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Q1 2025 Results

May 2, 2025

Forward Looking Statements



This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, the risks described below. If one or more of these or other risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this presentation completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

In particular, forward-looking statements in this presentation may include statements about: anticipated trends, conditions and investor sentiment in the global markets and ETPs; anticipated levels of inflows into and outflows out of our ETPs; our ability to deliver favorable rates of return to investors; competition in our business; whether we will experience future growth; our ability to develop new products and services and their potential for success; our ability to maintain current vendors or find new vendors to provide services to us at favorable costs; our ability to successfully implement our strategy relating to digital assets and blockchain-enabled financial services, including WisdomTree Prime® and WisdomTree Connect™, and achieve its objectives; our ability to successfully operate and expand our business in non-U.S. markets; the effect of laws and regulations that apply to our business; and actions of activist stockholders.

Our business is subject to many risks and uncertainties, including without limitation:

- declining prices of securities, gold and other precious metals and other commodities and changes in interest rates and general market conditions can adversely affect our business by reducing the market value of the assets we manage or causing WisdomTree ETP investors to sell their fund shares and trigger redemptions;
- fluctuations in the amount and mix of our AUM, whether caused by disruptions in the financial markets or otherwise, including but not limited to events such as a pandemic or war, geopolitical conflicts, political events, acts of terrorism and other matters beyond our control, may negatively impact revenues and operating margins, and may impede our ability to refinance our debt upon maturity or increase the cost of borrowing upon a refinancing;
- competitive pressures could reduce revenues and profit margins;
- we derive a substantial portion of our revenues from a limited number of products, and as a result, our operating results are particularly exposed to investor sentiment toward investing in the products' strategies and our ability to maintain the AUM of these products, as well as the performance of these products and market-specific and political and economic risk;
- a significant portion of our AUM is held in products with exposure to U.S. and international developed markets and we therefore have exposure to domestic and foreign market conditions and are subject to currency exchange rate risks;
- withdrawals or broad changes in investments in our ETPs by investors with significant positions may negatively impact revenues and operating margins;
- we face increased operational, regulatory, financial and other risks as a result of conducting our business internationally, and as we expand our digital assets product offerings and services beyond our existing ETP business;
- many of our ETPs have a limited track record, and poor investment performance could cause our revenues to decline;
- we depend on third parties to provide many critical services to operate our business and our ETPs. The failure of key vendors to adequately provide such services could materially affect our operating business and harm WisdomTree ETP investors; and
- actions of activist stockholders against us, which have been costly and may be disruptive and cause uncertainty about the strategic direction of our business.

Other factors, such as general economic conditions, including currency exchange rate fluctuations, also may have an effect on the results of our operations. For a more complete description of the risks noted above and other risks that could cause our actual results to differ from our current expectations, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 and in subsequent reports filed with or furnished to the SEC.

The forward-looking statements in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this presentation.

Q1 Highlights

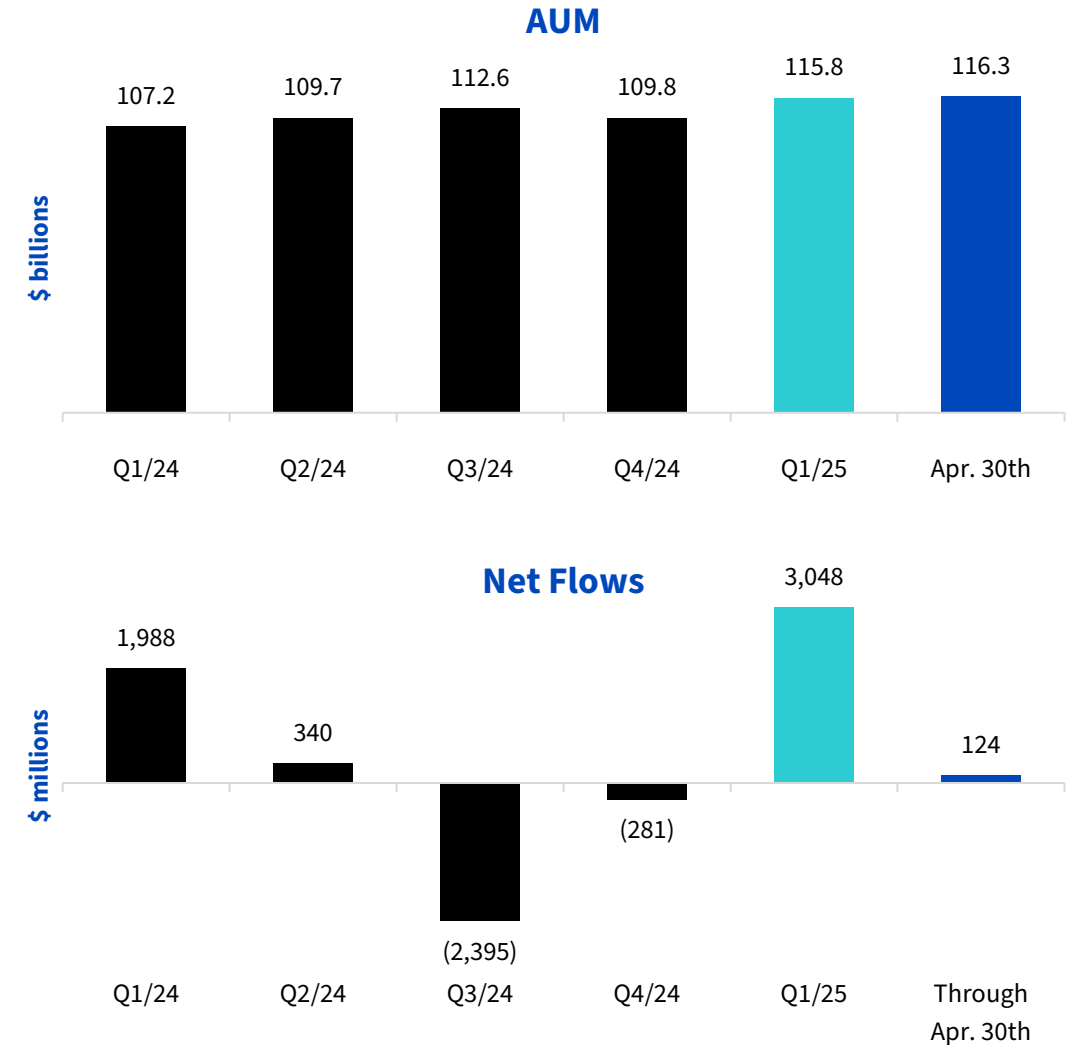


+ AUM and Net Flow Highlights:

- + Record AUM of +\$115.8b at March 31, 2025
- + Net inflows of \$3.0b (11% annualized organic growth rate) across our global product suite, including fixed income, U.S. equity and international equity product categories
 - Net inflows across 5 of our 8 major product categories and in each of our three divisions:
 - U.S.: \$1.8b
 - Europe: \$1.1b
 - Digital: \$0.1b
 - UCITS ETF suite attracting over \$1b of net inflows (65% annualized organic growth rate); includes \$770m of inflows into the WisdomTree European Defence UCITS (WDEF) launched in March
 - WisdomTree Government Money Market Digital Fund attracted \$100m of net inflows

+ Updated statistics (as of April 30th):

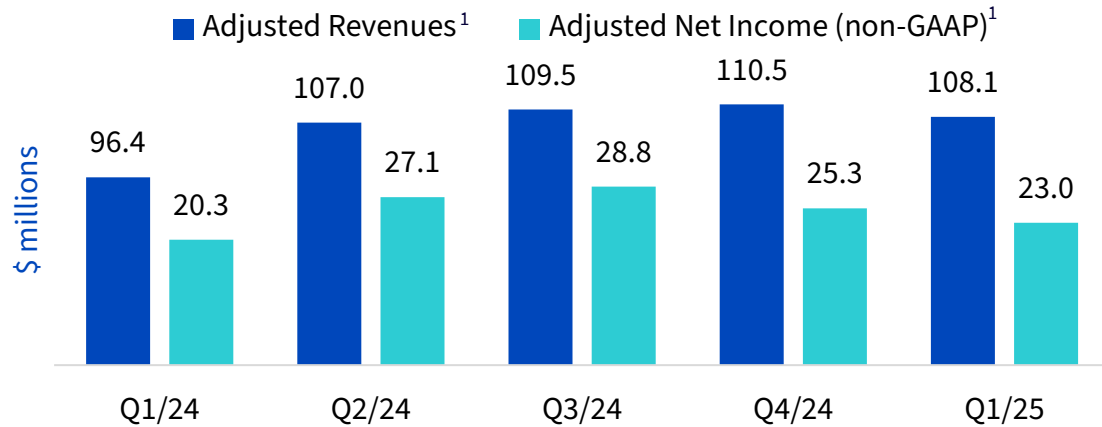
- + AUM: \$116.3b, up 0.4% from March 31, 2025 driven by both net inflows and positive market movement



Revenues and Earnings Results



Adjusted revenues, income, operating margin, EPS



Adjusted operating margin (non-GAAP) ¹	29.7%	35.3%	37.3%	31.7%	31.6%
Adjusted EPS (non-GAAP) ¹	\$0.12	\$0.16	\$0.18	\$0.17	\$0.16
Net income/(loss)	\$22.1	\$21.8	(\$4.5)	\$27.3	\$24.6
EPS-Diluted	\$0.13	\$0.13	(\$0.13)	\$0.18	\$0.17

Notable Items

- + Q1 adjusted revenues down (-2.2%) as compared to Q4 '24 due to two fewer trading days and a lower average fee capture, partly offset by higher average AUM
- + Q1 adjusted revenues up (+12.1%) as compared to Q1 '24 due to higher average AUM and higher other revenues (European ETPs)
- + Adjusted operating margins essentially unchanged from Q4 '24 and up 190 basis points compared to Q1 '24
- + Q1 '25 Results impacted by:
 - + Seasonal compensation (payroll taxes, benefits and other items) in connection with year-end bonus payments

¹ See "Non-GAAP Financial Measurements"

2025 Guidance Update



Category	Q1 Actual	Updated Guidance	Prior Guidance
Compensation to revenue ratio	31.2%	28%-30%	Unchanged
Discretionary Spending	\$16.3m	\$68m-\$72m	Unchanged
Gross margin (full year)	80.8%	81%-82%	Unchanged
Third-party distribution	\$3.1m	\$11m-\$12m	Unchanged
Interest expense ⁽¹⁾	\$5.0m	\$20.0m	Unchanged
Interest income	\$1.9m	\$8m	\$7m
Adjusted tax rate	25.5%	24%-25%	Unchanged
Diluted shares - weighted	146.5m	147m-149m	149m-150m

Discretionary spending includes marketing, sales, professional fees, occupancy and equipment, depreciation and amortization, other

Overview

Guidance largely unchanged as compared to the prior quarter. However, WisdomTree is actively monitoring the impact of recent market volatility on our AUM. Potential for planned spend to be scaled back to address adverse market conditions, if necessary.

Guidance Update

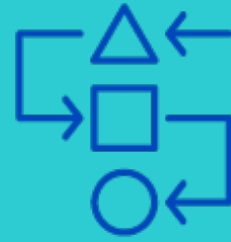
- + Gross margin guidance anticipated to be at the **lower-end** of the range at current AUM levels. Continued organic growth or favorable market conditions may result in gross margins trending to the middle to upper end of the range
- + Interest income guidance updated based upon the magnitude of our forecasted interest earning assets
- + Diluted share forecast updated taking into consideration the potential impact of anti-dilutive shares. Guidance is exclusive of incremental shares associated with convertible notes (an illustration is included in the Appendix)

Footnotes

¹ Excludes imputed interest related to our interest-free financing of preferred stock convertible into 13.1m shares of common stock, repurchased from a subsidiary of the World Gold Council in November 2023



Ongoing inflow momentum
as AUM is levered to attractive
investment themes



Add 'stickier' inflows from
expanding and deepening
managed model relationships

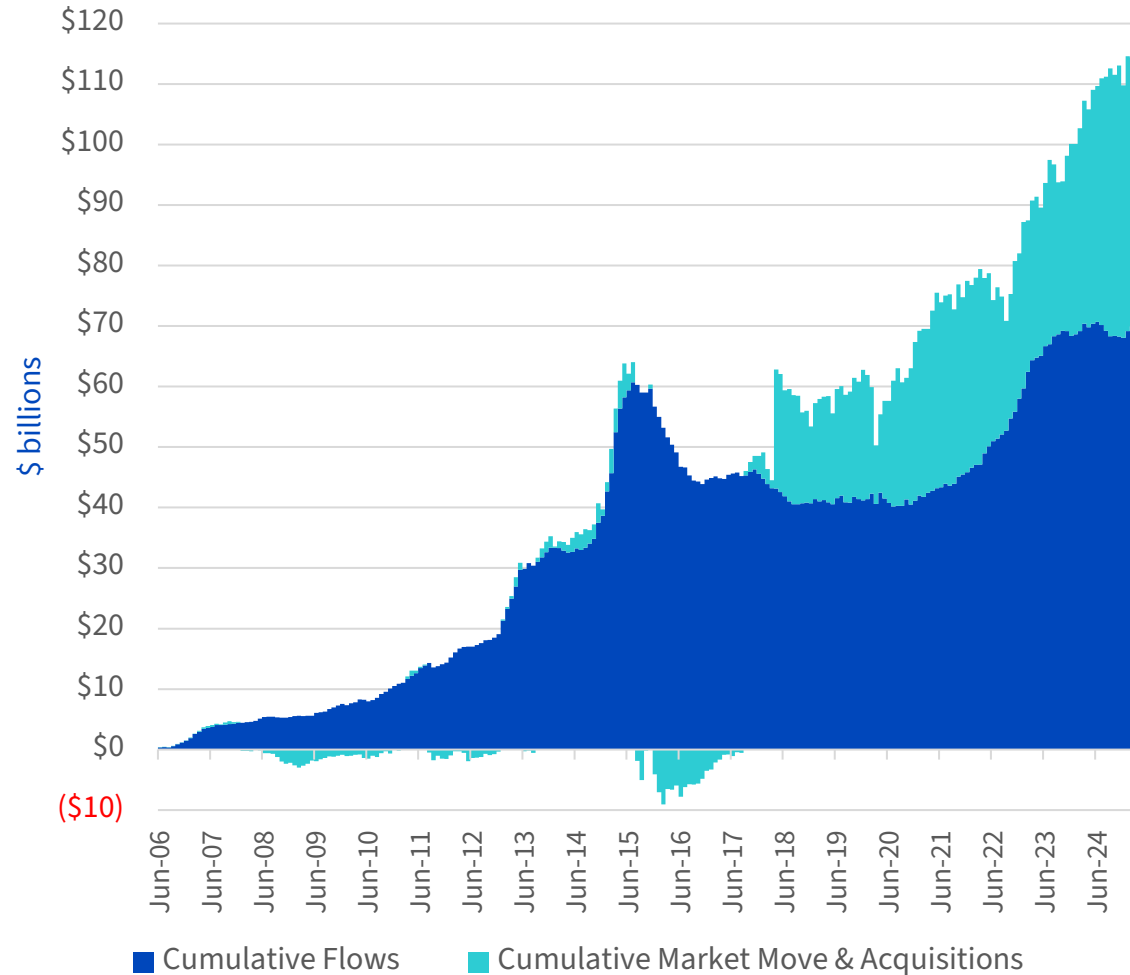


Early mover into tokenization
charts a course for accelerated
long-term growth



Tap into scale benefits as AUM
and revenue growth expands
operating margins

Expect Deepening Client Engagement will Drive Further AUM Growth in 2025



- + In Q1 2025:
 - + WisdomTree was one of the only asset managers to expand AUM quarter-over-quarter, growing ~5.5% since year-end 2024
 - + We generated over \$3b of net inflows, an ~11% pace of annualized growth
 - + The number of clients using WisdomTree products is growing at a 4% annualized pace, including a double-digit pace for registered investment advisors (RIAs)
 - + The average number of WisdomTree products held per WisdomTree client is expanding at a double-digit pace in 2025 so far
 - + Engagement remains strong
- + 2025 goal continues to be to further deepen our mind- and wallet-share to drive continued AUM expansion

WisdomTree Portfolio Solutions Distribution Strategy



- + WisdomTree's ability to deliver strong model performance and asset growth allows the firm to navigate rigorous selection processes at some of the leading wealth management firms in the U.S.
- + Portfolio Solutions models distribution strategy is twofold...
 - + Grow the number of advisors using WisdomTree model portfolios and continue at our large distribution partners
 - + Leverage our customized model approach to pursue the registered investment advisor (RIA) and independent broker-dealer (IBD) partners where WisdomTree can manage a majority of each firm's assets
- + ...with a simple and attractive organic growth strategy as we are focused on:
 - + Growing the number of advisors using our model products
 - + Growing the number of accounts per advisor
 - + Growing the assets per account

WisdomTree has a barbell approach to portfolio solutions distribution

Large distribution networks

- + Gain shelf space at the largest distributors
- + Build a large group of recurring model users
- + Dedicated resources to drive results



Custom Models – RIAs/IBDs

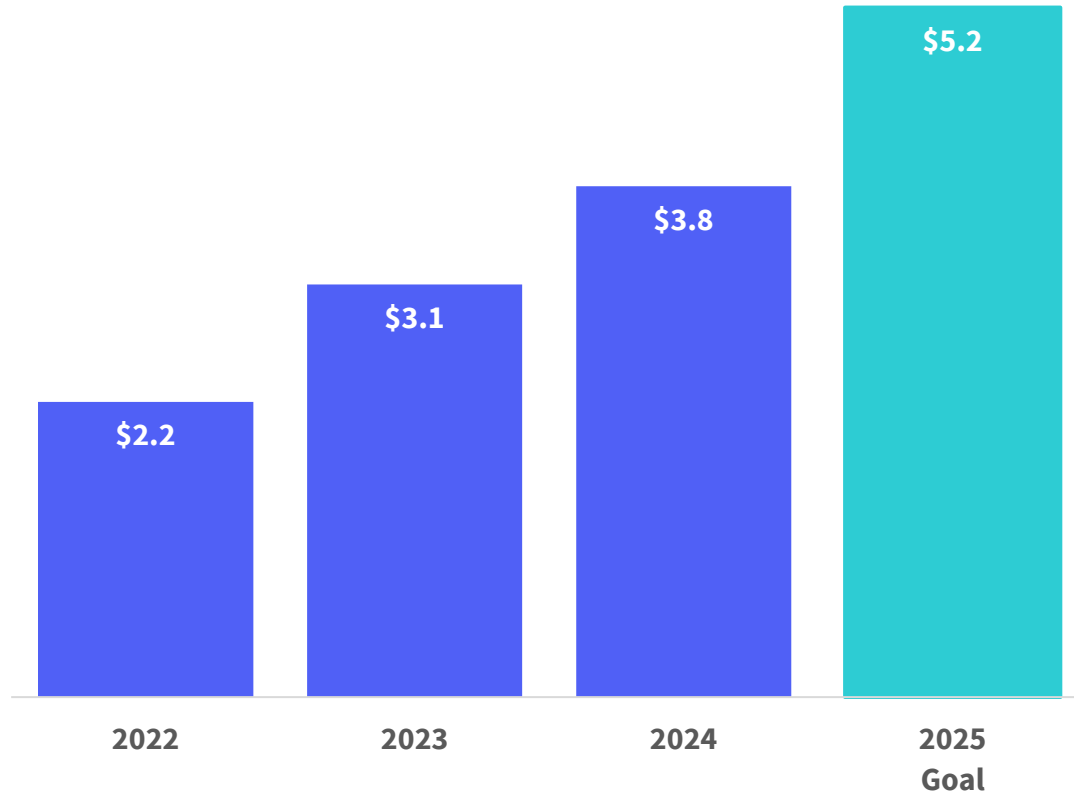
- + Build custom models with advisor
- + Offer ancillary services like trading and rebalancing
- + Manage a majority of an advisor's business



Penetrate Accessible Market to Grow in Model AUA and Model Users in 2025

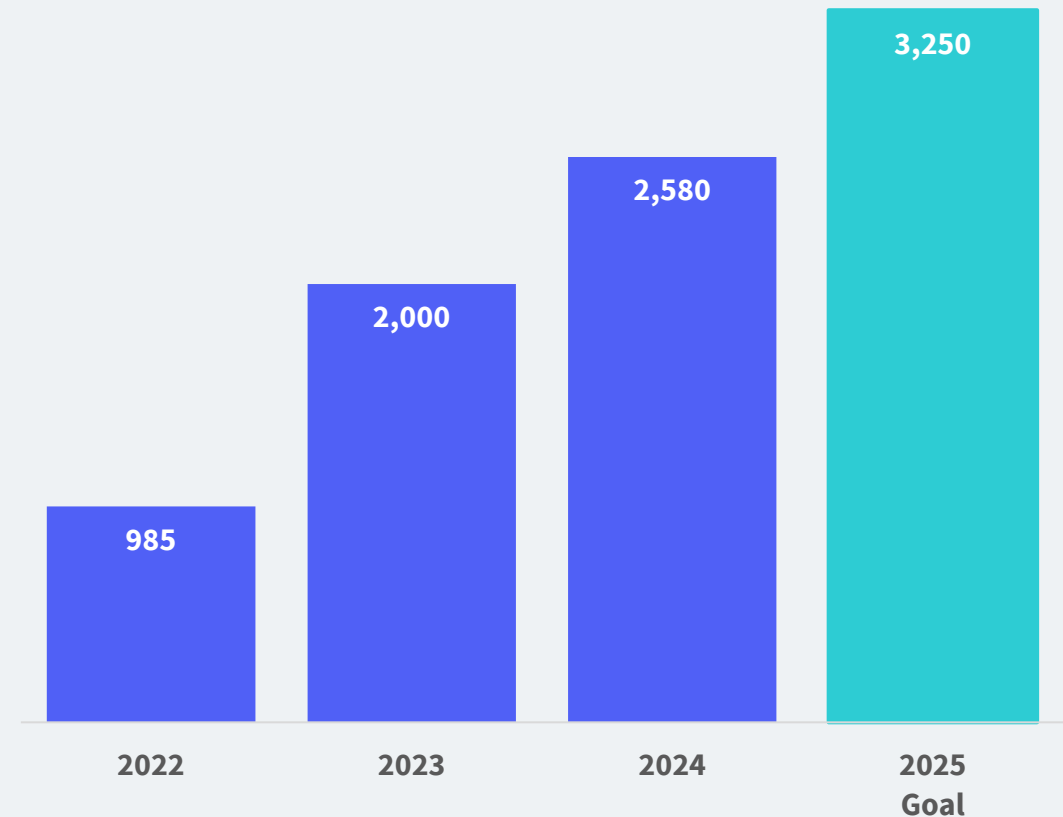


Target 35% to 40% Expansion in Model Assets Under Advisement (AUA, \$ billion)



+ ~\$4b of AUA as of Q1 2025: up 4% vs. year-end 2024 as ~20% pace of annualized organic growth was partially offset by weaker market conditions

Target 25% to 30% Growth in Model Users



+ ~2,700 advisors using WisdomTree Models as of Q1 2025, tracking well toward our 2025 goal

Through the Cycle, Organic Growth Accelerates Scale and Expands Operating Margins

Illustrative annual AUM and revenue growth algorithm over the long run

Organic growth		Market return		AUM and revenue growth
5%-10%	+	5%-10%	=	10%-20%

Illustrative margin outlook from scaling AUM and revenues

Q1 2025 adjusted operating margin		Incremental margins greater than 50%		
31.6%	<	50%+	=	Material margin improvement

The WisdomTree Digital Assets Platform



Direct to Retail

WisdomTree Prime

- + Target Audience: U.S. Retail Investors
- + Delivery: Mobile App
- + Wallet Custody: WisdomTree managed wallets (custodial to customer)
- + Initial Offerings:
 - + Digital Funds (Equity, Fixed Income, Models, Money Market Fund)
 - + Gold
 - + Bitcoin / Ether
 - + Debit Card



Direct to Business

WisdomTree Connect

- + Target Audience: B2B & B2B2C, Institutions
 - + Available to select global investors
- + Delivery: Web Portal, APIs
- + Wallet Custody: Non-Custodial (customer manages wallet) or third-party custodial wallet
- + Meet users where they are: tokens can be held in a wallet of any supported blockchain
- + Initial Offerings:
 - + Money Market Fund





Both Applications Built on WisdomTree's Proprietary Tokenization Platform

- + Current Capabilities:
 - + Token Mint / Burn
 - + Token Controls
 - + Identity Credentials (tagging customer's wallets)
 - + Stablecoin conversion service
- + Potential Future Capabilities:
 - + Retail non-custodial product integrations and offerings
 - + Transfer Agency Services to 3rd Parties
 - + Additional on-chain capabilities
 - + Identity Services

WisdomTree Digital Assets Current Product Pillars



Access & Services		Exposures		
Retail Financial App:  <p>Create an ecosystem with WisdomTree Prime that allows one to save, spend & invest in one experience</p> <ul style="list-style-type: none"> + Focus on usability and intuitiveness with a streamlined user experience + Offer a curated product line-up + Continue to expand on functionality over time 	B2B(2C) Platform & Services:  <p>Platform for asset tokens and digital fund offerings and related services to businesses and other users</p> <ul style="list-style-type: none"> + Distribution platform for WisdomTree asset tokens and digital funds + Supports U.S. and international businesses and platforms 	Asset Tokens e.g. WisdomTree Gold Token <p>Launch real asset tokens, including “safe haven” assets such as a U.S. dollar stablecoin and gold token</p> <ul style="list-style-type: none"> + Issued by WisdomTree’s New York chartered trust company + Distribution capabilities both within and outside of WisdomTree Prime + Available for institutional, U.S. retail investors 	Digital Funds e.g. WT Government Money Market Digital Fund (WTGXX) <p>Be an early leader with a suite of blockchain-enabled funds</p> <ul style="list-style-type: none"> + Offerings include full fixed income suite, equities, Siegel indexes + Regulatory compliance and transparency are key – digital funds are effective with the SEC under the Investment Company Act of 1940 	Crypto Mainstream Adoption Tokens, ETPs and Indexes <p>Provide access to Crypto alongside mainstream assets</p> <ul style="list-style-type: none"> + Launched taxonomy, indexes, European ETPs, and U.S. Bitcoin ETF + Provide access to BTC, ETH through WisdomTree Prime for U.S. retail investors + Offer institutional research, thought leadership, risk management, and custody

Digital Asset Metrics as of Q1 2025



28,000

**Opened
Accounts**

+8% vs. year-end 2024

2,700

**Funded
Accounts**

+17% vs. year-end 2024

83

**Average Daily User
Transactions in Q1**

Down due to market volatility

\$4 million

**WisdomTree
Prime AUM**

+\$1 million vs. year-end 2024

\$132 million

**Total WisdomTree
Tokenized AUM**

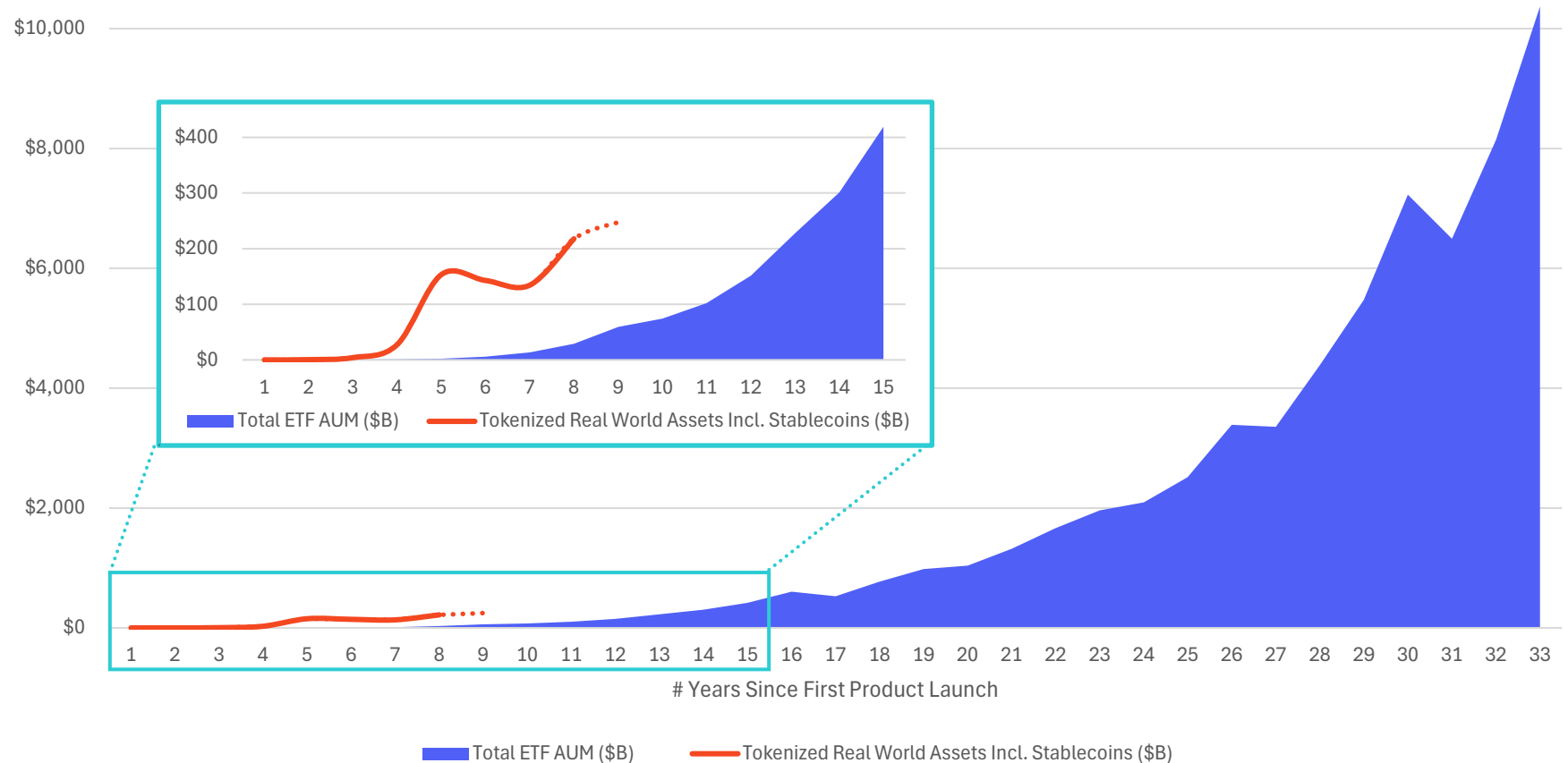
+\$101 million vs. year-end 2024

A Secular Shift Toward Tokenization is Underway and WisdomTree is a Leader



- + Tokenized real world assets (RWA) has grown from near zero in 2017 to over \$200 billion in AUM today (mostly stablecoins)
- + Early growth curve of Tokenized RWA exceeds the early ETF adoption in the 1990s
- + WisdomTree's tokenized money market and floating rate treasury funds are well-suited for yield generating safe havens
- + WisdomTree Connect has expanded to several different blockchains and gathered over \$100 million in assets in 2025 so far
- + WisdomTree seeks to expand the adoption of our total tokenized product lineup further including gold, equities, and more

Growth of Tokenized Real World Assets vs. ETFs Since First Inception (\$ billion)



Note: the dotted line in the above graphic represents YTD levels and will change in subsequent presentations as 2025 develops

Source: Artemis Analytics and RWA.xyz

Grow & Diversify Revenue Streams

- + Grow the number of WisdomTree clients and deepen engagement
- + Expand models and portfolio solutions footprint
- + Continue to grow revenue outside asset based fees

Disciplined Execution

- + Generated 73% y/y EPS growth in 2024 and +33% y/y EPS growth in Q1 2025
- + WisdomTree European Defence UCITS ETF became our 26th \$1b+ fund 5 weeks post launch, driven by organic growth
- + Further incorporate artificial intelligence (AI) into everyday workflows
- + Tap into scale benefits to drive margin expansion

Strategic Innovation

- + Leader in secular shift toward tokenization – both for direct to retail and institutional users with over \$100m in tokenized asset flows year-to-date
- + Forward thinking in AI deployment
- + Continue to explore new products or services that accelerate strategic growth

Proactive Capital Deployment

- + Maintain a proactive stance toward capital management
- + Explore accretive capital deployment opportunities like additional buybacks, strategic M&A, partnerships



Q&A

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Appendix

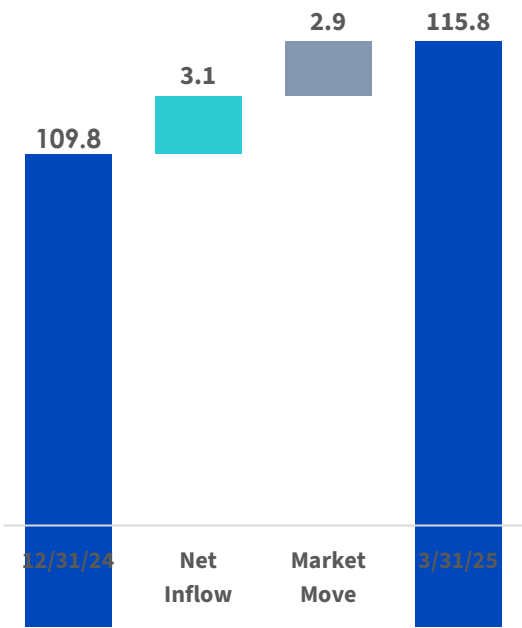
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AUM and Net Flows



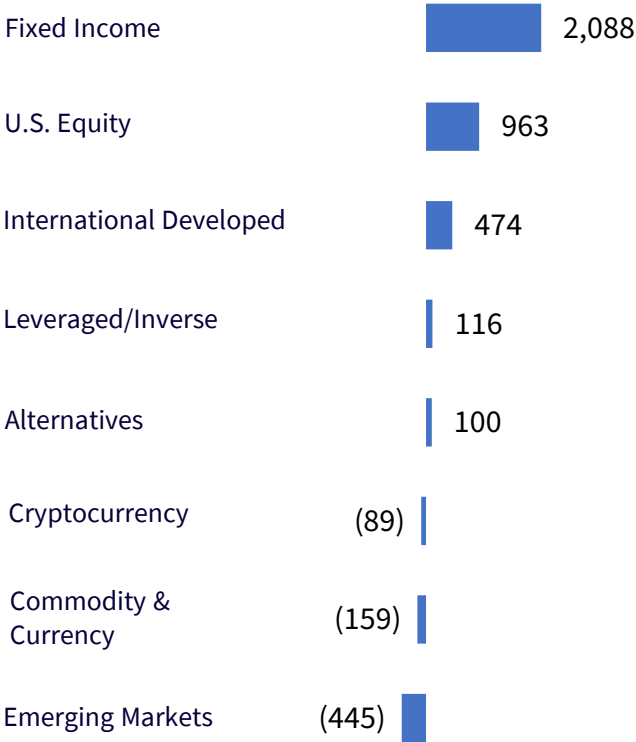
Quarterly ETP AUM Change

(\$ billions)



Q1/25 Net Flows by Category

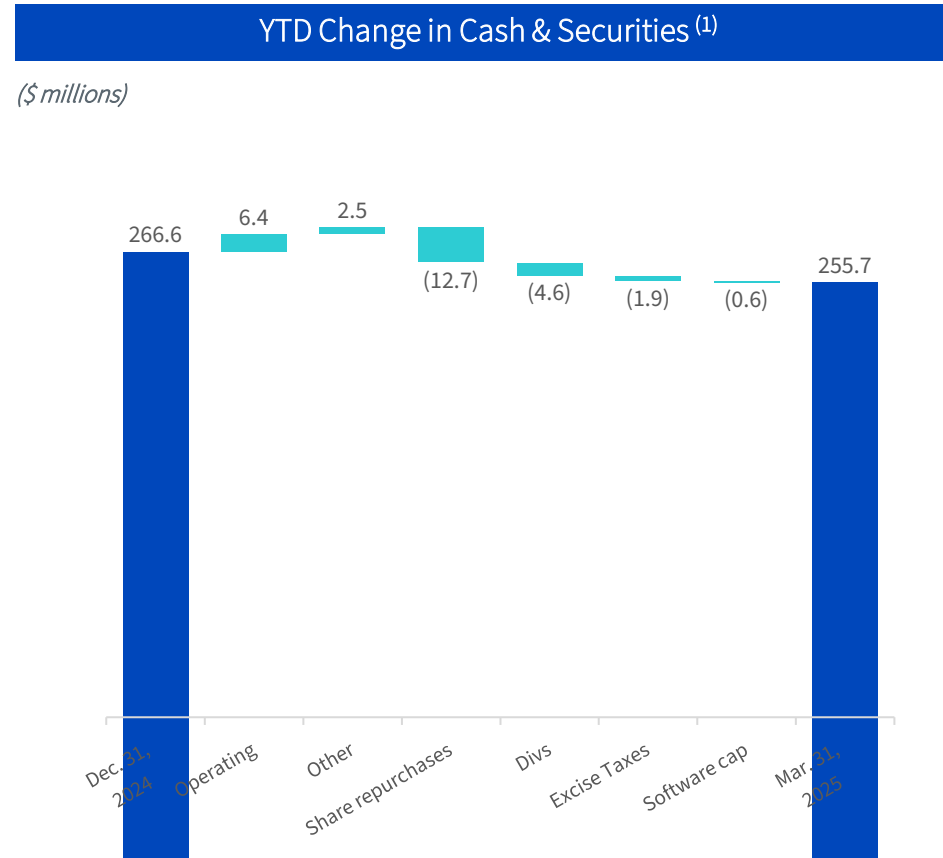
(\$ millions)



Balance Sheet



Balance Sheet		
(\$ millions)	Mar. 31, 2025	Dec. 31, 2024
Assets		
Cash and financial instruments ⁽¹⁾	\$255.7	\$266.6
Investments	9.2	8.9
Accounts receivable	46.1	44.9
Deferred tax asset, net	5.6	11.7
Fixed assets, net	0.3	0.3
Goodwill and intangibles	693.1	692.7
Other assets	12.9	8.4
Total assets	\$1,022.9	\$1,033.5
Liabilities		
Fund management and administration	\$34.5	\$31.1
Compensation and benefits	11.8	39.7
Accounts payable and other liabilities	20.3	22.1
Income taxes payable	0.0	0.7
Payable to GBH	27.4	27.0
Convertible notes	512.7	512.0
Lease liabilities	0.6	0.9
Total liabilities	607.3	633.5
Preferred stock	0.0	0.0
Stockholders' equity	415.6	400.0
Total liabilities and stockholders' equity	\$1,022.9	\$1,033.5



(1) Includes financial instruments owned

Convertible Notes – *Illustrative* Impact on Quarterly Diluted Shares



Incremental shares issuable when conversion spread is positive are included in diluted EPS computation.

Illustrative computation shown below assuming a \$12.00 average stock price:

	Issued 2021 \$150M Notes (2026 Maturity)	Issued 2023 \$26M Notes (2028 Maturity)	Issued 2024 \$345M Notes (2029 Maturity)
<u>Conversion Spread</u>			
WT Avg Price in Qtr	\$12.00	\$12.00	\$12.00
– <u>Conversion Price</u>	<u>\$11.04</u>	<u>\$9.54</u>	<u>\$11.82</u>
Conversion spread:	<u>\$0.96</u>	<u>\$2.46</u>	<u>\$0.18</u>
<u>Potential Shares</u>			
Conversion spread:	\$0.96	\$2.46	\$0.18
× <u>Underlying shares (1):</u>	<u>13,586,957</u>	<u>2,709</u>	<u>10,998,308</u>
Subtotal - Dilutive \$:	13,043,478	6,664	1,979,695
÷ <u>WT Avg Price in Qtr</u>	<u>\$12.00</u>	<u>\$12.00</u>	<u>\$12.00</u>
Dilutive Share Impact - Current Qtr	<u>1,086,957</u>	<u>555</u>	<u>164,975</u>

(1) Represents principal divided by conversion price

Consolidated Financial Results



	2024				2025
	Q1	Q2	Q3	Q4	Q1
Revenues					
Advisory fees	\$ 92,501	\$ 98,938	\$101,659	\$102,264	\$ 99,549
Other revenues	4,337	8,096	11,509	8,433	8,533
Total revenues	96,838	107,034	113,168	110,697	108,082
Expenses					
Compensation and benefits	31,054	30,790	29,405	30,032	33,788
Fund management and administration	19,962	20,139	21,004	22,858	20,714
Marketing and advertising	4,408	5,110	4,897	6,117	4,813
Sales and business development	3,611	3,640	3,465	4,101	4,137
Professional and consulting fees	3,630	6,594	6,315	4,559	2,782
Occ., communications and equipment	1,210	1,314	1,397	1,423	1,482
Depreciation and amortization	383	418	447	504	540
Third-party distribution fees	2,307	2,687	2,983	3,161	3,112
Other	2,323	2,831	2,463	2,902	2,552
Total expenses	68,888	73,523	72,376	75,657	73,920
Operating Income	27,950	33,511	40,792	35,040	34,162
Interest Expense	(4,128)	(4,140)	(5,027)	(5,616)	(5,441)
Interest Income	1,398	1,438	1,795	2,147	1,897
Loss on extinguishment of convertible notes	—	—	(30,632)	—	—
Other (losses)/gains	2,592	(1,283)	(3,062)	2,627	(250)
Income before taxes	27,812	29,526	3,866	34,198	30,368
Income tax expense	5,701	7,767	8,351	6,890	5,739
Net Income	\$ 22,111	\$ 21,759	\$ (4,485)	\$ 27,308	\$ 24,629
As adjusted (non-GAAP)					
Total revenues	\$ 96,385	\$107,034	\$109,507	\$110,505	\$108,082
Total operating expenses	\$ 67,740	\$ 69,252	\$ 68,715	\$ 75,465	\$ 73,920
Operating income	\$ 27,950	\$ 37,782	\$ 40,792	\$ 35,040	\$ 34,162
Income before income taxes	\$ 26,987	\$ 36,083	\$ 37,187	\$ 33,033	\$ 30,947
Income tax expense	\$ 6,731	\$ 9,008	\$ 9,049	\$ 7,753	\$ 7,933
Net income	\$ 20,254	\$ 27,075	\$ 28,768	\$ 25,280	\$ 23,014
Earnings per share - diluted	\$ 0.12	\$ 0.16	\$ 0.18	\$ 0.17	\$ 0.16
Weighted average common shares - diluted	165,268	166,359	156,745	147,612	146,545

Non-GAAP Financial Measurements



In an effort to provide additional information regarding our results as determined by GAAP, we also disclose certain non-GAAP information which we believe provides useful and meaningful information. Our management reviews these non-GAAP financial measurements when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-GAAP measurements do not have any standardized meaning, do not replace nor are superior to GAAP financial measurements and are unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measurements should be considered in the context with our GAAP results. The non-GAAP financial measurements contained in this release include:

- **Adjusted Revenues, Operating Income, Operating Expenses, Income Before Income Taxes, Income Tax Expense, Net Income and Diluted Earnings per Share.** We disclose adjusted revenues, operating income, operating expenses, income before income taxes, income tax expense, net income and diluted earnings per share as non-GAAP financial measurements in order to report our results exclusive of items that are non-recurring or not core to our operating business. We believe presenting these non-GAAP financial measurements provides investors with a consistent way to analyze our performance. These non-GAAP financial measurements exclude the following:
 - *Legal and other related expenses covered by insurance:* During the year ended December 31, 2024, we have incurred \$4.3 million of legal and other related expenses in connection with a settlement with the U.S. Securities and Exchange Commission (the “SEC”) regarding certain statements about the ESG screening process for three ETFs advised by WisdomTree Asset Management, Inc. (the “SEC ESG Settlement”). These expenses were covered by insurance and reimbursed on April 7, 2025. GAAP requires that such covered expenses be reported gross in the income statement such that revenues are recorded to offset expenses incurred. We offset the revenues and related expenses when calculating our non-GAAP financial measurements as the gross presentation serves to overstate our revenues and expenses recognized in the ordinary course of business.
 - *Gains or losses on financial instruments owned:* We account for our financial instruments owned as trading securities which requires these instruments to be measured at fair value with gains and losses reported in net income. We exclude these items when calculating our non-GAAP financial measurements as the gains and losses introduce volatility in earnings and are not core to our operating business.
 - *Tax windfalls and shortfalls upon vesting of stock-based compensation awards:* GAAP requires the recognition of tax windfalls and shortfalls within income tax expense. These items arise upon the vesting of stock-based compensation awards and the magnitude is directly correlated to the number of awards vesting/exercised as well as the difference between the price of our stock on the date the award was granted and the date the award vested or was exercised. We exclude these items when calculating our non-GAAP financial measurements as they introduce volatility in earnings and are not core to our operating business.
 - *Imputed interest on our payable to the Gold Bullion Holdings (Jersey) Limited (“GBH”):* During the fourth quarter of 2023, we repurchased our Series C Non-Voting Convertible Preferred Stock which was convertible into approximately 13.1 million shares of WisdomTree common stock, from GBH, a subsidiary of the World Gold Council, for aggregate cash consideration of approximately \$84.4 million. Under the terms of the transaction, we paid GBH \$40.0 million on the closing date, with the remainder of the purchase price payable in equal annual installments on the first, second and third anniversaries of the closing date, with no requirement to pay interest. Under US GAAP, the obligation is recorded at its present value utilizing a market rate of interest on the closing date of 7.0% and the corresponding discount is amortized as interest expense pursuant to the effective interest method of accounting over the life of the obligation. We exclude this item when calculating our non-GAAP financial measurements as recognition of interest expense is non-cash and contrary to the stated terms of our obligation.
 - *Other items:* Losses on extinguishment of convertible notes, a civil money penalty in connection with SEC ESG Settlement, gains and losses recognized on our investments, changes in deferred tax asset valuation allowance and expenses incurred in response to an activist campaign are excluded when calculating our non-GAAP financial measurements.
- **Adjusted Effective Income Tax Rate.** We disclose our adjusted effective income tax rate as a non-GAAP financial measurement in order to report our effective income tax rate exclusive of items that are non-recurring or not core to our operating business. We believe reporting our adjusted effective income tax rate provides investors with a consistent way to analyze our income taxes. Our adjusted effective income tax rate is calculated by dividing adjusted income tax expense by adjusted income before income taxes. See above for information regarding the items that are excluded.
- **Gross Margin and Gross Margin Percentage.** We disclose our gross margin and gross margin percentage as non-GAAP financial measurements because we believe they provide investors with a consistent way to analyze the amount we retain after paying third-party service providers to operate our ETPs. These measures also assist us in analyzing the profitability of our products. We define gross margin as total adjusted operating revenues less fund management and administration expenses. Gross margin percentage is calculated as gross margin divided by total adjusted operating revenues.

Non-GAAP Reconciliation to GAAP Results



	Three Months Ended				
(\$ in thousands)	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31
Unaudited	2025	2024	2024	2024	2024
Adjusted net income and diluted earnings per share:					
Net income/(loss), as reported	\$ 24,629	\$ 27,308	\$ (4,485)	\$ 21,759	\$ 22,111
Deduct: Tax windfalls upon vesting of stock-based compensation awards	(2,083)	--	(25)	(40)	(699)
Add back: Imputed interest on payable to GBH, net of income taxes	344	451	528	513	504
Add back/(deduct): Losses/(gains) on financial instruments owned, net of income taxes	333	(1,722)	(607)	220	(1,562)
(Deduct)/add back: (Gains)/losses recognized on our investments, net of income taxes	(239)	389	(436)	998	(93)
Add back/(deduct): Increase/(decrease) in deferred tax asset valuation allowance on financial instruments owned	30	(428)	(335)	391	(531)
Add back: Loss on extinguishment of convertible notes, net of income taxes	--	(718)	30,128	--	--
Add back: Civil money penalty in connection with SEC ESG Settlement	--	--	4,000	--	--
Add back: Expenses incurred in response to the activist campaign, net of income taxes	--	--	--	3,234	526
Adjusted net income	\$ 23,014	\$ 25,280	\$ 28,768	\$ 27,075	\$ 20,256
Weighted average common share - diluted	146,545	147,612	156,745	166,359	165,268
Adjusted earnings per share - diluted	\$0.16	\$0.17	\$0.18	\$0.16	\$0.12

	Three Months Ended				
(\$ in thousands)	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31
Unaudited	2025	2024	2024	2024	2024
Gross Margin and Gross Margin Percentage					
Operating Revenues	\$ 108,082	\$ 110,697	\$ 113,168	\$ 107,034	\$ 96,838
Deduct: Legal and other related expenses covered by insurance	--	(192)	(3,661)	--	(453)
Operating revenues, as adjusted	\$ 108,082	\$ 110,505	\$ 109,507	\$ 107,034	\$ 96,385
Deduct: Fund management and administration	(20,714)	(22,858)	(21,004)	(20,139)	(19,962)
Gross margin	\$ 87,368	\$ 87,647	\$ 88,503	\$ 86,895	\$ 76,423
Gross margin percentage	80.8%	79.3%	80.8%	81.2%	79.3%

	Three Months Ended				
(\$ in thousands)	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31
Unaudited	2025	2024	2024	2024	2024
Adjusted Operating Income and Operating Income Margin					
Operating Revenues	\$ 108,082	\$ 110,697	\$ 113,168	\$ 107,034	\$ 96,838
Deduct: Legal and other related expenses covered by insurance	--	(192)	(3,661)	--	(453)
Operating revenues, as adjusted	\$ 108,082	\$ 110,505	\$ 109,507	\$ 107,034	\$ 96,385
Operating income	\$ 34,162	\$ 35,040	\$ 40,792	\$ 33,511	\$ 27,950
Add back: Expenses incurred in response to the activist campaign	--	--	--	4,271	695
Adjusted operating income	\$ 34,162	\$ 35,040	\$ 40,792	\$ 37,782	\$ 28,645
Adjusted operating income margin	31.6%	31.7%	37.3%	35.3%	29.7%

	Three Months Ended				
(\$ in thousands)	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31
Unaudited	2025	2024	2024	2024	2024
Adjusted Total Operating Expenses					
Total operating expenses	\$ 73,920	\$ 75,657	\$ 72,376	\$ 73,523	\$ 68,888
Deduct: Legal and other related expenses covered by insurance	--	(192)	(3,661)	--	(453)
Deduct: Expenses incurred in response to the activist campaign	--	--	--	(4,271)	(695)
Adjusted operating expenses	\$ 73,920	\$ 75,465	\$ 68,715	\$ 69,252	\$ 67,740

	Three Months Ended				
(\$ in thousands)	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31
Unaudited	2025	2024	2024	2024	2024
Adjusted Effective Income Tax Rate					
Income before income taxes	\$ 30,368	\$ 34,198	\$ 3,866	\$ 29,526	\$ 27,812
Add back: Imputed interest on payable to GBH	455	596	697	677	666
Add back/(deduct): Losses/(gains) on financial instruments owned	440	(2,275)	(802)	291	(2,063)
(Deduct)/Add back: (Gains)/losses recognized on investments	(316)	514	(576)	1,318	(123)
Add back: Loss on extinguishment of convertible notes	--	--	30,632	--	--
Add back: Civil money penalty in connection with SEC ESG Settlement	--	--	4,000	--	--
Add back: Expenses incurred in response to the activist campaign	--	--	--	4,271	695
Adjusted income before income taxes	\$ 30,947	\$ 33,033	\$ 37,817	\$ 36,083	\$ 26,987
Income tax expense	\$ 5,739	\$ 6,890	\$ 8,351	\$ 7,767	\$ 5,701
Add back: Tax windfalls upon vesting of stock-based compensation awards	2,083	--	25	40	699
Add back: Tax benefit on imputed interest	111	145	169	164	162
Add back/(deduct): Tax benefit/(expense) arising from losses/(gains) on financial instruments owned	107	(553)	(195)	71	(501)
(Deduct)/add back: (Increase)/decrease in deferred tax asset valuation allowance on financial instruments owned	(30)	428	335	(391)	531
(Deduct)/Add back: Tax benefit/(expense) on gains and losses on investments	(77)	125	(140)	320	(30)
Add back: Tax benefit arising from extinguishment of convertible notes	--	718	504	--	--
Add back: Tax benefit arising from expenses incurred in response to the activist campaign	--	--	--	1,037	169
Adjusted income tax expense	\$ 7,933	\$ 7,753	\$ 9,049	\$ 9,008	\$ 6,731
Adjusted effective income tax rate	25.6%	23.5%	23.9%	25.0%	24.9%

Reconciliation of US GAAP to Non-GAAP results – Q1 2025



	QTD Mar. US GAAP	Imputed Interest	Losses on Securities	Gain on Inv.	DTA Val. Allowance	Windfall Tax Benefits	Non-GAAP
Revenues							
Advisory fees	\$ 99,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,549
Other revenues	8,533	-	-	-	-	-	8,533
Total revenues	108,082	-	-	-	-	-	108,082
Expenses							
Compensation and benefits	33,788	-	-	-	-	-	33,788
Fund management and admin	20,714	-	-	-	-	-	20,714
Marketing and advertising	4,813	-	-	-	-	-	4,813
Sales and business development	4,137	-	-	-	-	-	4,137
Professional and consulting fees	2,782	-	-	-	-	-	2,782
Occ., commun. and equip.	1,482	-	-	-	-	-	1,482
Depreciation and amort.	540	-	-	-	-	-	540
Third-party distribution fees	3,112	-	-	-	-	-	3,112
Other	2,552	-	-	-	-	-	2,552
Total expenses	73,920	-	-	-	-	-	73,920
Operating Income	34,162	-	-	-	-	-	34,162
Interest Expense	(5,441)	455	-	-	-	-	(4,986)
Interest Income	1,897	-	-	-	-	-	1,897
Other losses and gains	(250)	-	440	(316)	-	-	(126)
Income before taxes	30,368	455	440	(316)	-	-	30,947
Income tax expense	5,739	111	107	(77)	(30)	2,083	7,933
Net income	\$ 24,629	\$ 344	\$ 333	\$ (239)	\$ 30	\$ (2,083)	\$ 23,014

Diluted Shares: 146,545

EPS: \$ 0.16



Thank you.

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