



WT

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NYSE

Q4 2023 Results

February 2, 2024



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 which 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 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 a pandemic or war conflict, 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;
- 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 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, 2022.

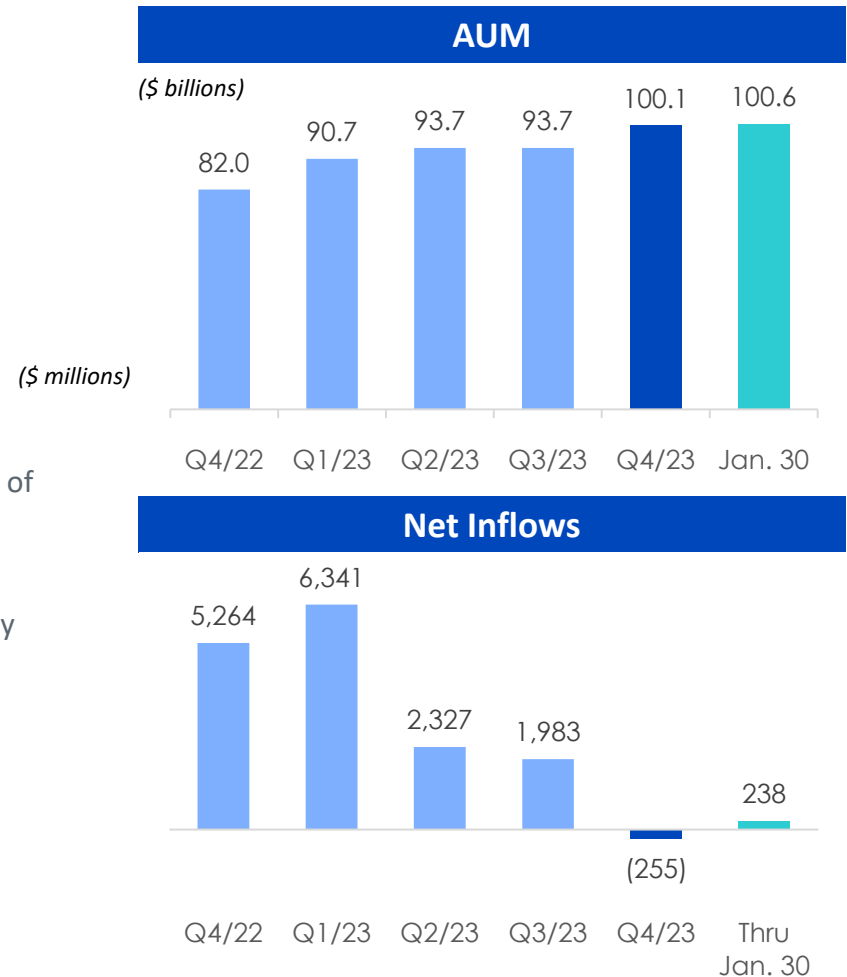
The forward-looking statements in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have 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.

2023 and Q4 Highlights

- + Year of transformation and table-setting for future growth:
 - Record AUM of \$100b at December 31st
 - Record revenues of \$349m; +16% vs. prior year
 - 520bps of operating margin expansion vs. prior year
 - Net inflows of \$10.4b in 2023
 - Annualized organic growth rate of 13%
 - Fee capture on flows 2x greater vs. prior year
 - Highly accretive gold royalty buyout
 - Repurchase of Series C Preferred Stock convertible into 13.1 shares of common stock (implied repurchase price of \$6.02 per share)

- + Net outflows of \$0.3b for the quarter primarily driven by outflows from fixed income and commodity products, partly offset by inflows into U.S equity and emerging markets products
 - Q4 organic revenue growth notwithstanding modest outflows (outflows from lower fee products dwarfed by inflows into higher fee products)

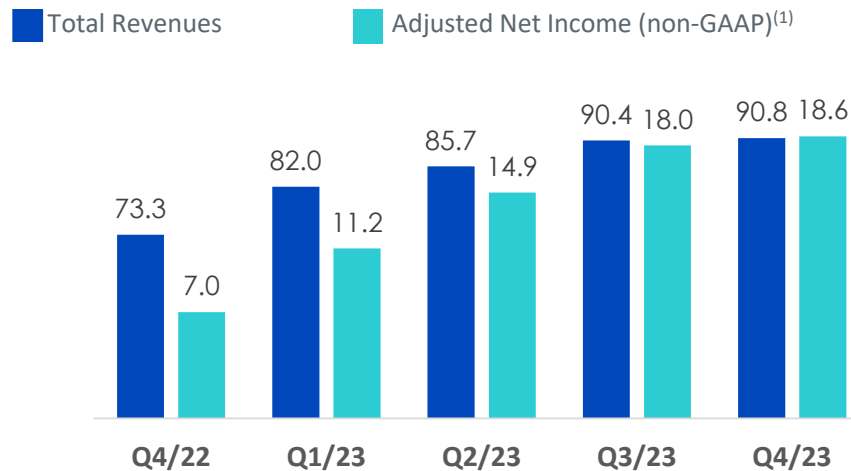
- + Updated statistics (January):
 - AUM: \$100.6b, up slightly from December 31st



Revenues and Earnings Results

Revenues, Income, Operating Margin, EPS

(\$ millions)



Adjusted operating margin (non-GAAP) ⁽¹⁾ :	16.0%	21.4%	26.9%	29.5%	28.7%
Adjusted EPS (non-GAAP) ⁽¹⁾ :	\$0.04	\$0.07	\$0.09	\$0.10	\$0.11
Net income/(loss):	(\$28.3)	\$16.2	\$54.3	\$13.0	\$19.1
EPS:	(\$0.20)	\$0.10	\$0.32	\$0.07	\$0.16

(1) See "Non-GAAP Financial Measurements"

Operating Margin Expansion

Adjusted Operating Margins (YTD)	12 Months Ended		Change
	Dec. 31, 2023	Dec. 31, 2022	
Operating revenues	\$ 349,035	\$ 301,345	16%
Adjusted operating income	\$ 93,372	\$ 64,544	45%
Add back: Contractual gold payments	6,069	17,108	
Adj. operating income - ex. Gold	\$ 99,441	\$ 81,652	
Adjusted operating margin	26.8%	21.4%	540 bps
Adj. operating margin - ex. Gold	28.5%	27.1%	140 bps

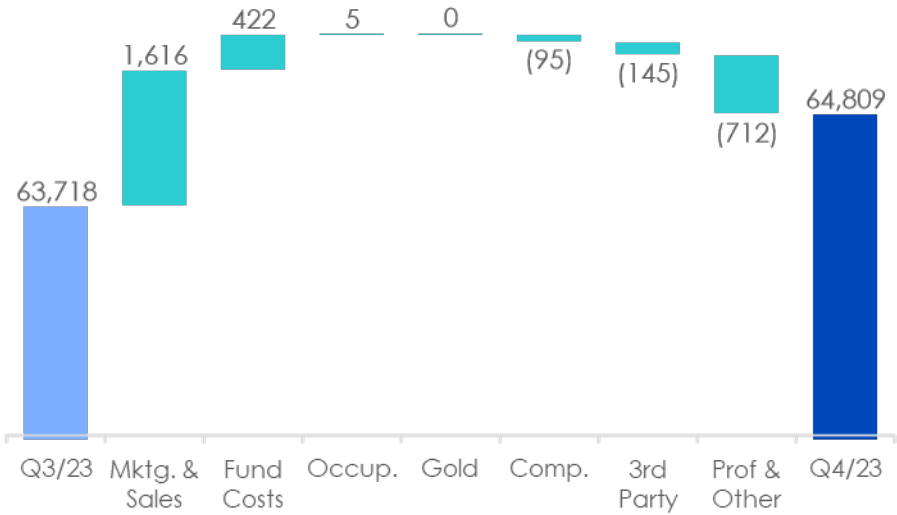
Highlights/Unusual Items

- + Revenue growth (+16%) and operating income growth (+46%) vs. prior year
- + Operating margin expansion:
 - Adjusted operating margin: +540 bps
 - Ex. Contractual gold payments: +120 bps
- + \$0.5m of other non-operating gains excluded from Non-GAAP results
- + GAAP EPS includes \$8.0m gain upon repurchase of Series C preferred Stock

Expense Base - Rollforward

Expense Base Change – Q3/23 to Q4/23

(\$ in thousands)



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

- + Expenses largely unchanged vs. Q3
- + Annual compensation (\$109.5m) and discretionary spending (\$59.3m) within 2023 guidance

2024 Expense Guidance

Expense Item	2024 Guidance	2023 Actual
Compensation	\$108m-\$118m	\$109.5m
Discretionary Spending ⁽¹⁾	\$64m-\$68m	\$59.3m
Gross Margin (full year)	79%-80%	79.6%
Third-Party Distribution	\$10m-\$11m	\$9.4m
Interest Expense	\$14m	\$15.2m
Interest Income	\$4.0m	\$4.1m
Adjusted Tax Rate	24%-25%	23.5%
Diluted Shares - weighted	166m-168m	170.4m

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

(1) Excludes any non-recurring expenses in response to an activist campaign

- + Compensation guidance contemplates new hires, year-end compensation adjustments and variability in incentive compensation:
 - **Q1 Seasonality:** estimated compensation expense of **\$30m to \$31m**
- + Discretionary spending guidance includes modest uplift for WisdomTree Prime™ marketing and other items
- + Gross margin guidance of 79% to 80% at current AUM levels. If AUM drives higher from continued organic flow growth or favorable market conditions, further margin expansion would be anticipated
- + Third-party distribution costs dependent upon AUM growth on platforms
- + Interest expense reduction due to lower average debt levels (\$45m paydown in June 2023)
- + Tax rate uptick to account for full year impact of UK rate change to 25% that went into effect on April 1 of last year
- + Reduction in diluted shares primarily due to the recognition of the remaining half of the 13.1 share equivalents repurchased in November 2023.

WisdomTree's Growth Algorithm

Ongoing Inflow Momentum as AUM is Levered to Attractive Investment Themes

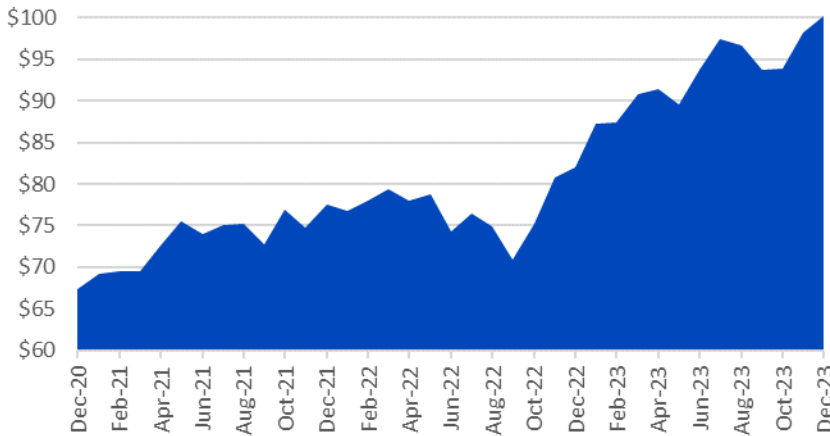
Add 'Stickier' Inflows from Expanding & Deepening Managed Model Relationships

Early Mover into Tokenization Charts a Course for Accelerated Long-Term Growth

Tap into Scale Benefits and Improving Margins as the Market Normalizes

WisdomTree's Product Lineup has Strong Performance

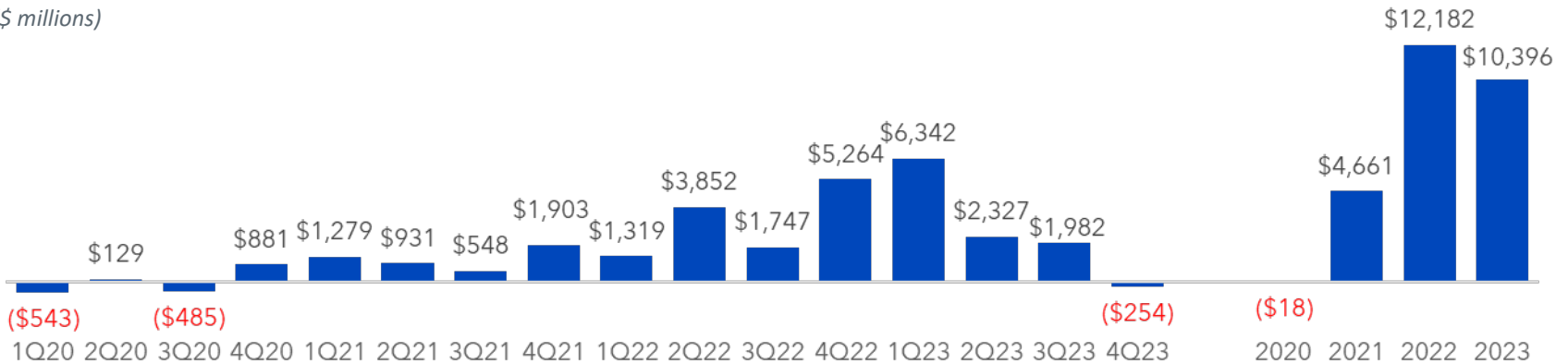
WT's AUM Grew at a 14% CAGR Over the Past Three Years



- + Over \$10b of inflows in 2023 after generating over \$12b of net inflows in 2022
- + Best-in-class 13% organic growth rate in 2023, including net inflows in 6 of 8 major product categories
- + Q4 2023 summary statistics
 - Nearly \$500m of U.S. Equity net inflows
 - Over \$400m of net inflows across International Developed & Emerging Market strategies
 - Continued strength in Alts & Crypto

WT's Strong Net Inflow Profile is Superior to Publicly Traded Peers

(\$ millions)



Source: ir.wisdomtree.com, data as of 9/30/2023

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 WT 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

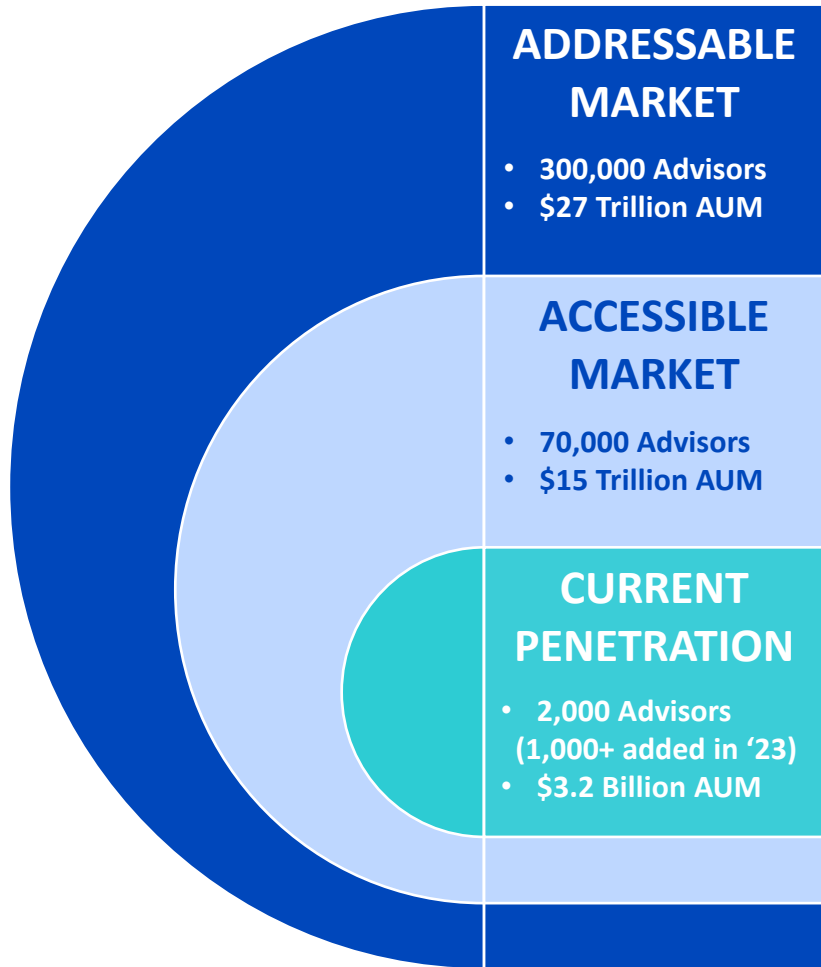


Custom Models – RIAs/IBDs

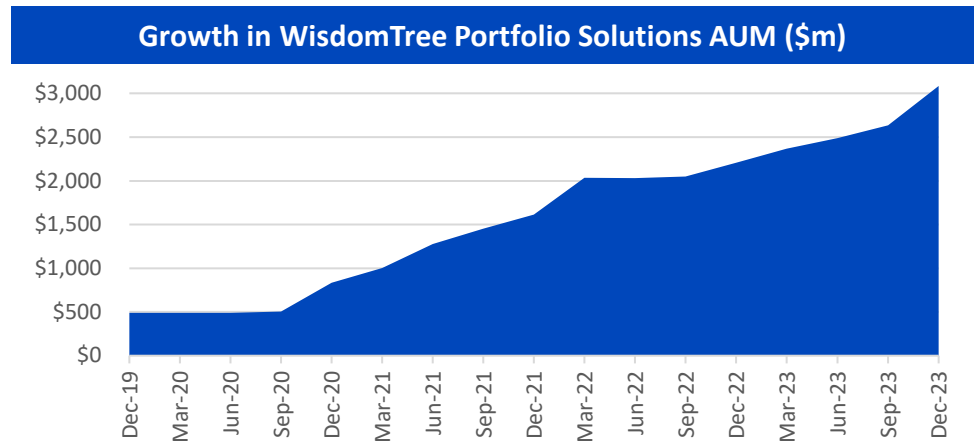
- + Build custom models w/ advisor
- + Offer ancillary services like trading & rebalancing
- + Manage a majority of an advisor’s business



WisdomTree Portfolio Solutions: Showcasing the Models Opportunity



- + WisdomTree Portfolio Solutions momentum is accelerating
 - 2,000 advisors use at least one WisdomTree Managed Model today, more than double the penetration from year-end 2022
 - Growth in advisors is a leading indicator in growth in AUM
 - Over 100% growth in model accounts in 2023 drove nearly 40% growth in AUM (mostly from organic inflows)

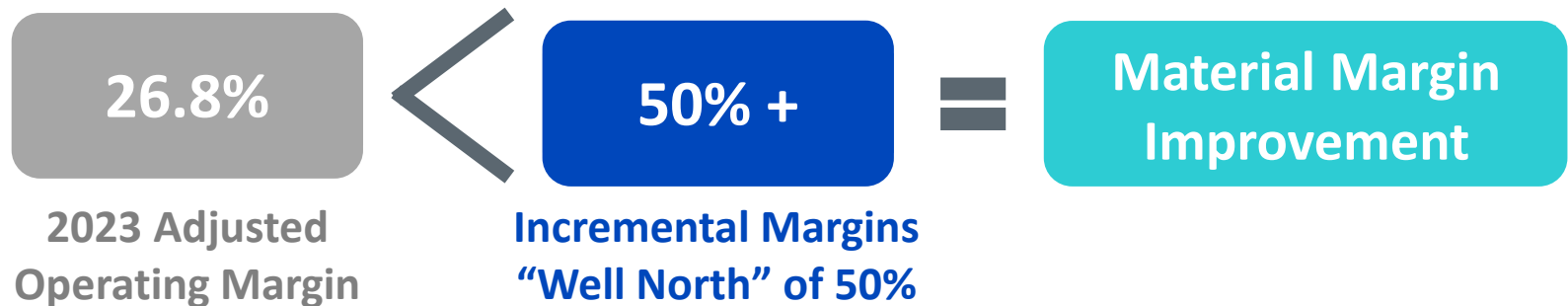


Through the Cycle, Organic Growth Accelerates Scale & Expands Op Margins

Illustrative Annual AUM & Revenue Growth Algorithm over the Long Run



Illustrative Margin Outlook from Scaling AUM & Revenues

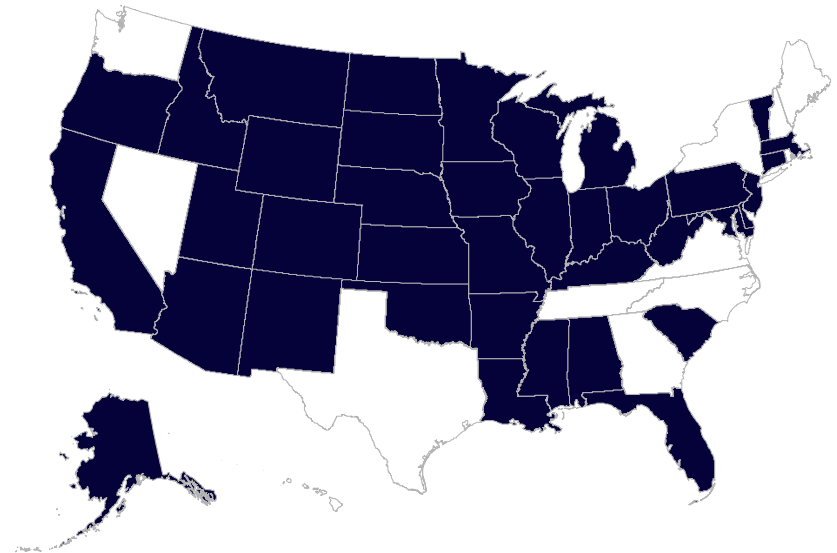


WisdomTree Prime™ is Live in 38 States

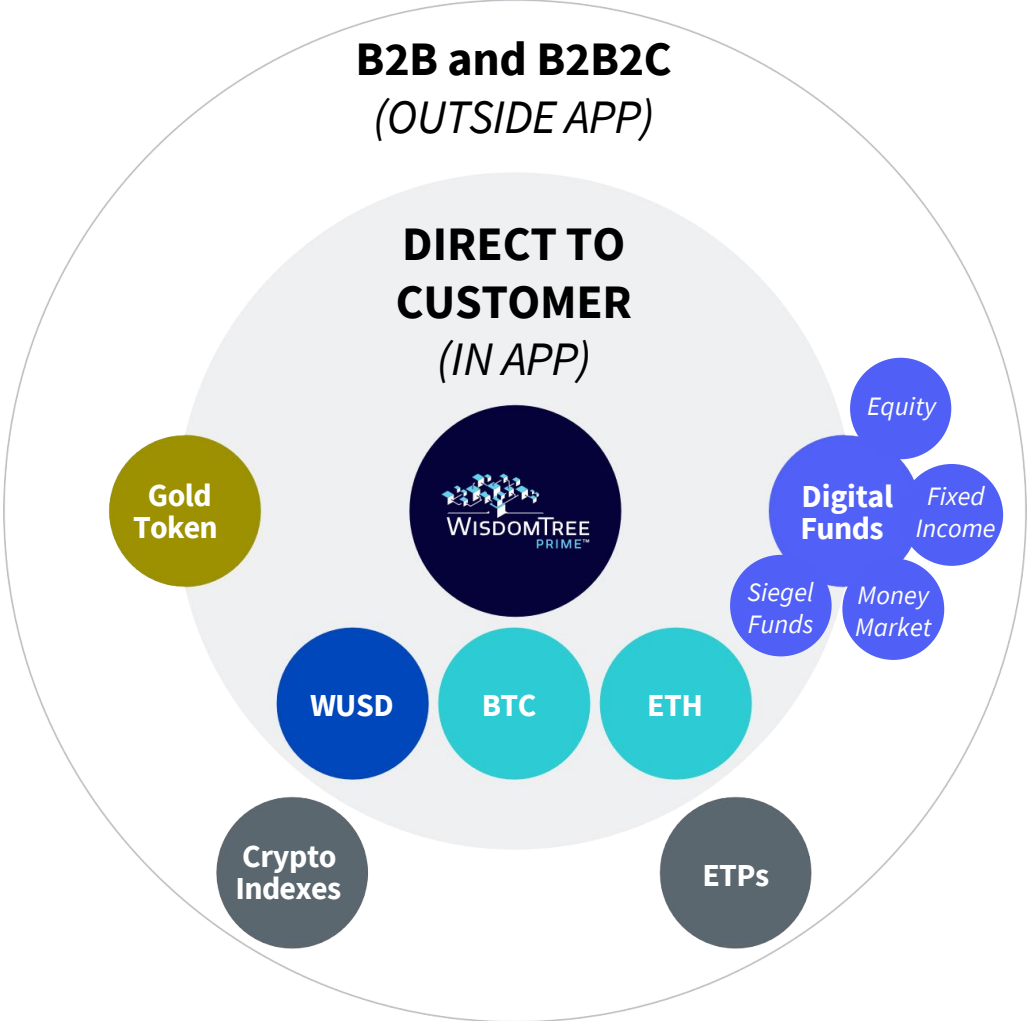
The financial app, built on blockchain tech, that lets you **spend, save, transfer,** and **invest** digital assets like Bitcoin, Ether, Gold tokens, Equity Funds, Fixed Income Funds and more.



WisdomTree Prime™ is now available to nearly 70% of the U.S. population with additional expansion coming soon



Asset Tokenization & Digital Funds: Significant Distribution Optionality



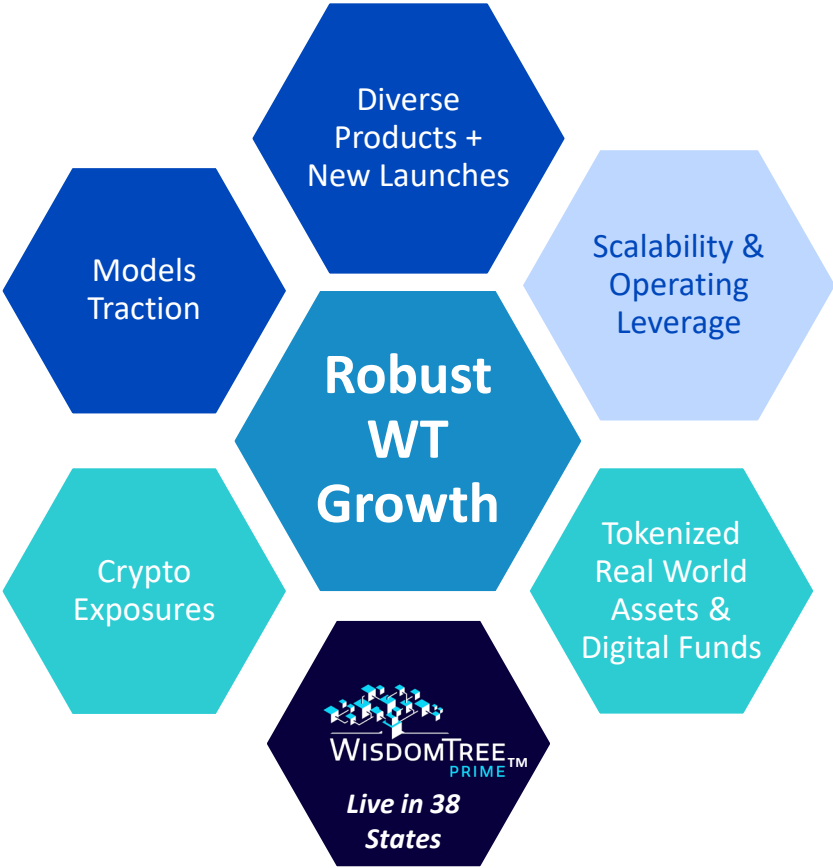
The Industry is Already Shifting, though WT is a Few Years Ahead

<p>BLACKROCK Jan 24</p> <p>ETFs were 'step one' in the financial revolution, 'step two' will be the tokenization of every financial asset</p>	<p> HSBC Nov 23</p> <p>Plans launch of custody services for tokenized gold and interdealer tokenized gold trading</p>	<p>J.P.Morgan Oct 23</p> <p>Launched Tokenized BlackRock Money Market Fund Shares as Collateral with Barclays through JPM's Tokenized Collateral Network (TCN)</p>
<p> Bank of England Aug 23</p> <p>Hired Digital Currency team to plan and design a tokenized version of the Great Britain Pound (GBP)</p>	<p>VanEck Oct 23</p> <p>Invests in L1 Advisors that is building the operating system of onchain wealth and asset management</p>	<p> abrdn Jun 23</p> <p>Tokenizes UK money market fund on Hedera Hashgraph, utilizing Archax Tokenisation Engine (in whom Abrdn bought a minority stake in 2022)</p>
<p>Schroders Jun 23</p> <p>Testing fund tokenization with Calastone under Singapore Monetary Authority's Project Guardian + strategic investment in Forteus to accelerate digital asset plans</p>	<p> FRANKLIN TEMPLETON Apr 23</p> <p>Launched the OnChain U.S. Gov't Money Fund where recordkeeping is stored on proprietary blockchain-integrated system utilizing the Stellar network</p>	<p>T.RowePrice WELLINGTON MANAGEMENT Apr 23</p> <p>Joined WisdomTree to participate on an Avalanche subnet to test blockchain-based foreign exchange and other institutional use cases</p>
<p> DWS Oct 22</p> <p>Announces plans to launch "digital twin" funds and a Euro stablecoin</p>	<p> Hamilton Lane Oct 22</p> <p>Hamilton Lane and Securitize to Tokenize Funds, Expanding Access to Private Markets for a Broader Set of Investors</p>	<p>KKR Sep 22</p> <p>KKR makes its Health Care Strategic Growth Fund available on the Avalanche blockchain provided by Securitize</p>

Other firms engaged:



WisdomTree is a Multifaceted Growth Story



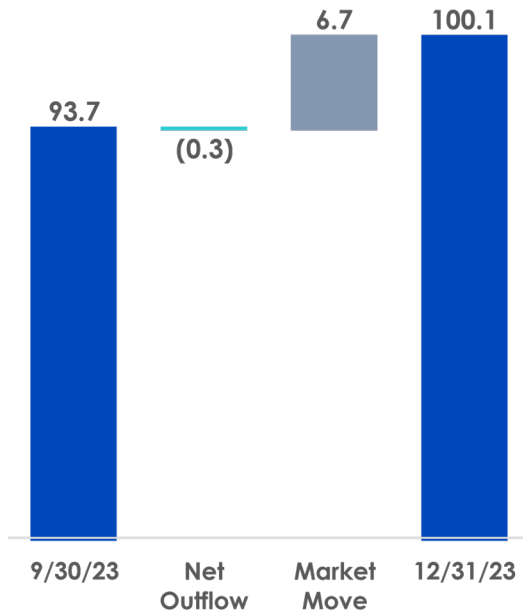
Q&A

Appendix

AUM and Net Flows

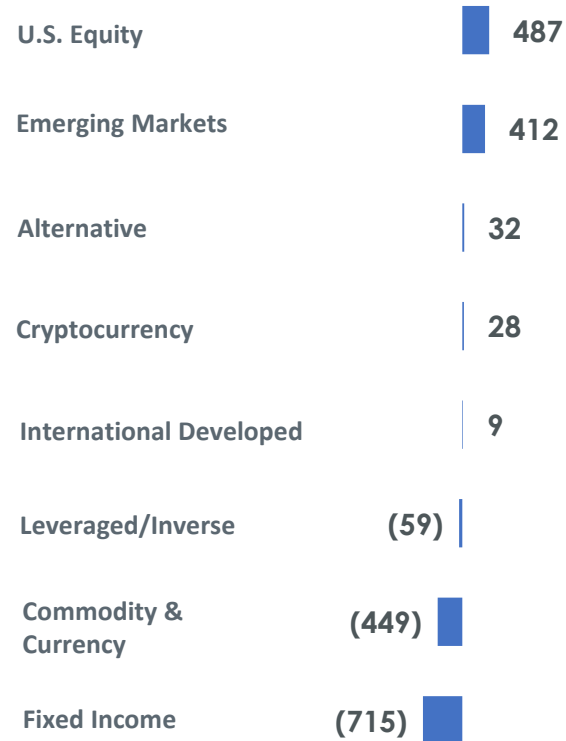
Quarterly ETP AUM Change

(\$ billions)



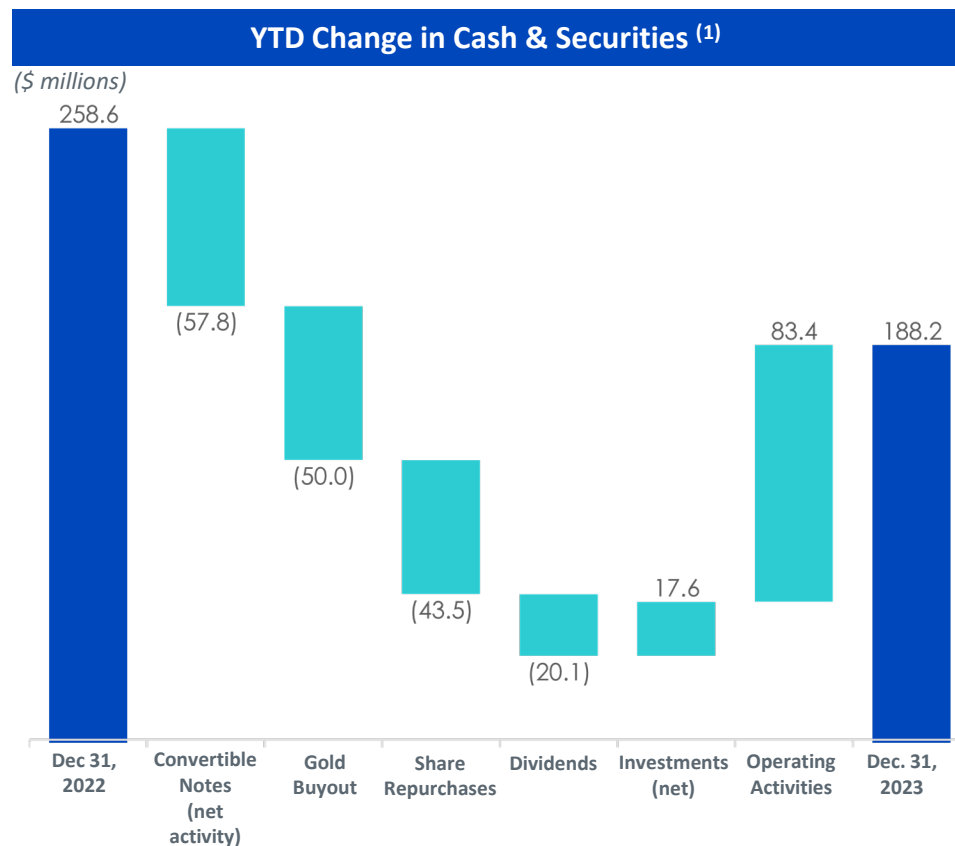
Q4/23 Net Flows by Category

(\$ millions)



Balance Sheet

Balance Sheet		
(\$ millions)	Dec. 31, 2023	Dec. 31, 2022
Assets		
Cash and financial instruments ⁽¹⁾	\$188.2	\$258.6
Investments	9.7	35.7
Accounts receivable	35.5	30.5
Deferred tax asset, net	11.1	10.5
Fixed assets, net	0.4	0.5
Goodwill and intangibles	691.9	689.5
Other assets	7.3	8.5
Total assets	\$944.1	\$1,033.8
Liabilities		
Fund management and administration	\$30.1	\$24.1
Compensation and benefits	38.1	36.5
Accounts payable and other liabilities	15.8	9.1
Income taxes payable	3.8	1.6
Payable to GBH	39.1	0.0
Convertible notes	274.9	321.2
Deferred consideration (gold payments)	0.0	200.3
Lease Liabilities	0.6	1.4
Other non-current liabilities	0.0	1.4
Total liabilities	402.4	595.6
Preferred stock	132.6	132.6
Stockholders' equity	409.1	305.6
Total liabilities and stockholders' equity	\$944.1	\$1,033.8



(1) Includes financial instruments owned and securities held to maturity

Consolidated Financial Results

	2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenues								
Advisory fees	\$ 76,517	\$ 75,586	\$ 70,616	\$ 70,913	\$ 77,637	\$ 82,004	\$ 86,598	\$ 86,988
Other income	1,851	1,667	1,798	2,397	4,407	3,720	3,825	3,856
Total revenues	78,368	77,253	72,414	73,310	82,044	85,724	90,423	90,844
Expenses								
Compensation and benefits	24,787	24,565	23,714	24,831	27,398	26,319	27,955	27,860
Fund management and administration	15,494	16,076	16,285	16,906	17,153	17,727	18,023	18,445
Marketing and advertising	4,023	3,894	3,145	4,240	4,007	4,465	3,833	4,951
Sales and business development	2,609	3,131	2,724	3,407	2,994	3,326	3,383	3,881
Contractual gold payments	4,450	4,446	4,105	4,107	4,486	1,583	--	--
Professional and consulting fees	4,459	4,308	2,367	2,666	3,715	8,334	3,719	3,201
Occ., communications and equipment	753	1,049	986	1,110	1,101	1,172	1,203	1,208
Depreciation and amortization	47	53	58	104	109	121	307	335
Third-party distribution fees	2,212	1,818	1,833	1,793	2,253	1,881	2,694	2,549
Other	1,845	2,109	2,324	2,427	2,257	2,615	2,601	2,379
Total expenses	60,679	61,449	57,541	61,591	65,473	67,543	63,718	64,809
Operating Income	17,689	15,804	14,873	11,719	16,571	18,181	26,705	26,035
Interest Expense	(3,732)	(3,733)	(3,734)	(3,736)	(4,002)	(4,021)	(3,461)	(3,758)
(Loss)/gain on deferred consideration	(17,018)	2,311	77,895	(35,423)	20,592	41,361	--	--
Interest Income	794	770	811	945	1,083	1,000	791	1,225
Impairments	--	--	--	--	(4,900)	--	(2,703)	(339)
Loss on extinguishment of convertible notes	--	--	--	--	(9,721)	--	--	--
Other gains/(losses)	(24,707)	(4,474)	(5,289)	(1,815)	(2,007)	1,286	(2,512)	1,602
Income/(loss) before taxes	(26,974)	10,678	84,556	(28,310)	17,616	57,807	18,820	24,765
Income tax (benefit)/expense	(16,713)	2,673	3,327	(21)	1,383	3,555	5,836	5,688
Net Income/(loss)	\$(10,261)	\$ 8,005	\$ 81,229	\$(28,289)	\$ 16,233	\$ 54,252	\$ 12,984	\$ 19,077
<u>As adjusted (non-GAAP)</u>								
Total operating expenses	\$ 58,244	\$ 59,425	\$ 57,541	\$ 61,591	\$ 64,506	\$ 62,630	\$ 63,718	\$ 64,809
Operating income	\$ 20,124	\$ 17,828	\$ 14,873	\$ 11,719	\$ 17,538	\$ 23,094	\$ 26,705	\$ 26,035
Income before income taxes	\$ 17,674	\$ 14,498	\$ 12,645	\$ 8,615	\$ 14,485	\$ 19,752	\$ 23,902	\$ 23,908
Income tax expense	\$ 3,888	\$ 3,241	\$ 3,323	\$ 1,588	\$ 3,287	\$ 4,833	\$ 5,854	\$ 5,342
Net income	\$ 14,063	\$ 11,257	\$ 9,322	\$ 7,027	\$ 11,198	\$ 14,919	\$ 18,048	\$ 18,566
Earnings per share - diluted	\$ 0.09	\$ 0.07	\$ 0.06	\$ 0.04	\$ 0.07	\$ 0.09	\$ 0.10	\$ 0.11
Weighted average common shares - diluted	158,335	158,976	158,953	159,478	159,887	170,672	177,140	171,703



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 operating income, operating expenses, income before income taxes, income tax expense, net income and diluted earnings per share.* We disclose adjusted 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:
 - *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 the gains and losses introduce volatility in earnings and are not core to our operating business.
 - *Tax windfalls and shortfalls upon vesting and exercise of stock-based compensation awards:* GAAP requires the recognition of tax windfalls and shortfalls within income tax expense. These items arise upon the vesting and exercise 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 determining adjusted net income and diluted earnings per share as they introduce volatility in earnings and are not core to our operating business.
 - *Imputed interest on our payable to Gold Bullion Holdings (Jersey) Limited ("GBH"):* During the fourth quarter of 2023, we repurchased our Series C Non-Voting Convertible Preferred Stock which were convertible into 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:* Unrealized gains or losses on the revaluation/termination of deferred consideration – gold payments, which we terminated in the second quarter of 2023, loss on extinguishment of our convertible notes, impairments, remeasurement of contingent consideration payable to us from the sale of our former Canadian ETF business, unrealized gains and losses recognized on our investments, changes in the deferred tax asset valuation allowance, expenses incurred in response to an activist campaign and litigation expenses associated with certain provisions of our Stockholder Rights Agreement dated as of March 17, 2023, as amended with Contrinential Stock Transfer & Trust Company, as Rights Agent, 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 operating revenues less fund management and administration expenses. Gross margin percentage is calculated as gross margin divided by total operating revenues.

Non-GAAP reconciliation to GAAP results

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023	Dec. 31 2022
Adjusted net income and diluted earnings per share:					
Net income/(loss), as reported	\$ 19,077	\$ 12,984	\$ 54,252	\$ 16,233	\$ (28,289)
(Deduct)/Add back: (Gains)/losses on financial instruments owned, net of income taxes	(370)	1,479	762	(1,479)	669
(Deduct)/Add back: (Gains)/losses recognized on our investments, net of income taxes	(336)	323	(2,346)	2,966	469
(Deduct)/Add back: (Decrease)/increase in deferred tax asset valuation allowance on financial instruments owned	(280)	1,234	(508)	1,667	364
Add back: Impairments, net of income taxes	257	2,046	--	3,710	--
Add back: Imputed interest on payable to GBH, net of income taxes	224	--	--	--	--
(Deduct)/add back: Tax (windfalls)/shortfalls upon vesting and exercise of stock-based compensation awards	(6)	(18)	33	(185)	--
(Deduct)/Add back: (Gain)/loss on revaluation of deferred consideration-gold payments	--	--	(41,361)	(20,592)	35,423
Add back: Expenses incurred in response to the activist campaign, net of income taxes	--	--	3,720	732	--
Add back: Litigation expenses associated with certain provisions of the Stockholder Rights Agreement, net of income taxes	--	--	367	--	--
Add back: Loss on extinguishment of convertible notes, net of income taxes	--	--	--	9,623	--
Deduct: Remeasurement of contingent consideration - sale of former Canadian ETF business	--	--	--	(1,477)	--
Deduct: Decrease in deferred tax asset valuation allowance on net operating losses of a European subsidiary	--	--	--	--	(1,609)
Adjusted net income	\$ 18,566	\$ 18,048	\$ 14,919	\$ 11,198	\$ 7,027
Weighted average common share - diluted	171,703	177,140	159,887	159,478	158,953
Adjusted earnings per share - diluted	\$0.11	\$0.10	\$0.09	\$0.07	\$0.04

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023	Dec. 31 2022
Gross Margin and Gross Margin Percentage					
Operating Revenues	\$ 90,844	\$ 90,423	\$ 85,724	\$ 82,044	\$ 73,310
Deduct: Fund management and administration	(18,445)	(18,023)	(17,727)	(17,153)	(16,906)
Gross margin	\$ 72,399	\$ 72,400	\$ 67,997	\$ 64,891	\$ 56,404
Gross margin percentage	79.7%	80.1%	79.3%	79.1%	76.9%

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023	Dec. 31 2022
Adjusted Operating Income and Operating Income Margin					
Operating Revenues	\$ 90,844	\$ 90,423	\$ 85,724	\$ 82,044	\$ 73,310
Operating income	\$ 26,035	\$ 26,705	\$ 18,181	\$ 16,571	\$ 11,719
Add back: Expenses incurred in response to the activist campaign	-	-	4,913	967	-
Adjusted operating income	\$ 26,035	\$ 26,705	\$ 23,094	\$ 17,538	\$ 11,719
Adjusted operating income margin	28.7%	29.5%	26.9%	21.4%	16.0%

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023	Dec. 31 2022
Adjusted Total Operating Expenses					
Total operating expenses	\$ 64,809	\$ 63,718	\$ 67,543	\$ 65,473	\$ 61,591
Deduct: Expenses incurred in response to the activist campaign	-	-	(4,913)	(967)	-
Adjusted operating expenses	\$ 64,809	\$ 63,718	\$ 62,630	\$ 64,506	\$ 61,591

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023	Dec. 31 2022
Adjusted Effective Income Tax Rate					
Income/(loss) before income taxes	\$ 24,765	\$ 18,820	\$ 57,807	\$ 17,616	\$ (28,310)
(Deduct)/Add back: (Gains)/losses recognized on investments	(1,003)	426	(3,099)	3,918	619
(Deduct)/Add back: (Gains)/losses on financial instruments owned	(489)	1,953	1,007	(1,954)	883
Add back: Impairments	339	2,703	--	4,900	--
Add back: Imputed interest on payable to GBH	296	--	--	--	--
(Deduct)/add back: (Gain)/loss on revaluation of deferred consideration-gold payments	--	--	(41,361)	(20,592)	35,423
Add back: Expenses incurred in response to the activist campaign	--	--	4,913	967	--
Add back: Litigation expenses associated with certain provisions of the Stockholder Rights Agreement	--	--	485	--	--
Add back: Loss on extinguishment of convertible notes	--	--	--	9,721	--
Deduct: Remeasurement of contingent consideration - sale of former Canadian ETF business	--	--	--	(1,477)	--
Add back: Loss recognized upon reduction of tax-related indemnification asset	--	--	--	1,386	--
Adjusted income before income taxes	\$ 23,908	\$ 23,902	\$ 19,752	\$ 14,485	\$ 8,615
Income tax expense/(benefit)	\$ 5,688	\$ 5,836	\$ 3,555	\$ 1,383	\$ (21)
(Deduct)/Add back: Tax benefit/(expense) on gains and losses on investments	(667)	103	(753)	952	150
Add back/(Deduct): Decrease/(increase) in deferred tax asset valuation allowance on financial instruments owned	280	(1,234)	508	(1,667)	(364)
(Deduct)/Add back: Tax (expense)/benefit arising from losses/(gains) on financial instruments owned	(119)	474	245	(475)	214
Add back: Tax benefit arising from impairments	82	657	--	1,190	--
Add back: Tax benefit on imputed interest	72	--	--	--	--
Add back/(deduct): Tax windfalls/(shortfalls) upon vesting and exercise of stock-based compensation awards	6	18	(33)	185	--
Add back: Tax benefit arising from expenses incurred in response to the activist campaign	--	--	1,193	235	--
Add back: Tax benefit arising from litigation expenses associated with certain provisions of the Stockholder Rights Agreement	--	--	118	--	--
Add back: Tax benefit arising from extinguishment of convertible notes	--	--	--	98	--
Add back: Decrease in deferred tax asset valuation allowance on net operating losses of a European subsidiary	--	--	--	--	1,609
Add back: Tax benefit arising from reduction of a tax-related indemnification asset	--	--	--	1,386	--
Adjusted income tax expense	\$ 5,342	\$ 5,854	\$ 4,833	\$ 3,287	\$ 1,588
Adjusted effective income tax rate	22.3%	24.5%	24.5%	22.7%	18.4%

Reconciliation of US GAAP to Non-GAAP results

Three Months ended December 31, 2023

	QTD Dec. 31 US GAAP	Impairments	Gain on Sec. Owned	Gain on Inv.	Imputed Interest	DTA Val. Allow	Tax Windfalls	Non-GAAP
Revenues								
Advisory fees	\$ 86,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,988
Other income	3,856	-	-	-	-	-	-	3,856
Total revenues	<u>90,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,844</u>
Expenses								
Compensation and benefits	27,860	-	-	-	-	-	-	27,860
Fund management and admin	18,445	-	-	-	-	-	-	18,445
Marketing and advertising	4,951	-	-	-	-	-	-	4,951
Sales and business development	3,881	-	-	-	-	-	-	3,881
Contractual gold payments	--	-	-	-	-	-	-	--
Professional and consulting fees	3,201	-	-	-	-	-	-	3,201
Occ., commun. and equip.	1,208	-	-	-	-	-	-	1,208
Depreciation and amort.	335	-	-	-	-	-	-	335
Third-party distribution fees	2,549	-	-	-	-	-	-	2,549
Other	2,379	-	-	-	-	-	-	2,379
Total expenses	<u>64,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,809</u>
Operating Income	26,035	-	-	-	-	-	-	26,035
Interest Expense	(3,758)	-	-	-	296	-	-	(3,462)
Gain/(loss) on def. consideration	--	-	-	-	-	-	-	--
Interest Income	1,225	-	-	-	-	-	-	1,225
Impairments	(339)	-	-	-	-	-	-	(339)
Other gains/(losses)	1,602	339	(489)	(1,003)	-	-	-	449
Income before taxes	<u>24,765</u>	<u>339</u>	<u>(489)</u>	<u>(1,003)</u>	<u>296</u>	<u>-</u>	<u>-</u>	<u>23,908</u>
Income tax expense	5,688	82	(119)	(667)	72	280	6	5,342
Net income	<u>\$ 19,077</u>	<u>\$ 257</u>	<u>\$ (370)</u>	<u>\$ (336)</u>	<u>\$ 224</u>	<u>\$ (280)</u>	<u>\$ (6)</u>	<u>\$ 18,566</u>

Diluted Shares: 171,703

EPS: \$ 0.11





WISDOMTREE®

