



SYSTEM1

Investor Presentation | Q3 2022

Disclaimer



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The forward-looking statements contained in this presentation are based on System1's current expectations and beliefs concerning future developments, and their potential effects on System1 taking into account information currently available. All information in this presentation speaks as of August 30, 2022, and any redistribution or rebroadcast of this presentation after such date is not intended and will not be construed as updating or confirming such information.

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Such risks, uncertainties and assumptions include, but are not limited to: (1) our ability to grow and manage growth profitably, and retain its key employees; (2) our ability to acquire businesses on acceptable terms and to successfully integrate and recognize anticipated synergies from acquired businesses; (3) use of cash and other available liquidity to grow and invest in our businesses; (4) continued growth of our digital media and subscription offerings; (5) international growth; (6) our ability to develop or introduce new products, services, features and technologies; (7) our liquidity and our ability to repay or refinance our outstanding indebtedness; (8) technology, platform and infrastructure systems capacity, coverage, reliability and security; (9) changes in or recent developments related to applicable laws or regulations (including those concerning data security, consumer privacy and/or information sharing); (10) the possibility that we may be adversely affected by other economic, business, and/or competitive factors; and (11) the impact of Covid-19 and other political or societal developments. The foregoing list of factors is not exclusive.

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This presentation contains certain financial forecasts (or guidance) with respect to the System1's projected financial results. System1's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this presentation.

Disclaimer (Continued)



Explanatory Note

For financial reporting purposes, S1 Holdco has been determined to be the accounting predecessor and therefore its financial results are presented for all periods prior to the Business Combination with Trebia. In order to present comparable financial information, year-over-year comparisons of financial results against the second quarter of 2021 combine the unaudited financial results of Protected with the unaudited financial results of S1 Holdco for the second quarter of 2021. The Company believes it is important to provide these combined financial results for investors and other stakeholders to properly evaluate its performance in 2022 relative to comparable information provided in prior periods. Please refer to the tables at the end of this release for a reconciliation of the combined financial results as presented herein to the individual financial results of S1 Holdco, Protected and System1, respectively, for the respective successor and predecessor periods.

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Non-GAAP Measures: Combined Revenue, Adjusted Gross Profit and Adjusted EBITDA

Combined Revenue, Adjusted Gross Profit and Adjusted EBITDA are non-GAAP financial measures and represent key metrics used by System1's management and board of directors to measure the operational strength and performance of its business, to establish budgets, and to develop operational goals for managing its business. Combined Revenue is defined as Revenue plus Protected.net Revenue for any periods prior to S1 Holdco's acquisition of Protected. Adjusted Gross Profit is defined as revenue less cost of revenues (exclusive of depreciation and amortization) plus certain discrete items impacting a particular segment's results in a particular period plus the Adjusted Gross Profit of Protected.net for any periods prior to S1 Holdco's acquisition of Protected. Adjusted EBITDA is defined as net income (loss) before interest expense, income taxes, depreciation and amortization expense, stock-based compensation expenses, deferred compensation, management fees, minority interest expense, restructuring charges, impairment and certain discrete items impacting a particular segment's results in a particular period plus the Adjusted EBITDA of Protected.net for any periods prior to S1 Holdco's acquisition of Protected.

System1 believes Combined Revenue, Adjusted Gross Profit and Adjusted EBITDA are relevant and useful metrics for investors because it allows investors to view performance in a manner similar to the method used by management. There are limitations on the use of Combined Revenue, Adjusted Gross Profit and Adjusted EBITDA and it may not be comparable to similarly titled measures of other companies. Other companies, including companies in System1's industry, may calculate non-GAAP financial measures differently than System1 does, limiting the usefulness of those measures for comparative purposes.

Combined Revenue and Adjusted Gross Profit should not be considered a substitute for revenue. Adjusted EBITDA should not be considered a substitute for income (loss) from operations, net income (loss), or net income (loss) attributable to System1 on a consolidated basis that System1 reports in accordance with GAAP. Although System1 uses Adjusted Gross Profit and Adjusted EBITDA as financial measures to assess the performance of its business, such use is limited because it does not include certain costs necessary to operate System1's business. System1's presentation of Adjusted Gross Profit and Adjusted EBITDA should not be construed as indications that its future results will be unaffected by unusual or nonrecurring items.

The Company is not able to reasonably reconcile Adjusted EBITDA to net income, its nearest GAAP metric, in its guidance for future periods due to uncertainties regarding purchase accounting, stock-based compensation, taxes and other potential adjustments.

Use of Projections

This presentation contains certain financial forecasts (or guidance) with respect to the System1's projected financial results. System1's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this presentation. This guidance should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information 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 prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of System1, or that actual results will not differ materially from those set forth in the prospective financial information. Inclusion of the prospective financial information in this presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will actually be achieved. You should review this information together with System1's historical information, as well as information included in the registration statement on Form S-4, including the proxy statement/prospectus, relating to its recently completed business combination with Trebia.



Company Overview



System1 is a **leading omnichannel customer acquisition marketing platform**,
delivering high intent customers to advertisers
and to our own subscription products.



System1 At a Glance



Deliver high intent customers at scale

Spend \$675M+ annually (first half of CY '22 run-rate) on digital advertising across all major sources of customer traffic



\$900-\$930 Million projected 2022 revenue

Diversified across 40+ major advertising categories, and 2mm+ paying subscribers to our digital subscription products



RAMP is our technological advantage

Proprietary Responsive Acquisition Marketing Platform (**RAMP**) efficiently identifies, acquires, and serves ads to consumers across any advertising vertical



Flexible and dynamic business model

Our platform solution protects against demand shifts in the online advertising marketplace and reliance on specific verticals and advertisers

Key Financial KPIs



\$160M

FY 2022 Adjusted EBITDA
forecast
(+25% YoY)



\$74M

Q2 2022 Gross Profit
(+31% YoY)

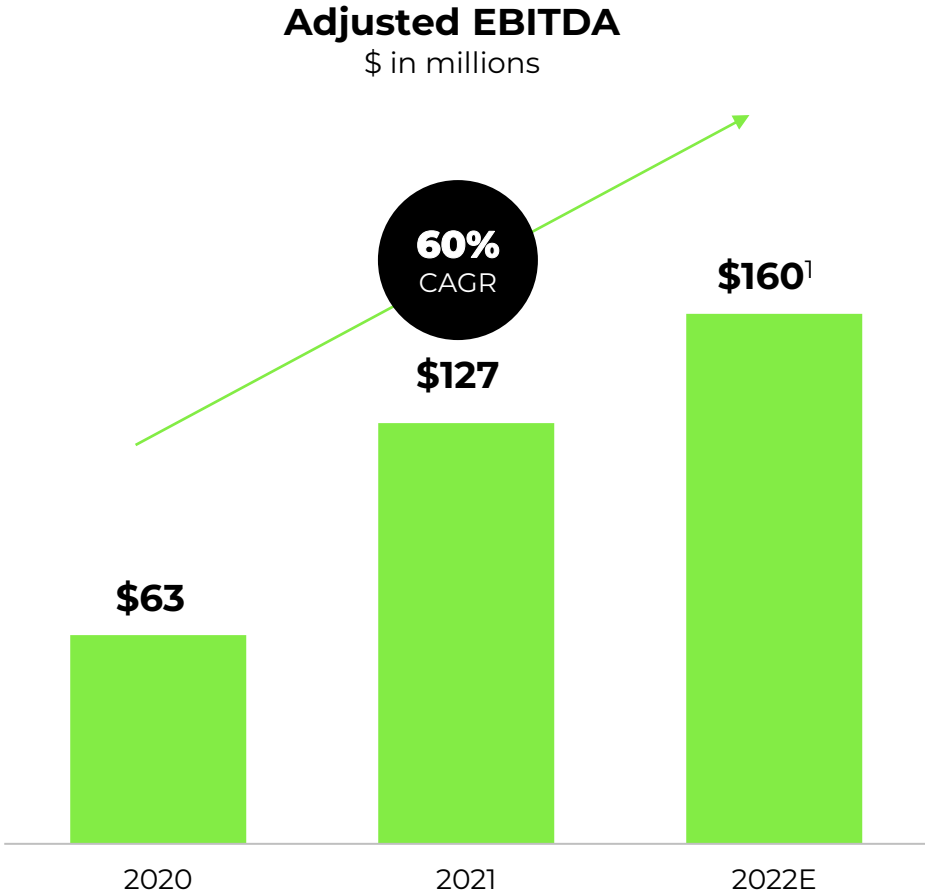
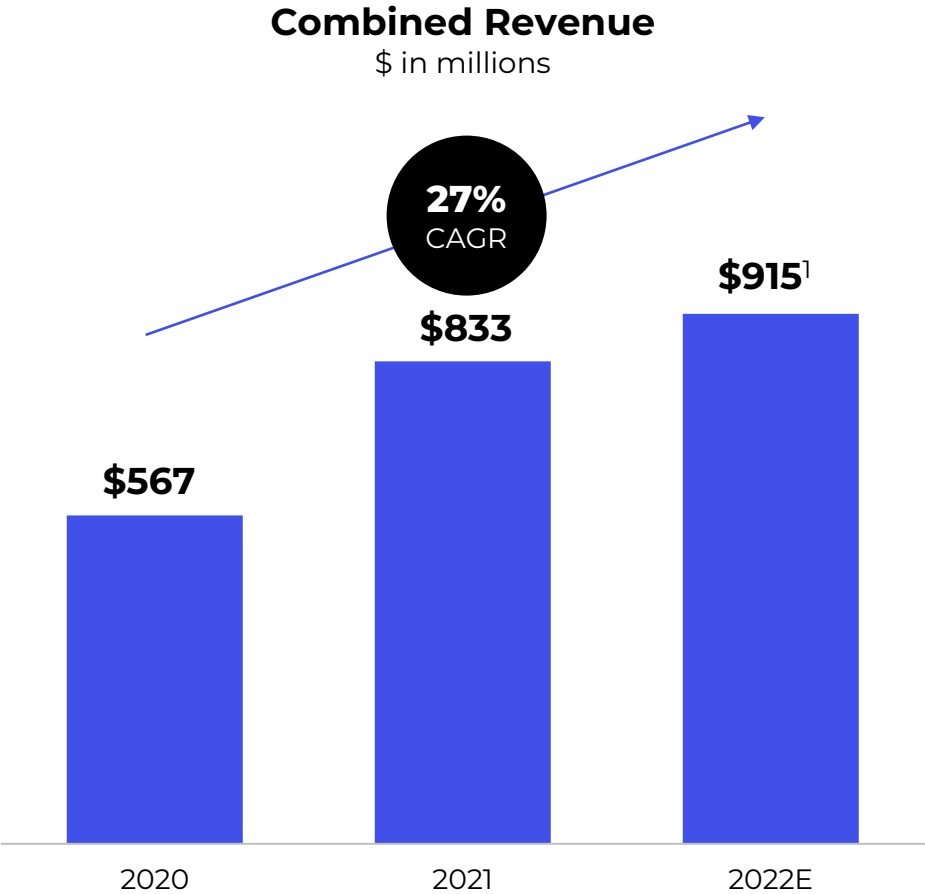


2.3M+

Active subscribers across
Owned & Operated
subscription products

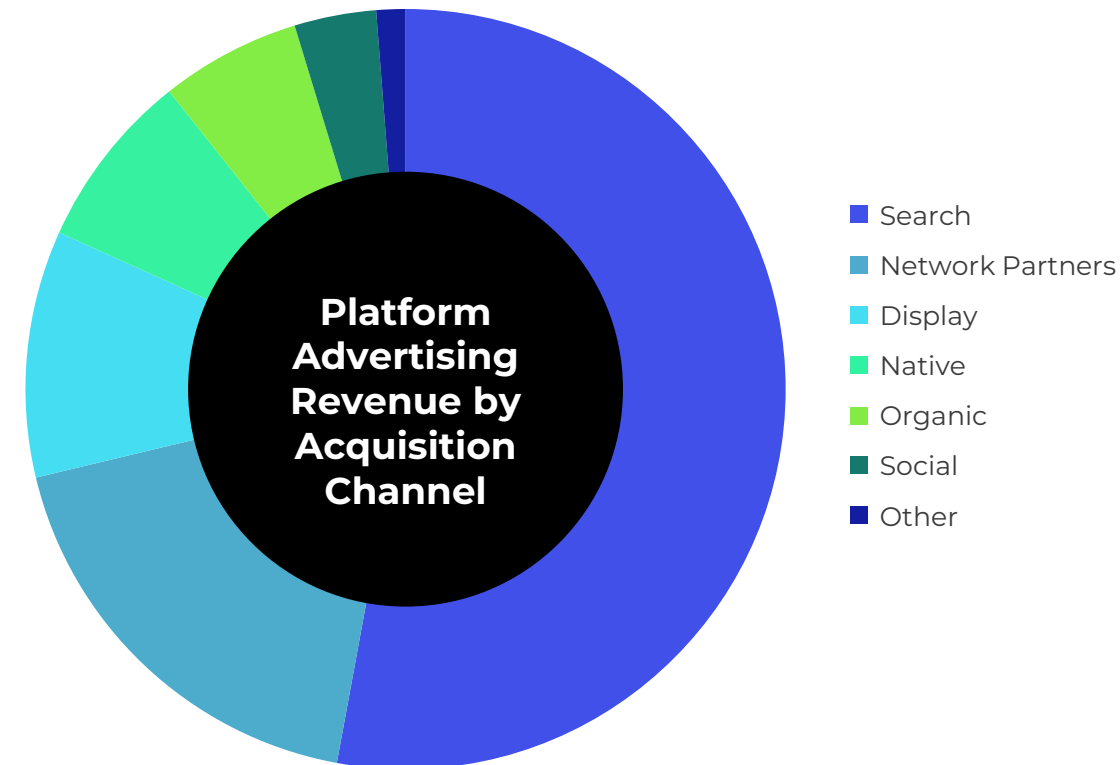
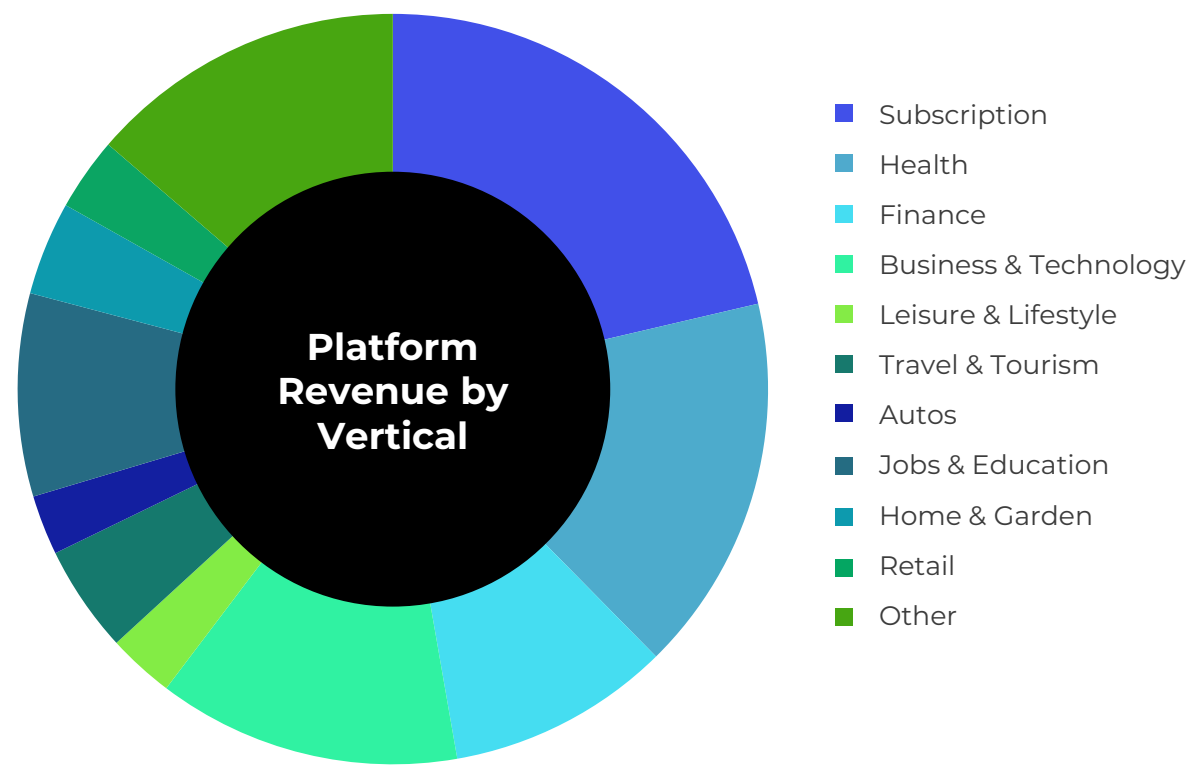
Note: FY 22 Adjusted EBITDA forecast assumes midpoint of Company's most recent guidance provided on August 11, 2022.

Fast Growing & Profitable



Note: See Appendix for a reconciliation of non-GAAP metrics to comparable GAAP metrics.
(1) Assumes midpoint of Company's most recent guidance provided on August 11, 2022.

RAMP Identifies & Generates Customers Across All Major Advertising Categories & from All Major Traffic Sources



RAMP is built for scale



175M+
monthly visitors¹
generating
~450M
monthly sessions¹



6B+ rows/day²
generated from first-
party data informing
our Machine
Learning pipelines



~22M daily
creative & bidding
optimizations² by our
automated buying
engine



~600M
queries/mo.¹ powering
our search stack
processes
across O+O and
partner sites



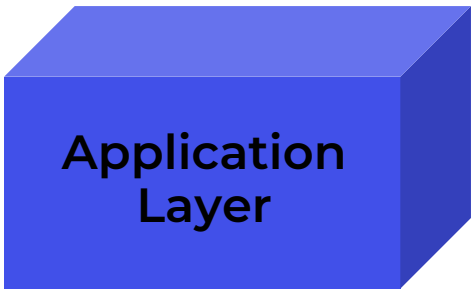
20M+
daily content
recommendations²
discovered, classified
and served by our
content
recommendation
engine



40+ o&o internet
properties spanning
multiple verticals
designed to refine
consumer intent

1. Monthly average for Q2 2022. 2. Daily Average for June 2022

RAMP Platform Architecture



RAMP Console

System1 and Network partner access to the RAMP platform, including campaign management, experimentation tools and reporting dashboards.

Publishing Properties



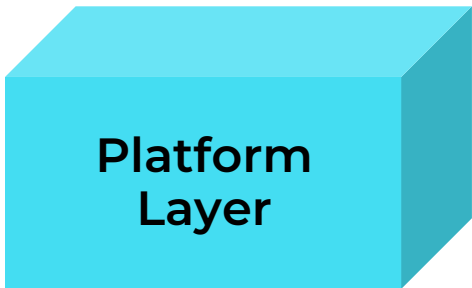
Search Properties



Subscriptions & Apps



Partner Properties



Acquisition

Paid and organic traffic acquisition services & APIs.

Engagement

Content and advertisement delivery components

Monetization

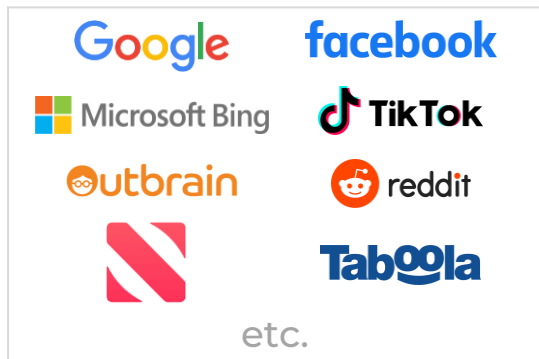
Measurement and revenue attribution engine.



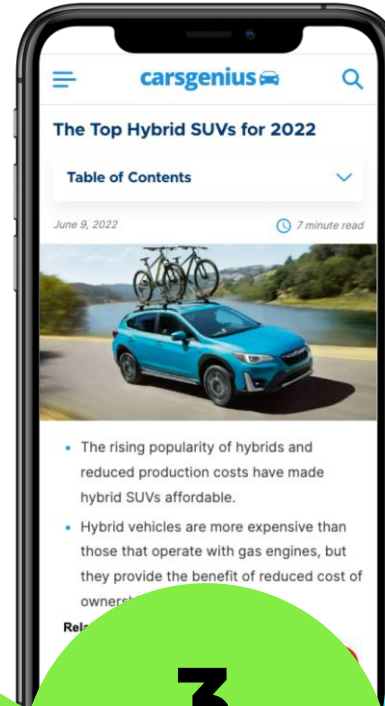
Data Pipelines and Machine Learning models

First-Party Data Store

Identify and unlock consumer intent across all major sources of traffic



1
UNLOCK



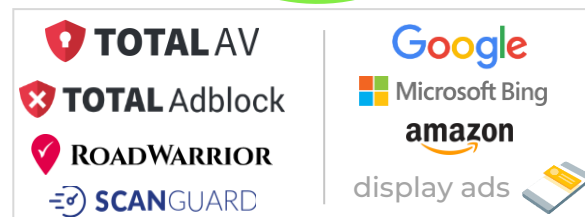
2
REFINE



Refine consumer intent based on actions they take on System1 websites

3
MONETIZE

Monetize via advertising networks or our O&O subscription products



How RAMP Works

Consumer intent is shaped into search intent by multiple interactions users take on our O&O sites

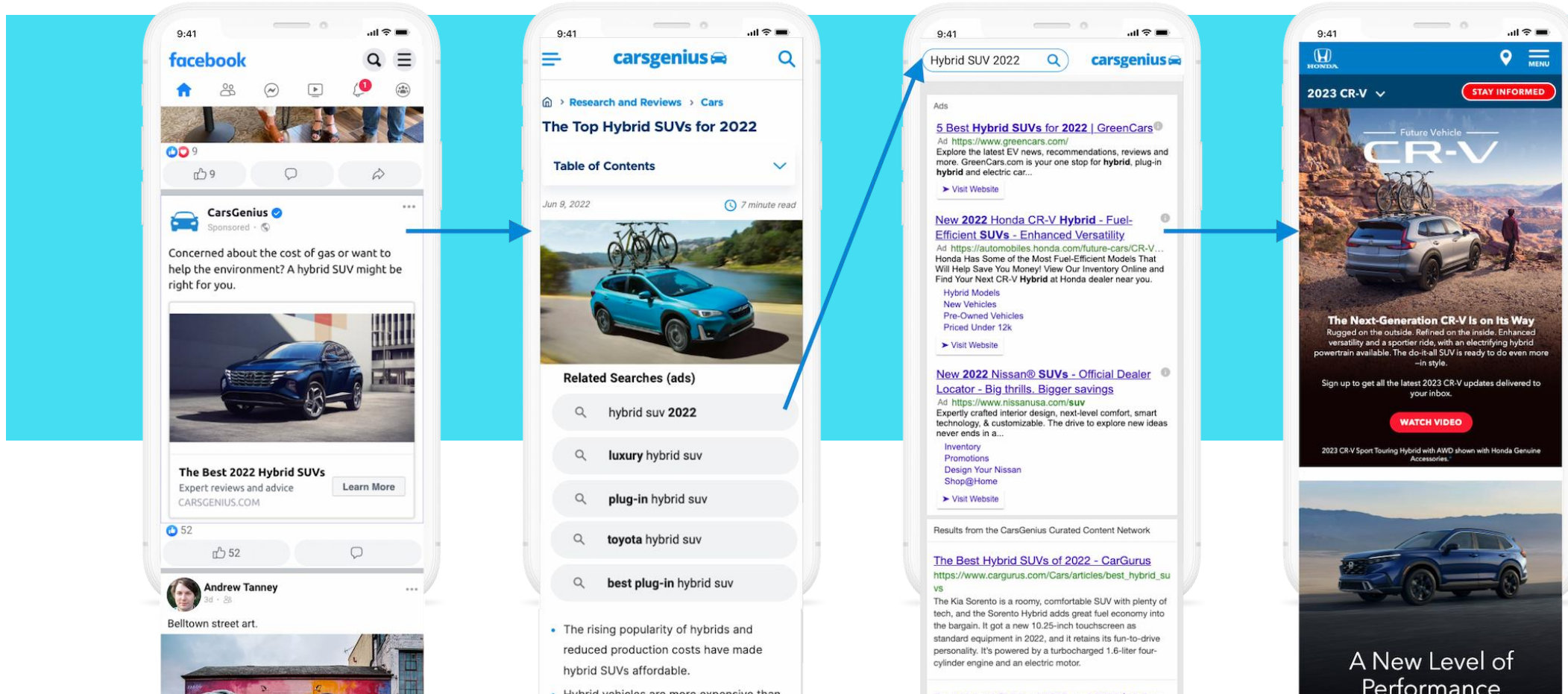


1 RAMP Dynamic Ad Placement






2 Refined Consumer Intent on O&O Website

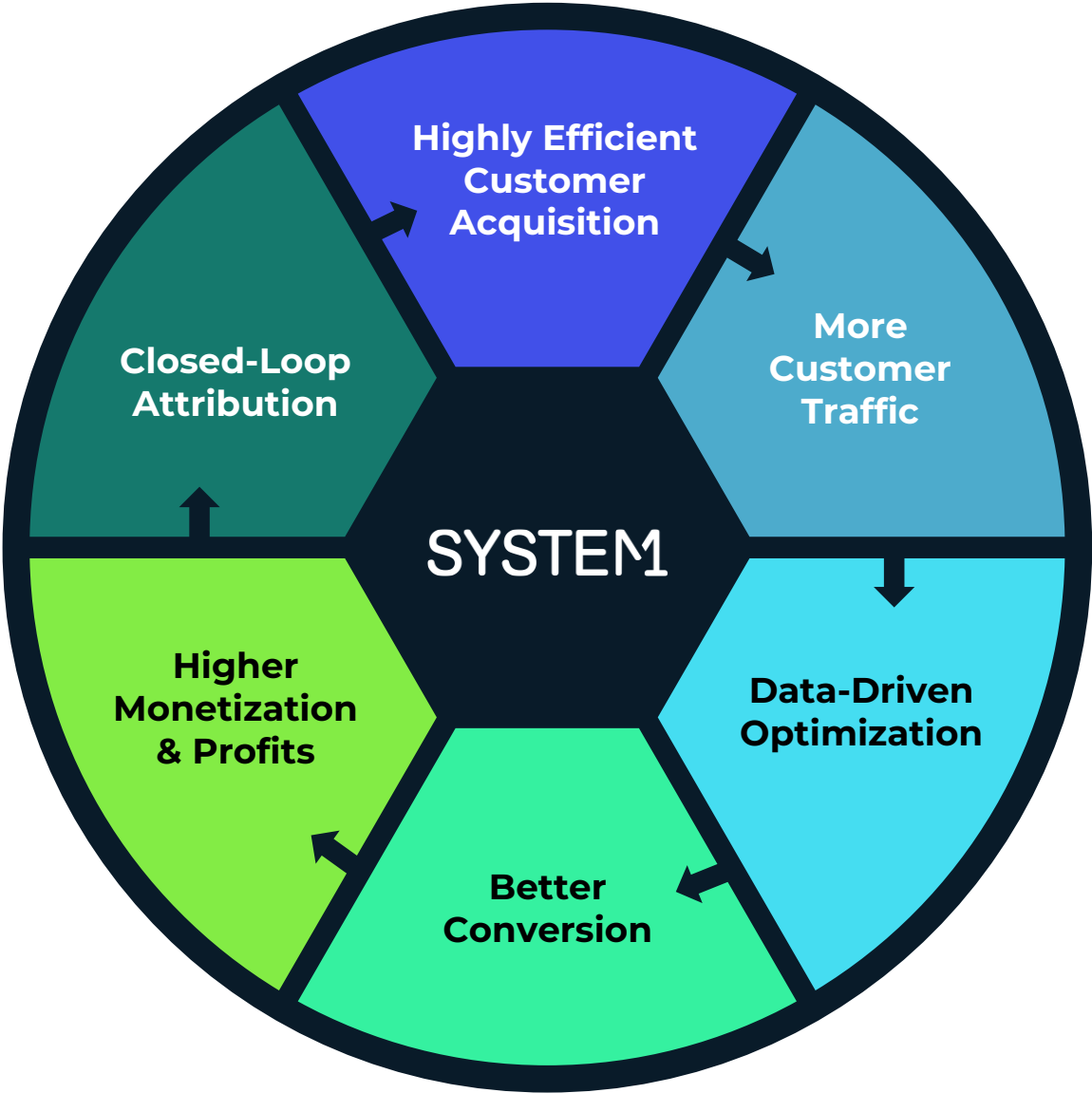
3 RAMP Optimized Search Results Page

4 Deliver High Intent Consumer to Advertiser



Our Technology Moat Widens as our Business Grows

-  Omnichannel
-  Vertical Agnostic
-  Privacy Focused 1st Party Data
-  End-to-End Tech Stack
-  Plug & Play M&A





Growth Strategy

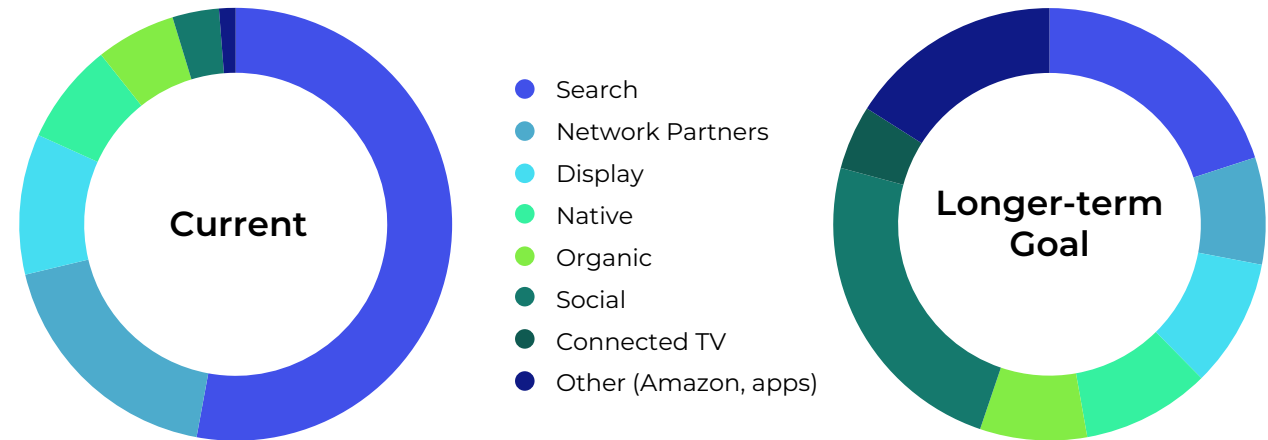
Advertising Growth Drivers

Continuous advertising & monetization optimizations that drive **margin improvement**

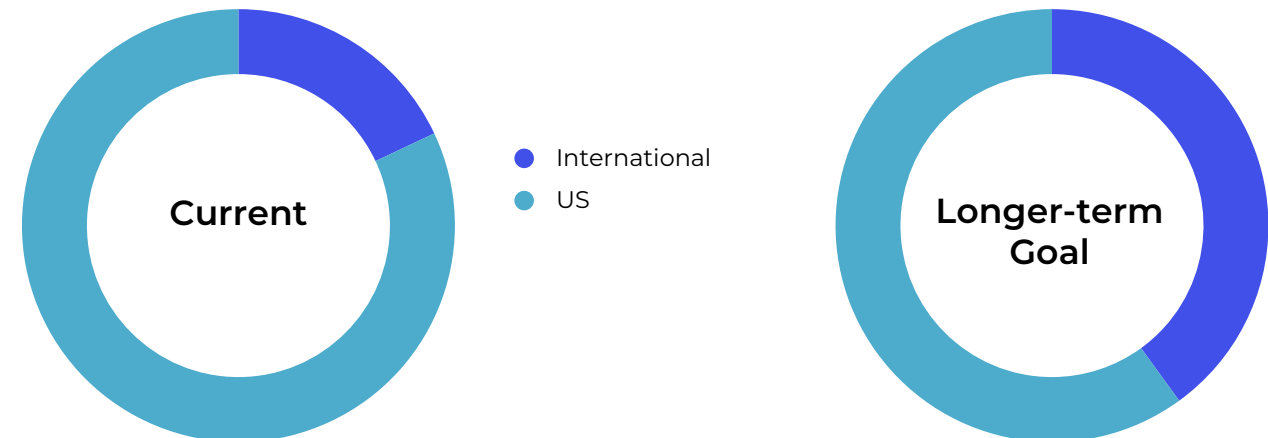
Expand customer acquisition efforts into **under indexed and new acquisition channels**

Grow & expand international business, currently less than 20% of platform advertising revenue

Ad Rev. by Acquisition Channel



International Rev. as % of Total



Subscription Growth Drivers



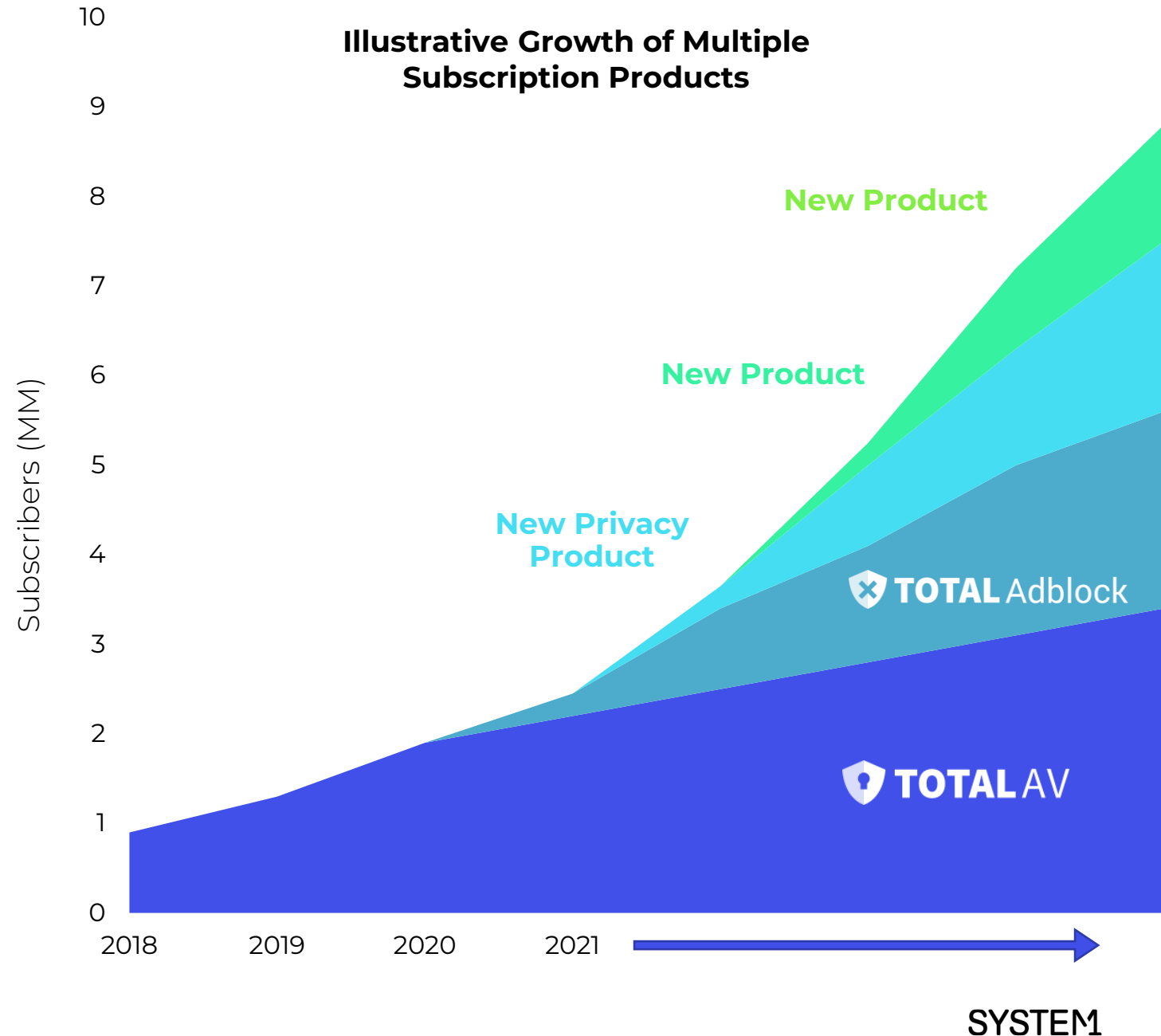
Continue to test / optimize for **increased renewal rates and higher ARPU**



Expand customer acquisition efforts via **RAMP integration**



Launch & grow new subscription products across multiple categories and increase opportunities for cross selling

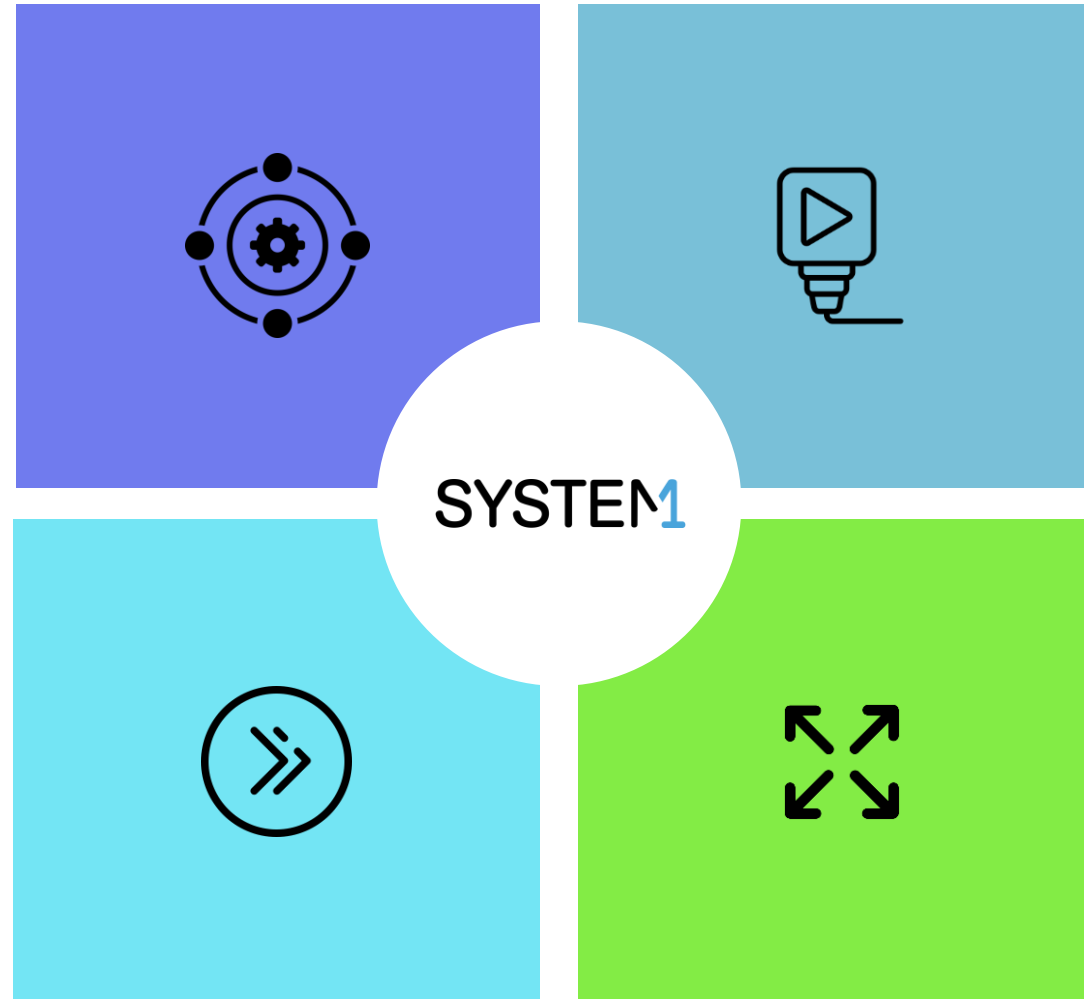


M&A remains a Core Part of our Growth Strategy



Growth
Focus on proprietary
deals & growth synergies

Accelerate
Accelerate existing
business lines



Plug & Play
RAMP is built to facilitate “Plug
& Play” integration of M&A

Expand
Enter adjacent
business markets

Strong and Experienced M&A Track Record



	Growth	Plug and Play	Accelerate	Expand
Answers.com	✓	✓	✓	
RoadWarrior				✓
CouponFollow	✓	✓		✓
Protected.net				✓
MapQuest	✓	✓	✓	
Concourse Media	✓	✓	✓	
Startpage	✓	✓	✓	
info.com	✓		✓	
Qool Media	✓	✓	✓	✓
InfoSpace	✓	✓		✓

A Founder-led Team of Industry Veterans



MICHAEL BLEND
CEO & Co-Founder



TRIDIVESH KIDAMBI
CFO



PAUL FILSINGER
President



BRIAN COPPOLA
Chief Product Officer



BETH SESTANOVICH
Chief People Officer



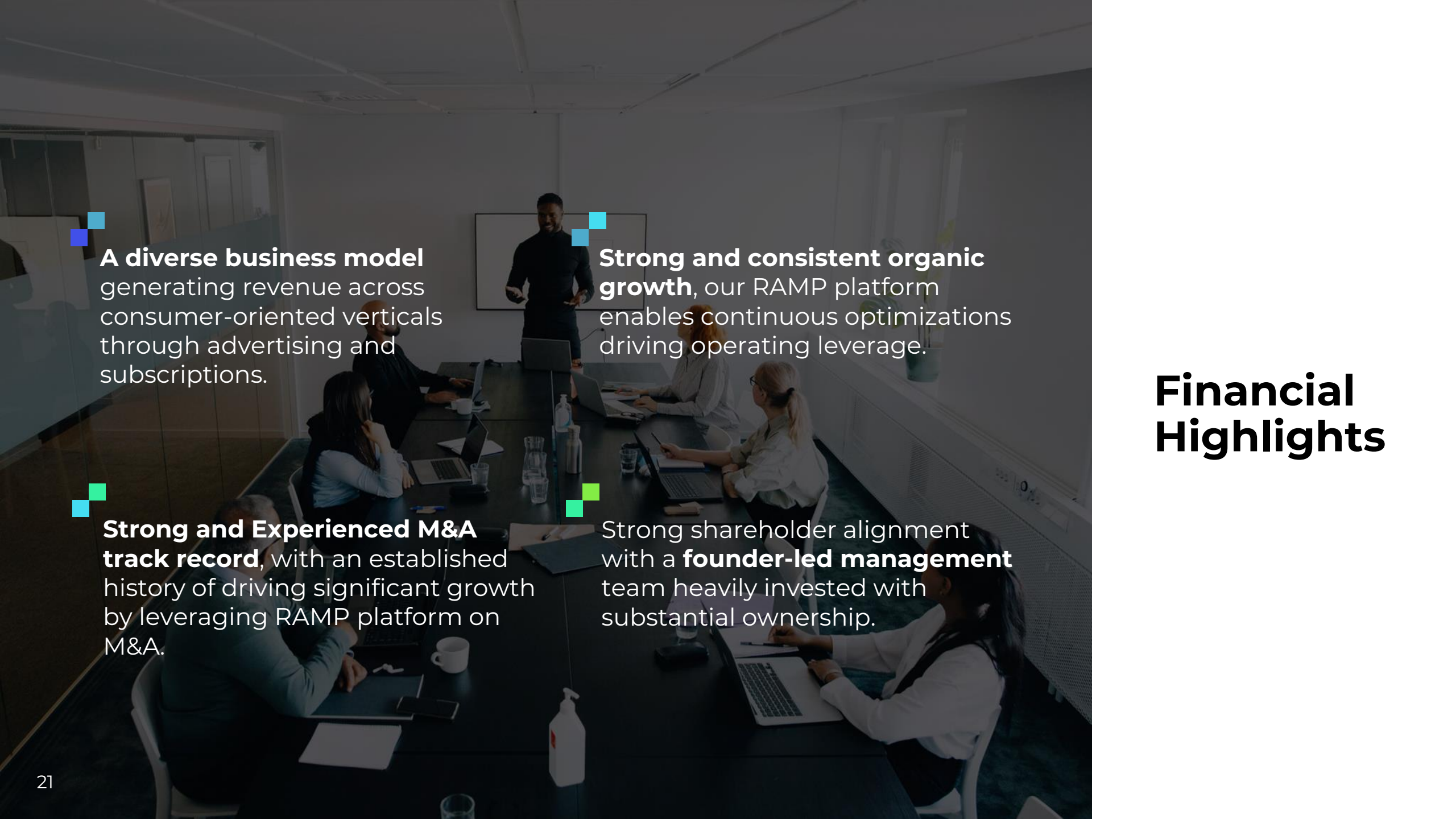
JEN ROBINSON
CTO



DANIEL WEINROT
General Counsel



Financial Performance



A diverse business model generating revenue across consumer-oriented verticals through advertising and subscriptions.

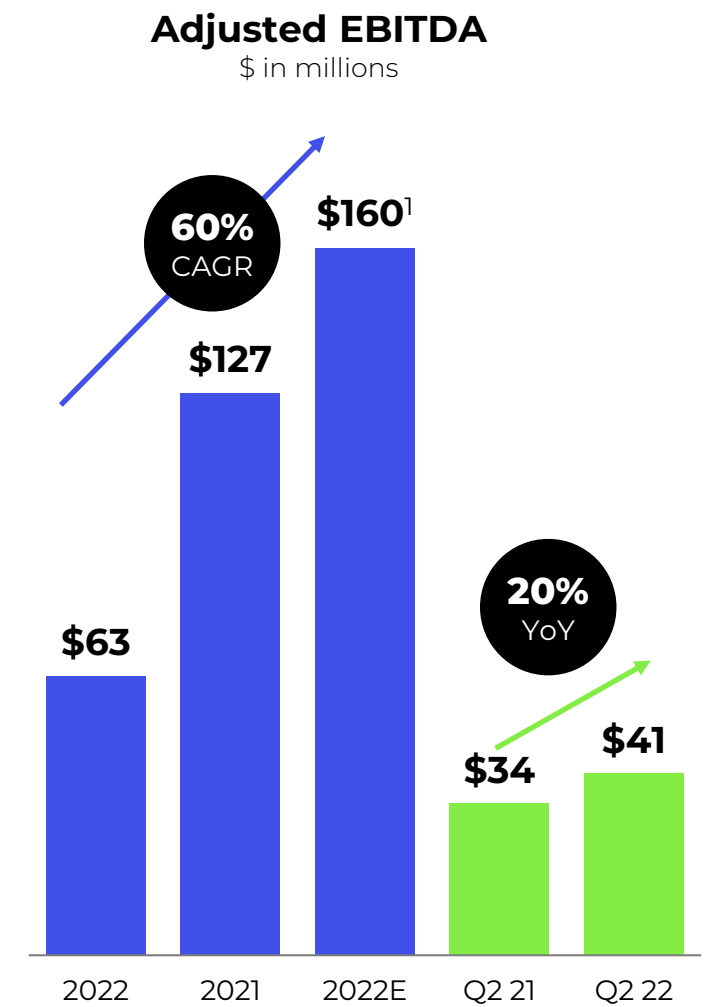
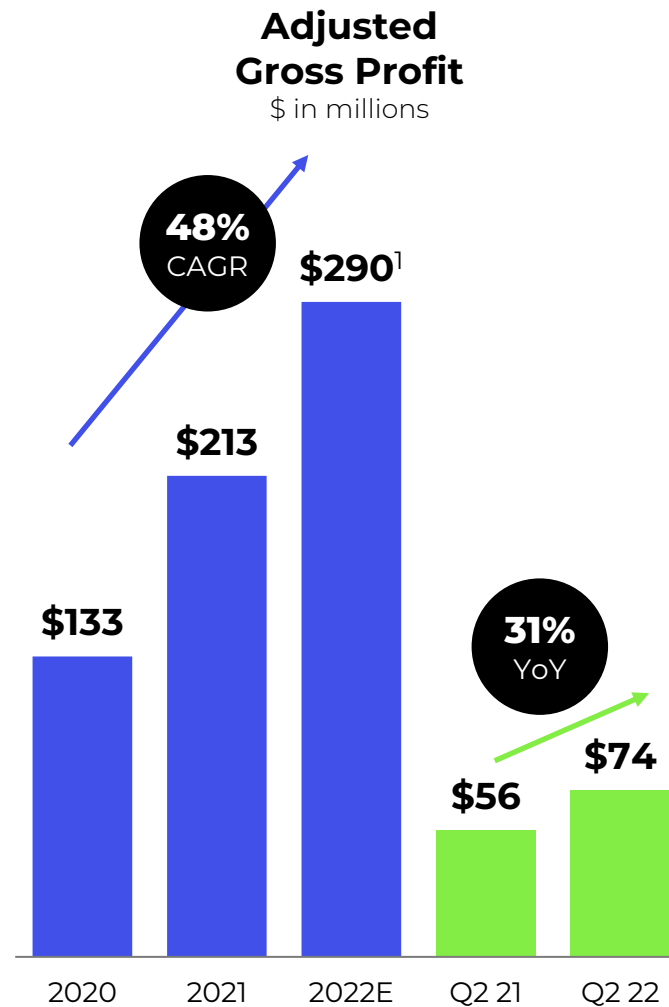
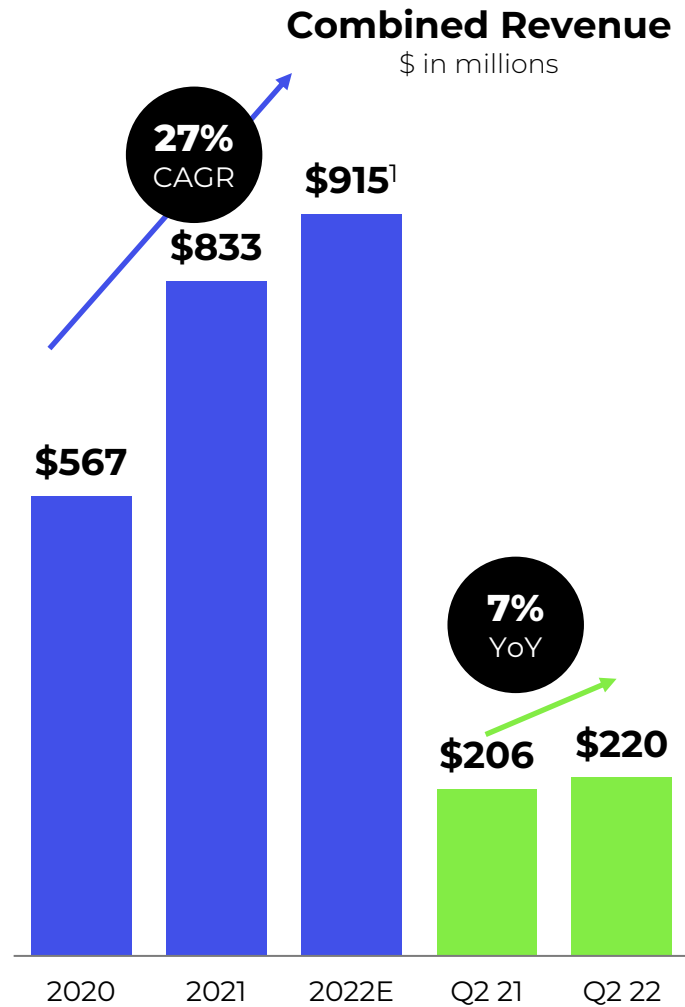
Strong and consistent organic growth, our RAMP platform enables continuous optimizations driving operating leverage.

Strong and Experienced M&A track record, with an established history of driving significant growth by leveraging RAMP platform on M&A.

Strong shareholder alignment with a **founder-led management** team heavily invested with substantial ownership.

Financial Highlights

Fast Growing & Profitable



Note: See Appendix for a reconciliation of non-GAAP metrics to comparable GAAP metrics.
(1) Assumes midpoint of Company's most recent guidance provided on August 11, 2022.

Historical Financial Data



\$ in millions	2020	2021	Q2 21	Q2 22
Combined Revenue				
Owned & Operated Properties	\$438	\$653	\$161	\$164
Network Partners	\$38	\$36	\$9	\$13
Advertising Total	\$476	\$688	\$170	\$177
Subscription	\$91	\$145	\$36	\$43
Total	\$567	\$833	\$206	\$220
<i>YoY Growth</i>	23%	47%	69%	7%
Adjusted Gross Profit				
Owned & Operated Properties	\$110	\$143	\$38	\$48
Network Partners	\$38	\$36	\$9	\$14
Advertising Total	\$148	\$179	\$46	\$62
Subscription	(\$7)	\$46	\$13	\$19
Unallocated Cost of Revenue	(\$15)	(\$11)	(\$3)	(\$7)
Total	\$128	\$213	\$56	\$74
<i>% Margin</i>	23%	26%	27%	33%
Operating Expense	\$65	\$86	\$22	\$33
Adjusted EBITDA	\$63	\$127	\$34	\$41
<i>% Margin</i>	11%	15%	17%	19%
<i>YoY Growth</i>	-8%	103%	558%	20%
Memo: Change in Deferred Revenue	\$18	\$10	\$4	\$4

Note: See Appendix for a reconciliation of non-GAAP metrics to comparable GAAP metrics.

Investment Highlights



- A **fast growing and profitable** business.
- Proprietary RAMP platform provides a **strong and sustainable competitive advantage**.
- A **highly diversified business** across its **marketing and monetization capabilities**.
- Proven **M&A capabilities** with a strong track record.
- Strong, **industry-experienced and founder-led** management team.



SYSTEM¹

Thank you



Appendix

Reconciliation of Net Income to Adjusted EBITDA – FY 2020 and FY 2021

\$ in millions	2020	2021
Net Income (Loss)	\$16	\$33
Plus:		
Income Tax Expense	\$2	\$1
Interest Expense	\$24	\$17
Depreciation & Amortization	\$14	\$14
Other Expense	\$0	\$0
Stock-Based Compensation & Distributions to Members	\$9	\$10
Impact of Terminated Product Lines	\$1	\$0
Acquisition & Restructuring Costs	\$4	\$14
Acquisition Earnout	\$3	\$0
Unaudited Protected.net Adjusted EBITDA	(\$11)	\$39
Adjusted EBITDA	\$63	\$127

Reconciliation of Revenue to Combined Revenue and Adjusted Gross Profit – FY 2020 and FY 2021



\$ in millions	2020	2021
Revenue	\$476	\$688
Plus: Unaudited Protected.net Revenue	\$91	\$145
Combined Revenue	\$567	\$833
Less: Cost of Revenue (exclusive of depreciation and amortization)	(\$341)	(\$521)
Less: Unaudited Protected.net Cost of Revenue (exclusive of depreciation and amortization)	(\$98)	(\$99)
Adjusted Gross Profit	\$128	\$213

Reconciliation of Net Income to Adjusted EBITDA – Q2 '21 and Q2' 22



	Successor System1, Inc. Period from April 1, 2022 through June 30, 2022	Predecessor SI Holdco LLC Period from April 1, 2021 through June 30, 2021
\$ in millions		
Net Income (Loss)	(\$34)	\$12
Plus:		
Income Tax Expense	\$3	\$0
Interest Expense	\$7	\$4
Depreciation & Amortization	\$33	\$3
Other Expense	\$2	\$0
Stock-Based Compensation & Distributions to Members	\$22	\$3
Revaluation of non-cash warrant liability	(\$4)	\$0
Acquisition & Restructuring Costs	\$5	\$1
One-time Ad Credit Impact	\$6	\$0
Acquisition Earnout	\$0	\$0
Unaudited Protected.net Adjusted EBITDA	\$0	\$11
Adjusted EBITDA	\$41	\$34

Reconciliation of Revenue to Combined Revenue and Adjusted Gross Profit – Q2 '21 and Q2 '22



	Successor System1, Inc. Period from April 1, 2022 through June 30, 2022	Predecessor S1 Holdco LLC Period from April 1, 2021 through June 30, 2021
\$ in millions		
Revenue	\$220	\$170
Plus: Unaudited Protected.net Revenue	\$0	\$36
Combined Revenue	\$220	\$206
Less: Cost of Revenue (exclusive of depreciation and amortization)	(\$153)	(\$126)
Less: Unaudited Protected.net Cost of Revenue (exclusive of depreciation and amortization)	\$0	(\$23)
Plus: One-time Ad Credit Impact	\$6	\$0
Adjusted Gross Profit	\$74	\$56