



# INVESTOR PRESENTATION

April 2021



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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.

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**Participants in the Solicitation**

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



# 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**<sup>1</sup>
- Implied valuation multiples<sup>2</sup>:
  - **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 ownership<sup>3</sup>

## CAPITAL STRUCTURE

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

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

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

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

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

# 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.





# Tech Industry Veterans with Extensive Operating and Investing Experience



20+

Year Partnership

45+

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

Multiple

Successful IPOs/  
Sale Processes



**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

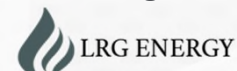


**James Nelson**

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



**Alan Clingman**



**Paul Misir**



**Arun Abraham**

M. Klein & Company CHURCHILL CAPITAL

EVERCORE LAZARD



<sup>1</sup> Key DCM Investments  
<sup>2</sup> 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



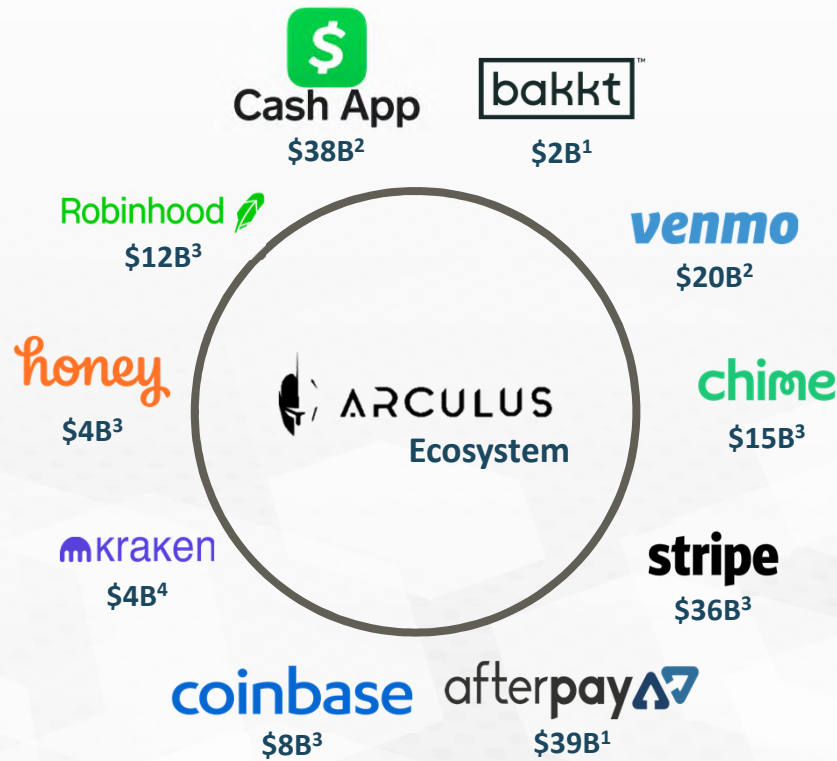
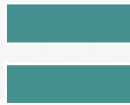
## Key CompoSecure differentiators

- ✓ 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



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

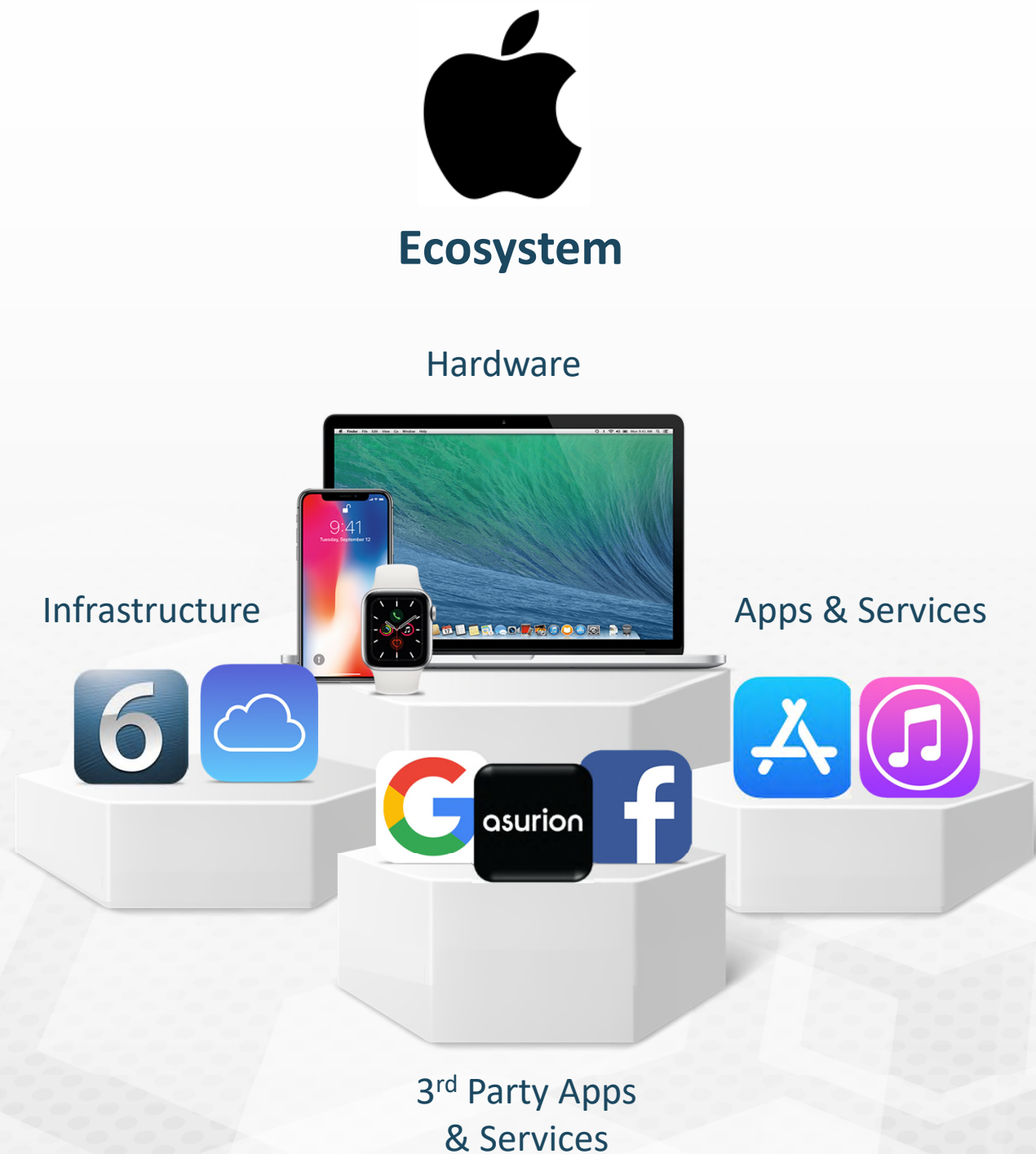
<sup>2</sup> Based on sum-of-the-parts valuation of parent company by broker research

<sup>3</sup> Sourced from Pitchbook

<sup>4</sup> Sourced from Coindesk



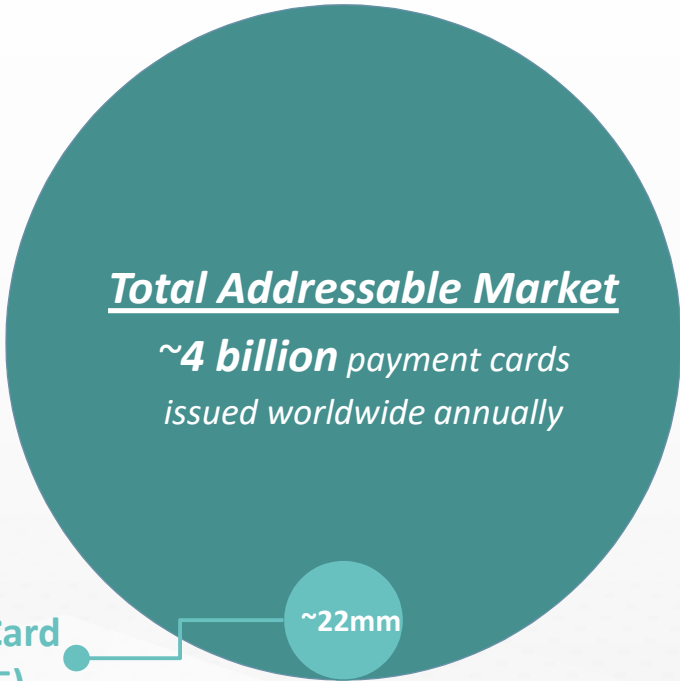
# Building Digital Assets Ecosystem from Foundation in Superior Hardware





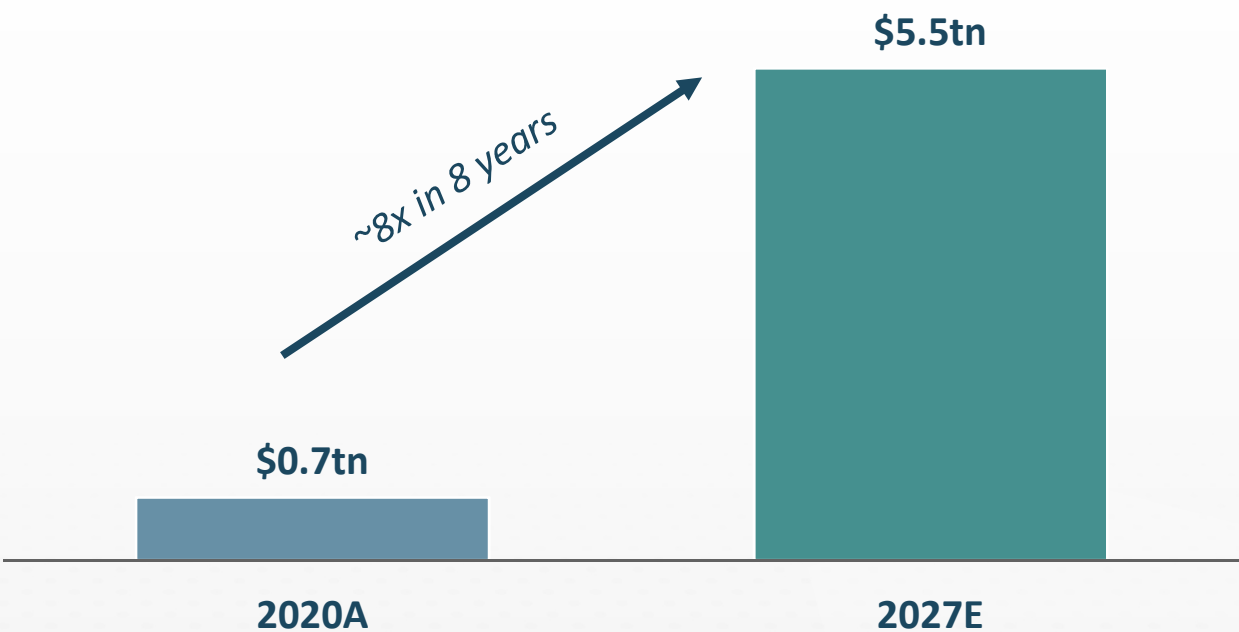
# Convergence of Two Massive Market Opportunities

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



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

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



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

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

## Industry Trends Create Strong Tailwinds:



Contactless / Tap-to-Pay



Security & Fraud

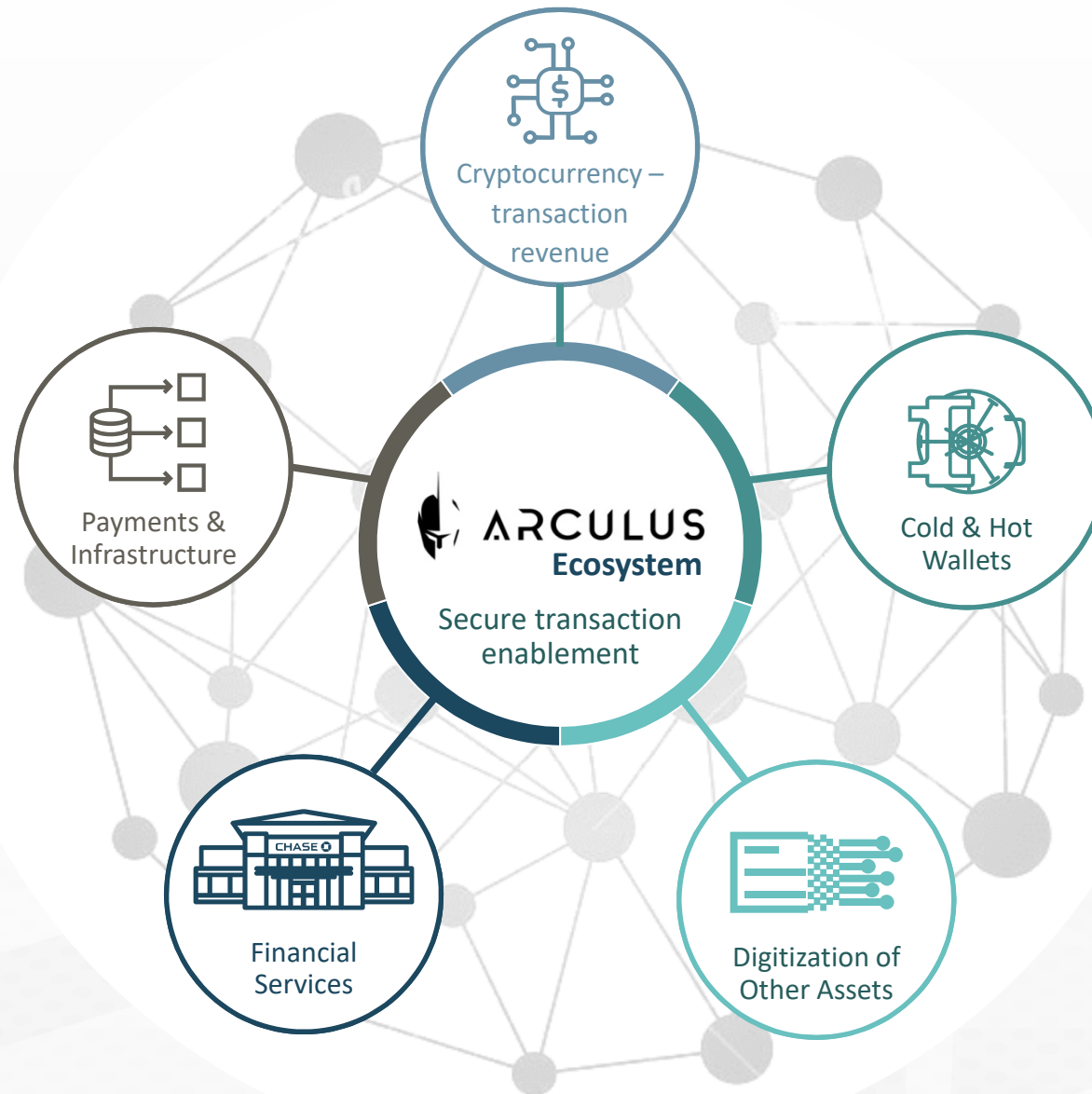


Crypto / Blockchain

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

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

# Cryptocurrency is a Burgeoning Asset Class Requiring Bespoke Solutions



**\$162bn**

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

**\$5.5tn**

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

**234mm**

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

**36mm**

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

**65%**

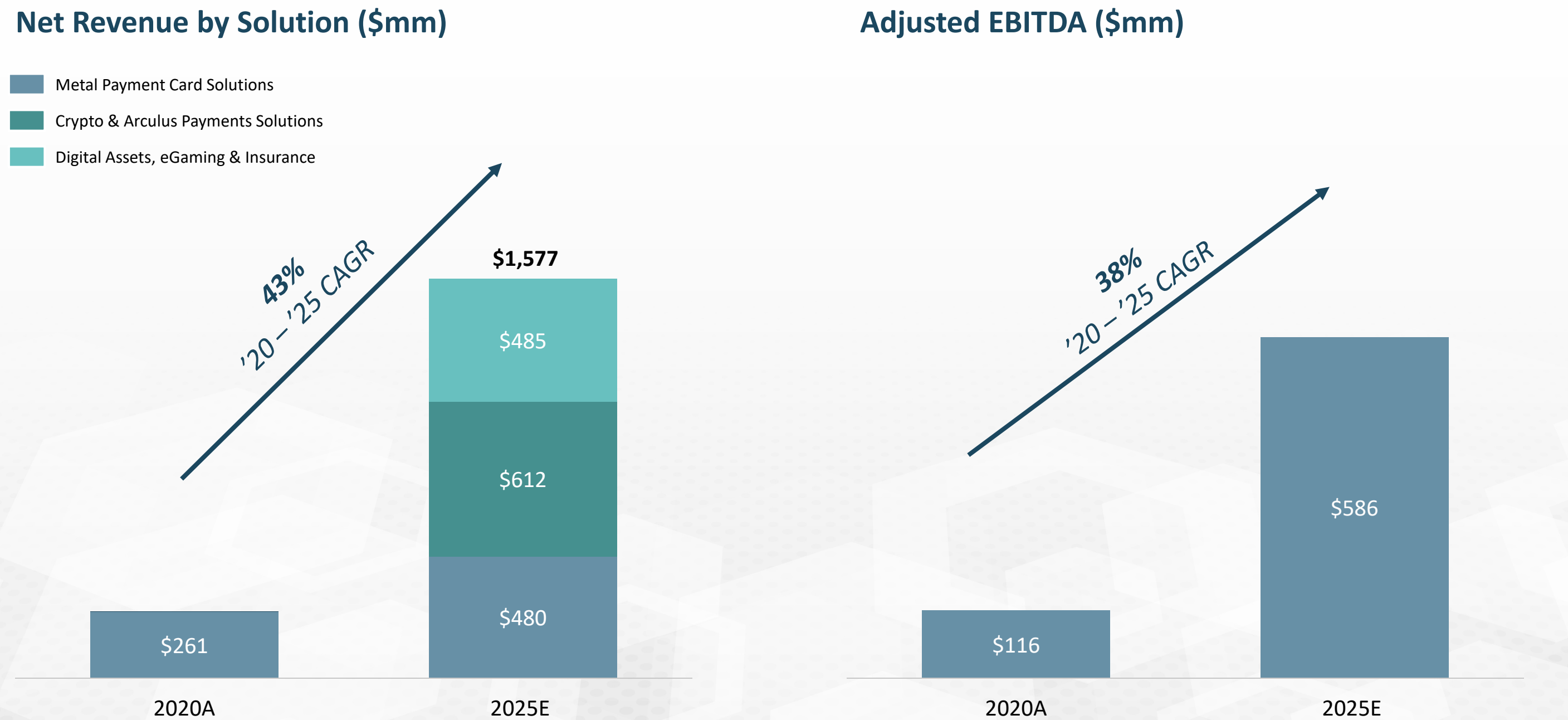
CAGR of Total BTC  
and ETH Addresses<sup>5</sup>

**87mm**

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

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

# Robust Growth from Substantial Base of Revenue and Profitability



Source: Management estimates





## COMPANY OVERVIEW



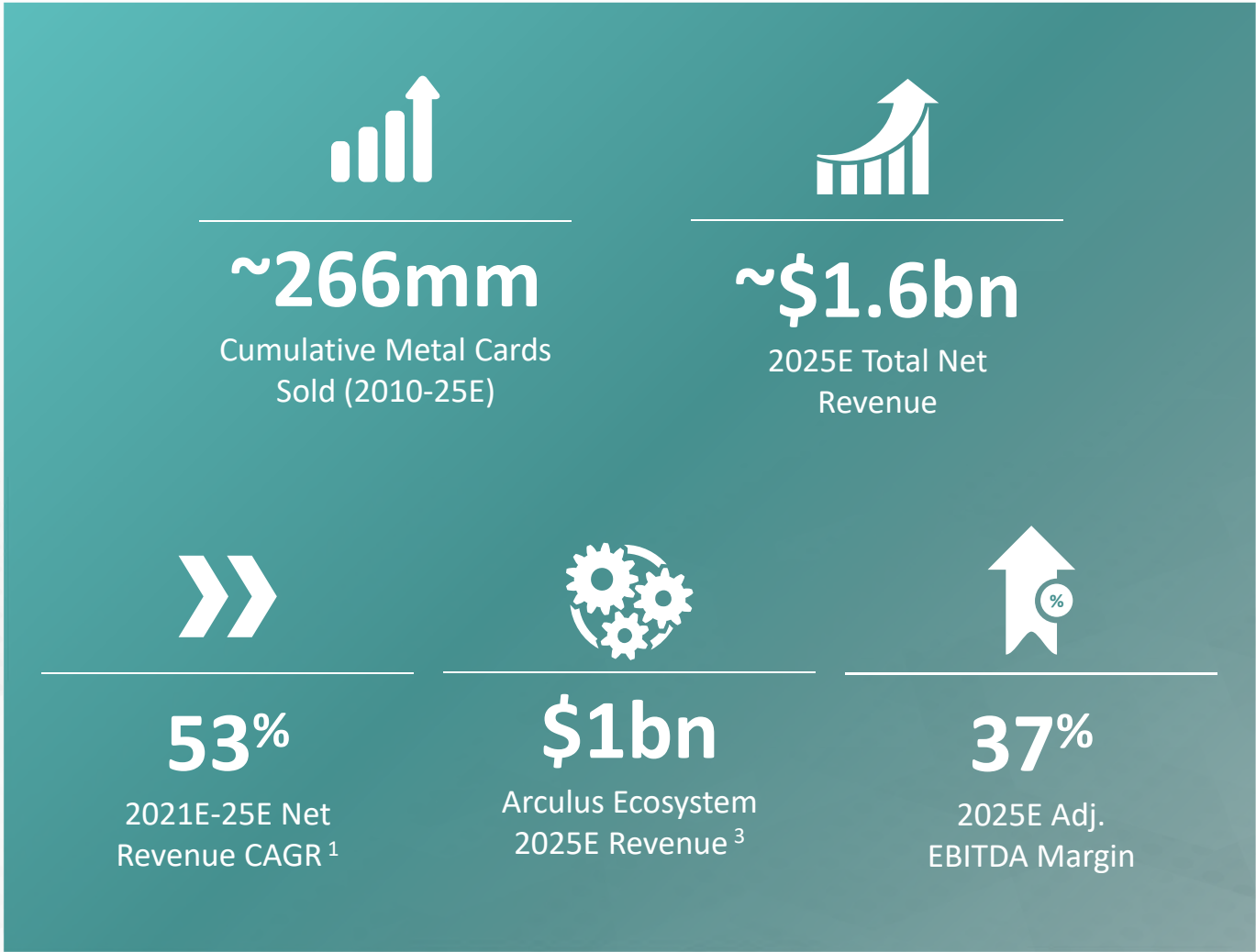
# CompoSecure at a Glance

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

## Today

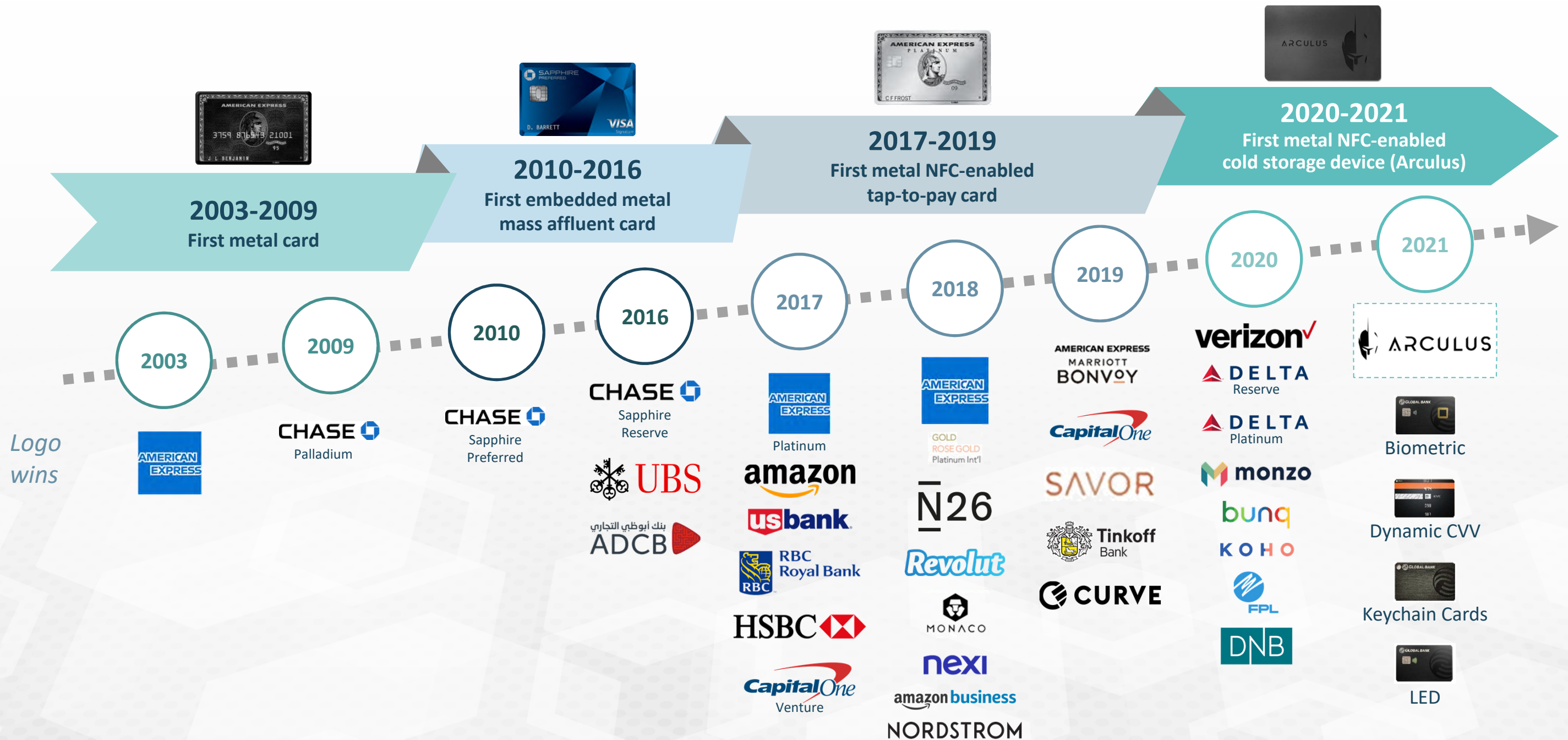


## Five-Year Outlook



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

# Proven Track Record of Innovation and Success





# Bespoke Card Programs Have Become Critical to Our Clients

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

JPMORGAN<sup>1</sup>  
CHASE & CO.



CompoSecure Issuer Client Since:

2008

2003

2014

2016

Selected Metal Card Programs:



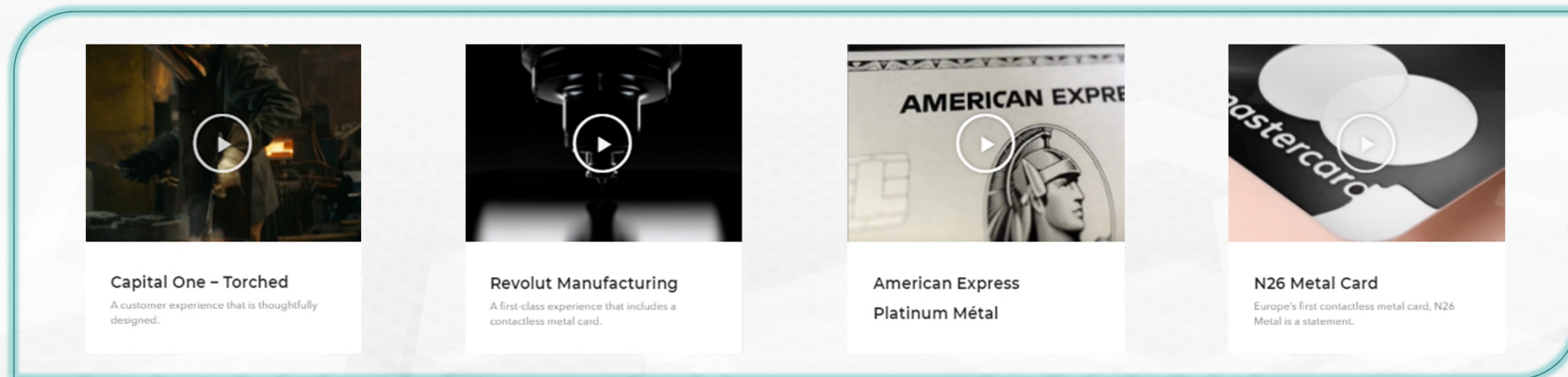
<sup>1</sup> If CompoSecure is unable to provide its products and services at high quality and in a timely manner, its customer relationships may be adversely affected, which could result in the loss of customers, including JPMorgan Chase and American Express, which constituted 33% and 40%, respectively,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

# CompoSecure's Products are Prominently Featured in Issuer Advertising

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

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

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



## CompoSecure Serves Issuers' Most Valuable Cardholder Portfolios

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

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

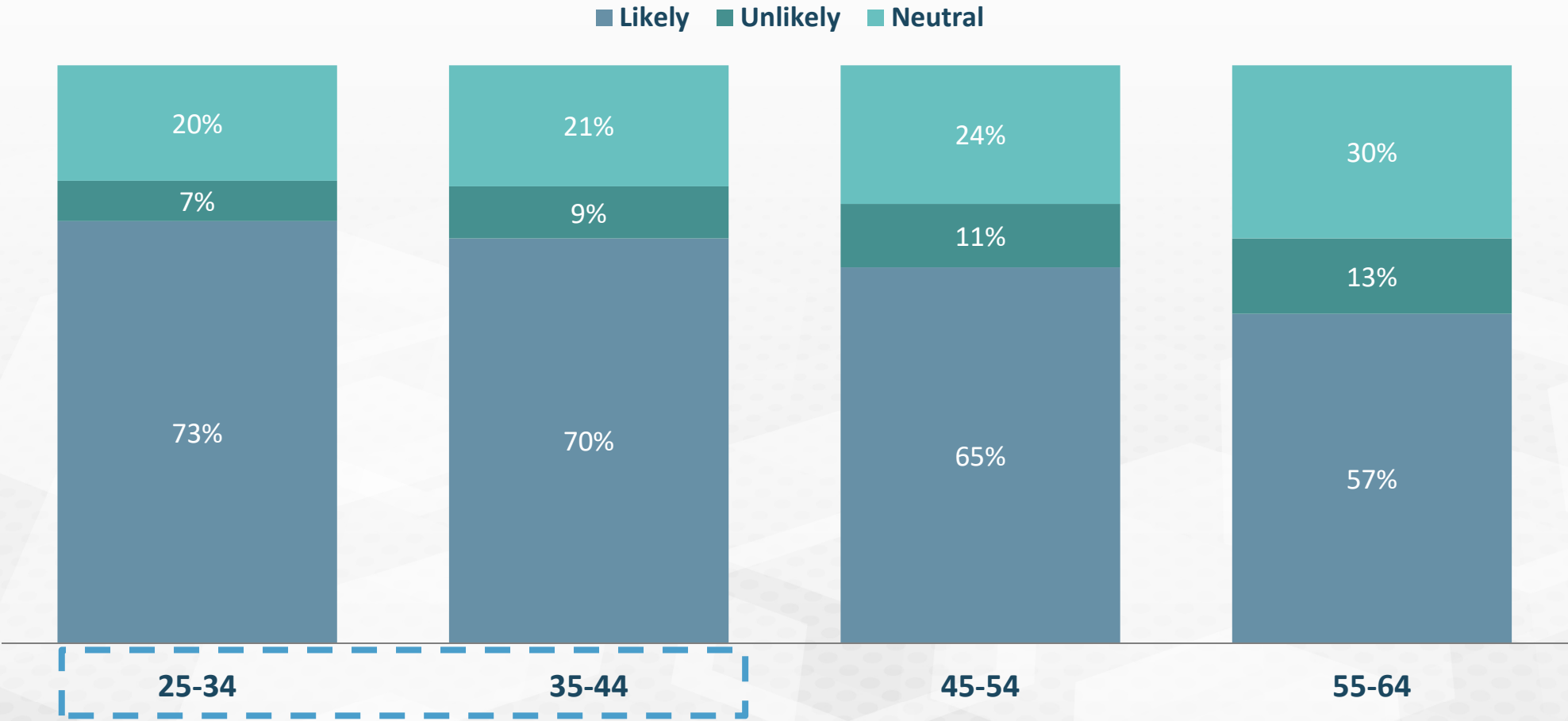
# Strong Consumer Demand for Metal Cards

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

## Consumer Preference for Metal Cards by Age Group

Survey Question:

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



70%+

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

55%

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

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

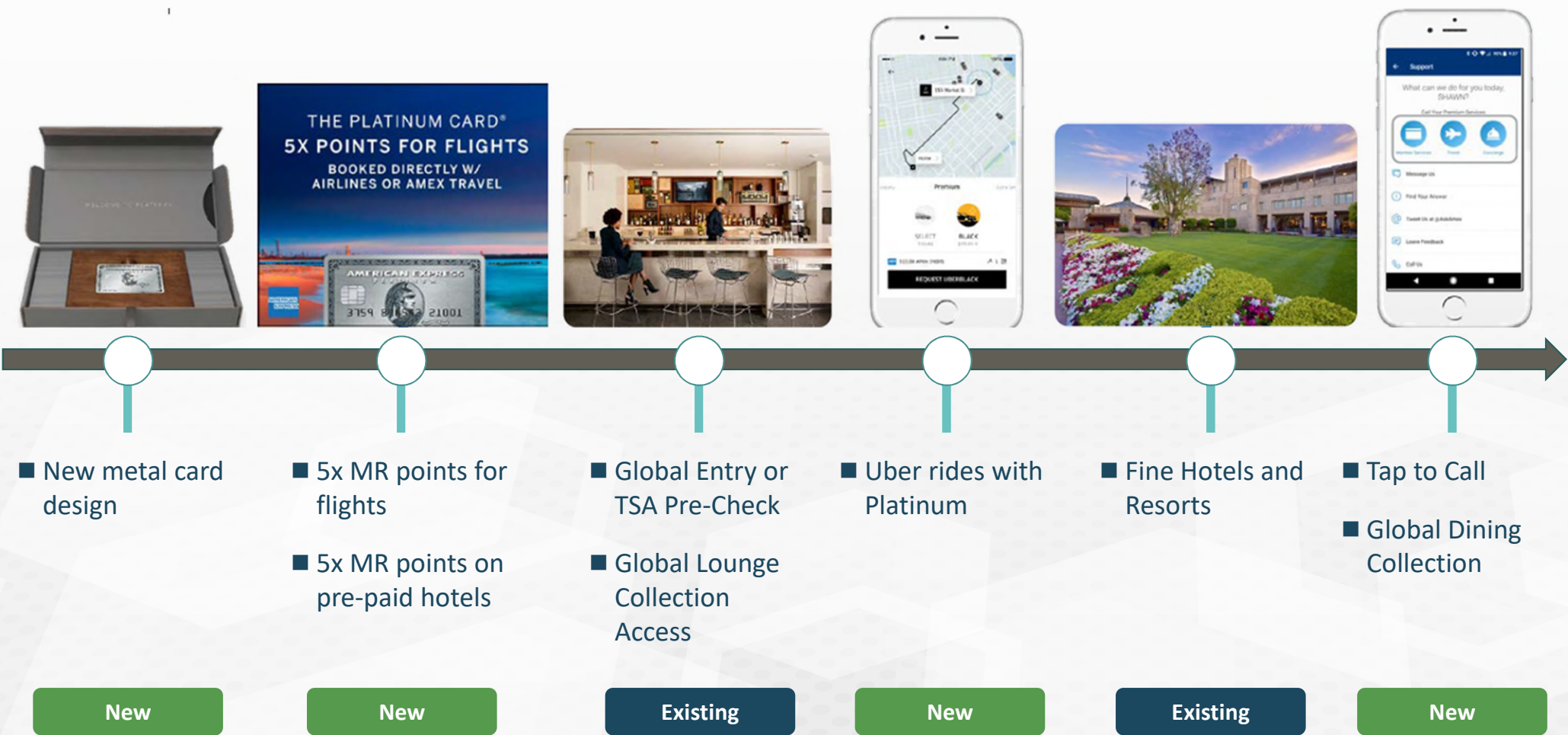
<sup>2</sup> Global Data – Millennials are an import cohort to the population; Nielson, Global Data, Deloitte, Euromonitor & EDC Research



# 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



**52%** ↑  
New Accounts Acquired & Upgrades<sup>1</sup>

**17%** ↑  
Q4 '17 Spend Growth<sup>2</sup>

**290K**  
Metal Cards Proactively Requested by Customers

**47%**  
Percentage of New Platinum Accounts that are Millennials

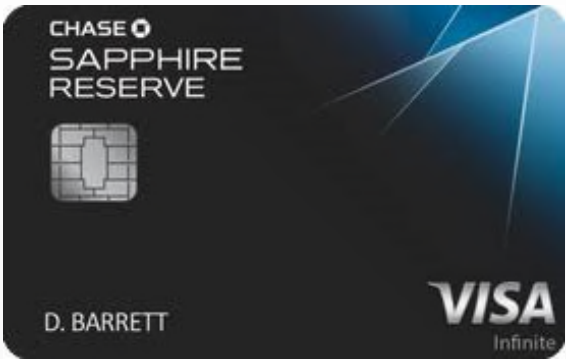
Source: American Express 3/7/18 Investor Day, Page 47

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

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

# Favorable Shift in Consumer Behavior

JPMORGAN  
CHASE & CO.



Achieves “Top of  
Wallet” Status

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

N26



Drives Consumer  
Willingness to Pay

+ €7/month  
*Due to Metal Form Factor*

 crypto.com



Supports Greater Crypto  
Asset Holdings and Retention

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

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

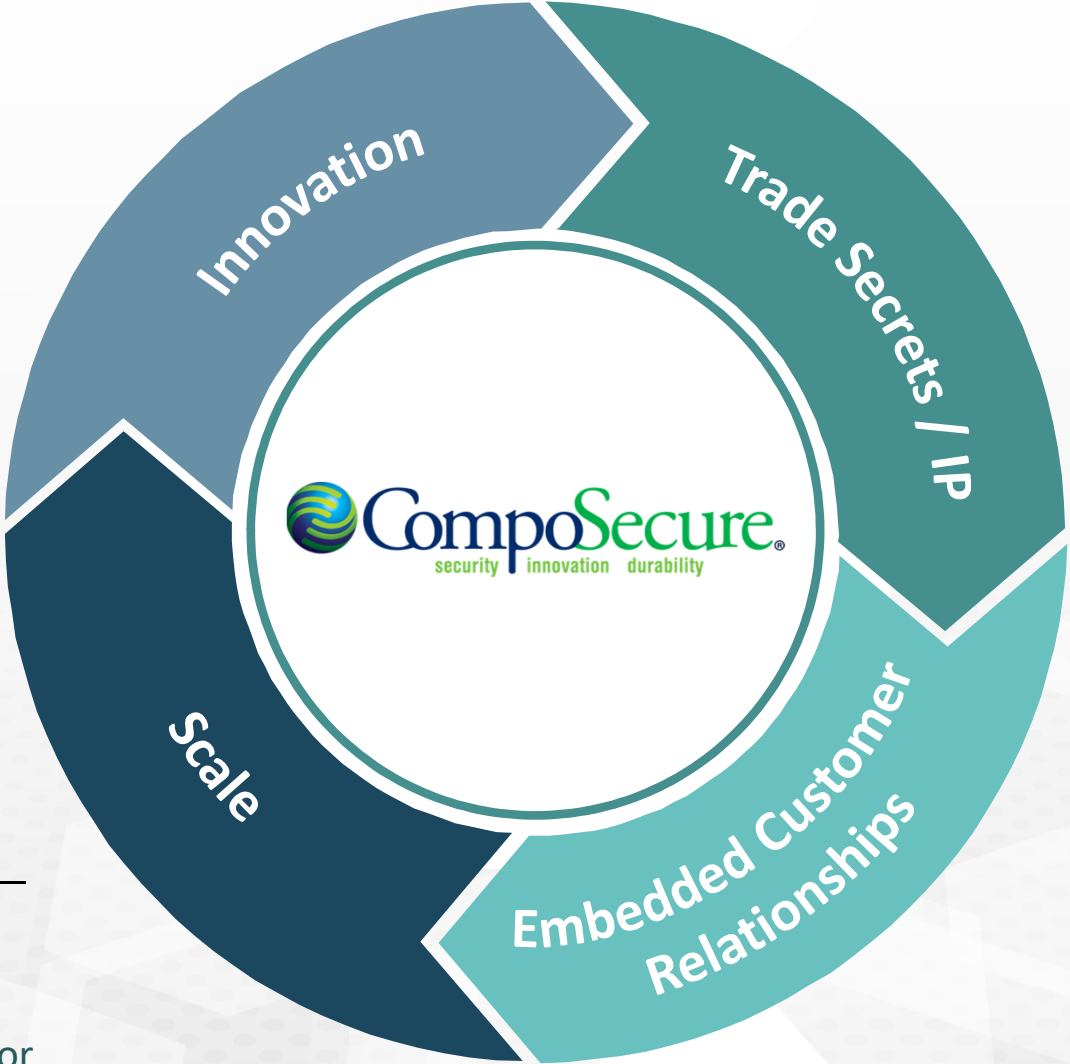
<sup>2</sup> Crypto.com Obsidian card tier requires minimum 5,000,000 (CRO) staked in a Crypto.com wallet. \$450k is converted from 5,000,000 CRO as per CRO/USD exchange rate provided by Coinmarket.com as of 2/13/21

# Why We Continue to Win

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



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



**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 Annually<sup>1</sup>



**9**

Direct salespeople



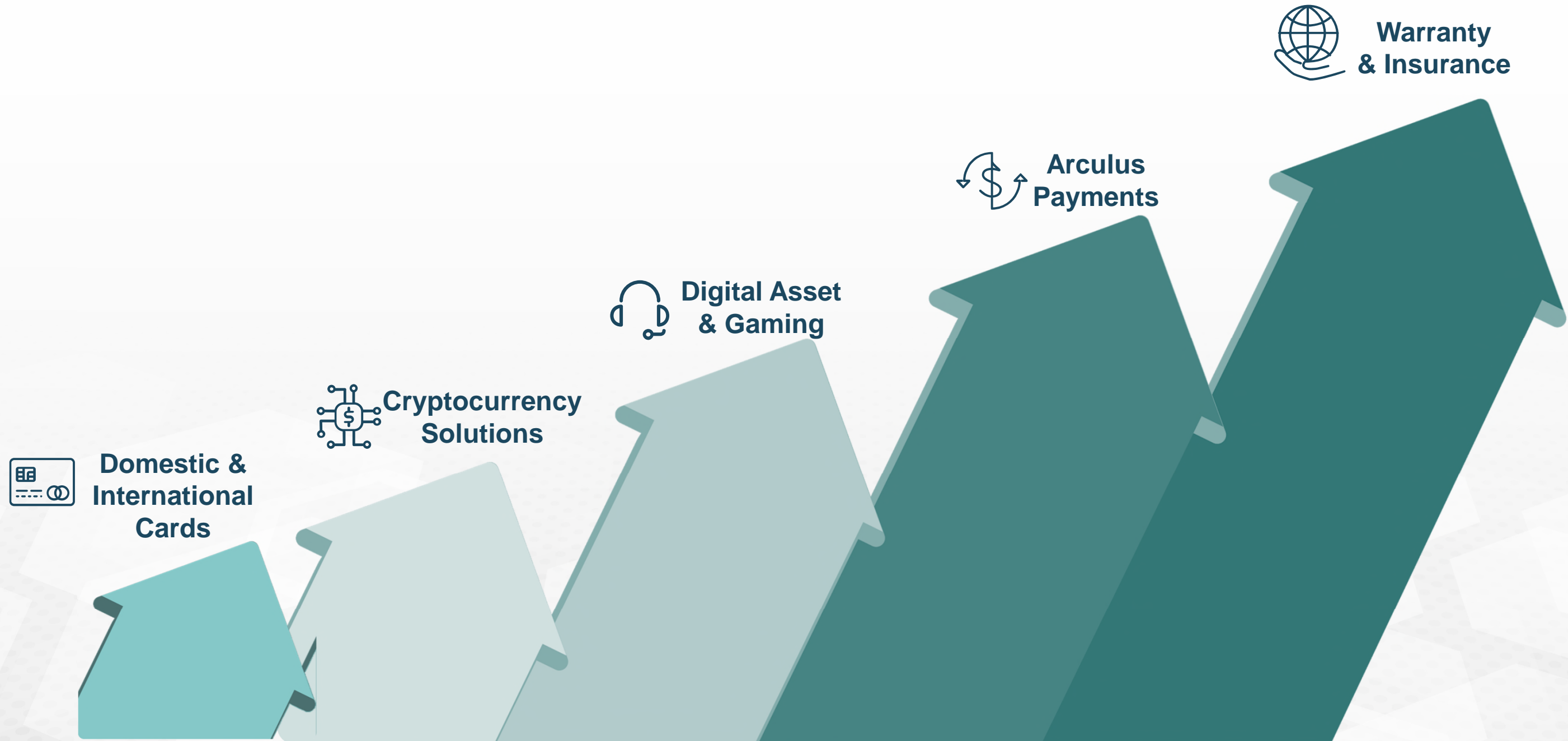
**7**

Global Distributor Partners

<sup>1</sup> 2021E



# CompoSecure is Pursuing Multiple Large Growth Opportunities



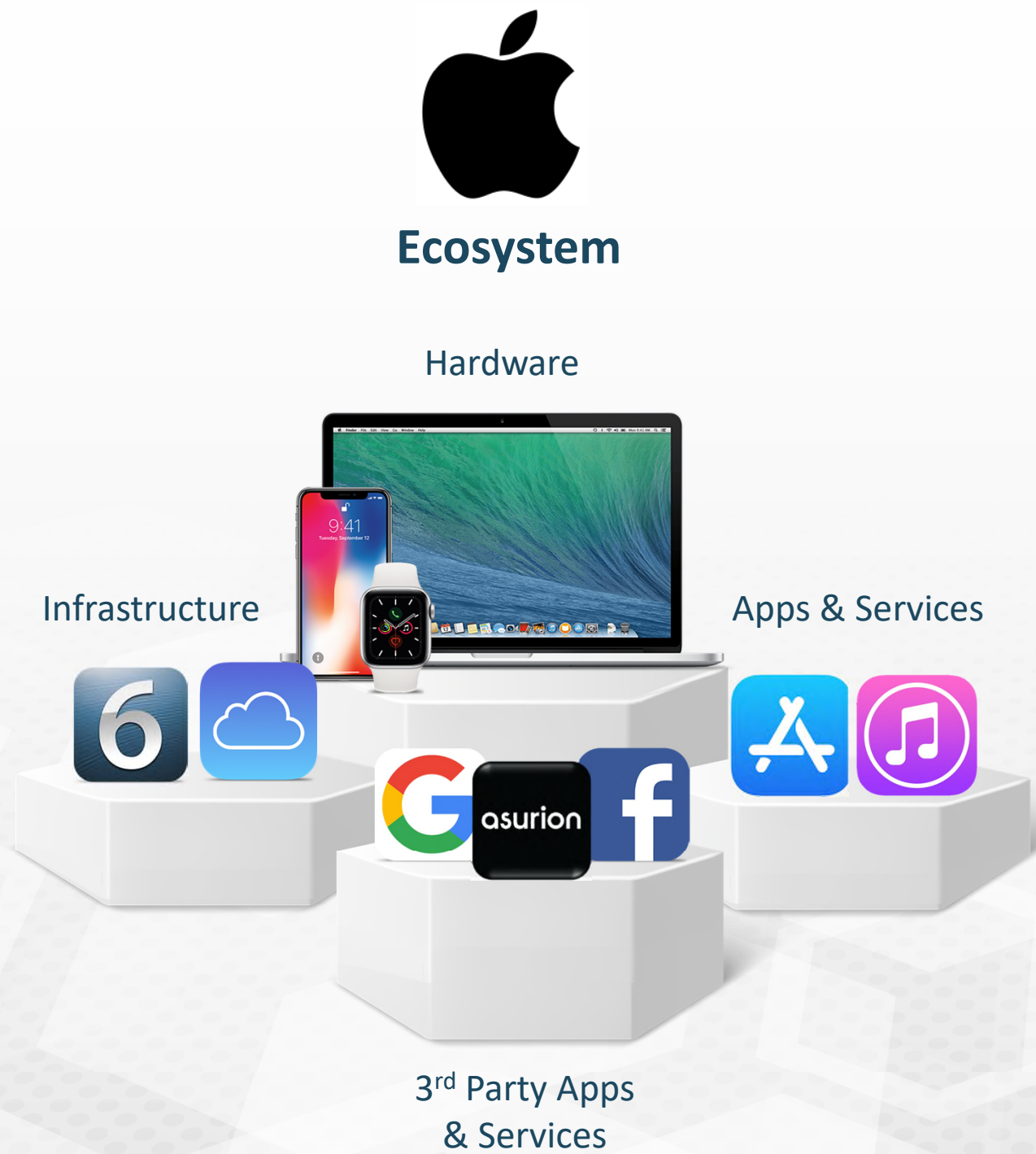




## GROWTH EXECUTION PLAN

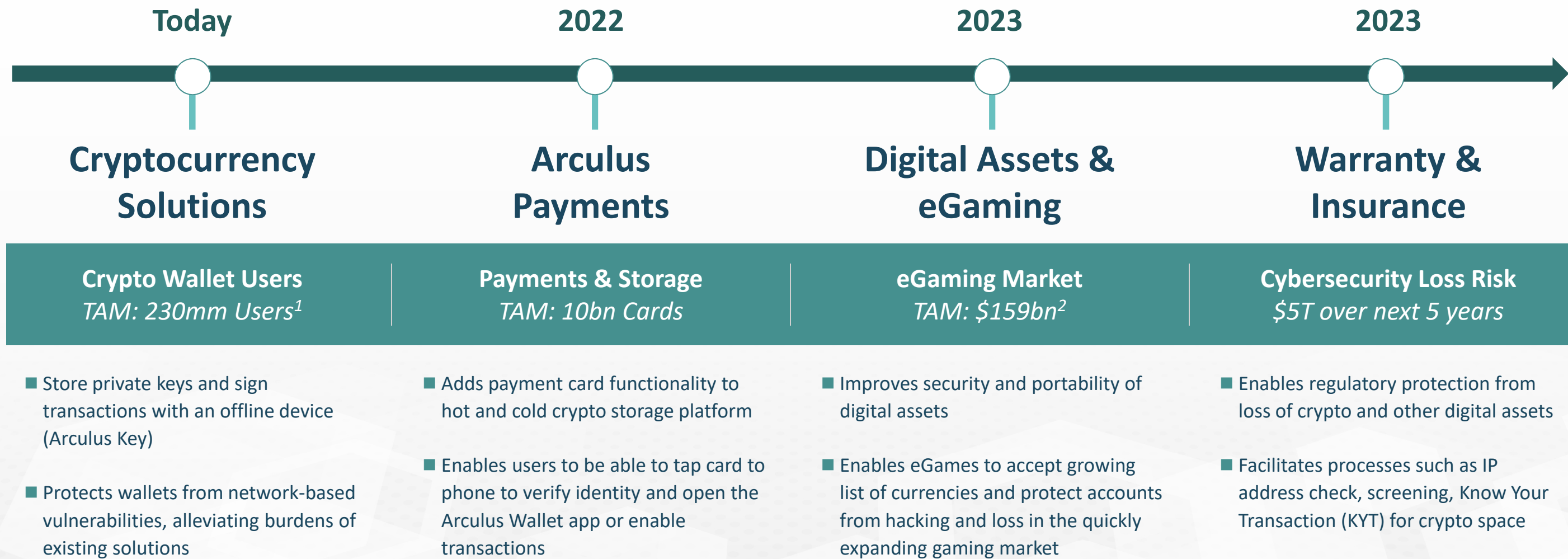


# Building Digital Assets Ecosystem From Foundation in Superior Hardware





# The Arculus Ecosystem Roadmap

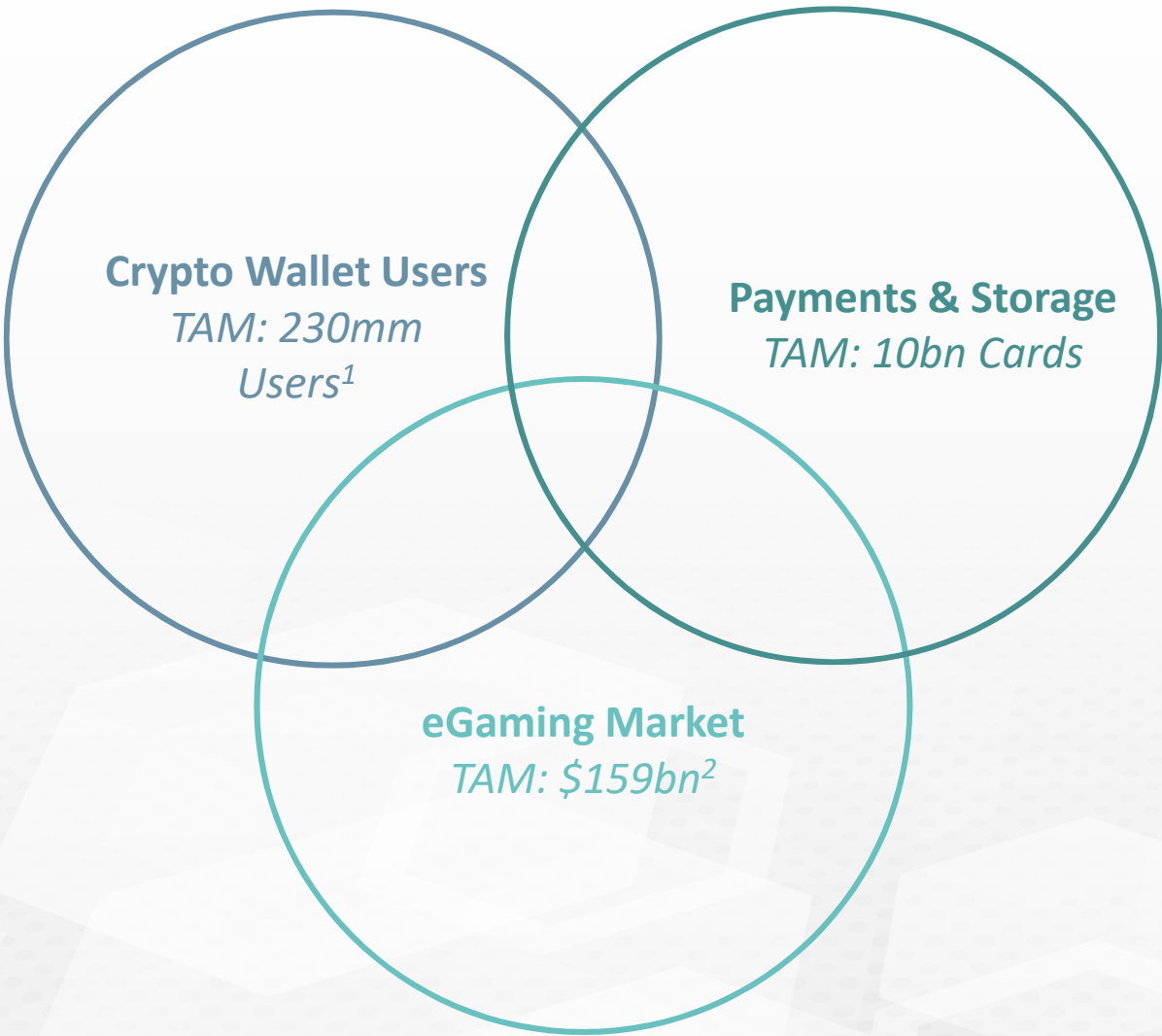


Superior hardware provides platform to drive \$1bn+ of revenue

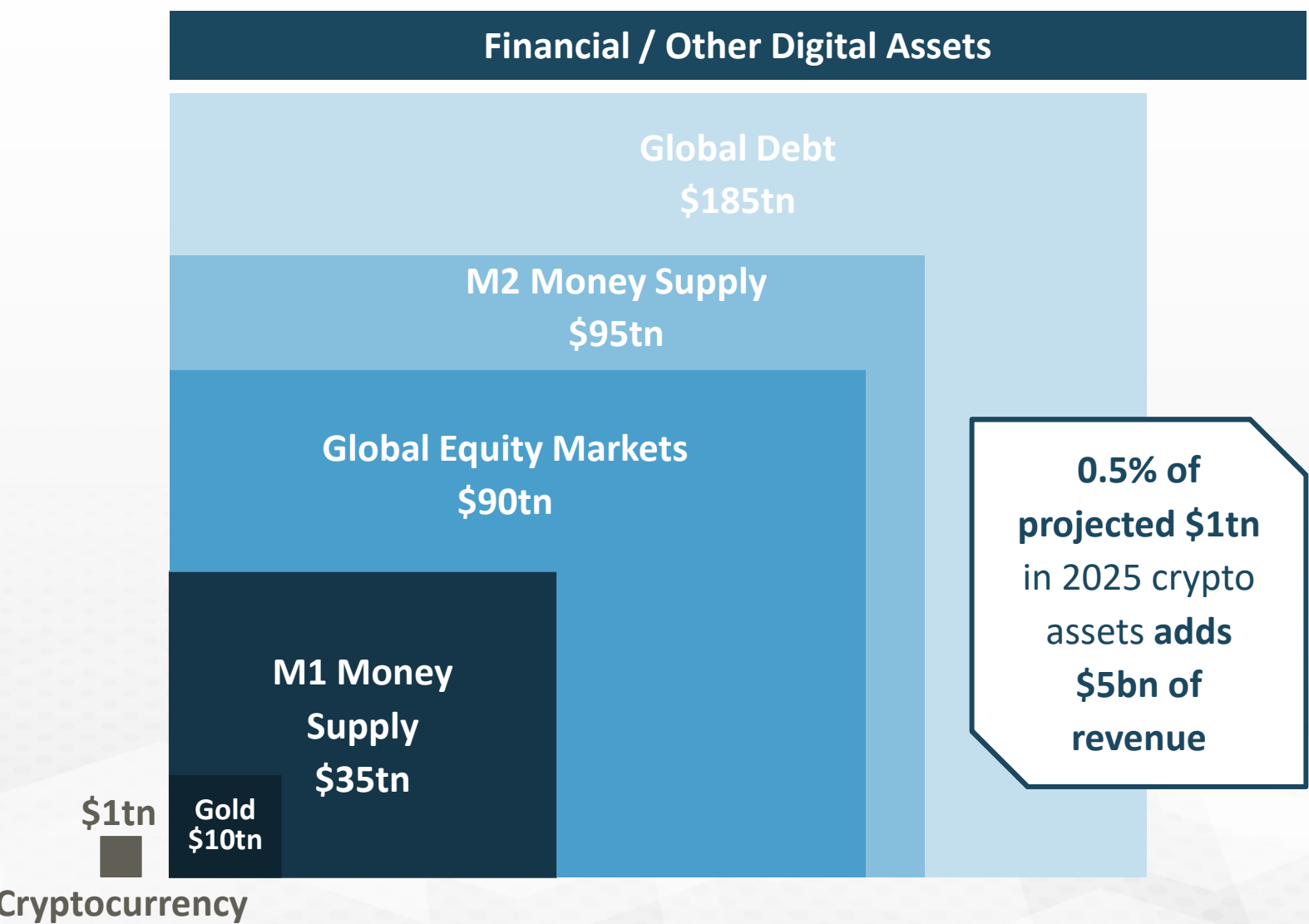
Sources: Accenture, Bessemer State of the Cloud 2020, Bond Capital, IDC  
<sup>1</sup> Estimated global crypto wallet users (all cold and hot) by 2025E  
<sup>2</sup> Spend on video games; increasingly monetized in-game. Source: NewZoo, 2020

# Large and Growing Addressable Market

## Massive Long-Term Revenue Opportunities



## Significant Room for Crypto Asset Class Growth

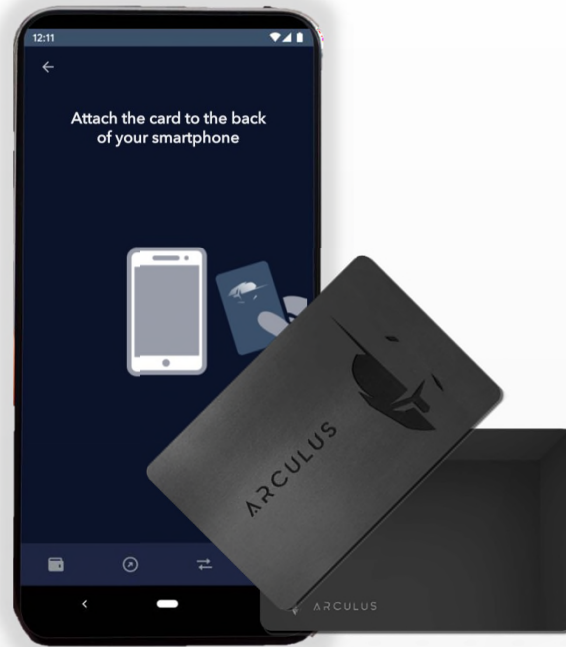


Arculus is entering an ecosystem that is forming the basis for a new global financial system with massive monetization opportunities

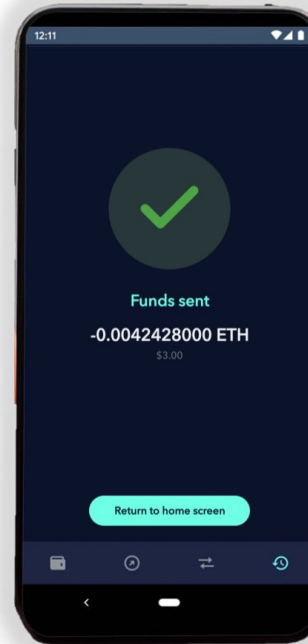
Sources: Accenture, Bessemer State of the Cloud 2020, Bond Capital, IDC  
<sup>1</sup> Estimated global crypto wallet users (all cold and hot) by 2025E  
<sup>2</sup> Spend on video games; increasingly monetized in-game. Source: NewZoo, 2020

# Arculus Enables Safe Storage for Crypto Assets

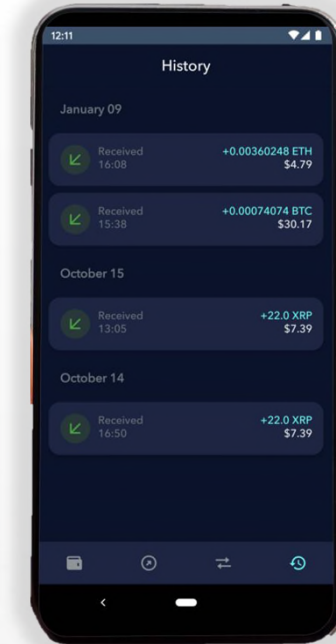
## Superior User Experience



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



*Seamlessly send, receive, and swap cryptocurrency*



*Easily track and record historical transactions*

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

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

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

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





**App Video<sup>1</sup>**

**Password:** Arculus2021

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




# Arculus Alleviates the Burdens of Other Crypto Storage Solutions

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

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

# Cold Storage Hardware Wallet Feature Comparison

## Arculus Offers Best-In-Class User Experience

	 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

# 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*

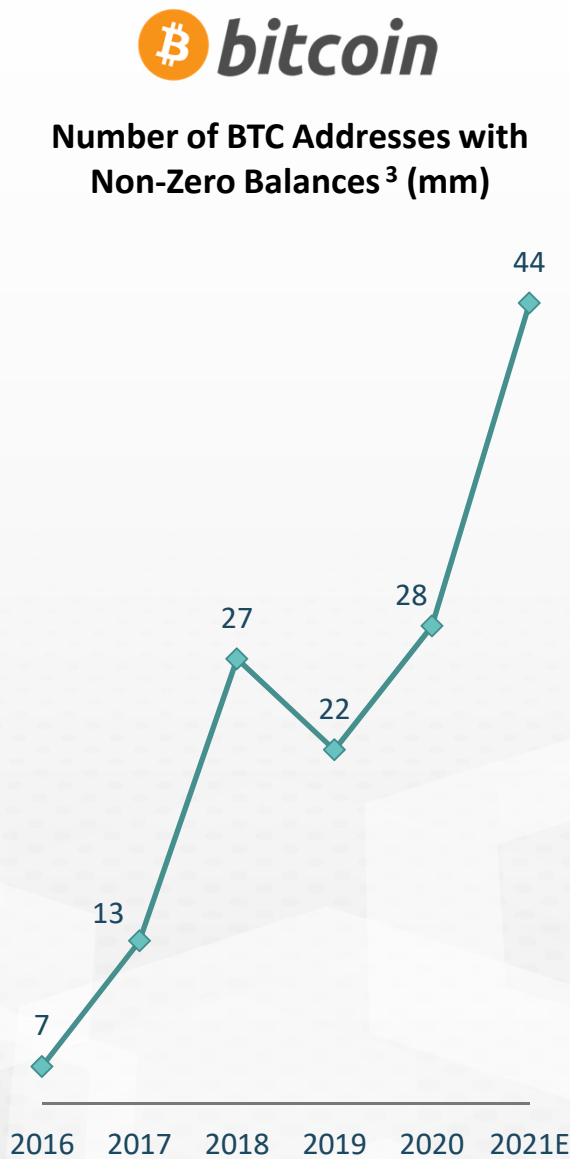
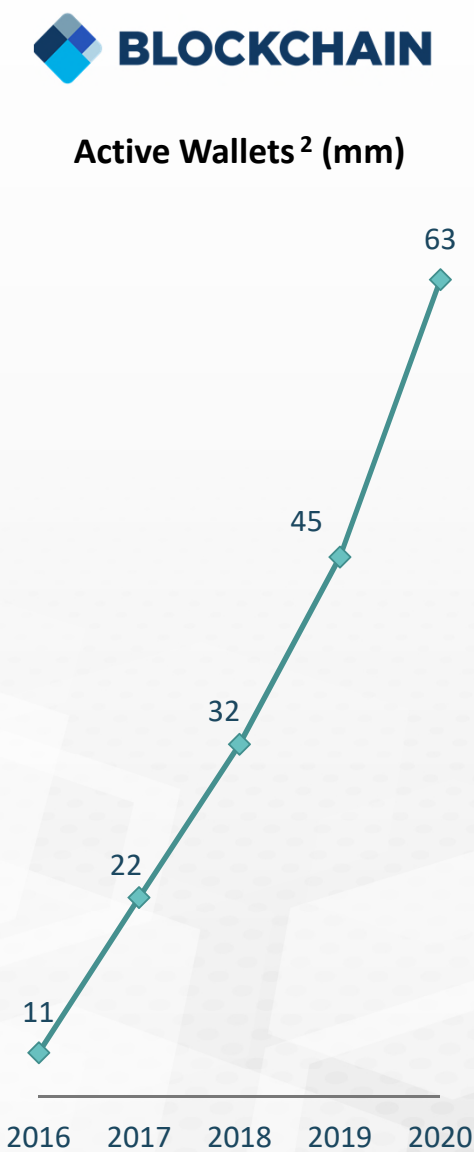
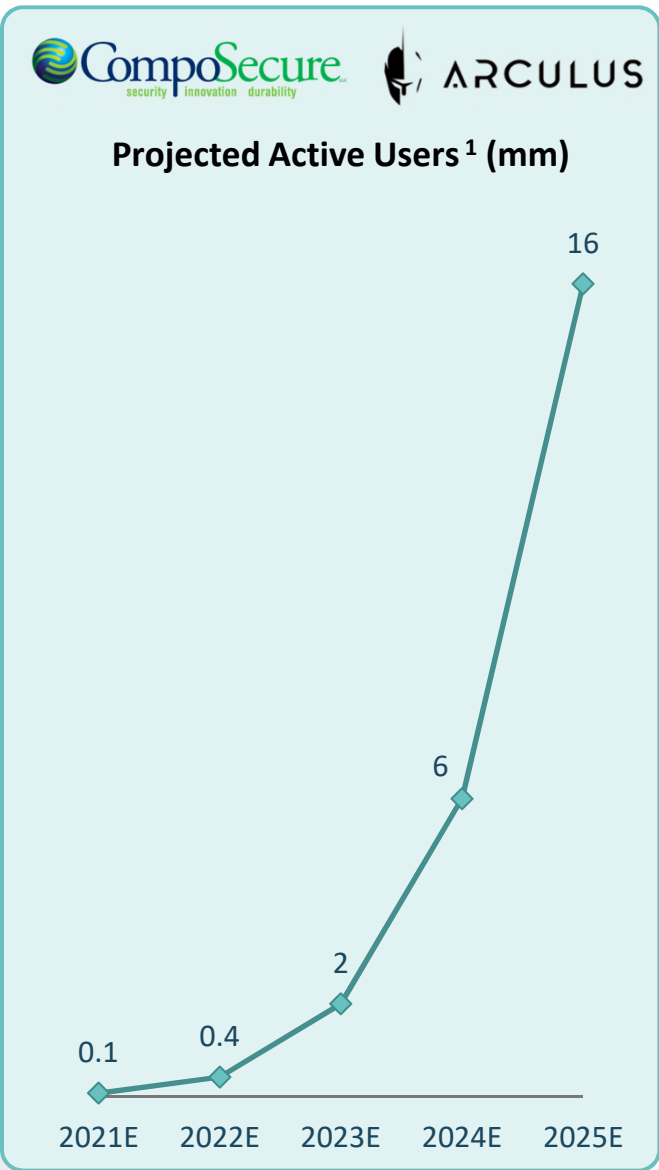
*CompoSecure charges customer customary monthly hot wallet fee*  
*CompoSecure earns monthly fee from third party insurance provider*



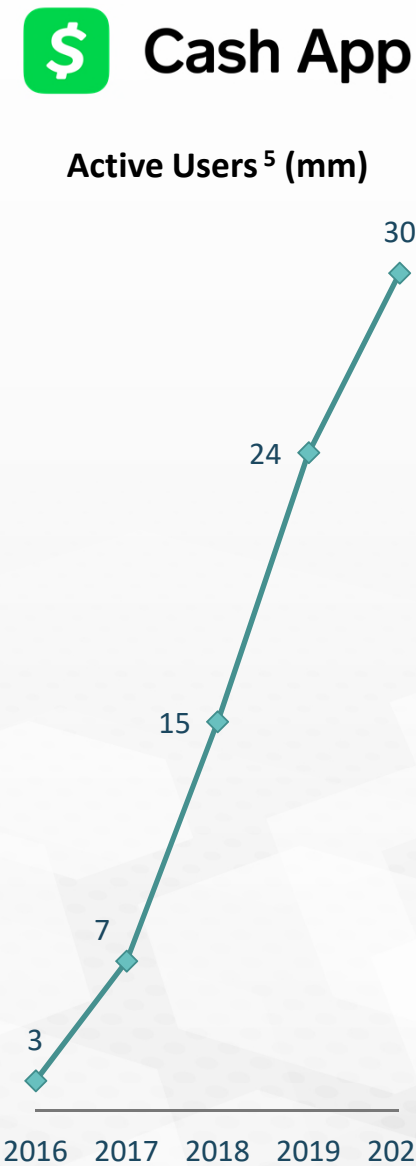
# FINANCIAL OVERVIEW

# Rapid Acceleration of Digital Asset Adoption

## Cryptocurrency Asset Solutions



## Selected Digital Asset Services

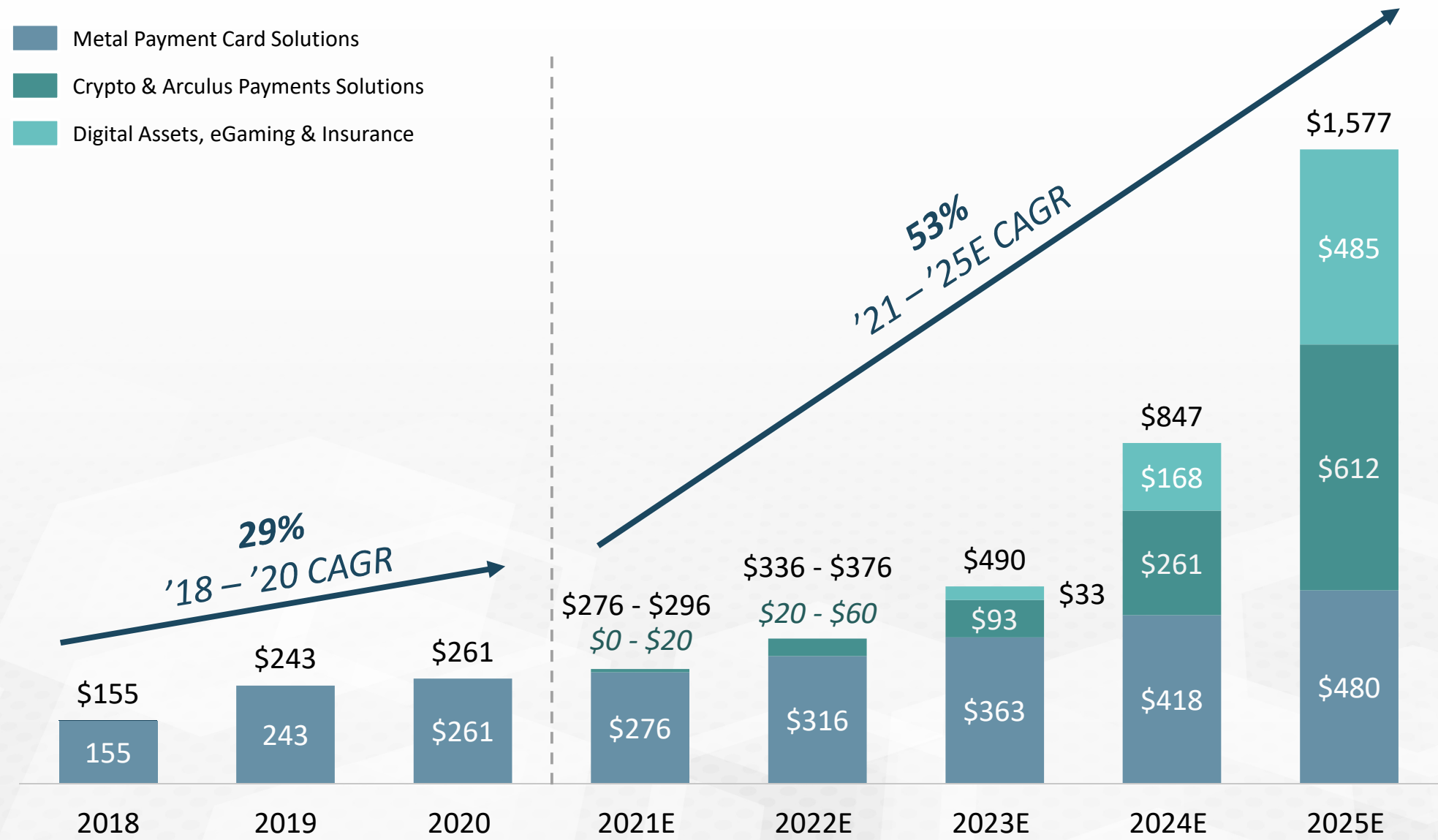


Sources: Investor presentations, management estimates  
<sup>1</sup> Projected Active Users at year end across Arculus digital assets, eGaming, and cryptocurrency services  
<sup>2</sup> Source: Blockchain.com  
<sup>3</sup> Historical data from studio.glassnode.com/metrics; 2021E non-zero address balance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

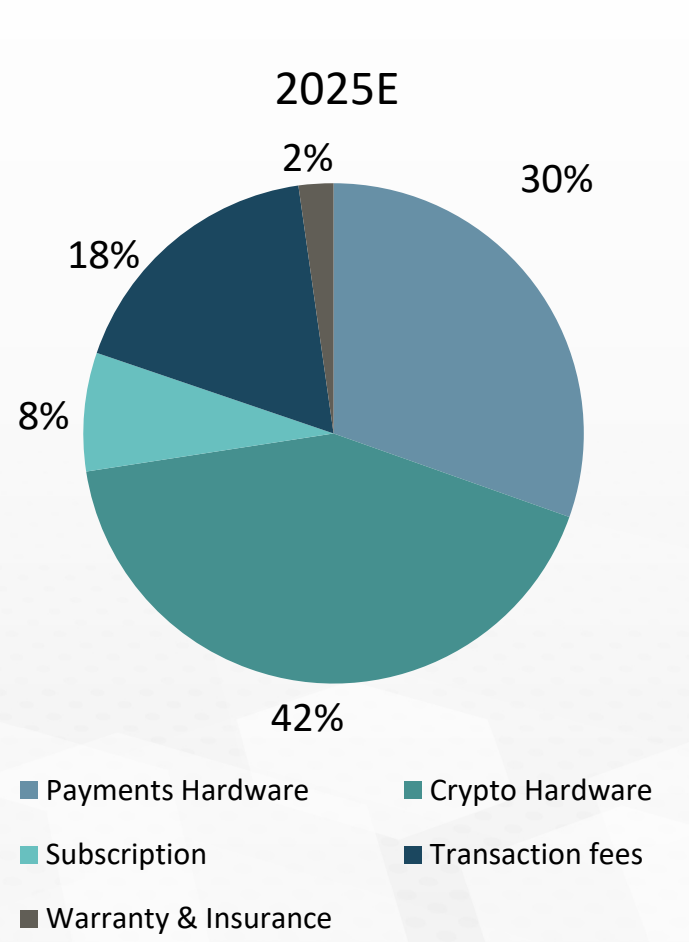


# Projected Net Revenue Evolution

Net Revenue by Solution (\$mm)



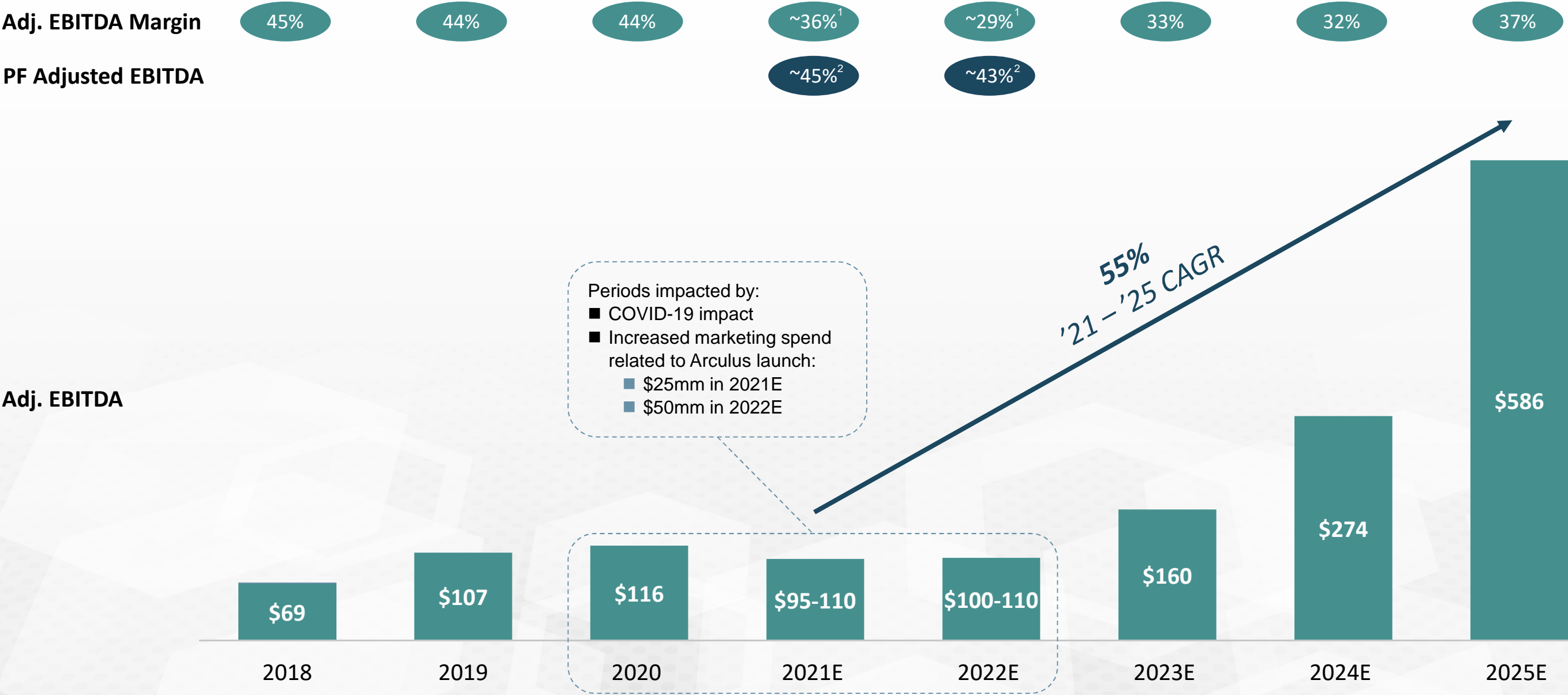
Net Revenue by Type (\$mm)



Source: Management estimates



# Strong EBITDA and Free Cash Flow



Source: Company financials and management estimates  
Note: Margins are calculated on Net revenues  
<sup>1</sup> Margins based on mid-points of the 2021E net revenue (\$276mm - \$296mm), 2022E net revenue (\$336mm - \$376mm), 2021E Adj. EBITDA (\$95mm - \$110mm), and 2022E Adj. EBITDA (\$100mm - \$110mm) ranges  
<sup>2</sup> Pro forma adjusted to add back marketing spend related to the Arculus launch (total marketing spend of \$25mm and \$50mm in 2021E and 2022E, respectively)

# Financial Information by Segment

	Metal Payment Card Solutions					Arculus Crypto & Digital Assets Ecosystem				
	2021E	2022E	2023E	2024E	2025E	2021E	2022E	2023E	2024E	2025E
Unit Sales (mm)	22	25	29	33	39	0.1	0.3	2	7	17
% growth	7%	15%	14%	15%	15%	-	255%	533%	229%	155%
Net Revenue (\$mm)	\$276	\$316	\$363	\$418	\$480	\$10 <sup>1</sup>	\$40 <sup>2</sup>	\$127	\$429	\$1,097
% growth	6%	15%	15%	15%	15%	-	300%	217%	238%	156%
Operating Expenses <sup>3</sup>	(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) <sup>4</sup>	(\$33) <sup>5</sup>	\$2	\$93	\$379
% margin	43%	44%	44%	43%	43%	nm	nm	1%	22%	35%

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

# Historical Levered Free Cash Flow

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

Source: Company financials

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





## TRANSACTION OVERVIEW



# Transaction Overview

## Illustrative Sources and Uses (\$mm)

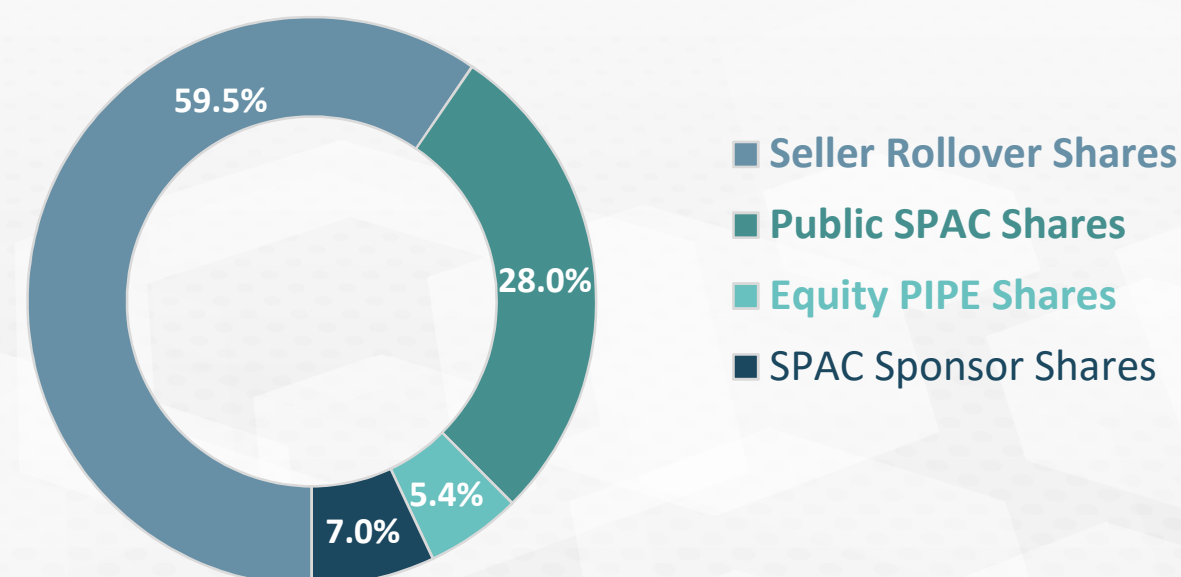
Sources	
CompoSecure Rollover Equity	\$492
SPAC Cash In Trust <sup>1</sup>	236
Common Equity PIPE Proceeds <sup>2</sup>	45
Convertible Notes Proceeds <sup>2</sup>	130
<b>Total Sources</b>	<b>\$903</b>

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

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

Illustrative Share Price	\$10.00
Pro Forma Shares Outstanding <sup>3</sup>	82.6
<b>Total Common Equity Value<sup>3</sup></b>	<b>\$826</b>
Convertible Unsecured Notes	130
Pro Forma Net Debt (ex. Convertible Notes)	250
<b>Pro Forma Enterprise Value Valuation<sup>4</sup></b>	<b>\$1,206</b>
<i>EV / 2021E Net Revenue</i>	<i>\$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<sup>1,2,3</sup>



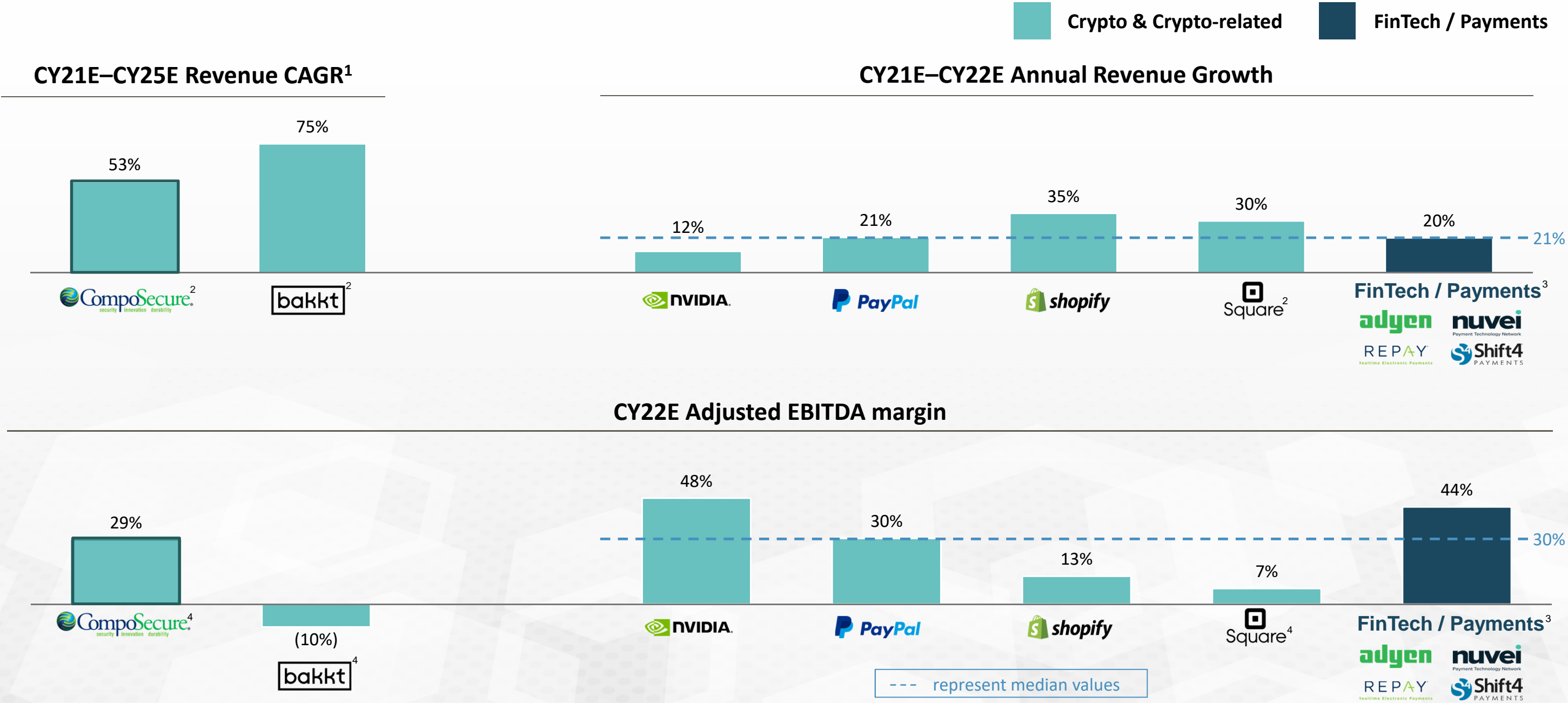
<sup>1</sup> Assumes no SPAC investors redeem their shares for cash in trust

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

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

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

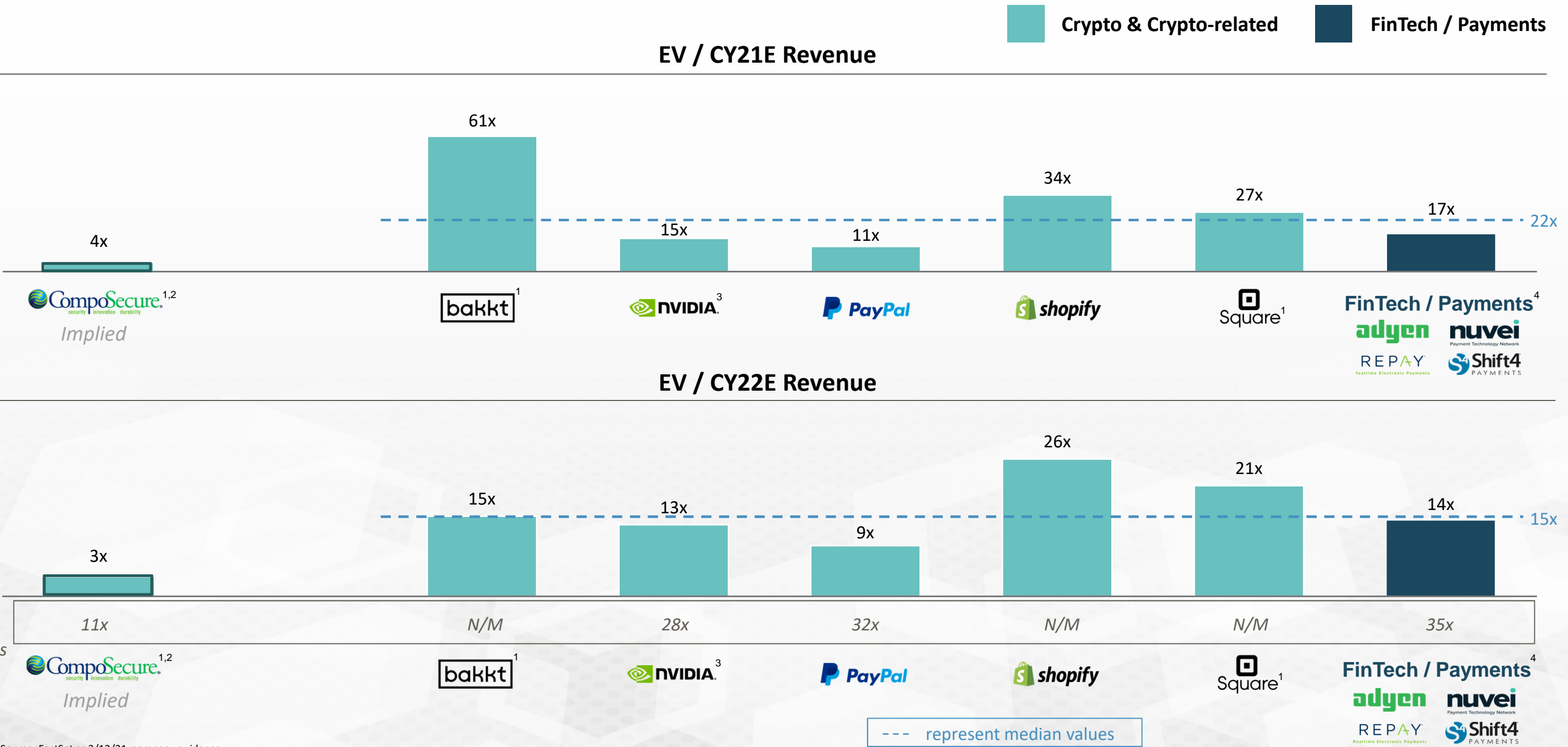
# Growth and Margins Compare Favorably to Peers



Source: FactSet as 3/12/21, company guidance  
Note: EUR & CAD currencies converted to USD at spot rates on 3/12/21  
<sup>1</sup> CompoSecure's Revenue CAGR based on mid-point (\$286mm) of 2021E net revenue range (\$276mm - \$296mm) and 2025E projection (\$1,577mm); <sup>2</sup> Adjusted to be net revenue; <sup>3</sup> Metrics reflect median of peer set; <sup>4</sup> Calculated as a percentage of net revenue. CompoSecure's margin calculated using mid-points of the 2022E Adj. EBITDA (\$100-110mm) and Net revenue (\$336mm - \$376mm) ranges



# Peer Valuation Comparison



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  
<sup>1</sup> Adjusted to be net revenue; <sup>2</sup> 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; <sup>3</sup> Not adjusted pro forma for NVIDIA's acquisition of ARM announced on 9/13/2020, which is not certain to close and is currently subject of review / scrutiny by global antitrust regulators; <sup>4</sup> 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 FUSION-io

## Pioneers in Developing the PCIe Data Storage Market



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



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

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

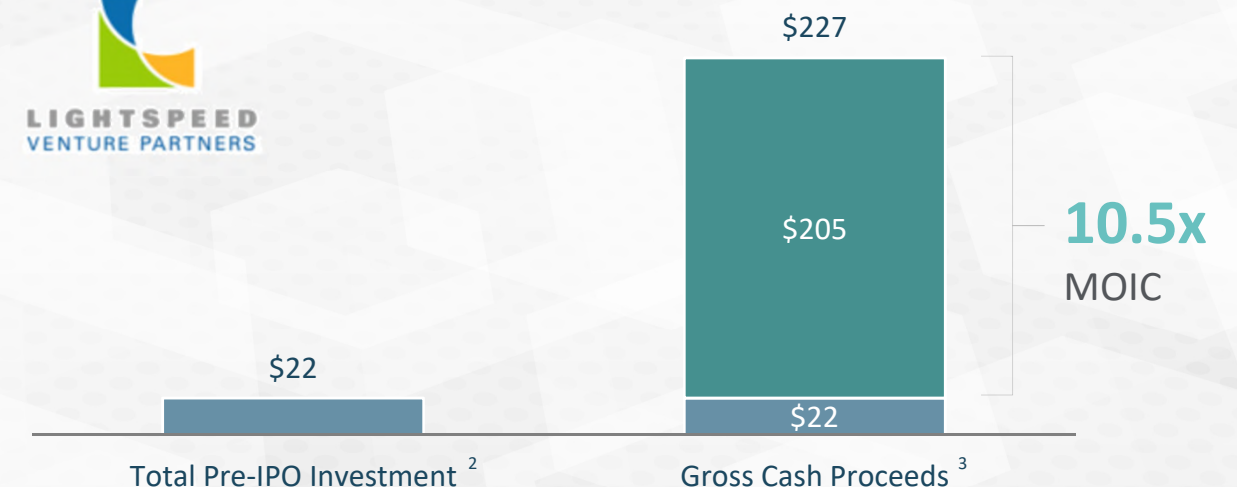
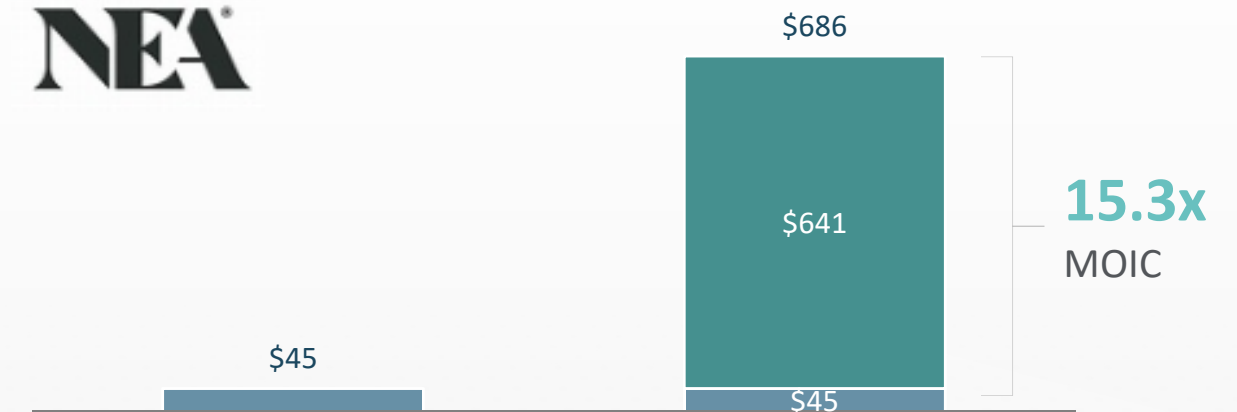
**Business Development:** Secured three major OEM deals (HP, IBM, Dell) and initial commercial deals with key customers (Apple, Facebook) which became largest customers

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

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

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

### Select Investors Estimated Returns Summary



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

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

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

Source: Public Filings, Capital IQ, Forbes

# Convertible Notes Private Placement – Summary Terms

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



# Financial Summary

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

# Non-GAAP Adjusted EBITDA Reconciliation

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

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

Source: Company financials

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



# Statements of Operations

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

Source: Company financials

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











# Statements of Cash Flows

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

Source: Company financials

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

# 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
 CompoSecure <sup>1,2</sup>	\$1.2	10%	24%	53%	52%	29%	4x	3x	11x
Crypto and Crypto-related									
 NVIDIA <sup>3</sup>	\$323.0	33%	12%	N/A	63%	48%	15x	13x	28x
 PayPal	292.0	20%	21%	N/A	N/A	30%	11x	9x	32x
 Shopify	139.6	38%	35%	N/A	53%	13%	34x	26x	N/M
 Square <sup>1</sup>	117.3	49%	30%	N/A	31%	7%	27x	21x	N/M
 bakkt <sup>1</sup>	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									
 adyen	\$68.3	41%	39%	N/A	N/A	62%	59x	43x	68x
 nuvei <small>Payment Technology Network</small>	9.2	54%	18%	N/A	81%	43%	16x	13x	31x
 Shift4 <sup>1</sup> <small>PAYMENTS</small>	8.3	41%	22%	N/A	61%	39%	18x	15x	38x
 REPAY <small>Realtime Electronic Payments</small>	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

<sup>1</sup> Adjusted to be net revenue. EBITDA margins calculated based on net revenues as well; <sup>2</sup> 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; <sup>3</sup> Not adjusted pro forma for NVIDIA's acquisition of ARM announced on 9/13/2020, which is not certain to close and is currently subject of review / scrutiny by global antitrust regulators



# Trading Comparables – Metal Card Payment Solutions

(\$bn)	Firm value	Revenue growth		Revenue CAGR	Gross margin	Adj. EBITDA margin	EV / Revenue		EV / Adj. EBITDA
		CY21E	CY22E	CY21E - CY25E	CY22E	CY22E	CY21E	CY22E	CY22E
 Metal Card Payment Solutions <sup>1</sup>	\$1.2	7%	15%	16%	50%	43%	4x <sup>2</sup>	4x <sup>2</sup>	9x <sup>2</sup>
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/M indicates multiples that are not meaningful because they are either based on a negative underlying value or exceed 100x

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

# Risk Factors

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

