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SYSTEM1

Investor Deck
March 2025

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Such risks, uncertainties and assumptions include, but are not limited to: (1) our ability to maintain our key relationships with network partners and advertisers, including our monetization arrangements; (2) our ability to collect, process, effectively utilize and safely store the first party data that we obtain through our services; (3) The performance of our responsive acquisition marketing platform, or RAMP; (4) changes in customer demand for our services and our ability to incorporate to such changes; (5) our ability to maintain and attract consumers and advertisers in the face of changing economic or competitive conditions; (6) our ability to improve and maintain adequate internal control over financial reporting and remediate identified material weaknesses; (7) our ability to successfully source and complete acquisitions and to integrate the operations of companies System1 acquires; (8) our ability to raise financing in the future as and when needed or on market terms; (9) our ability to compete with existing competitors and the entry of new competitors in the market; (10) changes in applicable laws or regulations impacting the business which we operate and our ability to maintain compliance with the various laws that our business and operations are subject to; and (11) our ability to protect our intellectual property rights. The foregoing list of factors is not exclusive.

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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. Adjusted Gross Profit (Loss) is defined as gross profit plus depreciation and amortization related to cost of revenues. 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 results in a particular period.

System1 believes 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 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.

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Total Security Divestiture

All financial and non-financial information in this presentation exclude the impact of the Total Security business, which System1 divested on November 30, 2023, for all periods presented.

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Company Overview

SYSTEM

System1 operates a **leading omnichannel marketing platform** connecting high intent customers with advertisers

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System1 at a Glance

Two components - Owned & Operated (O&O) and Network

O&O is split between Paid (marketing to drive growth) and Organic (direct unpaid traffic) to our web properties. Our Network business operates as a SSP for 300+ network partners[1]

RAMP is our technology advantage

Proprietary “Responsive Acquisition Marketing Platform” **(RAMP)** powers the platform. RAMP rapidly and efficiently identifies, markets to and monetizes consumers across any advertising vertical

$785M+ of Advertising Demand in FY 24

Total Advertising Spend + Advertiser Revenue processed by RAMP demonstrate significant scale of our operations in the online advertising ecosystem

Flexible business model in all market conditions

Our platform and solutions protect against demand shifts and volatility in the online advertising marketplace and reliance on specific verticals, advertisers and traffic sources

1. As of December 2024

RAMP is built for scale and primed to capitalize on first party data

1.2B+ monthly sessions[1] generated on O&O properties and across **300+ active Network partners**[2]

12B+ rows/day[3] generated from first party data informing our Machine Learning pipelines

~4M daily creative & bidding optimizations[3] by our automated buying engine

1B+ queries/mo.[1] powering our search stack processes across O&O and Partner sites

22K quarterly marketing campaign launches leveraging AI and automation[3]

~40 O&O internet properties spanning multiple verticals designed to refine customer intent

1. Monthly average for Q4 2024
2. As of December 2024
3. Q4 2024

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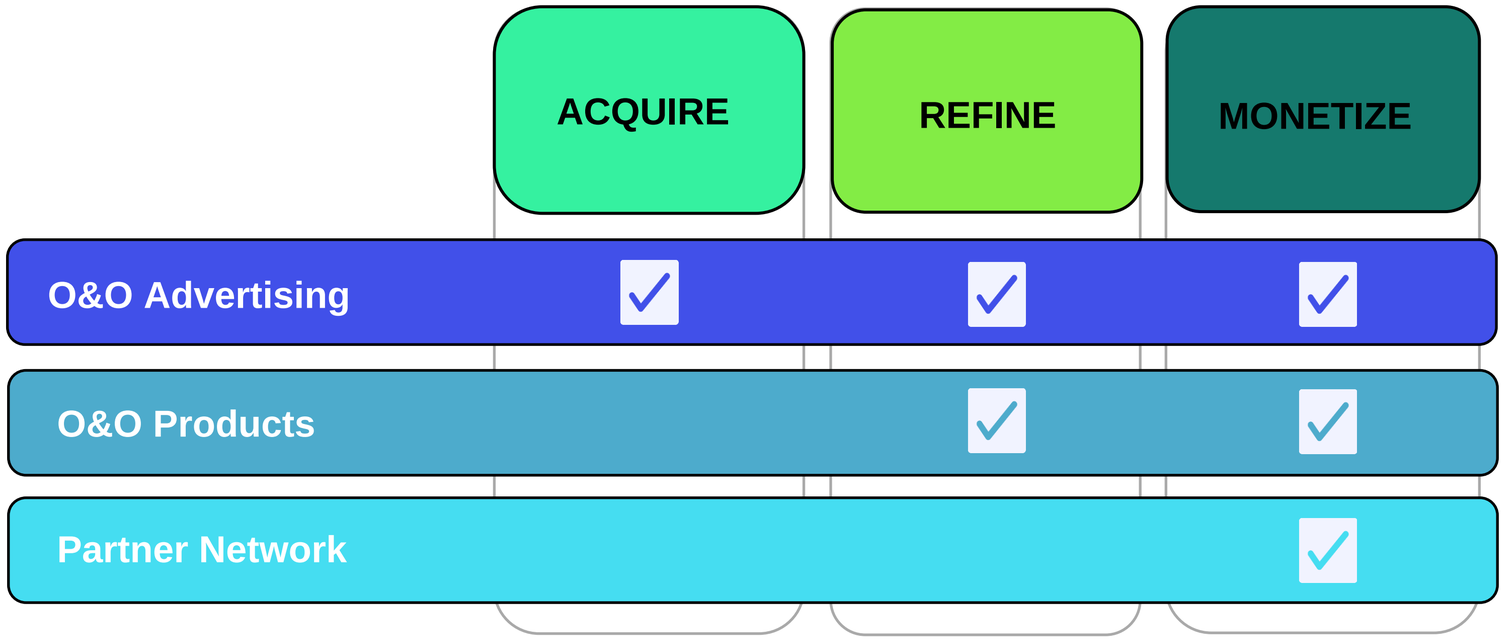
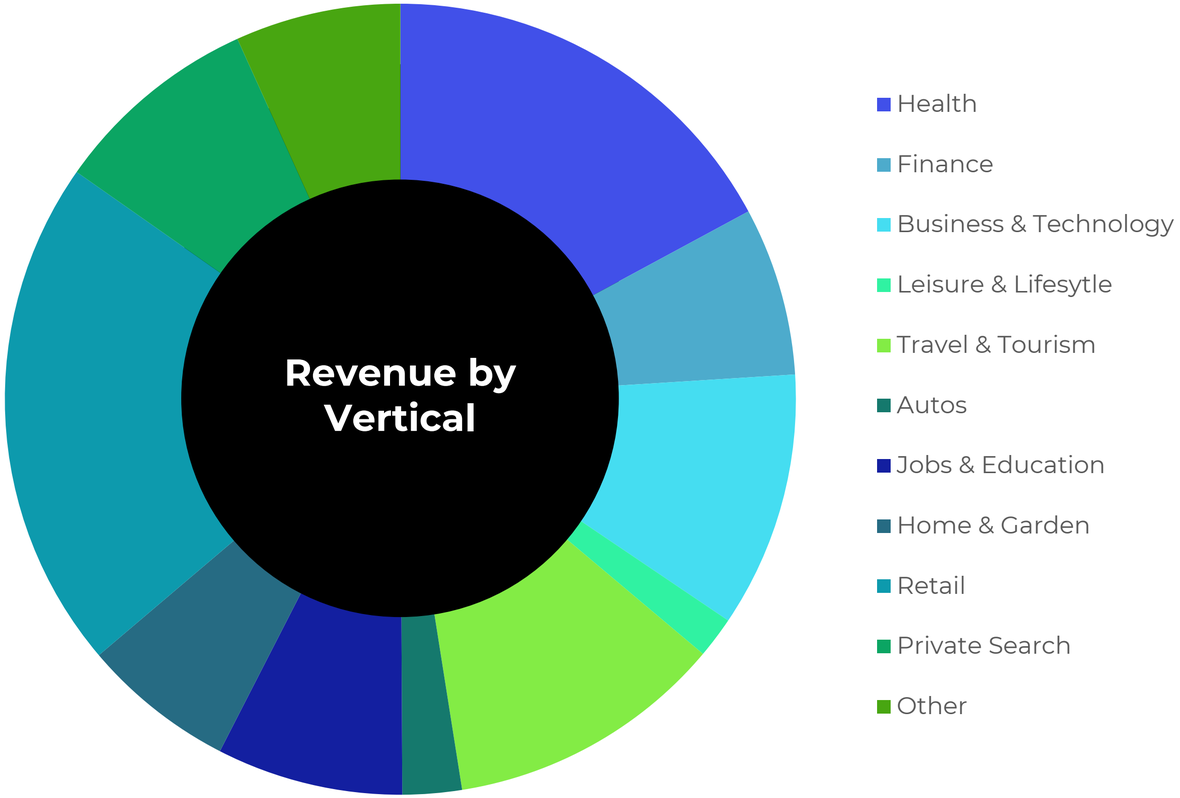
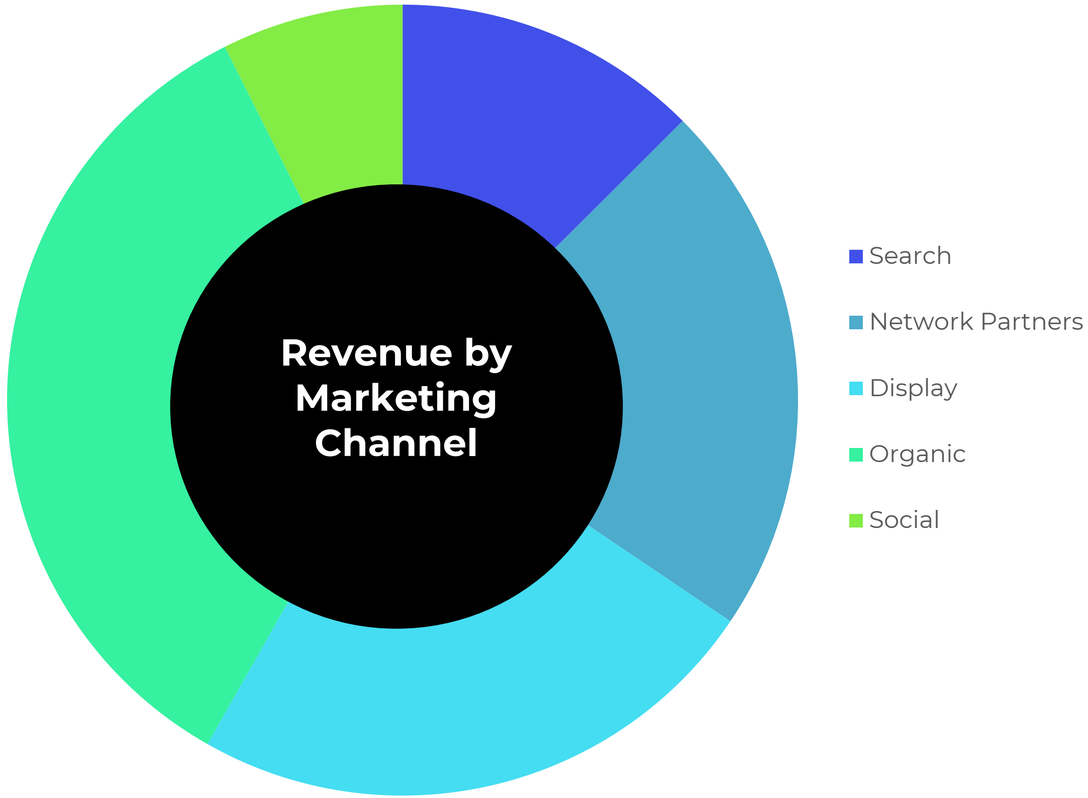
Key Business Lines



FY24 Revenue less Adv Exp (YoY)
$108M (0%)
$77M (32%)
$52M (-3%)

RAMP is Omnivertical & Omnichannel



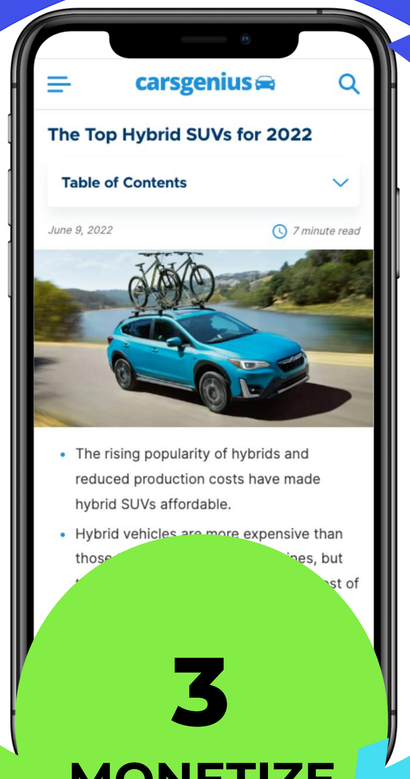


Note: All metrics shown are for Q4 2024.

How RAMP Works

Google facebook Microsoft Bing TikTok outbrain reddit Taboola etc.

1 UNLOCK



2 REFINE

howstuffworks info.com MapQuest walletgenius Answers carsgenius COUPON FOLLOW ~40 O&O Websites

Refine consumer intent based on actions they take on System1 websites

3 MONETIZE

Google Microsoft Bing display ads

Monetize via key advertising partners

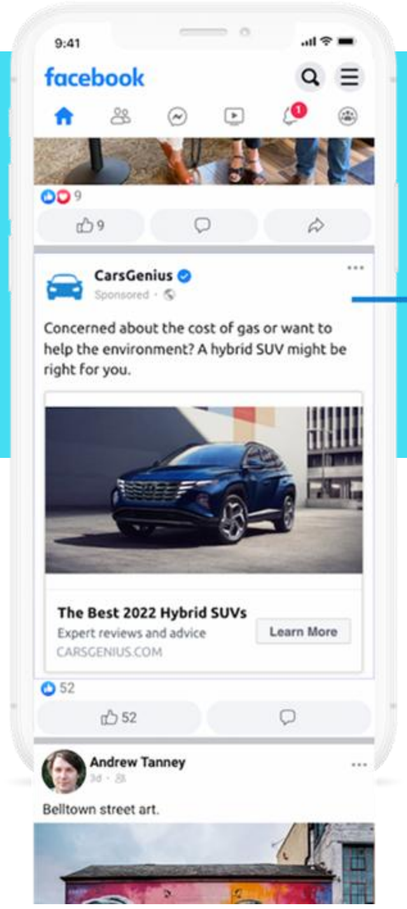
Consumer Intent is Refined into Monetizable Intent

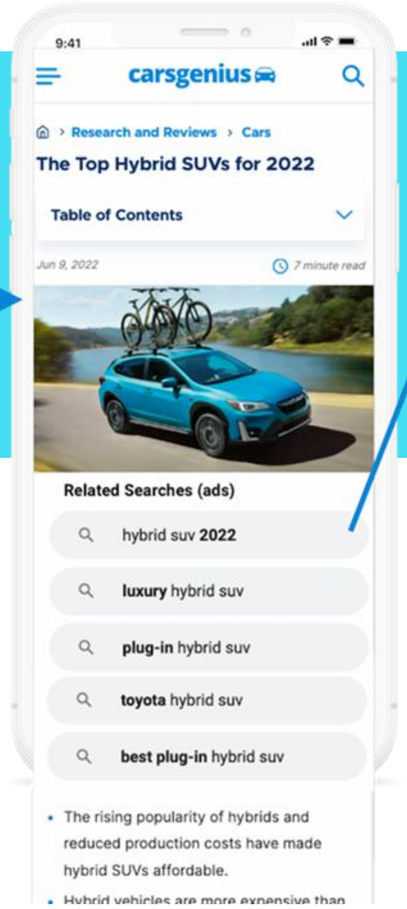
1 RAMP Dynamic Ad Placement

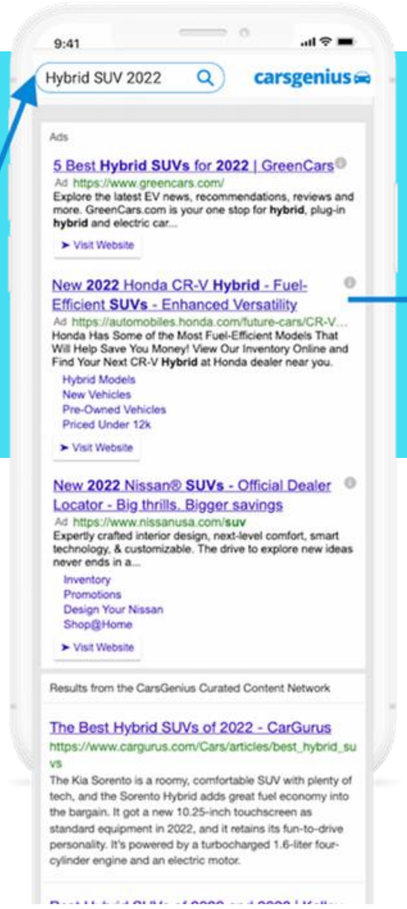
2 Refined Consumer Intent on O&O Website

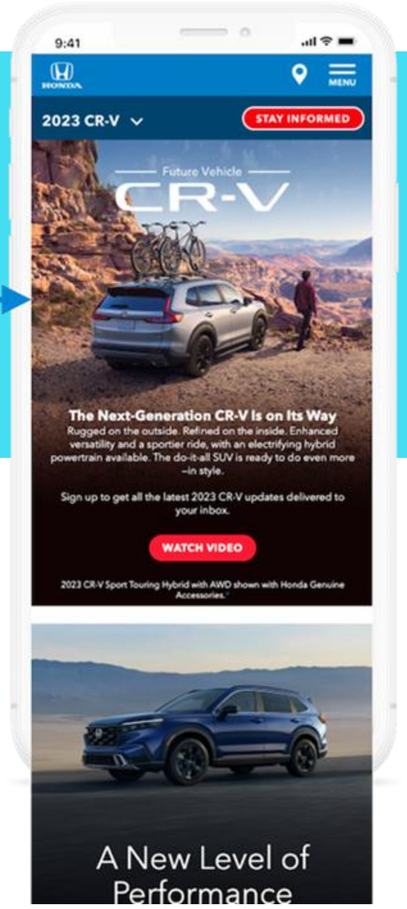
3 RAMP Optimized Search Results Page

4 Deliver High Intent Consumer to Advertiser









RAMP Platform Architecture

Application Layer

RAMP Console

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

- **Publishing Properties**
- **Search Properties**
- **Partner Properties**

Platform Layer

Acquisition

Paid and organic traffic acquisition services & APIs.

Engagement

Content and advertisement delivery components

Monetization

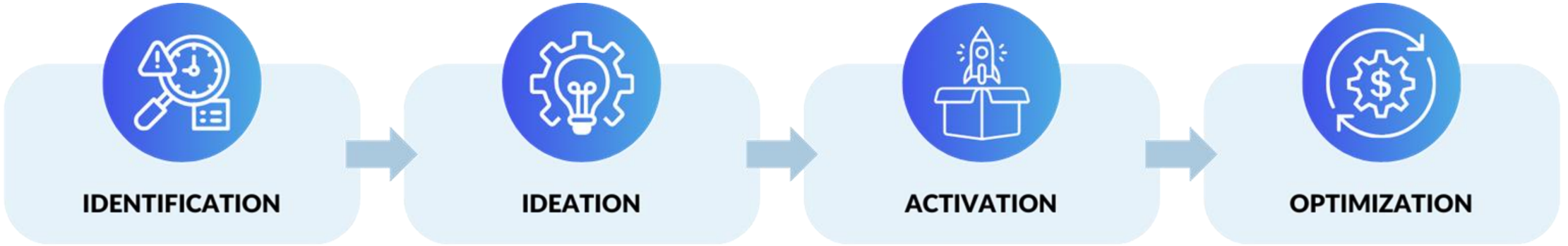
Measurement and revenue attribution engine.

Data Layer

Data Pipelines and Machine Learning models

First-Party Data Store

AI & Machine Learning Enabling Rapid Scale



- Data Pipelines
- Machine learning models
- First-Party Data
- Analytical Tools

> Identify customer acquisition opportunities

Generative AI generates Ad creative and content at scale.

> Scalably develop content and ad creatives

Buy Side integrations permit rapid activation across traffic sources

> Promotes scalability of campaign activation

AI and Machine Learning monitor, administer and optimize across platforms.

> 90% of Buy Side decisions currently are automated

Key Financial KPIs



$344M

FY 24 Revenue



$152M

FY 24 Adj. Gross Profit



$39M

FY 24 Adj. EBITDA (25% Margin on Adj. Gross Profit)

See appendix for reconciliation of all Non-GAAP metrics to their corresponding GAAP metric. All metrics exclude the impact of the Total Security business, which was sold on 11/30/2023

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Founder-Led Team of Industry Veterans



MICHAEL BLEND
CEO & Co-Founder



CHARLES URSINI
President, COO & Co-Founder



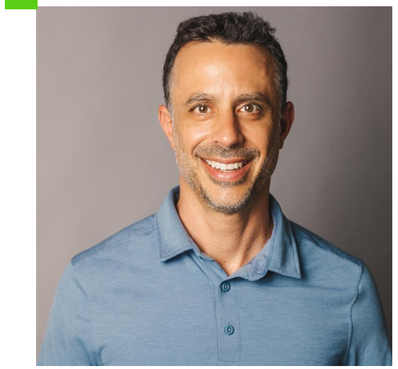
TRIDIVESH KIDAMBI
CFO



BETH SESTANOVICH
Chief People Officer



BRIAN COPPOLA
Chief Product Officer



DANIEL WEINROT
General Counsel

Investment Highlights

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

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Thank You

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Appendix

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Reconciliation of Net Income to Adjusted EBITDA

$ in millions	2023	2024
Net Income (Loss)	**($111)**	**($97)**
Plus:		
Income Tax Expense	($20)	($0)
Interest Expense	$49	$32
Depreciation & Amortization	$78	$80
Other Expense	$1	($0)
Stock-Based Compensation & Distributions to Members	$21	$16
Non-cash revaluation of warrant liability	($5)	($2)
Loss on Extinguishment of related-party debt	$2	($20)
Costs related to acquisitions/business combinations	$11	$25
Other costs, including restructuring and legal settlements	$4	$7
Adjusted EBITDA	**$29**	**$39**

Reconciliation of Revenue to Adjusted Gross Profit

$ in millions	2023	2024
Revenue	**$402**	**$344**
Less: Cost of Revenue (exclusive of depreciation and amortization)	($249)	($192)
Less: Depreciation and amortization related to cost of revenue	($50)	($51)
Gross Profit	$103	$101
Add: Depreciation and amortization related to cost of revenue	$50	$51
Adjusted Gross Profit	**$153**	**$152**