

CompoSecure Inc

Fact Sheet

C M P O

LISTED

NASDAQ

COMPOSECURE

QUICK REFERENCE

CompoSecure Inc.

NASDAQ: **CMPO**

www.COMPOSECURE.com

BUSINESS SUMMARY

Founded in 2000, CompoSecure is a technology partner to market leaders, fintechs and consumers enabling trust for millions of people around the globe. The company combines elegance, simplicity and security to deliver exceptional experiences and peace of mind in the physical and digital world. CompoSecure's innovative payment card technology and metal cards with Arculus security and authentication capabilities deliver unique, premium branded experiences, enable people to access and use their financial and digital assets, and ensure trust at the point of a transaction.

PRODUCTS

- **Arculus™** provides seamless and strong key-based security by integrating our digital security technology into your platform. Arculus protects you and your customers with passwordless login, multi-factor identity authentication, non-custodial crypto key management, and fraud reduction. *Learn more at getarculus.com*
 - CompoSecure's premium Metal Veneer card construction consisting of environmentally friendly materials and high quality production techniques
 - New cold storage wallet solution for simple, safe and secure management of cryptocurrency
 - 3-Factor Authentication including the highest level of security with a best-in-class CC EAL6+ Secure Element
 - Custom solutions for business partners
- **Metal Cards** CompoSecure is proud to offer customized metal card manufacturing services. Our diverse industry experience provides a very collaborative environment to enhance card designs with materials and production techniques not available in standard plastics. Our patented metal card technology puts us in a position uniquely suited to meet the needs of our financial institution's affluent customer. Our metal cards have consistently been top of wallet over the last decade. They elevate the cardholder's experience at point of sale, which increases consumer spend and cardholder retention.

CONTACT INFORMATION

Headquarters
309 Pierce Street
Somerset, NJ 08873

Barwicki Investor Relations
Andrew Barwicki
516-662-9461 / andrew@barwicki.com

Recent Press Releases *(Headlines and Excerpts)*

CompoSecure Earns SOC 2 Type 2 Certification

Certification further establishes CompoSecure as a trusted leader in secure financial payments and protecting digital assets and identities

Dec. 19, 2022-- CompoSecure, Inc. today reported it earned its Service Organization Control (SOC) 2 Type 2 certification. Successful completion of the SOC 2 Type 2 audit validates that CompoSecure's security, data controls, privacy capabilities and technology have been designed, implemented and operated effectively to meet industry-leading security practices. This certification is particularly crucial when it comes to earning and maintaining customer trust within the payments, secure authentication and cold storage hardware wallet markets.

A SOC 2 Type 2 audit is a comprehensive reporting framework established by the American Institute of Certified Public Accountants (AICPA) in which an accredited independent, third-party firm conducts an assessment and testing of controls using the Trust Services Criteria (TSC) of security, availability, processing integrity, confidentiality and privacy. The audit verifies that necessary safeguards are operational and in place to protect customer data.

CompoSecure's audit was performed by Kirkpatrick-Price, a licensed CPA firm and SOC 2 audit specialist that holds CISSP, CISA and CRISC certifications to maintain SOC 2 compliance. CompoSecure received a SOC2 report issued without qualification or exceptions.

CompoSecure Reports Record Third Quarter 2022 Financial Results and Raises 2022 Guidance

- **Net Sales up 56% YoY to a Record \$103.3 Million** -

- **Net Income up 17% YoY to \$21.9 Million or \$0.18 EPS** -

- **Adjusted EBITDA up 33% YoY to a Record \$32.7 Million** -

- **Expects 2022 Net Sales at the High End of Guidance; Raises 2022 Adjusted EBITDA Outlook** -

Nov. 2, 2022-- CompoSecure, Inc. announced financial and operating results for the third quarter ended September 30, 2022.

Q3 2022 Financial Highlights (vs. Q3 2021)

- Net Sales: Net Sales increased 56% to \$103.3 million compared to \$66.2 million, with the increase primarily driven by continued growth in the Company's premium payment card business, customer expansion and international demand.
- Gross Profit: Gross Profit increased 71% to \$61.8 million or 59.8% of Net Sales, compared to \$36.1 million or 54.6%. The increase in Gross Profit and margin was primarily driven by higher card issuance volumes and operational efficiencies.
- Net Income/EPS: Net Income increased 17% to \$21.9 million compared to \$18.7 million. Net Income per share attributable to class A common stockholders was \$0.18 per basic and diluted share.
- Adjusted Net Income/Adjusted EPS: Adjusted Net Income (a non-GAAP measure) was \$19.8 million. Adjusted EPS (a non-GAAP measure), which includes both class A and class B shares, was \$0.26 per basic share and \$0.22 per diluted share (see reconciliation of non-GAAP measures shown in table below).
- Adjusted EBITDA: Adjusted EBITDA (a non-GAAP measure) increased 33% to \$32.7 million compared to \$24.6 million, with the increase primarily driven by Net Sales growth and margin expansion, as well as managing investments based on growth expectations.
- Balance Sheet: As of September 30, 2022, the Company had approximately \$15.4 million of cash and cash equivalents and \$373.1 million of total debt, which includes approximately \$233 million of term loan, \$10 million of revolver, and \$130 million of exchangeable notes.
- Shares Outstanding: As of September 30, 2022, the Company had approximately 76.3 million shares outstanding which includes approximately 15.8 million class A shares and 60.6 million class B shares (for more information on shares outstanding, both basic and diluted, please refer to our 10-Q and [the accompanying earnings presentation](#)).

Recent Operational Highlights

- Strong domestic growth in payment card business including new clients across banking, gaming, fintech, entertainment and exchanges.
- International Net Sales up more than 35% year-over-year to \$19.5 million, primarily driven by strong demand for premium payment cards and growth in distributor channels.
- Added Walmart.com and [Newegg.com](#) as distribution channels for the Arculus cold storage wallet.
- Appointed fintech and banking veteran Paul Galant to the Company's Board of Directors.

2022 Financial Outlook

The Company is narrowing its Net Sales range for 2022 to the high end of our previously announced guidance and now expects Net Sales for the year between \$370-\$380 million (previously \$355-\$380 million) reflecting an approximate 40% increase from 2021 at the midpoint. CompoSecure is also increasing its 2022 outlook for Adjusted EBITDA and now expects it to range from \$130-137 million (previously \$110-120 million) reflecting an increase of approximately 31% from 2021 at the midpoint.

This Company Fact Sheet is distributed by Andrew Barwicki, Investor Relations. Contact Info: 516-662-9461 / andrew@barwicki.com

The information contained is neither an offer to sell nor a solicitation of an offer to buy any securities mentioned. This Company Fact Sheet is an information publication and is considered investor relations & financial public relations material. All information is compiled from SEC Filings (U.S. Securities and Exchange Commission), press releases, conference calls, shareholder meetings, investment conferences, analyst reports, internet, company website and/or senior management interviews. This document may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

Standard Mail
U.S. Postage Paid
Garden City, NY
Permit No. 431

CompoSecure Inc

NASDAQ: CMPO

www.composecure.com

Barwicki Investor Relations * 30 Wall Street, 8 FL * New York, NY 10005

Deliver to: