

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

ROMAN DBDR TECH ACQUISITION CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

Not Applicable

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Not Applicable

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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): July 15, 2021

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

Delaware
(State or other jurisdiction
of incorporation)

001-39687
(Commission
File Number)

85-2749902
(IRS Employer
Identification No.)

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**”).

Furnished as Exhibit 99.1 hereto is the analyst presentation to be used by the Company and CompoSecure in connection with the analyst day meeting.

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.

Important Information About the Merger and Where to Find It

This Current Report on Form 8-K (“**8-K**”) relates to a proposed transaction between the Company and CompoSecure. This 8-K does not constitute an offer to sell or exchange or the solicitation of an offer to buy or exchange, any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, sale or exchange would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed Merger, the Company has filed a preliminary proxy statement with the U.S. Securities and Exchange Commission (“**SEC**”), and intends to file with the SEC a definitive proxy statement on Schedule 14A (the “**Proxy Statement**”). This communication is not a substitute for the Proxy Statement or for any other document that the Company may file with the SEC or send to the Company’s stockholders in connection with the proposed transaction. BEFORE MAKING ANY VOTING DECISION, INVESTORS AND SECURITY HOLDERS OF THE COMPANY 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 THE COMPANY, 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 the Company through the website maintained by the SEC at <http://www.sec.gov>. The documents filed by the Company with the SEC also may be obtained free of charge at the Company’s website at <https://www.romandbdr.com/investor-relations> or upon written request to 2877 Paradise Rd., # 702, Las Vegas, Nevada 89109.

Participants in the Solicitation

The Company 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.

Forward-Looking Statements

Certain statements included in this Current Report on Form 8-K ("**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 the Company's or CompoSecure's expectations, hopes, beliefs, intentions or strategies regarding the future, including, without limitation, statements regarding the proposed Merger, the ability of the parties to consummate the Merger, and future financial performance and strategy. 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 8-K, and on the current expectations of CompoSecure's and the Company'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 the Company nor CompoSecure gives any assurance that either the Company 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 the Company. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company'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 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, which is expected to be filed by the Company with the SEC and other documents filed by the Company 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 the Company or CompoSecure presently know or that the Company 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 the Company's and CompoSecure's expectations, plans or forecasts of future events and views as of the date of this 8-K. The Company and CompoSecure anticipate that subsequent events and developments will cause the Company's and CompoSecure's assessments to change. However, while the Company and CompoSecure may elect to update these forward-looking statements at some point in the future, the Company and CompoSecure specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's and CompoSecure's assessments as of any date subsequent to the date of this 8-K. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Item 9.01. Financial Statements and Exhibits.

(d) [Exhibits.](#)

[99.1 Analyst Presentation dated July 15, 2021](#)

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: July 15, 2021



ANALYST PRESENTATION

July 2021



Disclaimer

This presentation (this "Presentation") was prepared for use by Roman DEDR Tech Acquisition Corp. ("Roman DEDR") 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 decision. 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 jurisdiction.

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 jurisdiction. 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 DEDR's or Composecure's expectations, hopes, beliefs, intentions or strategies regarding the future, including, without limitation, statements regarding: (i) the ability of Roman DEDR 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 Arculus 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," "forecast," "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 DEDR'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 DEDR nor Composecure gives any assurance that either Roman DEDR 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 DEDR. These forward-looking statements involve a number of risks, uncertainties (none of which are beyond Roman DEDR'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 DEDR with the U.S. Securities and Exchange Commission (the "SEC") and other documents filed by Roman DEDR 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 DEDR or Composecure presently know or that Roman DEDR 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 DEDR's and Composecure's expectations, plans or forecasts of future events and views as of the date of this Presentation. Roman DEDR and Composecure anticipate that subsequent events and developments will cause Roman DEDR's and Composecure's assessments to change. However, while Roman DEDR and Composecure may elect to update these forward-looking statements at some point in the future, Roman DEDR and Composecure specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing Roman DEDR'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 DEDR 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, targets and illustrative presentations in this Presentation should not be regarded as an indication that the Company, or its representatives, considered or considered the financial projections, estimates, targets and illustrative presentation to be a reliable prediction of future events. Further, illustrative presentations are not necessarily based on management projections, estimates, expectations or targets but are presented for illustrative purposes only. No 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 DEDR, 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 in 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 DEDR 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 "™" or "SM" 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 DEDR or Composecure.

Additional Information and Where to Find It

This communication relates to the Proposed Transaction between Roman DEDR and Composecure. In connection with the Proposed Transaction, Roman DEDR 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 DEDR may file with the SEC or send to Roman DEDR's stockholders in connection with the Proposed Transaction. BEFORE MAKING ANY VOTING DECISION, SECURITY HOLDERS OF ROMAN DEDR ARE URGED TO READ THE PROXY STATEMENT AND OTHER DOCUMENTS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THEREOF) FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ROMAN DEDR, 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 DEDR through the website maintained by the SEC at <http://www.sec.gov>. The documents filed by Roman DEDR with the SEC also may be obtained free of charge upon written request to Roman DEDR at 2877 Paradise Rd., #702, Las Vegas, Nevada 89169.

Participants in the Solicitation

Roman DEDR 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 holders 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.

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**INVESTMENT HIGHLIGHTS
AND TEAM OVERVIEW**

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** in targeted convertible unsecured notes and **\$45 million** in targeted equity
- Closing expected in **early Q3 2021**, subject to customary regulatory approvals and Roman shareholder approval

VALUATION

- Transaction implies a pro forma enterprise value of approximately **\$1.2 billion**¹
- Implied valuation multiples²:
 - **4.2x 2021E Net Revenue**
 - **3.4x 2022E Net Revenue** (11.5x 2022E Adj. EBITDA)
- Significant investment opportunity – **projected 53% Net Revenue CAGR '21E – '25E**
- Current shareholders of CompoSecure to maintain approximately 60% pro forma ownership³

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

¹ Includes impact of all 5.789mm founder shares vesting at close

² Based on the midpoint of range of management projections. Please see Financial Overview section

³ 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

Presenters



Dr. Don Basile, PhD

Chairman & Co-CEO,
Roman DBDR

- 20+ years of technology industry experience across
- 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.





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 Small
Chief Financial Officer



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



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 & Chairman, Global Net Lease (NYSE: GNL)



Alan Clingman
LRG ENERGY



Paul Misir



Arun Abraham
M. Klein & Company CHURCHILL CAPITAL



¹ Key DCM Investments
² Prior Board Involvement

Key Investment Highlights

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

“Massive” TAM across markets including payments, cryptocurrency and digital assets

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

Unlocking Value Through Partnership with Roman DBDR



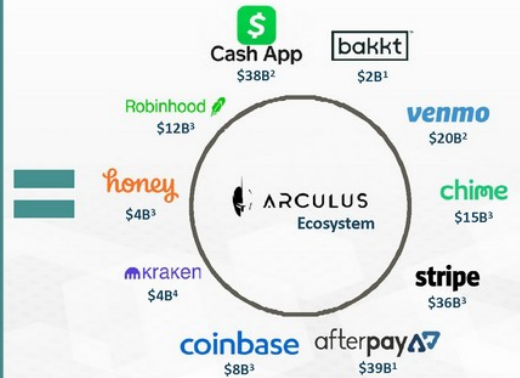
Key CompoSecure differentiators

- ✓ 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



¹ Diluted market capitalizations sourced from FactSet as of February 15, 2021 (except for Bakkt, which pertains to the IPO value)
² Based on sum-of-the-parts valuation of parent company by broker research
³ Sourced from Pitchbook
⁴ Sourced from CoinDesk

Building Digital Assets Ecosystem from Foundation in Superior Hardware



Ecosystem

Hardware

Infrastructure

Apps & Services

3rd Party Apps & Services



Ecosystem

Hardware

Infrastructure

Apps & Services

3rd Party Apps & Services

- Cryptocurrency
- eGaming
- Warranty & Insurance
- Digital assets

Convergence of Two Massive Market Opportunities

Payment Card Market Opportunity¹

14 billion Payment Cards in Circulation Worldwide



CompoSecure Metal Card Sales Volume (2021E)

Metal cards are rapidly growing in popularity, but still only represent ~0.5% of the annual addressable market and ~0.15% of the total cards in circulation

Industry Trends Create Strong Tailwinds:



Contactless / Tap-to-Pay



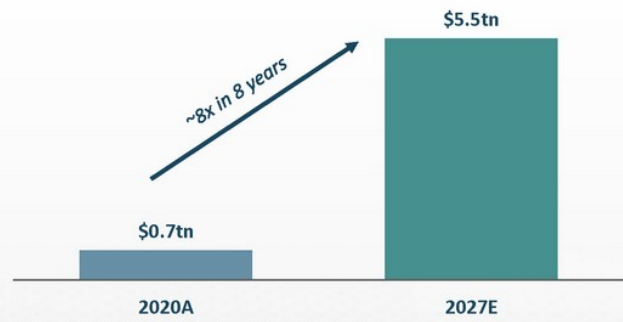
Security & Fraud



Crypto / Blockchain

¹ 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.
² Global Cryptocurrency Market Size By End User, By Type, By Component, By Process, By Geographic Scope And Forecast (Verified Market Research, 2018)

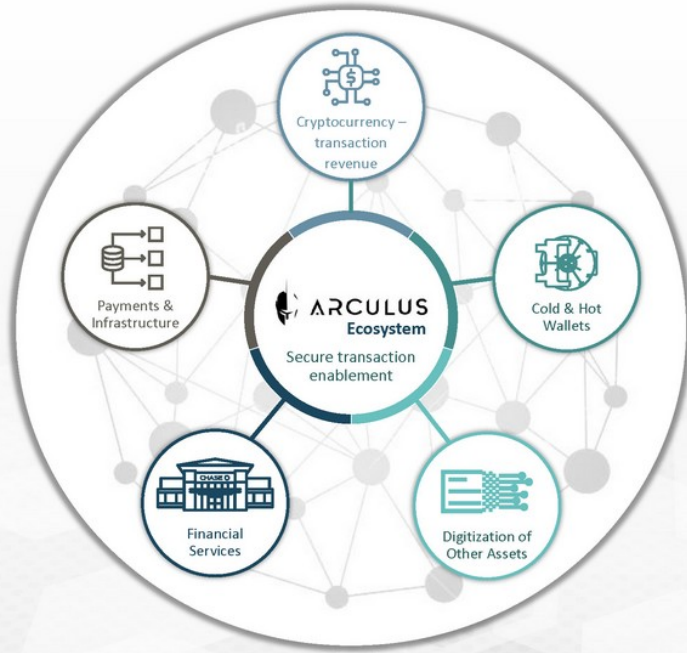
Explosive Growth in Crypto Asset Class²



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

Cryptocurrency is a Burgeoning Asset Class Requiring Bespoke Solutions



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

\$162bn

Avg. Daily Trading Volume for Top 200 Cryptocurrencies by Market Cap¹

\$5.5tn

Expected Market Value of All Cryptocurrencies by 2027E²

234mm

Crypto Wallets by 2025E³

36mm

Crypto Cold Storage Wallets by 2025E⁴

65%

CAGR of Total BTC and ETH Addresses⁵

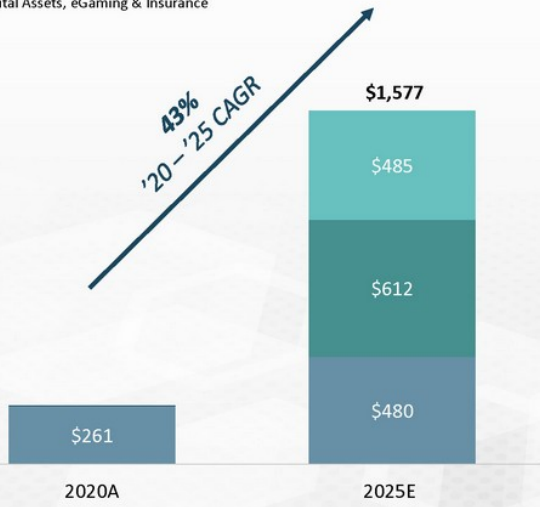
87mm

BTC and ETH Addresses with Non-Zero Balances as of 2021⁶

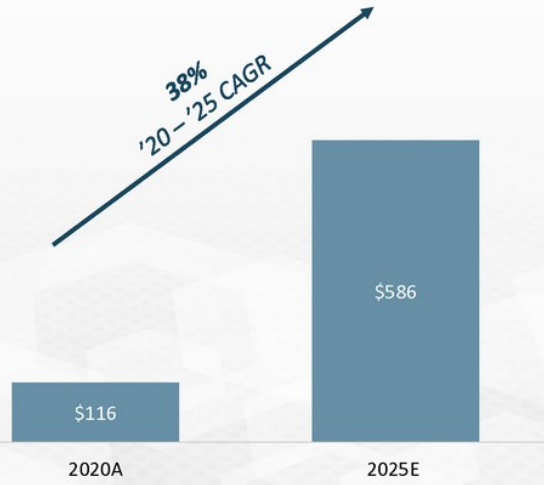
Robust Growth from Substantial Base of Revenue and Profitability

Net Revenue by Solution (\$mm)

- Metal Payment Card Solutions
- Crypto & Arculus Payments Solutions
- Digital Assets, eGaming & Insurance



Adjusted EBITDA (\$mm)



Source: Management estimates



COMPANY OVERVIEW

CompoSecure at a Glance

Leading Developer of New, Highly Differentiated Payment and Cold-Storage Products

Today



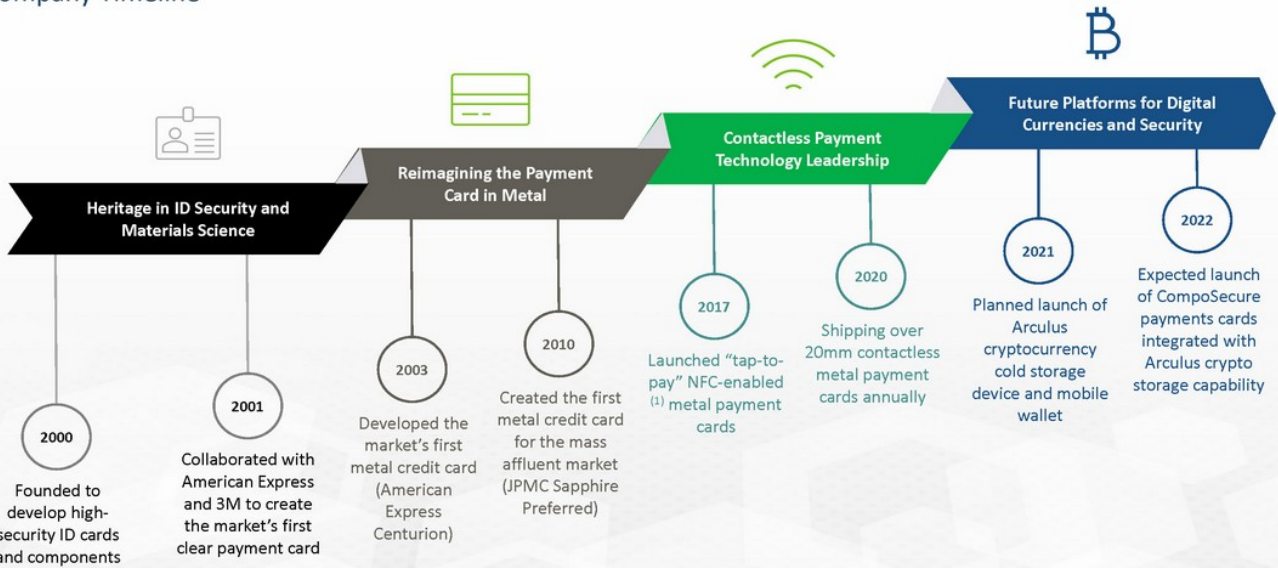
Five-Year Outlook



¹ Figures reflect midpoint of 2021E estimate ranges for net revenue (\$276mm - \$296mm) and Adj. EBITDA (\$95mm - \$110mm)
² CAGR calculated using the midpoint of 2021E net revenue estimate range (\$276mm - \$296mm) and 2025E projection (\$1,577mm)
³ Revenue-weighted average client tenure
⁴ Arculus Ecosystem includes Cryptocurrency Solutions, Digital Assets & eGaming, Arculus Payments, and Warranty & Insurance segments

CompoSecure Builds Platforms for Security and Financial Technology Innovation

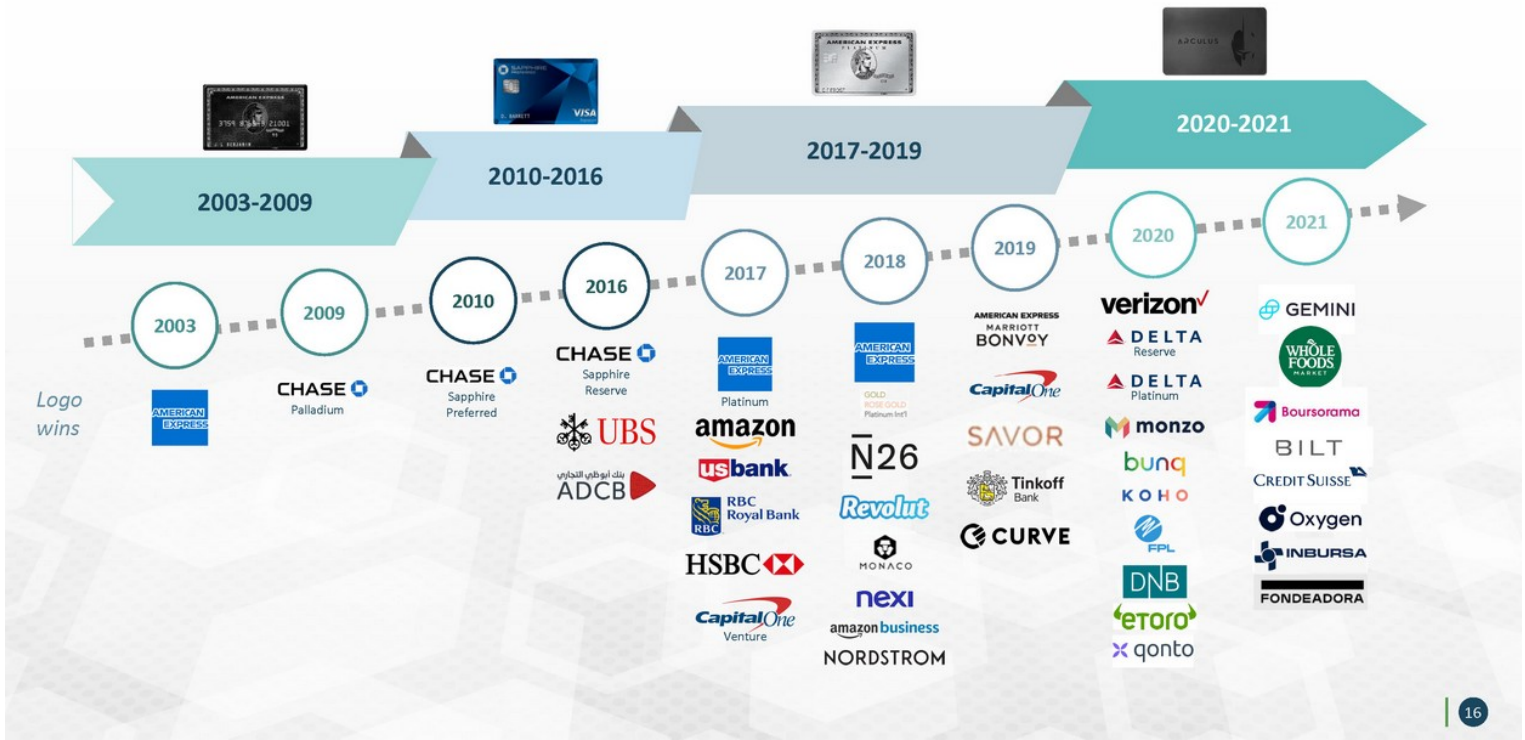
Company Timeline



Multi-decade history of transformative security and financial technology innovations brought to mainstream end markets

(1) "NFC" is an abbreviation for near-field communications

Proven Track Record of Customer Acquisition



CompoSecure's Payment Cards Market

Strong fundamentals with a largely untapped global opportunity

STRONG NEED FOR DIFFERENTIATED CARDS

- Issuers are using differentiated cards and a strong value proposition to acquire new consumers, grow spend with existing, and retain customers
- Traditional plastic card / loyalty programs have become highly commoditized
 - Metal card constructions have become a key selling point for cards

ATTRACTIVE ECONOMICS

- Issuers are continuing to spend significantly to acquire new consumers, grow spend with existing, and retain customers
 - Cost of acquisition for a new card customer is \$300 - \$1,000 ⁽¹⁾
- Relative to other marketing initiatives, the cost of a metal card is relatively low
 - Annual incentive subsidies can cost an additional \$250 - \$1,500 ⁽¹⁾ annually
 - The ROI of a metal card is strong given its relatively low marginal cost

SHIFT FROM AFFLUENT TO MASS AFFLUENT

- Initially, higher priced metal cards were designed for affluent consumers
- CompoSecure innovations have reduced production costs (and prices), enabling banks to target a wider variety of consumers with metal cards
- Metal form factor is becoming increasingly ubiquitous for payment cards targeting "mass affluent" consumers

SUPERIOR METAL FORM FACTOR

- Issuers are expected to adopt new technologies beyond dual interface on cards
 - e.g., dynamic CVV, biometrics, etc.
- Metal is a better form factor (than plastic) for these innovations from a durability perspective
 - Technology integration further supports mass market metal card adoption

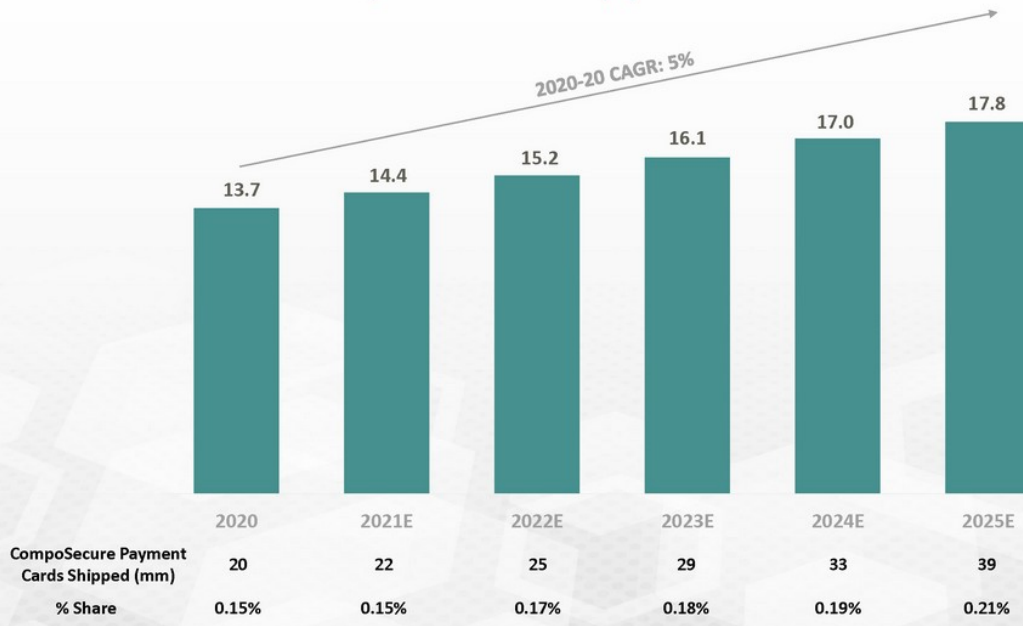
¹ Based on company estimates

² Edgar, Dunn & Company, 2019 Metal Cards Market Sizing and Consumer Research Report

Enormous Global Payment Cards Market

Global Payment Card Markets Are Primed to Grow and Adopt Metal Form Factors

Total Number of Payment Cards in Circulation (bn)



- Card schemes, governments, and central and commercial banks around the world are investing in payment schemes to migrate cash payments to electronic (mostly card-based), fulfill financial inclusion agendas, and encourage regional payment innovations
- Cards are entrenched in consumer payments, and their volumes are forecasted to grow across all regions
 - Fastest regional expansion arises from the rising middle class in developing markets
 - CompoSecure currently delivers cards to issuers in 6 continents
- Over the next five years, CompoSecure’s share of shipped payment cards into total cards in circulation is projected to increase from 0.15% to 0.21%

Source: Edgar, Dunn & Company, 2019 Metal Cards Market Sizing and Consumer Research Report

Differentiated Capabilities

A Metal Payment Card Industry Leader

EXPERTISE

- Extensive trade secrets in metal card printing, proprietary coatings, and specialized etching and engraving
- Key manufacturing equipment heavily customized to enable proprietary processes
- Extensive experience collaborating with clients to craft a wide variety of unique metal designs

PATENTS

- Intense focus on intellectual property
- Extensive protection on metal card manufacturing
- 30 patents issued, 44 pending, and a new wave of technologies under development

EXPANSIVE OPERATIONS

- Ability to provide volume and quality at scale larger than any competitors' existing metal card output
- Strong operating leverage; already producing 20MM+ metal cards annually

TRADE SECRETS

INTELLECTUAL PROPERTY

SCALE

CompoSecure continues to win in the marketplace by leveraging our proprietary processes, intellectual property and scale to deliver best in class products and enable our clients to grow new acquisitions, spending, and improve retention

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
------	------	------	------

Selected Metal Card Programs:



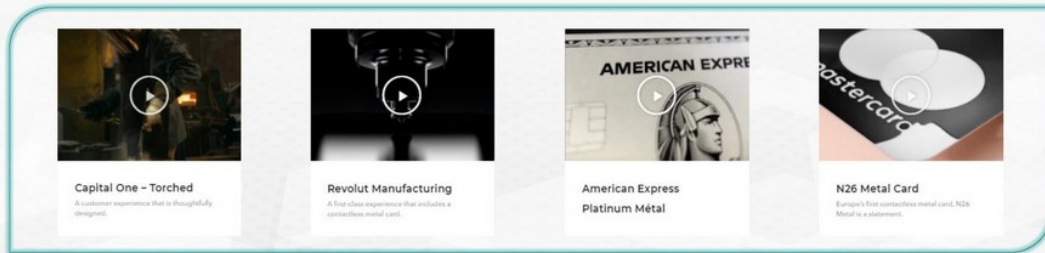
¹ If CompoSecure is unable to provide its products and services at high quality and in a timely manner, its customer relationships may be adversely affected, which could result in the loss of customers, including JPMorgan Chase and American Express, which constituted 33% and 40%, respectively, of CompoSecure's 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.

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 term¹
- 70%+ of people ages 25-44 would prefer metal if all other card benefits were equal¹

Select Issuer Advertisements Highlight CompoSecure's Products²



CompoSecure Serves Issuers' Most Valuable Cardholder Portfolios

¹ Edgar, Dunn & Company, 2019 Metal Cards Market Sizing and Consumer Research Report
² See more in CompoSecure's video gallery at composecure.com/media/#videoanchor

Market Research – Demand for Metal

Rise of the Affluent Segments

- Rapid rise in the affluent-mass and affluent segments across the globe
- Increased consumer spending and fueled consumer demand for premium products and experiences

Key Motivators

- Durability and Look & Feel
- Making an Impression (status)

Source: ¹Edgar, Dunn & Company's research, *Metal Payment Cards Impact, 2019*
Source: ²Neurons October 2019 Analysis

Key findings from 18,000 people across 18 markets:

METAL Over Plastic

65%¹

Consumers would prefer metal cards over plastic cards if all benefits were equal.

METAL Over Plastic

96%²

Consumers preference when evaluating similar card artwork with different constructions

LOYALTY

50%¹

Consumers willingness to change banks for one that offered a metal card

MILLENNIALS

75%¹

Millennials ages (25-34) would also prefer metal if all benefits were equal.

AFFLUENT Attraction

75%¹

Affluent consumers would prefer metal cards if all benefits were equal.

Millennials are Willing to Pay a Higher Price for Premium



75%

millennials ages (25-34) would also prefer metal if all benefits were equal.

55%

millennials are willing to pay a higher price for high-quality premium products, compared to 35% of Baby Boomers.

60%

millennials prefer to be unique and stand out from the crowd. Quality and uniqueness is the most important factors of luxury products for them.



Millennials want to show status, perceived wealthiness and want to flaunt their unique experiences via social media channels.

Source: Global Data – Millennials are an important cohort to the population; Nielson, Global Data, Deloitte, Euromonitor & EDC Research

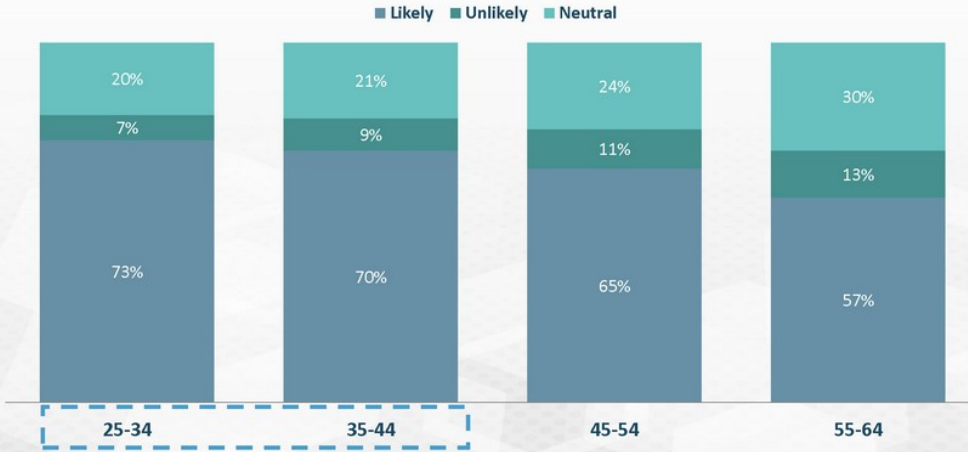
Strong Consumer Demand for Metal Cards

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

Consumer Preference for Metal Cards by Age Group

Survey Question:

How likely are you to select a metal card offer when you are looking for a new credit or debit card?¹



¹ 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)
² 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 card¹

55%

millennials are willing to pay a higher price for high-quality premium products, compared to 35% of Baby Boomers²

Attractive Metal Card Economics for Issuers

\$1,500+ Typical individual customer lifetime value within premium card portfolios

Metal Cards

Issuers pay for a new card and issue to the cardholder **once every 3-5 years** ⁽¹⁾



Rewards Payouts

Cost issuers over 30x the price of one metal credit card ⁽²⁾ **annually**



Travel Credits



Cash Back

...and Other Benefits

Illustrative Payback on Conversion of Mass Affluent Card Program to Metal

- Cost of metal card is substantially outweighed by customer lifetime value and requires limited incremental spend or new customer wins to achieve breakeven for the issuer
- Any of the following portfolio improvements driven by metal card conversion will independently create positive ROI for an illustrative average mass affluent card program ⁽³⁾

1-3%

Increase in Rate of New Account Acquisition

2-5%

Organic Spend Lift

3-7%

Attrition Reduction

Conversion of payment card programs to metal supports:

1. Incremental new accounts acquired
2. Organic spend lift
3. Reduction in cardholder attrition

¹ Reflects current expiration cycle range

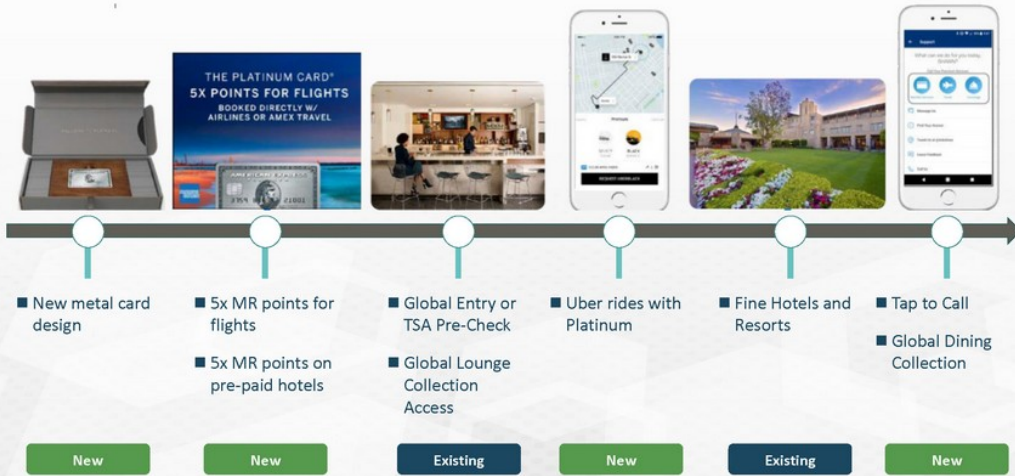
² Estimated based on the typical price of CompoSecure metal cards in 2019

³ CompoSecure proprietary analysis based on average program embedded acquisition costs and portfolio performance to assess payback on conversion to CompoSecure's metal card products

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
¹ Through Dec '17 YoY
² Non-airline billings growth. Airline increased by 20%

52% ↑

New Accounts Acquired & Upgrades¹

17% ↑

Q4 '17 Spend Growth²

290K

Metal Cards Proactively Requested by Customers

47%

Percentage of New Platinum Accounts that are Millennials

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 Spend¹

+ €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 Card²

¹ 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

² 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

Key Trends Impacting Issuers

Given Demonstrated Consumer Behaviors and Market Dynamics, Issuers Continue to Rely on Payment Cards



Contactless Cards ("Tap-To-Pay")

- Usage of contactless physical payment cards has outpaced that of digital wallets for consumers who have both modalities available
- J.P. Morgan Chase reports that physical card tap to pay usage is 2.4x higher than digital wallet payments among their accountholders ⁽¹⁾



Mobile Wallets

- Entrenched consumer preference for physical cards and payment habits are difficult to change
- Without clear demonstrated benefits, consumers have largely not been compelled to switch from physical cards to mobile wallets
- Mobile wallets continue to comprise an immaterial portion of in-store sales (e.g., Apple Pay share of U.S. in-store sales for 2020 was estimated to be 1.5% versus 0.1% in 2015) ⁽³⁾



E-Commerce

- Despite more than two decades of relatively mainstream availability, e-commerce share of U.S. total retail sales is only ~13% ⁽²⁾

⁽¹⁾ J.P. Morgan Chase 2019 Investor Day Presentation

⁽²⁾ Source: PYMNTS: "How Consumers Are Using The Mobile Wallet To Make Purchases At The Physical POS"

⁽³⁾ U.S. Census Bureau: 3rd Quarter 2020 Retail E-Commerce Sales Report

Entrenched Consumer Payments Behavior

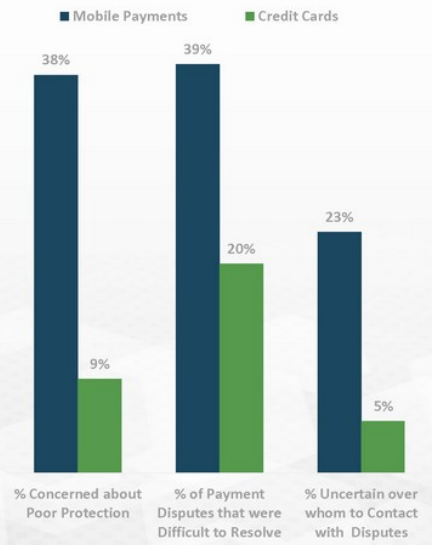
Consumer Mobile Payments Usage Has Slowly Increased Since Apple Pay's Initial Rollout in 2015



While the Apple Pay Ecosystem Has Expanded Substantially Since Launch, Apple Pay Consumer Usage Remains Limited

Consumer Concerns ⁽²⁾

30% of surveyed consumers opted to not use mobile payments due to concern about loss of funds



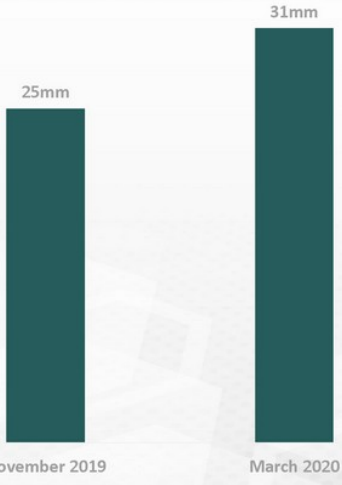
(1) Source: PYMNTS: "How Consumers Are Using The Mobile Wallet To Make Purchases At The Physical POS"; Apple Pay consumer usage percentage based on survey of 2,998 consumers who own smartphones, have installed Apple Pay, and made a purchase at a store that accepts Apple Pay; 2020 data collected from survey conducted in September 2020
 (2) Source: Pew: "Are Americans Embracing Mobile Payments?"; Pew 2018 survey of 1,178 consumers who made a payment in the past year

COVID-Driven Acceleration of Tap-To-Pay Adoption

Consumers, Key Industry Stakeholders, and Governments Are Turning to Contactless Cards to Minimize COVID Risks

US Consumers That Used Visa Tap-To-Pay

25% Growth in Visa US Tap-To-Pay Monthly Consumer Usage in Four Months



<p>100% YoY Growth in Visa U.S. Retail Tap-To-Pay Transactions (March 2020)</p>	<p>40% YoY Growth in Mastercard Global Tap-To-Pay Transactions (Q1'20)</p>
<p>82% of Consumers Perceive Contactless as a Cleaner Payment Method</p>	<p>46% of Cardholders Have Swapped Top-Of-Wallet Card for a Card with DI Functionality</p>
<p>79% of Consumers Worldwide Use Tap-To-Pay</p>	<p><\$25 Typical Contactless Payment Size (i.e., Taking the Place of Cash)</p>
<p>50 Countries that Have Increased Contactless Transaction Spend Limits in Response to COVID</p>	<p>50% Reduction in Payment Terminal Physical Contact in the UK After Contactless Spend Limit Increase</p>

DI Cards Offer a Safer, Cleaner, and Faster Way to Pay that Is Driving Accelerated Contactless Payment Adoption

SOURCES
 Visa. "Merchants and consumers turn to tap to pay as part of new daily routines." April 30, 2020.
 Mastercard. "Mastercard study shows consumers moving to contactless payments for everyday purchases as they seek cleaner, touch-free options." April 29, 2020.

CompoSecure's Commitment to Sustainability

CompoSecure's Impact Goes Beyond Providing Premium Financial Cards Into Global Sustainability Efforts

Steel is the World's Most Recycled Material ⁽¹⁾

The stainless steel in CompoSecure's metal cards is comprised of 75% recycled stainless steel

For every one million metal veneer cards manufactured, more than ten tons of material is saved from going to landfills



© Gilberto Cervantes created this image with an intention of raising awareness about the environmental issues and climate change.

Create Stickiness with Recovery Programs

When sending a cardholder a new card, some issuers include a postage paid return envelope to return expired metal cards for shredding and recycling

CompoSecure believes truly sustainable products should not only meet the intended design life requirements, but also should have their components recaptured at the end of life to be used again to minimize waste



© Melting ice-berg, created by independent artist Jan Erik Waider specializing in Nordic landscapes photography.

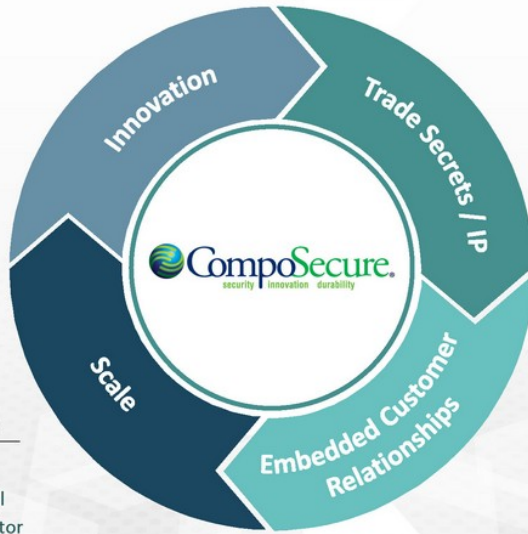
(1) <https://www.steelsustainability.org/recycling>

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



30 Patents Issued



44 Patents Pending

- Deep engineering expertise
- Proprietary material science capabilities

100+ Card Programs



CHASE

CURVE

Revolut

Capital One

MONACO



N26

verizon



675+
Employees



22mm
Metal Cards
Annually¹



9
Direct
salespeople



7
Global
Distributor
Partners

CompoSecure's Growth Opportunities

CompoSecure is an Engine of the Accelerating Transformation of Payment Cards to Metal



Domestic Expansion

- **Substantial white space** remains in the transformation of payment cards to metal among existing and prospective issuer clients
- **Potential mass segment** conversion to metal

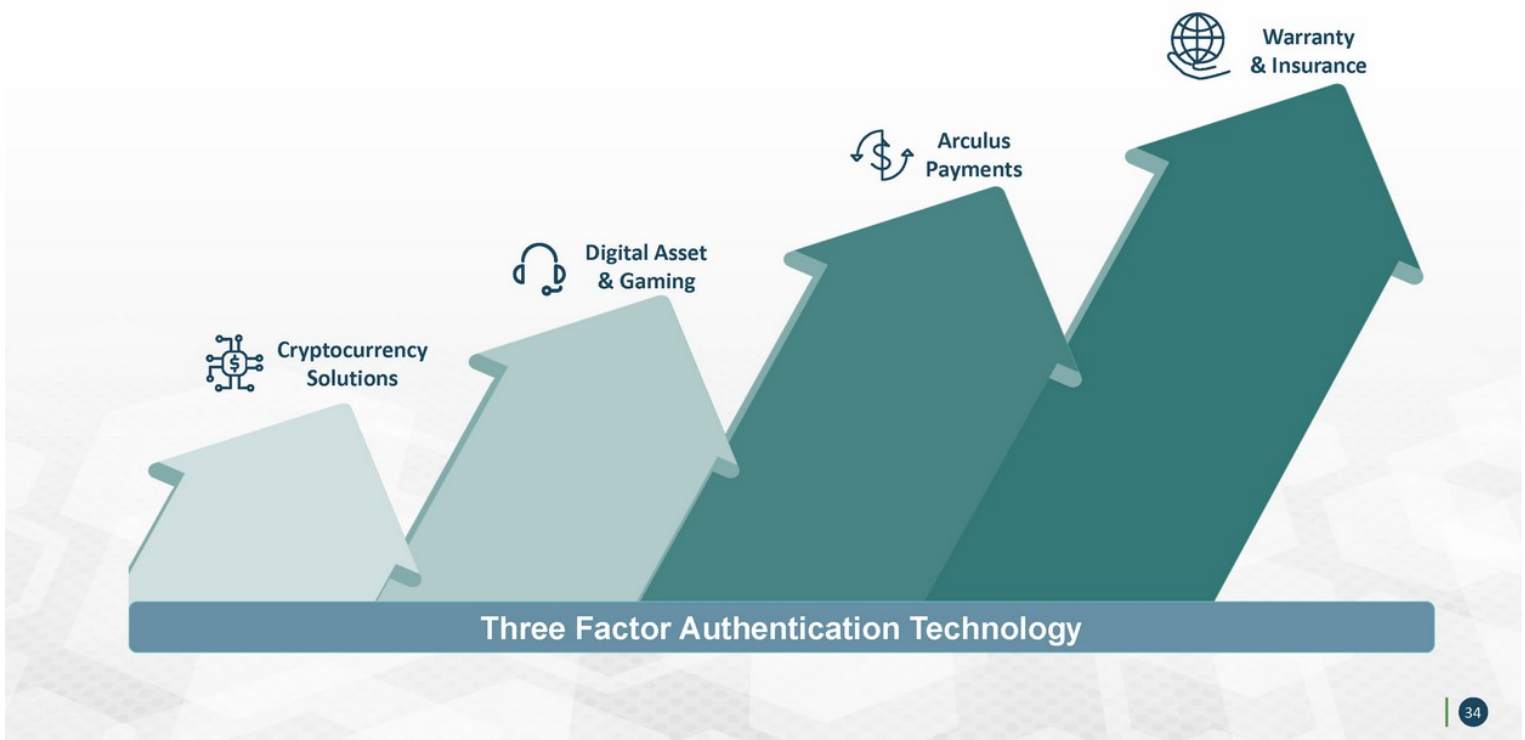
International Growth

- Still in **early stages of international payment card conversion to metal** in Europe, Asia, Middle East, and Latin America
- **2020 international revenue was \$47mm, ~6x 2017 revenue of \$8mm**

Technology & Innovation

- Track record of growth from **innovation in card design and payment technology integration**
- **FinTech innovators and digital challenger banks** are increasingly seeking premium physical touch points

CompoSecure is Pursuing Multiple New Large Growth Opportunities





GROWTH EXECUTION PLAN

Building Digital Assets Ecosystem From Foundation in Superior Hardware



Ecosystem

Hardware

Infrastructure

Apps & Services

3rd Party Apps & Services



Ecosystem

Hardware

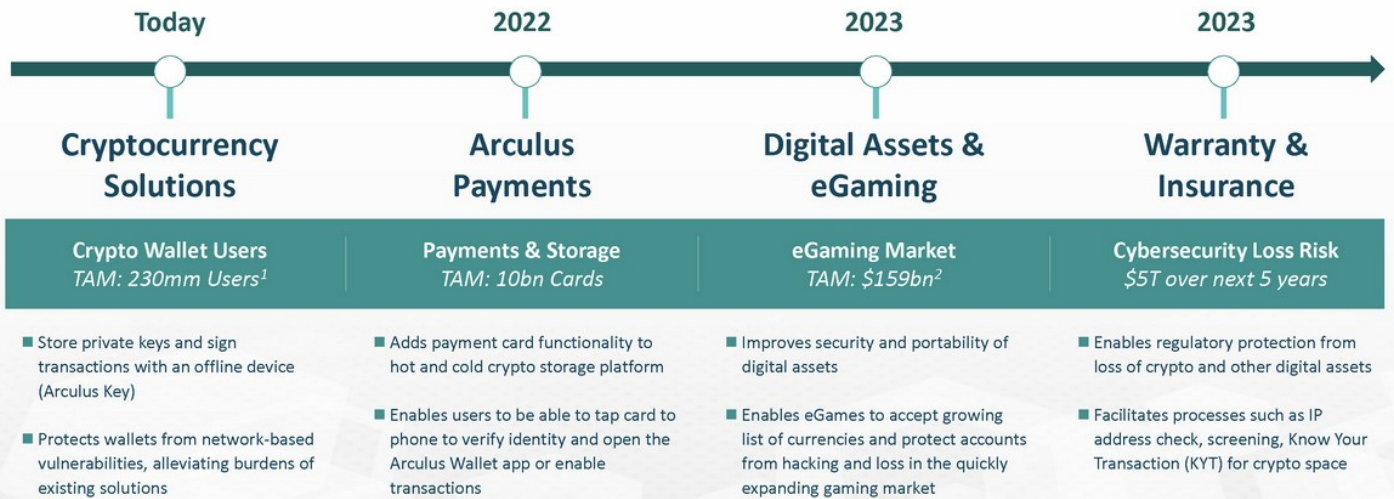
Infrastructure

Apps & Services

3rd Party Apps & Services

- Cryptocurrency
- eGaming
- Warranty & Insurance
- Digital assets

The Arculus Ecosystem Roadmap

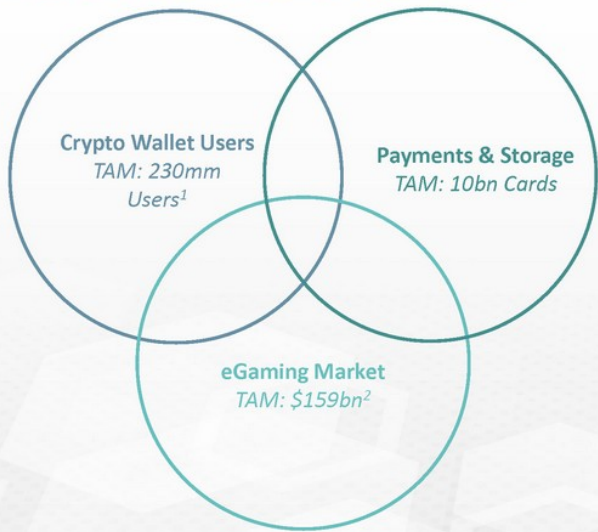


Superior hardware and 3 factor authentication technology provides platform to drive \$1bn+ of revenue

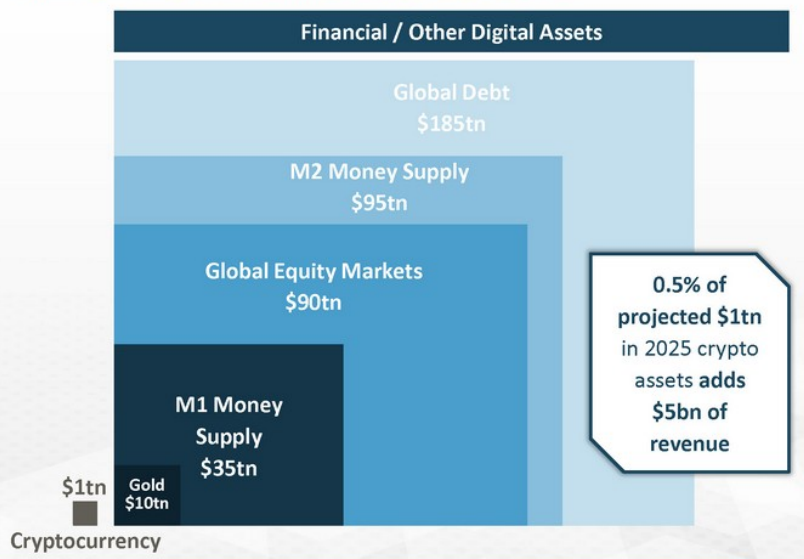
Sources: Accenture, Bessemer State of the Cloud 2020, Bond Capital, IDC
¹ Estimated global crypto wallet users (all cold and hot) by 2025E
² Spend on video games, increasingly monetized in-game. Source: NewZoo, 2020

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, Bend Capital, IDC
¹ Estimated global crypto wallet users (all cold and hot) by 2025E
² Spend on video games; increasingly monetized in-game. Source: NewZoo, 2020

Cryptocurrency Wallets Exist in a Variety of Forms

Hot Wallets

Generate and store private and public keys and digitally sign transactions all within internet-connected devices where storage of the keys are hosted by a third party (e.g., exchange-hosted)

Cold Storage Wallets

Store private keys and sign transactions in an offline device, with the private key maintained by the user, protecting the wallet from network-based vulnerabilities

Offline Storage

None

Typical Design Characteristics

Day-to-day transaction activity
Seamless experience
Elevated cyber-theft risk

Hardware Cold Storage Devices



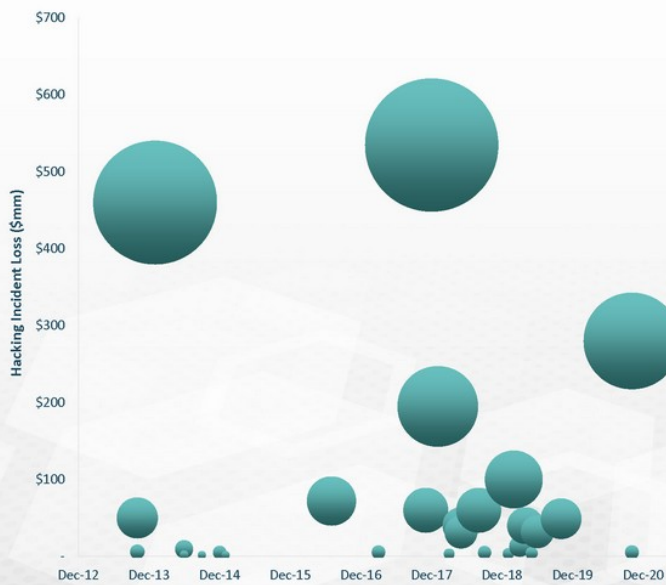
Longer-term storage
Cumbersome transactional experience
Highly secure (though attack vectors remain for many solutions)

Arculus will alleviate the burdens of existing cold storage solutions

The risk of hacks and other cybercrime theft of crypto assets is driving demand for the enhanced security of cold storage over exchange-provided wallets.

Hackers Are Targeting Cryptocurrency Assets Accessed by Hot Wallets

Cryptocurrency Exchange Hot Wallet Hacking Incidents with Losses of Greater than \$1mm (\$mm) ⁽¹⁾



(1) <https://www.ledger.com/academy/crypto/hacks-timeline/>
(2) <https://www.bankinfosecurity.com/turkish-police-probe-thodex-cryptocurrency-exchange-a-16455>
(3) <https://www.protocol.com/newsletters/protocol-fintech/cash-app-coinbase-hacks?rebelltitem=1#rebelltitem1>

Rising Awareness of Crypto Ecosystem Security Risks

- From November 2013 through November 2020, crypto exchanges suffered ~30 cyberattacks that each resulted in at least \$1mm in losses
- These hacking incidents resulted in over \$2bn in aggregate losses
- Across public and private wallets, hackers are estimated to steal \$65 dollars in crypto assets every second
- In April 2021, Turkish exchange Thodex had about 390K active users and none have been able to withdraw their funds⁽²⁾
- Hacked Japanese bitcoin exchange Mt. Gox went out of business after the theft of 650K bitcoins worth around \$474mm⁽²⁾
- Hackers targeted users of Coinbase and Square's Cash App, reportedly draining some accounts...Some customers have complained that the companies aren't doing enough to protect them or to explain what happened⁽³⁾

Nature of Early Incumbent Cold Storage Hardware Products

Cold storage wallet hardware products available in the market today provide a suboptimal user experience and may not adhere to true cold storage security principles



Embedded Friction in the User Experience

Cold storage products today require users to make manual inputs in small hardware wallet devices when authorizing each transaction



Battery Power Limits Mobility

Necessity of charging cold storage hardware devices limit their mobility and create friction on the user



Product Inconsistent With True Cold Storage Security

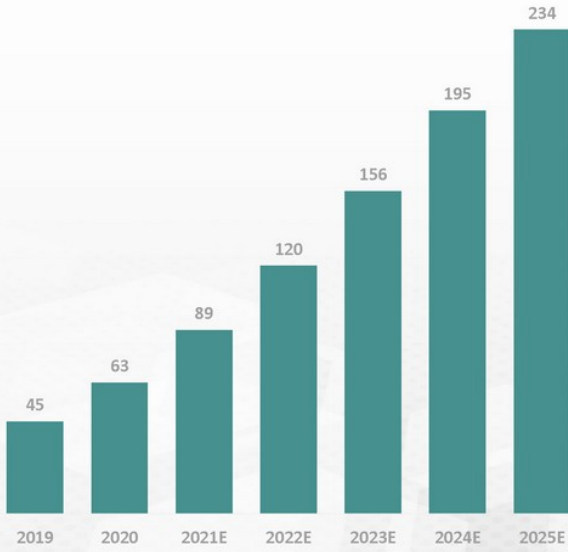
Many cold storage hardware products today connect directly to users' Internet-linked PCs and mobile devices and store recovery passcodes on the same hardware that private keys are stored, lacking air-gapped security

Crypto Wallet Addressable Market

Rapidly Growing Base of Crypto Wallet Users as Ownership of Digital Currencies Becomes Increasingly Ubiquitous

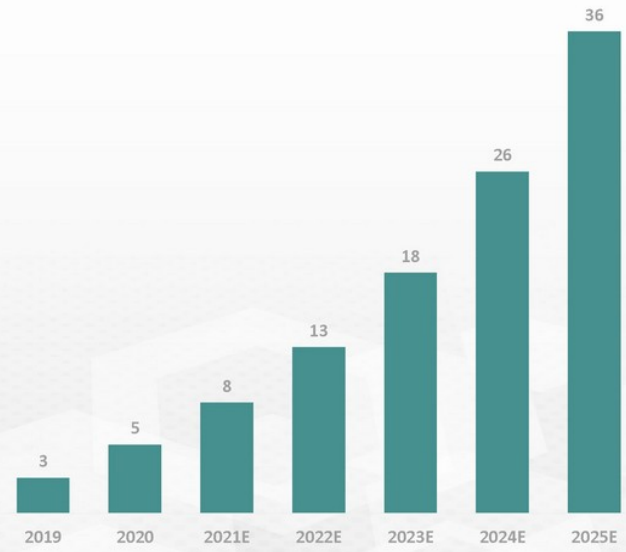
Estimated Crypto Wallets (mm) ⁽¹⁾

2019-25E CAGR: 32%



Estimated Global Cumulative Cold Storage Hardware Wallet Market Unit Sales (mm) ⁽²⁾

2019-25E CAGR: 54%



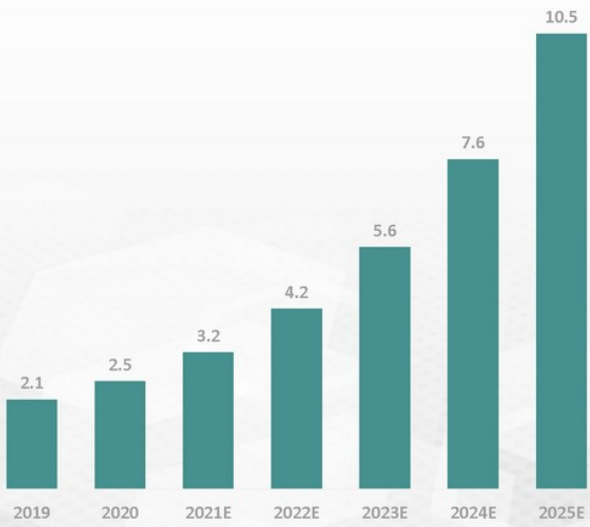
(1) Source: Blockchain.com and CompoSecure Management estimates; figures shown are for Blockchain.com-issued wallets only
(2) Source: "Global Hardware Wallet Market," (Mordor Intelligence, 2020) and CompoSecure management estimates

Cold Storage Hardware Wallet Estimated Annual Sales

Demand Is Underpinned by Expanding Cryptocurrency Ownership and Desire for Enhanced Security

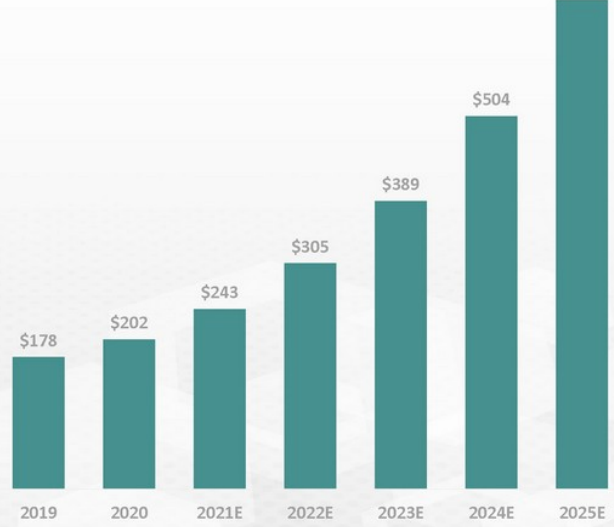
Estimated Global Annual Cold Storage Hardware Wallet Market Unit Sales (mm) ⁽¹⁾

2019-25E CAGR: 31%



Estimated Global Annual Cold Storage Hardware Wallet Market Revenue (mm) ⁽²⁾

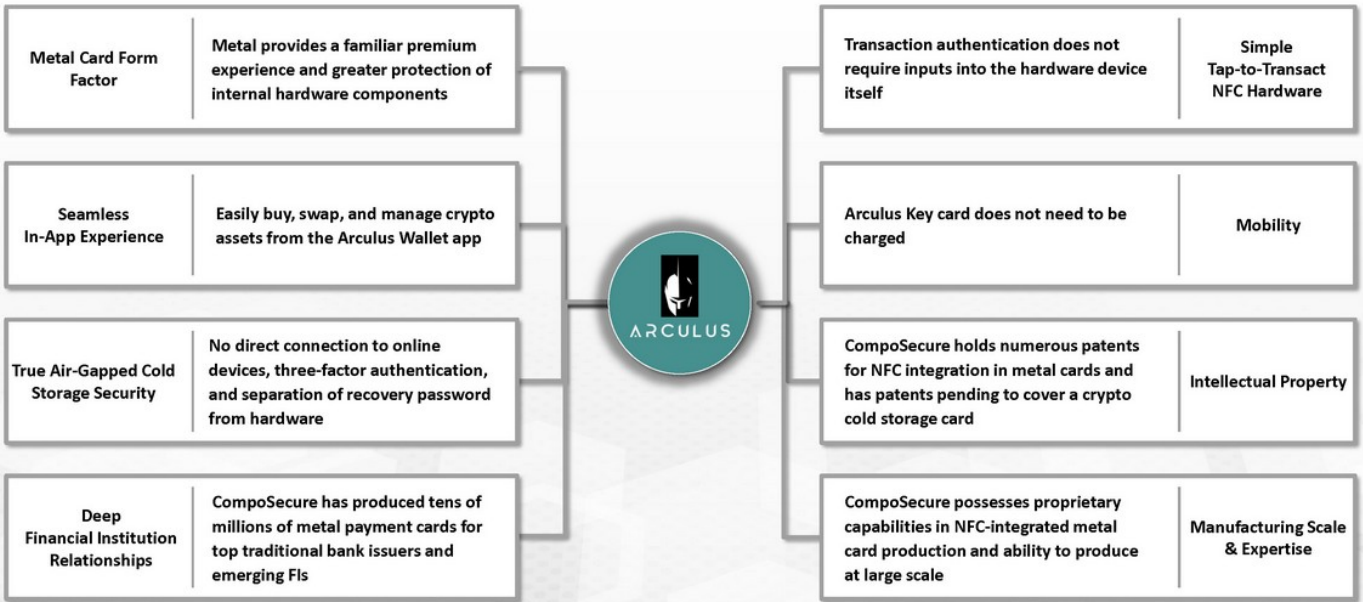
2019-25E CAGR: 24%



(1) Sources: "Global Hardware Wallet Market," (Mordor Intelligence, 2020) and CompoSecure management estimates
(2) Source: "Global Hardware Wallet Market," (Mordor Intelligence, 2020)

CompoSecure Aims to Leverage Unique Strengths for Arculus

Advantages in Product Design, Security, Financial Institution Relationships, and Manufacturing Capabilities

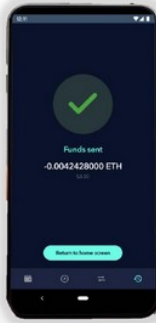


Arculus Enables Safe Storage for Crypto Assets

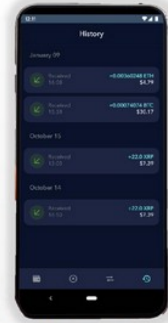
Superior User Experience



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 Video¹

Password: Arculus2021

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

Arculus Cold Storage Wallet



Easily and securely buy, swap, and store cryptocurrencies with Arculus

- The Arculus platform features the proprietary, easy-to-use Arculus Wallet mobile app and slim, metal Arculus Key card
- The platform utilizes advanced three-factor authentication security across different form factors: (1) biometric; (2) PIN; and (3) Arculus Key card
- The Arculus Key card is a truly air-gapped, crypto PINS and key storage solution that easily connects to the Arculus Wallet mobile app via encrypted NFC connection (“tap-to-transact”)
- The Arculus Key card does not need to be charged and does not involve manual inputs to the card itself to authenticate, only requiring the user tap the card to the phone
- Arculus provides greater depth of defense by separating the recovery passcode from the encrypted keys located on the Arculus Key card

Arculus Alleviates the Burdens of Other Crypto Storage Solutions




	Card	Fob	USB	NONE
Offline Storage	✓	✗	✗	✗
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

	 ARCULUS	Ledger	Trezor Model T
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	\$80-\$120	\$60-\$120	\$170

Multi-Pronged Go-To-Market Strategy and Revenue Model

Opportunities to Monetize Across Hardware Sales, Transaction Fees, and Recurring User Fees



Consumer Sales

B2C



Financial Institutions Seeking to Offer Crypto Solutions

B2B2C



Established Crypto Market Platforms

Markets & Channels

**Direct-to-Consumer (DTC)
Retail (E-Commerce & In-Store)**

**Traditional Banks
Emerging FinTechs**

**Cryptocurrency Exchanges
Transaction Processors**

Revenue Model

Arculus Key Card Hardware Sales
Sold DTC or wholesale
Transaction Fee⁽¹⁾
Volume-based fee for transactions placed through the Arculus Wallet app

Arculus Key Card Hardware Sales
Sold wholesale to FI partner
Transaction Fee⁽¹⁾
Volume-based fee for transactions placed through the Arculus Wallet app

Arculus Key Card Hardware Sales
Sold wholesale to crypto partner
Transaction Fee⁽¹⁾
Volume-based fee for transactions placed through the Arculus Wallet app

Recurring User Fee⁽¹⁾
Monthly fee per user

Recurring User Fee⁽¹⁾
Monthly fee per user

Value Proposition

Deliver best-in-class crypto cold storage product to serve rapidly growing consumer demand

Differentiate the FI partner's offerings with a crypto cold storage solution in a premium metal form factor

Differentiate the crypto partner's platform with a premium cold storage offering

Better serve increasing FI customer demand for crypto solutions

Reduce customer churn to off-platform wallets that take assets and transactions away from the crypto partner's platform and support / promote exchanges' DeFi wallets

⁽¹⁾ B2B sales are assumed to include a hardware sale and the potential for transaction fees or recurring user fees depending on the partnership. Transaction fees are a revenue share arrangement with Arculus' processing partners for transactions placed through the Arculus Wallet app

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*

Envisioned Arculus Platform Evolution

Offerings Are Set to Expand as the Use of Crypto Assets and Products Become Increasingly Mainstream

Arculus Cold Storage

- Air-gapped, NFC-enabled true cold storage in a premium metal card
- To serve crypto wallet users that seek the enhanced security of true cold storage (B2B and B2C)

Estimated Launch
September 2021

Arculus + Secure Log-in Cold & Hot Storage

- Arculus Plus card to support both cold and hot wallets
- Hot wallet function only verifies air-gapped Arculus identity token with FIDO2 security
- Verifies identity with registered card instead of signing actual transaction
- Offers enhanced security for all crypto wallet holders, not just cold storage users

Estimated Launch
2022

Payments + Arculus + Secure Log-in Payments & Storage

- Adds payment card functionality to hot and cold crypto storage platform
- Users to be able to tap card to phone to verify identity to open the Arculus Wallet app or enable transactions
- Bypass customer service
- Enables three-factor authentication

Estimated Launch
2022



**BUSINESS
UPDATE**



Business Update

Building & growing relationships with crypto industry leaders on differentiated products:

- Growing relationship with **Crypto.com** for metal cards across North America, Asia, and European markets. Crypto.com has over 10 million users worldwide and is a top-ten finance app in both the App Store and Google Play.
- Partnered with **Gemini** on cryptocurrency rewards metal credit card that earns up to 3% back on purchases in bitcoin or more than 40 other cryptocurrencies. Gemini has announced a waitlist of more than 250,000 customers.

Expanding security and authentication capabilities through Nok Nok partnership:

- Collaborating with **Nok Nok** to increase the security and authentication for Arculus and CompoSecure's core payment cards. Additional capabilities gained with this new platform also set the stage for CompoSecure to offer the industry's first metal "Internet Credit Card" that offers Fast Identity Online (FIDO) log-in and authentication capabilities.

Arculus Launch

- Arculus will go live in September for direct to consumer sales and B2B partnerships. Product is in final beta testing.
- Marketing efforts kicking off in August ramping up to multi-channel B2C and B2B plan in September

Business Update – Industry Trends

Hacks continue to drive additional consumer awareness about security and the need to protect their cryptocurrency

- March 2021: hacker stole \$5.7M from cryptocurrency platform roll by obtaining private key from hot wallet⁽¹⁾
- April 2021: critics accuse Turkish cryptocurrency exchange CEO of fleeing country with \$2B worth of customers' assets as none of the 390K active users were able to withdraw their funds⁽²⁾
- June 2021: victims receiving counterfeit Ledger Nano X hardware wallets through the mail⁽³⁾
- June 2021: founders of South Africa's largest cryptocurrency exchange vanished along with nearly \$3.6B in Bitcoin after telling investors the exchange was hacked⁽⁴⁾
- July 2021: hackers exploited weakness in ChainSwap's smart contract protocol allowing them to steal \$8M+ in crypto-assets⁽⁵⁾

Fund raising and competitive focus continues

- June 2021: Jack Dorsey (Square co-founded & Twitter CEO) announced their intention to build a cold storage crypto wallet - "important to us to build an inclusive product that brings a non-custodial solution to the global market...requires great product design; minimal setup time, relying on existing devices, and end-to-end reliability"⁽⁶⁾
- June 2021: Ledger raised \$380M Series C funding reaching a valuation of \$1.5B⁽⁷⁾

1) <https://techcrunch.com/2021/03/16/5-7m-stolen-in-roll-crypto-heist-after-hot-wallet-hacked/>

2) <https://www.bankinfosecurity.com/turkish-police-probe-thodex-cryptocurrency-exchange-a-16455>

3) <https://bitcoinmagazine.com/technical/ledger-hack-victim-scam-details>

4) <https://fortune.com/2021/06/24/bitcoin-ameer-raees-cajee-theft-south-africa/>

5) <https://finance.yahoo.com/news/chainswap-hackers-steal-5m-crash-121056965.html>

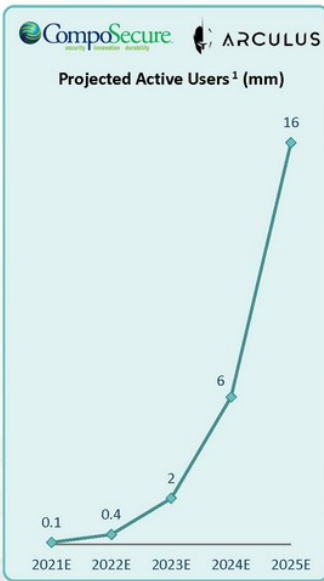
6) <https://hypebeast.com/2021/6/square-bitcoin-wallet-jack-dorsey>

7) <https://techcrunch.com/2021/06/10/ledger-raises-380-million-for-its-crypto-hardware-wallet/>

FINANCIAL OVERVIEW

Rapid Acceleration of Digital Asset Adoption

Cryptocurrency Asset Solutions



Selected Digital Asset Services

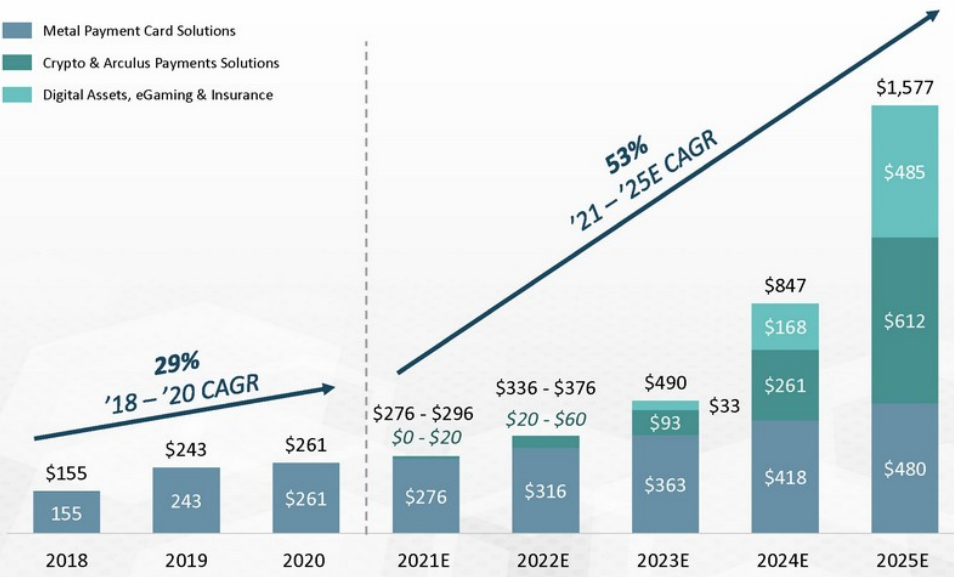


Sources: Investor presentations, management estimates
¹ Projected Active Users at year end across Arculus digital assets, eGaming, and cryptocurrency services
² Source: Blockchain.com
³ Historical data from studio.glassnode.com/metrics; 2021E non-zero address balance is projected extrapolating YTD as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

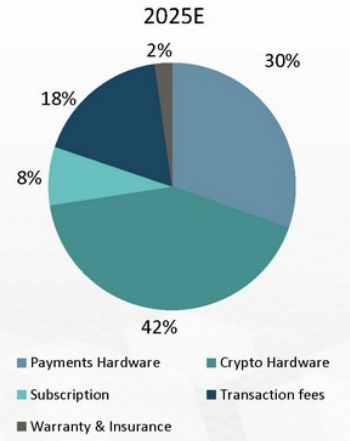
Projected Net Revenue Evolution

Net Revenue by Solution (\$mm)

- Metal Payment Card Solutions
- Crypto & Arculus Payments Solutions
- Digital Assets, eGaming & Insurance



Net Revenue by Type (\$mm)



Source: Management estimates

Strong EBITDA and Free Cash Flow

Adj. EBITDA Margin

45%

44%

44%

~36%¹

~29%¹

33%

32%

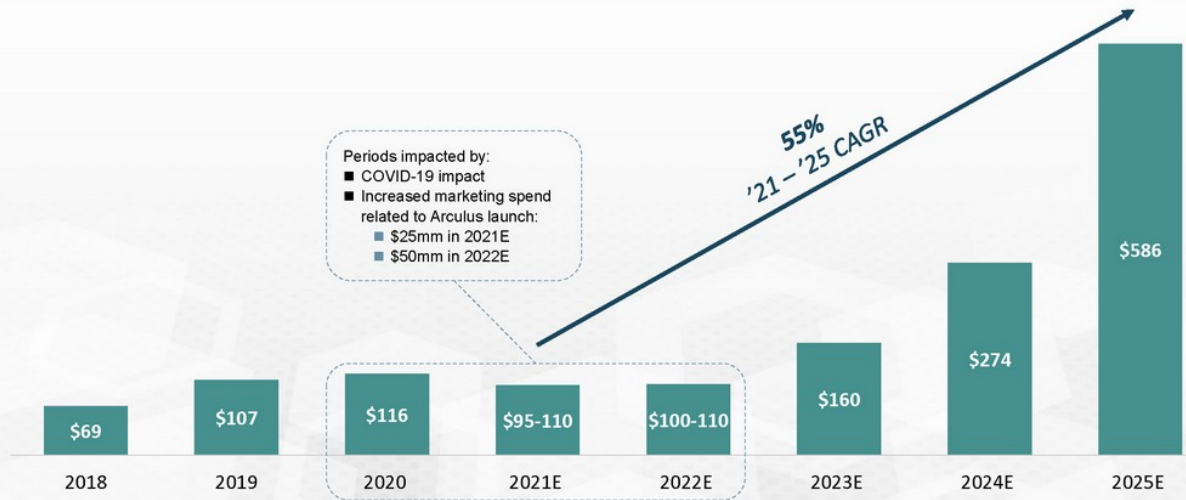
37%

PF Adjusted EBITDA

~45%²

~43%²

Adj. EBITDA



Source: Company financials and management estimates

Note: Margins are calculated on Net revenues

¹ Margins based on mid-points of the 2021E net revenue (\$276mm - \$296mm), 2022E net revenue (\$336mm - \$376mm), 2021E Adj. EBITDA (\$95mm - \$110mm), and 2022E Adj. EBITDA (\$100mm - \$110mm) ranges

² Pro forma adjusted to add back marketing spend related to the Arculus launch (total marketing spend of \$25mm and \$50mm in 2021E and 2022E, respectively)

Financial Summary

Smm	Q1 2021A	Q4 2020A	Q1 2020A
Total Net Revenue	\$64	\$54	\$80
% QoQ Growth	19%	-16%	17%
% YoY Growth	-20%	-22%	74%
COGS	(\$30)	(\$28)	(\$38)
Gross Profit	\$34	\$26	\$42
% Margin	53%	48%	53%
SG&A	(\$8)	(\$20)	(\$13)
Operating Income	\$26	\$6	\$29
Net Income	\$23	\$3	\$28
(+) Interest Expense	\$3	\$3	\$1
(+) Adjustments	0	\$11	\$4
(+) D&A	\$3	\$3	\$2
Adj. EBITDA	\$29	\$20	\$35
% Margin	45%	37%	44%
% QoQ Growth	45%	-32%	28%
% YoY Growth	-17%	-27%	71%

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

Financial Information by Segment

	Metal Payment Card Solutions					Arculus Crypto & Digital Assets Ecosystem				
	2021E	2022E	2023E	2024E	2025E	2021E	2022E	2023E	2024E	2025E
Unit Sales (mm)	22	25	29	33	39	0.1	0.3	2	7	17
<i>% growth</i>	7%	15%	14%	15%	15%	-	255%	533%	229%	155%
Net Revenue (\$mm)	\$276	\$316	\$363	\$418	\$480	\$10 ¹	\$40 ²	\$127	\$429	\$1,097
<i>% growth</i>	6%	15%	15%	15%	15%	-	300%	217%	238%	156%
Operating Expenses³	(156)	(178)	(205)	(237)	(272)	(3)	(23)	(55)	(161)	(368)
Marketing Expenses	(0.3)	(0.3)	(0.4)	(0.4)	(0.5)	(25)	(50)	(70)	(175)	(350)
Adj. EBITDA	\$120	\$138	\$158	\$181	\$207	(\$18)⁴	(\$33)⁵	\$2	\$93	\$379
<i>% margin</i>	43%	44%	44%	43%	43%	<i>nm</i>	<i>nm</i>	1%	22%	35%

¹ Assumes mid-point of Arculus ecosystem 2021E revenue range of \$0mm - \$20mm; ² Assumes mid-point of Arculus ecosystem 2022E revenue range of \$20mm - \$60mm; ³ 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; ⁴ Assumes mid-point of Arculus ecosystem 2021E Adj. EBITDA range of (\$25mm) - (\$10mm); ⁵ Assumes mid-point of Arculus ecosystem 2022E Adj. EBITDA range of (\$38mm) - (\$28mm)

Historical Levered Free Cash Flow

(\$mm)	2018A	2019A	2020A
Adj. EBITDA	\$ 69	\$ 107	\$ 116
Cash from Change in NWC	(23)	(11)	(5)
Capex	(9)	(10)	(8)
Cash Interest Paid	(5)	(5)	(5)
Mandatory Debt Repayment	(6)	(11)	(11)
Levered Free Cash Flow ¹	27	71	88
<i>Adj. EBITDA Conversion</i>	<i>39%</i>	<i>66%</i>	<i>76%</i>
<i>Levered Free Cash Flow Yield ²</i>			<i>7%</i>

Source: Company financials

¹ 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. ² Levered Free Cash Flow Yield assumes de-SPAC total equity value of \$1,258mm.



TRANSACTION OVERVIEW

Transaction Overview

Illustrative Sources and Uses (\$mm)

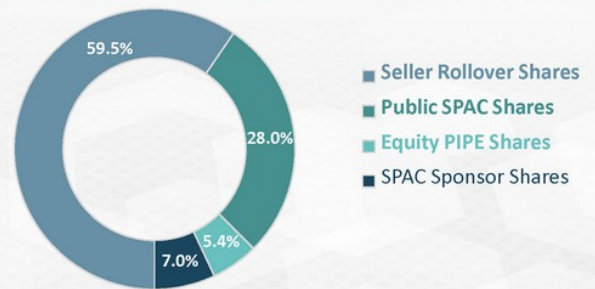
Sources	
CompoSecure Rollover Equity	\$492
SPAC Cash In Trust ¹	236
Common Equity PIPE Proceeds ²	45
Convertible Notes Proceeds ²	130
Total Sources	\$903

Uses	
CompoSecure Rollover Equity	\$492
Cash Consideration	361
Transaction Costs	50
Total Uses	\$903

Pro Forma Enterprise Valuation at Close (\$mm)

Illustrative Share Price	\$10.00
Pro Forma Shares Outstanding ³	82.6
Total Common Equity Value³	\$826
Convertible Unsecured Notes	130
Pro Forma Net Debt (ex. Convertible Notes)	250
Pro Forma Enterprise Value Valuation⁴	\$1,206
<i>EV / 2021E Net Revenue</i>	<i>\$286 4.2x</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^{1,2,3}



¹ Assumes no SPAC investors redeem their shares for cash in trust

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

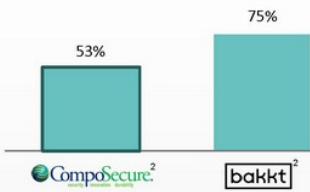
³ Includes impact of all 5.8mm founder shares vesting at close. Excludes warrants; Excludes 7.5mm earnout shares for existing Composecure shareholders. 3.75mm shares are earned if the VWAP is at least \$15.00 over any 20 trading days within any 30-trading day period during the first 36 months; another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

⁴ Valuation multiples based on the midpoints of estimated 2021E net revenue (\$276mm - \$296mm), 2022E net revenue (\$336mm - \$376mm) and 2022E Adj. EBITDA (\$100mm - \$110mm) ranges

Growth and Margins Compare Favorably to Peers

■ Crypto & Crypto-related ■ FinTech / Payments

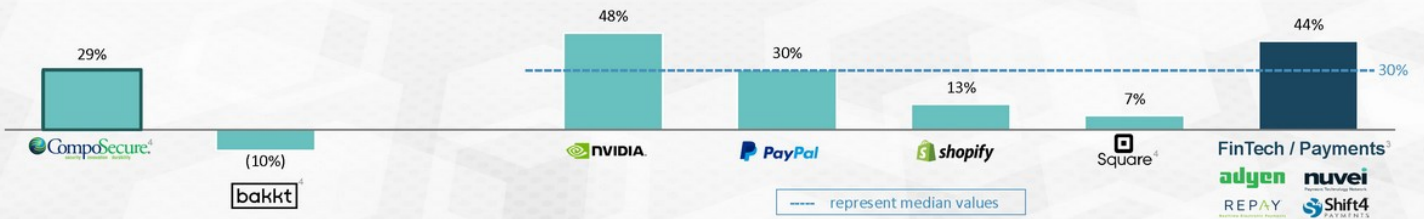
CY21E–CY25E Revenue CAGR¹



CY21E–CY22E Annual Revenue Growth



CY22E Adjusted EBITDA margin



Source: FactSet as 3/12/21, company guidance

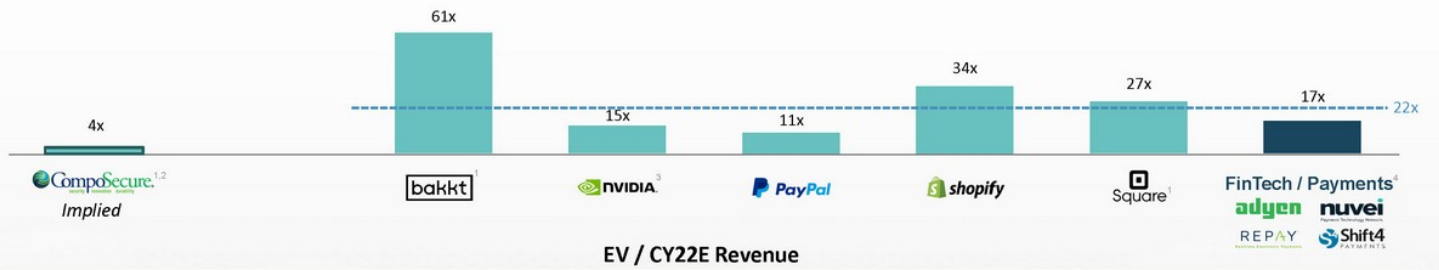
Note: EUR & CAD currencies converted to USD at spot rates on 3/12/21

¹ CompoSecure's Revenue CAGR based on mid-point (\$286mm) of 2021E net revenue range (\$276mm - \$296mm) and 2025E projection (\$1,577mm); ² Adjusted to be net revenue; ³ Metrics reflect median of peer set; ⁴ 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

EV / CY21E Revenue

Crypto & Crypto-related FinTech / Payments



EV / CY22E Revenue



CY22E
EBITDA
multiples

11x	N/M	28x	32x	N/M	N/M	35x
-----	-----	-----	-----	-----	-----	-----

Source: FactSet as 3/12/21, company guidance

Note: EUR & CAD currencies converted to USD at spot rates on 3/12/21; N/M indicates multiples that are not meaningful because they are either based on a negative underlying value or exceed 100x

¹ Adjusted to be net revenue; ² CompoSecure's multiples based on the midpoints of 2021E net revenue (\$276mm - \$296mm), 2022E net revenue (\$336mm - \$376mm), and 2022E Adj. EBITDA (\$100mm - \$110mm) ranges; ³ 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; ⁴ Metrics reflect median of peer set

APPENDIX



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



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



Dori Skelding
VP, Marketing & Supply Chain

20+ 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

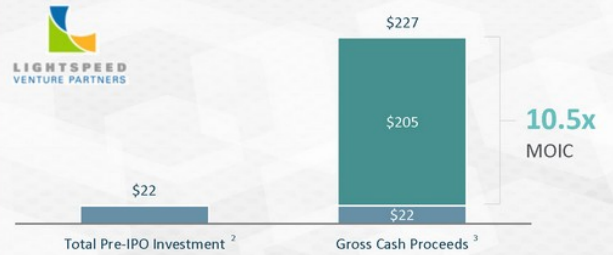
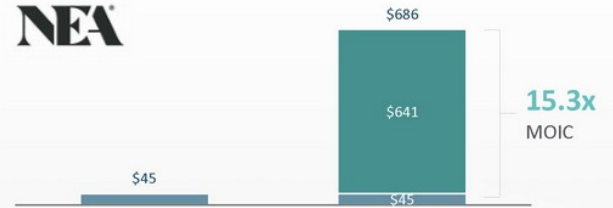
Talent Acquisition: Recruited and retained top talent, including Steve Wozniak as CTO (Apple Co-Founder)

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)¹

¹ Fortune Magazine, "The man who wooed Woz," February 13, 2009
² 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)
³ 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

Smm	2018A	2019A	2020A
Total Net Revenue	\$155	\$243	\$261
% YoY Growth		57%	7%
COGS	(\$76)	(\$115)	(\$128)
Gross Profit	\$79	\$128	\$133
% Margin	51%	53%	51%
SG&A	(\$22)	(\$41)	(\$48)
Operating Income	\$57	\$87	\$84
Net Income	\$52	\$81	\$78
(+) Interest Expense	\$5	\$5	\$6
(+) Adjustments	\$5	\$12	\$22
(+) D&A	\$8	\$9	\$10
Adj. EBITDA	\$69	\$107	\$116
% Margin	45%	44%	44%
% YoY Growth		55%	8%

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

Adjusted EBITDA Reconciliation

Smm	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	0
2 Non-Cash Stock Option Expense	1	1	2
3 Non-Recurring Transaction Costs	0	0	4
4 Board of Director Costs	0	0	0
5 Deferred compensation	0	0	0
6 Special Distribution	0	7	16
7 Out-of-Period	(0)	0	0
8 Expense Accruals	1	(1)	0
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 LLRAcquisition
- 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
Assets			
Current Assets			
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
Total Current Assets	52	65	53
Property and equipment, net	29	30	28
Deposits and other assets	0	0	0
Total assets	82	96	81
Liabilities and Members' Equity			
Current Liabilities			
Accounts payable	3	3	2
Accrued expenses	28	15	15
Line of credit	18	-	-
Current portion of long-term debt	10	14	24
Total current liabilities	58	32	42
Long-term debt, net of deferred finance costs	57	117	212
Line of credit	-	-	20
Other liabilities	2	2	0
Total liabilities	117	151	274
Members' Equity	(35)	(56)	(193)
Total liabilities and members' equity	82	96	81

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
Cash flows from operating activities			
Net income	\$ 52	\$ 81	\$ 78
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
Net cash provided by operating activities	39	81	87
Cash flows from investing activities			
Acquisition of property and equipment	(9)	(10)	(8)
Net cash used in investing activities	(9)	(10)	(8)
Cash flows from financing activities			
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)
Net cash used in financing activities	(39)	(58)	(93)
Net increase (decrease) cash, cash equivalents and restricted cash	(9)	14	(13)
Cash, cash equivalents and restricted cash, beginning of year	22	13	27
Cash, cash equivalents and restricted cash, end of year	13	27	13
Supplementary disclosure of cash flow information			
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.

Adjusted EBITDA Reconciliation

Smm	Q1 2021A	Q4 2020A	Q1 2020A
Net Income	\$23	\$3	\$28
Interest Expense	3	3	1
Depreciation and Amortization	3	3	2
Unadjusted EBITDA	\$29	\$9	\$31
1 Non-Cash Stock Option Expense	\$0	\$0	\$0
2 Non-Recurring Transaction Costs	\$0	\$1	\$1
3 Special Distribution	\$0	\$10	\$3
Total EBITDA Adjustments	\$0	\$11	\$4
Adjusted EBITDA	\$29	\$20	\$35

1 Non-Cash Stock Option Expense: Non-cash stock option expenses related to the executive incentive plan

2 Nonrecurring Transaction Costs: Transaction related costs associated with prior transaction processes and public readiness paid to KPMG, Morgan Lewis, Merrill Communications, BDO USA, Edgar Dunn, S&P and Battelle

3 Special Distribution: Adjustment to add back special distributions to Class C unit holders that was expensed in Q4 2020A and Q1 2020A. The distributions are akin to equity distributions

Balance Sheets

Smm	Q1 2021A	2020A
Assets		
Current Assets		
Cash and cash equivalents	\$5	\$13
Accounts receivable, net	25	8
Inventories	31	30
Prepaid expenses and other current assets	2	2
Total current assets	63	53
Property and equipment, net	25	28
Right of use asset, net	6	0
Deposits and other assets	1	0
Total assets	95	81
Liabilities and Members' Deficit		
Current Liabilities		
Current portion of long-term debt	24	24
Current portion of lease liabilities	1	0
Accounts payable	5	2
Bonus payable	2	4
Accrued Expenses	9	12
Total current liabilities	41	42
Long-term debt, net of deferred finance costs	206	212
Lease liabilities	6	0
Line of credit	15	20
Total liabilities	268	274
Members' Deficit	(173)	(193)
Total liabilities and members' deficit	95	81

Source: Company financials

Note: Audits completed to PCAOB standards. Financial position has been derived from CompoSecure's consolidated financial statements for the year ended December 31, 2020. Q1 2021 financial statement is not audited.

Statements of Operations

Smm	Q1 2021A	Q1 2020A
Revenue		
Net sales	\$64	\$80
Cost of sales	30	38
Gross profit	34	42
Operating Expenses		
Selling, general and administrative	8	13
Income from operations	26	29
Other expense		
Interest expense, net of interest income	(3)	(1)
Amortization of deferred financing costs	0	0
Net income	23	28











Source: Company financials
Note: Financial information has been derived from CompoSecure's unaudited consolidated financial statements for the periods ended March 31, 2021 and 2020.

Statements of Cash Flows

\$mm	Q1 2021A	Q1 2020A
Cash flows from operating activities		
Net income	\$23	28
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	3	2
Equity-based compensation expense	0	0
Amortization of deferred finance costs	0	0
Changes in assets and liabilities		
Accounts receivable	(17)	(7)
Inventories	(1)	(2)
Prepaid expenses and other assets	0	0
Deposits and other assets	(1)	0
Right of use assets	(6)	0
Accounts payable	2	6
Accrued expenses	(4)	(4)
Lease Liabilities	7	0
Other liabilities	0	0
Net cash provided by operating activities	6	23
Cash flows from investing activities		
Acquisition of property and equipment	0	(5)
Net cash used in investing activities	0	(5)
Cash flows from financing activities		
Proceeds from line of credit	0	20
Payment of line of credit	(5)	0
Payment of term loan	(6)	(4)
Distributions to members	(3)	(25)
Net cash used in financing activities	(14)	(9)
Net (decrease) increase in cash and cash equivalents	(8)	9
Cash and cash equivalents, beginning of period	13	27
Cash and cash equivalents, end of period	5	36
Supplementary disclosure of cash flow information		
Cash paid for interest expense	3	1

Source: Company financials
 Note: Financial information has been derived from CompoSecure's unaudited consolidated financial statements for the periods ended March 31, 2021 and 2020.

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
	\$1.2	10%	24%	53%	52%	29%	4x	3x	11x
Crypto and Crypto-related									
	\$323.0	33%	12%	N/A	63%	48%	15x	13x	28x
	292.0	20%	21%	N/A	N/A	30%	11x	9x	32x
	139.6	38%	35%	N/A	53%	13%	34x	26x	N/M
	117.3	49%	30%	N/A	31%	7%	27x	21x	N/M
	3.3	N/A	307%	75%	N/A	(10%)	61x	15x	N/M
Median		36%	30%	N/A	53%	13%	27x	15x	30x
FinTech / Payments									
	\$68.3	41%	39%	N/A	N/A	62%	59x	43x	68x
	9.2	54%	18%	N/A	81%	43%	16x	13x	31x
	8.3	41%	22%	N/A	61%	39%	18x	15x	38x
	2.5	19%	16%	N/A	75%	44%	13x	12x	26x
Median		41%	20%	N/A	75%	44%	17x	14x	35x

Source: FactSet as 3/12/21, company guidance

Note: Presented in descending order based on Firm values; EUR & CAD currencies converted to USD at spot rates on 3/12/21; N/M indicates multiples that are not meaningful because they are either based on a negative underlying value or exceed 100x

¹ Adjusted to be net revenue. EBITDA margins calculated based on net revenues as well; ² CompuSecure growth rates, margins, CAGR are based on mid-points of the 2021E Net revenue (\$276mm - \$296mm), 2022E Net revenue (\$336mm - \$376mm) and 2022E Adj. EBITDA (\$100mm - \$110mm) ranges. Multiples are derived from the mid-points of these ranges as well; ³ 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
	\$1.2	7%	15%	16%	50% ³	43%	-	-	-
<i>Metal Card Payment Solutions</i>									
High-growth Industrial Tech									
	\$15.3	25%	23%	N/A	34%	19%	8x	7x	36x
	13.9	18%	13%	N/A	76%	35%	14x	13x	37x
	9.8	29%	24%	N/A	79%	50%	18x	14x	29x
	6.2	33%	53%	N/A	41%	35%	27x	17x	49x
Median		27%	24%	N/A	59%	35%	16x	14x	36x
Other select high-quality Industrial Tech									
	\$50.4	14%	4%	N/A	63%	39%	8x	8x	20x
	51.1	(1%)	13%	N/A	55%	47%	10x	9x	19x
	27.0	14%	4%	N/A	47%	23%	5x	5x	22x
	9.4	8%	7%	N/A	89%	41%	7x	7x	17x
	4.0	18%	13%	N/A	45%	22%	4x	3x	16x
Median		14%	7%	N/A	55%	39%	7x	7x	19x

Source: FactSet as 3/12/21, 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












¹ Adjusted to be net revenue. EBITDA margins calculated based on net revenues as well; ² CompoSecure growth rates, margins, CAGR are based on mid-points of the 2021E Net revenue (\$276mm - \$296mm), 2022E Net revenue (\$336mm - \$376mm) and 2022E Adj. EBITDA (\$100mm - \$110mm) ranges. Multiples are derived from the mid-points of these ranges as well; ³ Represents CY20A gross margin

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 40% and 33%, 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.

Cryptocurrency Summary

There are several key characteristics that differentiate cryptocurrency and fiat currencies

 Cryptocurrencies	 Fiat Currencies	
 Decentralized	 Controlled by central bank	 Backed by physical commodity
 Transactions recorded on blockchain	 Transactions not recorded on blockchain or centrally available ledger	 Transactions may require intermediary
 Fixed total circulation	 Flexible total circulation	 Chargebacks or canceled transactions are possible
Benefits		
<ol style="list-style-type: none">1. Non-Dilutable Asset – Inflation Immune2. Enables Global Exchanges without Middlemen3. Enables Smart Contracts4. Creates Immutable Ledger of Transactions		

Source: www.thebitcamp.com/blog/cryptocurrency-explained



THANK YOU

 CompoSecure
