow fully funds organic growth



## Existing relationships and initial discussions across:

- ✓ Blockchain
- ✓ Insurance
- ✓ Governmental
- ✓ Cryptocurrency
- ✓ Exchanges
- ✓ Telecommunications
- ✓ Digital Banking



<sup>1</sup> Diluted market capitalizations sourced from FactSet as of February 15, 2021 (except for Bakkt, which pertains to the IPO value)

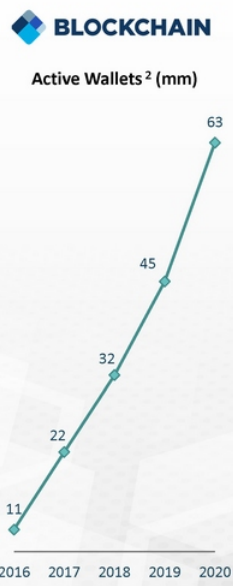
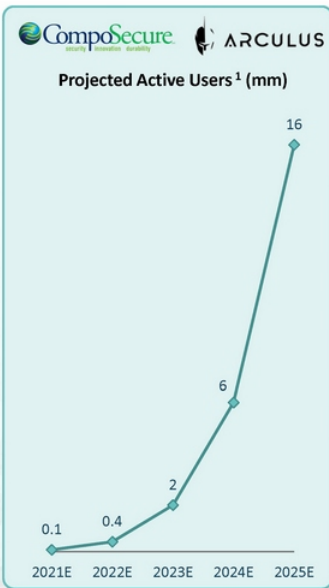
<sup>2</sup> Based on sum-of-the-parts valuation of parent company by broker research

<sup>3</sup> Sourced from Pitchbook

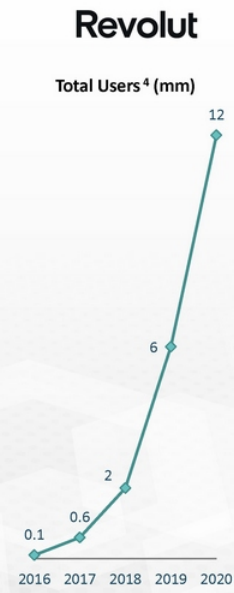
<sup>4</sup> Sourced from Coindesk

# Rapid Acceleration of Digital Asset Adoption

## Cryptocurrency Asset Solutions



## Selected Digital Asset Services



Sources: Investor presentations, management estimates  
<sup>1</sup> Projected Active Users at year end across Arculus digital assets, eGaming, and cryptocurrency services  
<sup>2</sup> Source: Blockchain.com  
<sup>3</sup> Historical data from studio.glassnode.com/metrics; 2021E non-zero address balance is projected extrapolating YTD as of February 11, 2021 through the end of 2021  
<sup>4</sup> <https://www.businessofapps.com/data/revolut-statistics/>  
<sup>5</sup> 2020 user count reported as of June 2020

# Highly Seasoned and Experienced Management Team



**Jon Wilk**  
*Chief Executive Officer*

25+ Years Industry Experience

*Notable Experience*



**Tim Fitzsimmons**  
*Chief Financial Officer*

30+ Years Industry Experience

*Notable Experience*



**Gregoire (Greg) Maes**  
*Chief Operations Officer*

25+ Years Industry Experience

*Notable Experience*



**Adam Lowe, PhD**  
*Chief Innovation Officer*

10+ Years Industry Experience

*Notable Experience*



**Amanda Gourbault**  
*Chief Revenue Officer*

25+ Years Industry Experience

*Notable Experience*



**Stephen Luft**  
*VP, Global Head of Sales*

20+ Years Industry Experience

*Notable Experience*



**Lewis Rubovitz**  
*VP, Global Strategy & Business Development*

15+ Years Industry Experience

*Notable Experience*



# LLR Partners Overview

## LLR Partners

- Philadelphia-based middle market financial sponsor that initially invested in CompoSecure in 2015 and will continue to be the company's largest shareholder post closing
- Since founded in 1999, has raised over \$5bn across six progressively larger funds, closing most recent fund at \$1.8bn in Oct. 2020
- 111 total investments since inception across technology, payments and other sectors; 41 active portfolio companies
- In addition to CompoSecure, LLR's experience in payments includes Celero Commerce (current), DaySmart Software (current), Midigator (current), Fleet One (realized), and Heartland (realized)
- In 2019, LLR made 8 new investments, completed 22 portfolio add-on acquisitions, exited 5 investments and undertook 1 IPO

## Select Investments



Source: LLR Partners website and materials

## Mitchell Hollin



**CompoSecure Board Member (since 2015)**  
**Partner at LLR**

- Partner at LLR Partners focusing on FinTech and Software; led LLR's investment in CompoSecure
- Previously, co-founded and served as Managing Director of Advanta Partners, a private equity firm focused on financial services
- Began his private equity career at Patricof & Co. Ventures (now known as Apax Partners)
- Other Current Investments: Celero Commerce, DaySmart Software, Midigator, PCS Retirement, Sterling Trading Tech, YCharts

## Case Study: Heartland Payment Systems

- Mitchell Hollin led LLR's growth equity investment in Heartland Payment Systems in 2001
- As board member from 2001 - 2016, he helped lead Heartland through an IPO on the NYSE in 2005 at an implied TEV of \$750mm+
- LLR realized a total MOIC of 8.4x over ~6 year hold period
- Following LLR's exit in 2007, Mitchell continued to serve as Heartland's lead director through the payments processor's \$4.3bn merger with Global Payments (NYSE: GPN) in 2016
- Stayed on the board of GPN through its subsequent ~\$22bn merger with TSYS in 2019 (NYSE: TSS)



# Case Study: Forming and Scaling

## Pioneers in Developing the PCIe Data Storage Market



**Dr. Don Basile**  
Chairman (2006-2009), CEO (2008-2009), Seed Investor



**Dixon Doll, Jr.**  
SVP, Sales & Corp. Development (2008-2009), Seed Investor

**Leadership:** Led company through Series B raising \$66.5 million from leading investors including Dell, NEA and Lightspeed

**Business Development:** Secured three major OEM deals (HP, IBM, Dell) and initial commercial deals with key customers (Apple, Facebook) which became largest customers

**Talent Acquisition:** Recruited and retained top talent, including Steve Wozniak as CTO (Apple Co-Founder)

**Globalization:** Established operations in Europe and Asia

**“ I like the people and the product and said I would like some greater involvement. ”**  
**- Steve Wozniak (on accepting CTO job at Fusion)<sup>1</sup>**

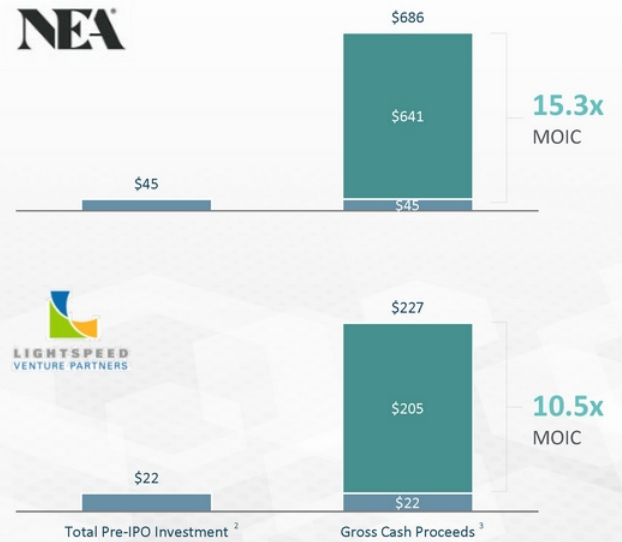
<sup>1</sup> Fortune Magazine, "The man who wooed Woz," February 13, 2009

<sup>2</sup> NEA investments include Seed, Series A, B, C, and Conv. Notes (2007-2010); Lightspeed investments include Series B and C and Conv. Notes (2009-2010)

<sup>3</sup> Including Series B repurchase and post-IPO dispositions

Source: Public Filings, Capital IQ, Forbes

### Select Investors Estimated Returns Summary





# Convertible Notes Private Placement – Summary Terms

Instrument:	Exchangeable Senior Unsecured Notes
Issuer:	CompoSecure Holdings, L.L.C.
Amount:	\$130 million
Maturity:	5 years, NC-3 customary provisional call right at 130% of conversion price (initially \$14.95)
Ranking:	Senior Unsecured Notes
Coupon:	7.0% cash
Conversion Rights:	\$11.50 conversion price (up 15%)

## Financial Summary

(\$mm)	2018A	2019A	2020A
<b>Total Gross Revenue</b>	<b>\$160</b>	<b>\$249</b>	<b>\$267</b>
<i>% YoY Growth</i>		56%	7%
<i>Rebates &amp; Discounts</i>	(\$4)	(\$6)	(\$7)
<b>Total Net Revenue</b>	<b>\$155</b>	<b>\$243</b>	<b>\$261</b>
COGS	(\$76)	(\$115)	(\$128)
<b>Gross Profit</b>	<b>\$79</b>	<b>\$128</b>	<b>\$133</b>
<i>% Margin</i>	51%	53%	51%
SG&A	(\$22)	(\$41)	(\$48)
<b>Operating Income</b>	<b>\$57</b>	<b>\$87</b>	<b>\$84</b>
(+) Adjustments	\$5	\$12	\$22
(+) D&A	\$8	\$9	\$10
<b>Adj. EBITDA</b>	<b>\$69</b>	<b>\$107</b>	<b>\$116</b>
<i>% Margin</i>	45%	44%	44%
<i>% YoY Growth</i>		55%	8%

Source: Company financials  
Note: Margins are calculated on Net revenues

## Non-GAAP Adjusted EBITDA Reconciliation

(\$mm)	2018A	2019A	2020A
Net Income	\$52	\$81	\$78
Interest Expense	5	5	6
Depreciation and Amortization	8	9	10
Unadjusted EBITDA	\$65	\$96	\$94
1 ISO Litigation Costs	2	3	-
2 Non-Cash Stock Option Expense	1	1	2
3 Non-Recurring Transaction Costs	0	0	4
4 Board of Director Costs	0	0	-
5 Deferred Compensation	-	0	-
6 Special Distribution	-	7	16
7 Out-of-Period	(0)	-	-
8 Expense Accruals	1	(1)	-
Total EBITDA Adjustments	\$5	\$12	\$22
Adjusted EBITDA	\$69	\$107	\$116

Source: Company financials

- 1 ISO Litigation Costs:** Adds back nonrecurring expenses associated with the ISO litigation
- 2 Non-Cash Stock Option Expense:** Non-cash stock option expenses related to the executive incentive plan
- 3 Nonrecurring Transaction Costs:** Transaction related costs associated with prior transaction processes and paid to Merrill Communications, BDO USA, Edgar Dunn and Battelle
- 4 Board of Director Costs:** Board of Directors fees, travel and related expenses associated with the Company's Board of Directors for board meetings
- 5 Deferred Compensation:** Exclusion of deferred compensation expense as Management does not expect the plan to continue in its current form post-IPO
- 6 Special Distribution:** Adjustment to add back special distributions to Class C unit holders that was expensed in 2019A and 2020A. The distributions are akin to equity distributions
- 7 Out-of-Period Adjustments:** Includes an (i) insurance audit that presents historical insurance expense as though the audit assessments charged at the end of the insurance policy period were included in the monthly insurance expense as well as a (ii) a sales & use tax adjustment that reverses the December 2018 over-accrual for commercial activity sales tax in the state of Ohio in connection with the May 2015 LIR Acquisition
- 8 Expense Accrual Adjustments:** Expense accrual adjustments reflecting the ISO Commissions Accrual, PTO Expense, DI Licensing Accrual, Price Concessions for Two Customers, a Customer Rebate and a Bonus Expense

# Balance Sheets

(\$mm)	2018A	2019A	2020A
<b>Assets</b>			
<b>Current Assets</b>			
Cash & cash equivalents	\$ 3	\$ 27	\$ 13
Restricted cash	10	-	-
Accounts receivable, net	25	19	9
Inventories	12	18	30
Prepaid expenses and other Current assets	2	1	1
<b>Total Current Assets</b>	<b>52</b>	<b>65</b>	<b>53</b>
Property and equipment, net	29	30	28
Deposits and other assets	0	0	0
<b>Total assets</b>	<b>82</b>	<b>96</b>	<b>81</b>
<b>Liabilities and Members' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable	3	3	2
Accrued expenses	28	15	15
Line of credit	18	-	-
Current portion of long-term debt	10	14	24
<b>Total current liabilities</b>	<b>58</b>	<b>32</b>	<b>42</b>
Long-term debt, net of deferred finance costs	57	117	212
Line of credit	-	-	20
Other liabilities	2	2	0
<b>Total liabilities</b>	<b>117</b>	<b>151</b>	<b>274</b>
<b>Members' Equity</b>	<b>(35)</b>	<b>(56)</b>	<b>(193)</b>
<b>Total liabilities and members' equity</b>	<b>82</b>	<b>96</b>	<b>81</b>

Source: Company financials  
Note: Audits completed to PCAOB standards. Financial position has been derived from CompoSecure's consolidated financial statements for the years ended December 31, 2018, 2019 and 2020 respectively.

# Statements of Operations

(\$mm)	2018A	2019A	2020A
Revenue			
Net sales	\$155	\$243	\$261
Cost of sales	76	115	128
Gross Profit	79	128	133
Operating expenses			
Selling, general and administrative	22	41	49
Income from operations	57	87	84
Other expense			
Interest expense, net of interest income	(5)	(5)	(5)
Amortization of deferred financing costs	(1)	(1)	(1)
Net Income	52	81	78

Source: Company financials

Note: Audits completed to PCAOB standards. Financial position has been derived from CompoSecure's consolidated financial statements for the years ended December 31, 2018, 2019 and 2020 respectively. These figures reflect the Company's historical legal structure as a pass-through entity for tax purposes that results in the Company historically not paying tax at the entity level. In the Proposed Transaction, the Company intends for CompoSecure Rollover Equity to be held in a traditional "UP-C" structure, and such equity holders will receive the benefits from a customary tax receivable agreement.

# Statements of Cash Flows

(\$mm)	2018A	2019A	2020A
<b>Cash flows from operating activities</b>			
<b>Net income</b>	<b>\$ 52</b>	<b>\$ 81</b>	<b>\$ 78</b>
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	8	9	10
Equity compensation expense	1	2	2
Inventory reserve	0	(0)	1
Amortization of deferred finance costs	1	1	1
Changes in assets and liabilities			
Accounts receivable	(20)	6	10
Inventories	(4)	(6)	(13)
Prepaid expenses and other assets	(1)	1	(0)
Other liabilities	(0)	0	(2)
Trade accounts payable	2	(0)	(0)
Accrued expenses	0	(13)	0
<b>Net cash provided by operating activities</b>	<b>39</b>	<b>81</b>	<b>87</b>
<b>Cash flows from investing activities</b>			
<b>Acquisition of property and equipment</b>	<b>(9)</b>	<b>(10)</b>	<b>(8)</b>
<b>Net cash used in investing activities</b>	<b>(9)</b>	<b>(10)</b>	<b>(8)</b>
<b>Cash flows from financing activities</b>			
Proceeds from line of credit	29	-	20
Payment of line of credit	(11)	(18)	-
Proceeds from term loan	-	76	118
Payment of term loan	(6)	(11)	(11)
B unit preference payment	(1)	-	-
B unit earnout distribution	(17)	-	-
Deferred finance costs related to debt origination	-	(1)	(3)
Distributions to members	(33)	(104)	(217)
<b>Net cash used in financing activities</b>	<b>(39)</b>	<b>(58)</b>	<b>(93)</b>
<b>Net increase (decrease) cash, cash equivalents and restricted cash</b>	<b>(9)</b>	<b>14</b>	<b>(13)</b>
Cash, cash equivalents and restricted cash, beginning of year	22	13	27
Cash, cash equivalents and restricted cash, end of year	13	27	13
<b>Supplementary disclosure of cash flow information</b>			
Cash paid during the year for interest	5	5	5

Source: Company financials

Note: Audits completed to PCAOB standards. Financial position has been derived from CompoSecure's consolidated financial statements for the years ended December 31, 2018, 2019 and 2020 respectively.



## Risk Factors

- The COVID-19 pandemic has had a negative impact on our business and, if the pandemic continues or worsens, these impacts could be amplified and have a material adverse effect on our business, financial condition and results of operations.
- We may not be able to sustain our revenue growth rate in the future.
- We may fail to retain existing customers, including American Express and JPMorgan Chase which constituted 33% and 40%, respectively, of our total net revenue for the year ended December 31, 2020, or attract new customers.
- Data and security breaches could compromise our systems and confidential information, cause reputational and financial damage, and increase risks of litigation.
- We may be subject to system outages, data loss or other interruptions affecting our operations.
- We may be adversely affected by disruptions at our primary production facilities.
- We may have disruptions in our operations or supply chain.
- Cryptocurrency wallet storage systems, like Arculus, are subject to potential illegal misuse, risks related to a loss of funds due to cryptocurrency theft, security and cybersecurity risks, and system failures.
- We have limited experience in the Arculus ecosystem. We cannot be certain that our new offerings such as Arculus will be able to generate revenues that we project, or at all.
- Regulatory changes or actions may restrict the use of Arculus or cryptocurrencies or subject us to additional regulation and oversight in a manner that adversely affects our business.
- We may be unable to safeguard against misappropriation or infringement of our intellectual property.
- We may not be able to recruit, retain and develop qualified personnel.
- We may be unable to develop and introduce new products and services in a timely manner.
- If we fail to comply with the standards of the PCI Security Standards Council or other industry standards such as Payment Networks certification standards, our designation as a registered service provider could be suspended or terminated and our customers could terminate their agreements with us and refuse to do business with us.
- Our business is dependent on consumer and business spending.
- Our international sales subject us to additional risks.
- We have a substantial amount of indebtedness, which may limit our operating flexibility.
- The lenders under our credit facility could elect to accelerate payments due and terminate all commitments to extend further credit upon an event of default.

