

## ContextLogic Holdings Inc (UPDATE)

December 8, 2025

### Corporate Speakers:

- Ted Goldthorpe; BC Partners; ContextLogic Holdings; Current Chairman
- Raja Bobbili; Abrams Capital; Incoming Chairman
- David Sugarman; US Salt; Chief Executive Officer
- Mark Ward; BC Partners; ContextLogic Holdings; President

## PRESENTATION

Operator^ Good morning ladies and gentlemen, and thank you for standing by. Welcome to today's call announcing the acquisition of US Salt by ContextLogic and the formation of a new business ownership platform backed by Abrams Capital and BC Partners.

At this time, all participants are in a listen only mode. There will not be a question and answer section at the conclusion of today's call. However, recording and a transcript will be made available online and management will make themselves available to the investor community over the coming days and weeks.

Before we begin, I'd like to note that during this call we will be referring to a slide deck that is available on ContextLogic investor relations website at <https://ir.contextlogic.com/>. Please note that today's call contains forward looking statements regarding future events and future performance of ContextLogic, US Salt and the combined company.

These forward looking statements are based upon information available today and actual results could differ materially from those contemplated by these forward looking statements. Please refer to slides 2 and 3 for important disclaimers and cautionary statements regarding forward looking statements.

I will now turn the call over to the host for today's call, Ted Goldthorpe, current chairman of ContextLogic, and Mark Ward, President of ContextLogic, Raja Bobbili, incoming chairman of ContextLogic, and David Sugarman, CEO of US Salt.

Ted Goldthorpe^ Thank you. Good morning. Thank you for joining us. We're excited to walk you through what we're building at ContextLogic and provide a comprehensive overview of our anchor acquisition, an exceptional business called US Salt. First, I'll provide an overview of ContextLogic's origins and how it ended up in a unique combination of short term balance sheet liquidity and billions of dollars in available tax attributes to pursue compelling acquisitions.

Second, we'll introduce the first major building block of the company's strategy, the acquisition of US Salt. And third, we'll walk through the transaction details, the ownership structure and the numbers that shape what ContextLogic will look like once

this deal closes, which we expect will be in the first half of 2026, subject to customary approvals and closing conditions.

The story starts with a company that many of you probably remember, wish.com. At its IPO in 2020 during a peak pandemic e-commerce enthusiasm, Wish was valued at more than \$14 billion, but the business model just wasn't sustainable. The company burned through billions of dollars of cash, and over time, the underlying economics caught up with it. Eventually, the legacy -- the legacy board and management team made the tough but correct decision to sell the business.

However, they successfully undertook efforts to preserve roughly \$2.9 billion of net operating losses plus other tax attributes. When we at BC Partners first got involved in March of 2025, we saw a blank canvas. A chance to build a strategic acquisition driven compounder with cash and tax attributes from the ground up. BC Partners committed to purchasing up to \$150 million of convertible preferred units. The investment and commitment by BC Partners was led through a private fund advised by BC Partners Credit.

Our goal and partnership with the company was to review, identify and evaluate strategic opportunities for the benefit of ContextLogic and its stockholders. Very shortly afterwards we met with Abrams Capital led by renowned investor David Abrams along with his partner Raja Bobbili, who you'll hear from very shortly.

Since then, our two firms have worked side by side to structure ContextLogic based on first principles. Asking ourselves time and again, how would a company run by owners for owners be designed and be constructed? What we're sharing today is exactly that -- the architecture of our business ownership platform designed to produce sustainable long term cash flow per share growth. The fundamental principles behind it, aligned incentives, decentralized operations and governance that keeps owners close to the operators are core building blocks and we're proud to walk through them today.

There are two design principles that sit at the center of our business strategy. First, every operating business that ContextLogic acquires will be run in a decentralized manner. Decisions should and will be made as close to the business as possible by business -- by people who actually run it. Corporate exists as a support function, not a command center. Its job is to help the operators, not micromanage them.

Secondly, we will only work with top tier management teams and ensure their incentives are truly aligned with shareholders. This is critical to us.

To identify target businesses, we look for three clear criteria. First, niche markets. We like markets that are big enough to grow in, but small enough to avoid competitive spotlight. As a general principle, strong businesses in small markets tend to be pretty good businesses. Second, competitive advantages. What we call obvious competitive advantages, not theoretical or potential future advantages. Actual durable competitive strengths and positioning that you can point to and understand. And third, long duration

assets. Businesses that we expect to have a clear reason to exist 20 or 30 years from now. We're building a long term business ownership platform, not something we hope to flip in a couple years. Just as important is what we won't pursue.

We're not pursuing big TAMs just because the market size looks impressive on a slide. We're not paying for multiple expansion in the hope that the market re rates the stock. We're not trying to ride earnings momentum or future profitability narratives. We're also not interested in good enough management teams or high growth at any price, or loose synergy stories or grabbing whatever happens to be the AI trend of the moment. We're focused on durable, understandable businesses with real advantages.

Our primary goal is to deploy capital into businesses that fit squarely in our strike zone: niche, competitively advantaged, long duration businesses run by great teams. But when we see unique high value opportunities outside of that core, such as share buybacks, a special situation, a distressed opportunity or a structured investment, we have the expertise to capitalize.

One of the advantages of having strong cash flow generating base combined with our tax attributes, is that we expect to have the cash to deploy opportunistically for the benefit of shareholders.

Just as we decentralize operations, we also decentralize governance.

Each operating business will be overseen by its own business oversight committee of the ContextLogic board made up of small group of two to four directors. Each committee will work with management to oversee the business under it. The idea is to have governance structure that's small, focused, accountable and ownership minded. Capital allocation decisions sit with a separate investment committee of the board. At the corporate level, we've made a very deliberate choice.

We are not appointing a corporate CEO at ContextLogic. The acknowledgement that the real CEOs, the people with true authority and accountability are our leaders running each operating business. Corporate exists to support them, not to sit above them. What we will have is a very lean but constructive corporate team. A president and a CFO who focus on reporting investor relations and M&A fully addressing all of the company responsibilities as a public company.

My colleague Mark has agreed to serve as president and he will receive no salary from ContextLogic. More broadly, the majority of our board at closing will consist of representatives from Abrams and BC Partners and none of us will receive a dollar of director compensation from ContextLogic. We will complement the board with our independent and highly experienced directors. The interests of the board will be fully aligned with our public shareholders. To reiterate, the guiding principle is simple. ContextLogic will be governed by owners and for owners.

Now let's talk about how we align leaders in an operating business for shareholders. There are three components that are tightly linked to value creation. One, base salary, straightforward fixed pay.

Number two, annual bonus based on year over year over profit growth. If organic profit growth is below 5%, the bonus is zero. Long term incentive based on profit growth over a five year period, not capped and expected to be paid in equity. If a team delivers strong sustained profit growth, they do very well. If they don't, they don't.

For managers, this is really the best of both worlds. Private equity level incentives without the forced exit that pushes so many good companies to sell before their time. ContextLogic will attract operators who want true pay for performance and the freedom to build against the backdrop of a long term horizon and the backing of public capital markets.

A big part of our thinking has been shaped by a group of Swedish serial acquirers. Companies like Addtech, LifCo and Indutrade and others that you see on this slide.

Over the last two decades, these businesses have created extraordinary shareholder value by doing a few things very well. Disciplined capital allocation, radical decentralization, tightly aligned incentives. They are proof that you can create a lot of value by adding one good business after another, attracting talented operators, aligning their incentives with shareholders and giving them real autonomy and doing this with consistency and discipline. That process is exactly what compounds into highly compelling results.

Let me close my section with a financial model we've been holding ourselves accountable to.

Our true North Star is free cash flow per share. To be clear, by free cash flow, we mean operating cash flow less all capital expenditures. We want to own businesses that can generate, that can grow free cash flow organically at 5 to 10% per year, sustainably over a long period of time. On top of that, we expect to target acquisitions that add another 5 to 10% growth each year. And importantly, we believe we can do this without needing to issue additional equity.

The incentive plan creates 1 to 2% dilution a year, but it's triggered only when the team delivers. It's dilution tied to financial performance, not dilution handed out for free. So, when you net it all out, our target is to compound free cash flow per share growth at 9 to 18% annually. Yes, that's a wide range, but our goal is straightforward. To show year after year that this is a repeatable model for the long term tax optimized compounding at ContextLogic.

With that, I want to turn it over to Raja Bobbili from Abrams Capital. Abrams is expected to hold a combined equity stake of a little over under 40% on an aggregate basis between ContextLogic and our holding subsidiary, making them our largest equity holder. We are thrilled that as part of this transaction, Raja will join the board and serve as our chair. In

fact, Raja introduced US Salt to ContextLogic and has been a true thought partner in designing this platform. I couldn't be more excited to work with him and with David Abrams who also joined the board.

Raja Bobbili^ Thank you, Ted. And good morning everyone. I'm really glad to be here today and to talk about why we are doing this. Abrams Capital was founded in 1999. We invest with a long time horizon, usually in a fairly concentrated way, across both public and private companies. And over the years we've seen the very best of both worlds. So, when we had a chance to get involved here, right at the ground floor with a true blank canvas, as Ted put it, to build something new, we rolled up our sleeves and got to work.

We saw an opportunity to combine the most attractive parts of private ownership with the most attractive parts of being a public company and to design something from scratch that could be genuinely exceptional.

On the private side, what we love is the long term orientation, the direct alignment between owners and operators, a mindset of pay for performance, and an ability to move quickly without the bureaucracy and agency issues that public companies sometimes accumulate.

In simple terms, there's an ownership mindset that runs through great private businesses. On the public side, you have the advantages of liquidity, a currency to attract and retain great management teams, transparency and accountability, and the ability to build something with permanent capital.

A company that isn't tied to the lifespan of a single fund or a single financial sponsor. That means you can be a long term home for owners who are looking to transition and for management teams who want to build without a clock ticking towards an exit. The vision for ContextLogic is to bring these trends together.

Every design choice, governance, incentives, structure has been thought through from first principles to create something unique in the public market. The other reason we're excited to be here is US Salt. We invested in this company about four years ago and we're the largest investor. David will tell you more about the business, but I'll say this, it's a gem that looks ordinary at the outset but it is extraordinary once you understand it.

You see it in the 40 to 45% adjusted EBITDA margins, you see it in the high returns on capital, you see it in the decades of pricing growth, and you see it in the real structural barriers to entry. We were fortunate to recruit David Sugarman as CEO two and a half years ago, and he and his team have done a tremendous job. We couldn't be more pleased with the business or with the leadership running it.

In fact, as an investor in US Salt, our biggest concern, really our major concern was that the dynamics with our equity partners might force a premature sale, ceding its enormous future potential to the next buyer. So we're thrilled to have the opportunity to grow substantially all of our current investment, and even more than that, to put additional

capital to work through buying out other sellers and helping backstop the rights offering. With that, I want to turn the call over to David Sugarman.

David Sugarman^ Thanks Raja, and good morning everyone. I'm David Sugarman, CEO of US Salt. I'm excited to walk you through the business and explain why we think it's such a special company. US Salt has been around since 1893. We're one of the very few vertically integrated producers of high purity evaporated salt in the United States, meaning we control everything from the brine wells to production to packaging. We serve recession, resilient end markets such as food, pharmaceuticals and water conditioning.

These are stable everyday uses, not discretionary categories. We've grown consistently for a long time. For LTM ended September 30, we have over 40% adjusted EBITDA margins and still see significant room to grow with estimated remaining reserves and resources of more than 100 years in our brine field.

Let me quickly introduce the leadership team. Our CFO Jason Blaseg has more than 20 years of experience in packaging and food manufacturing.

Before joining us, he helped lead a billion dollar division at Novolex and played a key role in several successful acquisitions and integrations. Our VP of Strategy, Travis McNamara, joined in 2022 after spending time at LEK and Morgan Stanley. He leads commercial strategy, pricing and long term initiatives. As for me, I joined as CEO in 2023 after spending 25 years building and scaling food businesses, often alongside financial sponsors.

What drew me to ContextLogic was exactly what Raja described: the chance to operate with a true private company mindset inside a public platform that doesn't need to sell or flip businesses to create value. It gives my team and me the ability to build with a long term horizon and we're already hard at work looking at both organic and inorganic opportunities. I'm also rolling a significant investment into ContextLogic and it will be my single largest personal holding. The incentive structure is simple, objective and works only when shareholders win. After 25 years in this industry, this is one of the most compelling and energizing opportunities I've had.

Since 2015, revenue has grown at 8% annualized. More importantly, our adjusted EBITDA has grown organically at more than 14% since 2023 and our adjusted EBITDA margins consistently sit near 40%. Free cash flow conversion remains extremely strong because there is not a -- this is not a CapEx heavy business once the core infrastructure is in place. In short, long term stable growth, consistently high margins and excellent cash generation.

Salt is a deceptively simple product, but the industry structure really matters. There are three main forms of salt: rock, solar and evaporated. We operate in the highest value, highest purity segment, evaporated salt. This has over 99% purity, low seasonality and premium pricing, many multiples of where rock and salt can sell.

Within evaporated salt, we focus on the highest value niches. We sell a significant amount of 26 ounce private label round can salt. And we sell high purity pharmaceutical grade salt which carries some of the highest prices in the industry because the standards are so strict and the qualification process is long and demanding.

Salt may sound like a commodity, but evaporated salt is absolutely not a commodity market. The barriers to entry are meaningful. First, reserve scarcity. Only a few basins in the United States have the right combination of depth, purity and access to energy and water. As far as we know, no new evaporated salt facility has been built in over two decades. Second, geography matters. Salt has a low value to weight ratio, so shipping long distances erodes margins quickly. Domestic producers close to major demand corridors have a structural cost advantage.

We are ideally positioned in upstate New York with access to population corridors. Third, CapEx and permitting. Building a new evaporated salt facility would require massive capital and years of permitting and regulatory approvals if it's even possible to do near major population centers. Fourth, regulatory and customer qualification. Pharmaceutical and food customers require extensive testing, audits and documentation. It can take years to qualify a new supplier.

These barriers aren't theoretical, they're real. They're structural. And keep in mind that this is a niche market. The economics are attractive for incumbents, but the total size is typically too small to justify the CapEx permitting and qualification hurdles for a new entrant. Put simply, if you're not already in this market, it's not attractive to enter it.

This chart shows two things: steady growth in pricing over 25 years and nearly flat domestic evaporated salt supply. Because salt is concentrated and doesn't change much and because demand is stable, pricing has been rational for decades.

Across all evaporated salt categories, bulk pellets package, you see steady upward pricing. It's effectively an inflation protected business. And our customers understand that pricing moves within input costs and we price to the value we deliver.

Here you can see our volume progression and average selling price ASP over time. Volume has grown steadily at about 1% annually over the long term and closer to 5% more recently as we introduce new products and increased penetration in certain channels.

But the bigger story is ASP, which has increased consistently through a combination of pricing, mix shift and new product introductions. We have had one off events like the generator outage, but we believe we have addressed those risks with backup capacity and redundant power systems to prevent recurrence.

Our organic growth playbook is straightforward. First, mix shift. We sell salt for \$150 per ton and salt for as much as \$1,000 per ton. Every day we continue mix shifting up towards higher value categories like farmer grade and specialty salts.

Second, we price the product for the value we deliver as evidence in our quality, on time delivery, reliability and service. Third, new products and new markets. We are expanding into food service, club channels, Canada and new formats like commercial sea salt and box salt.

And finally operating efficiency. We've made significant CapEx investments since 2021, more than \$37 million which we are starting to unlock capacity, improve uptime and enhance margins. Our long term goal is to deliver 5 to 10% annual organic profit growth.

And we believe the combination of mix, new markets and operational efficiency gives us a clear path to achieve that.

Every business has risks and we take ours seriously. We're a single site operation so we've invested heavily in redundant power generation, backup systems and safety stock in regional warehouses. Pricing is always a risk, but our products serve essential, non substitutional use cases and typically make up a very small percentage of a customer's total cost.

Pricing has remained rational across the industry for years and while new entrants are always possible, the competitive advantages of our experience and location I described earlier, geology, permitting, CapEx and qualification make it difficult for anyone to replicate what we do.

We've built this business to be resilient and we've invested ahead of risk to protect the company.

Let me close with why US Salt is such a compelling anchor investment for ContextLogic. We check all three of the acquisition criteria Ted laid out earlier. Niche. We operate in the highest value segment of the salt market with stable demand and rational pricing. Competitively advantaged. Our experience and location are an asset from geology to regulatory approvals to specialized equipment.

Long duration asset. This is 130-year-old business with approximately 100 plus years of reserves remaining in a diversified set of end markets. This is exactly the kind of business you want as a foundation of a long term compounding platform. Stable, high margin, cash generative and very hard to replicate. I'm incredibly proud of what our team has built and we're excited to start this next chapter as part of ContextLogic. I'm going to turn the call over to Mark Ward.

Mark Ward^ Thanks David, and good morning everyone. I'm Mark Ward and I'm the president of ContextLogic. I'm excited to join this platform working alongside Ted and

Raja. My role is to spearhead day to day oversight and ContextLogic's strategy, overseeing the core responsibilities that come with being a public company.

That includes financial reporting, SEC compliance and the many operational and regulatory requirements that a public company must execute well and consistently while supporting our businesses as needed. Let me walk you through the transaction structure and the post closing company.

This slide lays out the sources and uses for the transaction. Let me point out just a few things. First, a significant portion of the purchase price is being funded through meaningful equity rollover from Abrams Capital as well as for members of the US Salt management team. That alignment matters and incentivizes.

Second, the company will be about 3.4 times gross levered at closing, which we feel comfortable with given the fundamentals of the business and for now our intention is to keep leverage at or below that level.

Third, we will be commencing a \$115 million rights offering, fully backstopped at \$8 per share by a fund advised by BC Partners Credit and Abrams Capital.

A quick note on structure. Shares will be held at two levels: ContextLogic Holdings LLC and ContextLogic Holdings Inc., the public company. This dual entity approach is designed to facilitate access to additional capital, allowing the public vehicle to invest alongside BC Partners and Abrams Capital in an opportunity of this size while maximizing shareholder value through maintaining structural flexibility.

On an aggregate basis, including the controlled subsidiary, Abrams Capital will owe about 39%, our current public equity holders about 38%, BC Partners about 21%, and other rolling shareholders and management will own roughly 2%. Importantly, as part of the transaction, BC Partners has agreed to further align interests with Abrams and the public shareholders by foregoing the PIK feature in its original investment.

As a matter of fact, we don't plan to issue formal guidance, but we also understand that shareholders need a starting point, so we're providing a single reference point for 2026 shown on this slide. Although the transaction won't close until the first half of 2026, this reflects our estimate of a full year 2026. On a full year basis, after all capital expenditures including growth CapEx, we expect free cash flow of 31 million to 38 million. Think of this as the starting point for the free cash flow algorithm that Ted walked through earlier.

This slide illustrates the governance structure that we've been discussing. The board will operate through committees that are small, focused and accountable. These are not check the box committees. For example, to oversee US Salt, we'll have a Business Oversight Committee that is directly accountable to the rest of the board for oversight and governance of that business. To start, it'll just be Raja and me working closely with David. We'll approve budgets, weigh in on key hires, review performance and make compensation decisions.

Separately, we have the investment committee that will make all material capital allocation decisions across the platform. This will have Ted, David Abrams, Raja and myself. It is worth underscoring, the four of us represent the largest owners of the business. To reiterate, the whole structure is designed to keep governance focused and ownership minded.

Beyond the four of us, the board will consist of seven directors with three independents. Raja will serve as chair of the board and Ted will serve as chair of the newly formed investor committee.

o recap the leadership at the ContextLogic level, Ted, Raja and I will be working closely together, and at US Salt, that team consists of David, Jason and Travis.

This tight relationship between owner affiliated directors and our operating executives is exactly the model we intend to maintain as we add more businesses over time. Even as we grow, our intent is to keep decision making fast, tight and clear.

Finally, a few words on investor communication. We will actively work to relist the company's shares on a national securities exchange. That is an immediate priority. Our goal is to communicate clearly and honestly with shareholders. We plan to provide quarterly updates and we look forward to engaging with shareholders during the course of the year.

We also intend to host an annual investor day where the focus will be on our operating management teams, not on us. They are the ones building the businesses. As a general matter, we do not plan to issue ongoing guidance other than the 2026 reference point we've provided today. But we welcome shareholder inquiries and some combination of Ted, Raja and myself will try to make ourselves available. With that, I will conclude the call. Thank you again for joining us today.

Operator^ Ladies and gentlemen, this does conclude today's conference call. A replay of the call will be available along with the investor presentation on the company's investor relations website at <https://ir.contextlogic.com/>. Again, thank you very much for joining us today. You may disconnect and have a wonderful day. Goodbye.

<b>QUESTIONS AND ANSWERS</b>
------------------------------