

Q4/20 Results

January 29, 2021



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 press release 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 press release may include statements about: the ultimate duration of the COVID-19 pandemic and its short-term and long-term impact on our business and the global economy; 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; our ability to develop new products and services; our ability to maintain current vendors or find new vendors to provide services to us at favorable costs; our ability to successfully operate and expand our business in non-U.S. markets; and the effect of laws and regulations that apply to our business.

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

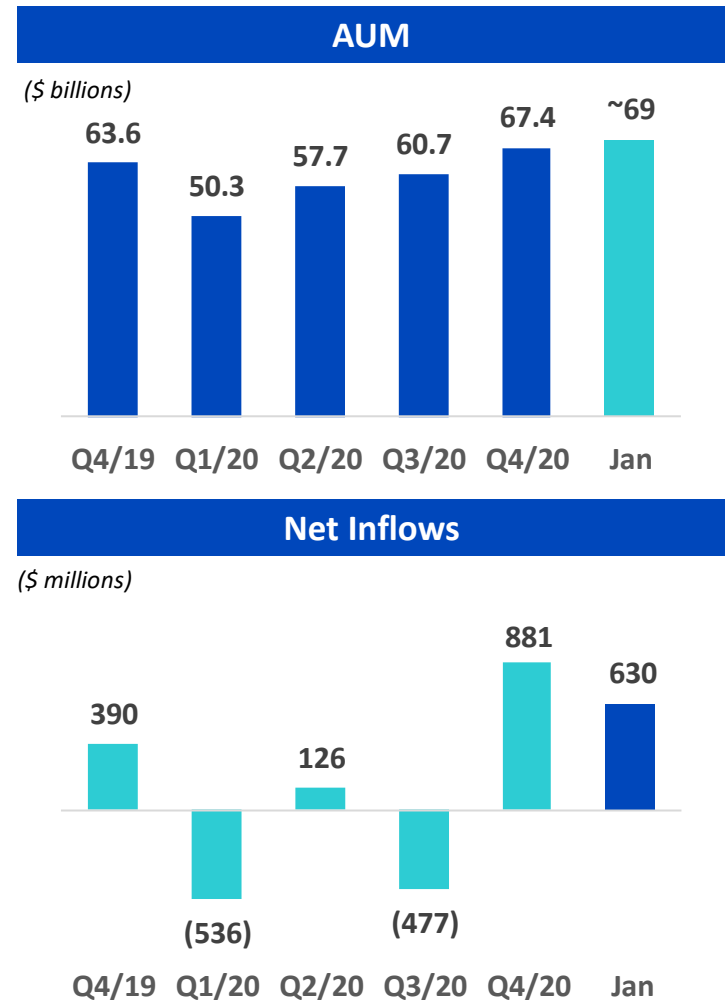
- Declining prices of securities, gold and other precious metals and other commodities can adversely affect our business by reducing the market value of the assets we manage or causing WisdomTree ETP investors to sell their fund shares and trigger redemptions.
- Fluctuations in the amount and mix of our AUM, whether caused by disruptions in the financial markets or otherwise including but not limited to a pandemic event such as COVID-19, may negatively impact revenues and operating margins, and may impede our ability to refinance our debt upon maturity, increase the cost of borrowing or result in our debt being called prior to maturity.
- 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, our ability to maintain the AUM of these products, 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.
- Over the last few years, we have expanded our business globally. This expansion subjects us to increased operational, regulatory, financial and other risks.
- 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.

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, please see the section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and Quarterly Reports on Form 10Q for the quarters ended March 31, 2020 and June 30, 2020.

The forward-looking statements in this press release 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.

Q4/20 highlights

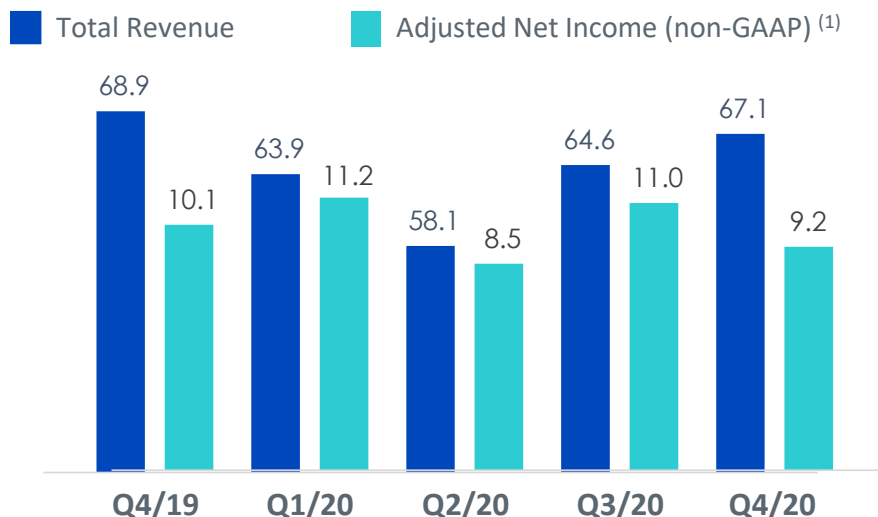
- + AUM of \$67.4 billion, +11% from Q3 driven by positive market movement.
- + Net flows positive - \$0.9 billion for the quarter
 - \$1.4 billion in ex-state owned enterprise strategies
 - \$900 million in currency hedged gold and Swiss vaulted gold products
 - \$600 million thematic equities – WCLD, VOLT, WTAI
 - \$50 million in Bitcoin fund
- + Strong start to 2021
 - AUM ~\$69b
 - Inflows \$630m



Revenues increased; however, net income impacted by seasonal expenses

Revenue, Income, EPS

(\$ millions)



EPS: (\$0.17) ⁽²⁾ (\$0.06) ⁽³⁾ (\$0.09) ⁽⁴⁾ (\$0.01) ⁽⁵⁾ (\$0.10) ⁽⁶⁾

Adjusted EPS (non-GAAP) ⁽¹⁾: \$0.06 \$0.07 \$0.05 \$0.07 \$0.06

Net Income/ (loss): (25.9) (8.6) (13.3) (0.3) (13.5)

Highlights/Unusual Items

- + Revenues increased 4% due to higher average AUM, partly offset by slightly lower fee capture due to mix shift
- + \$22.4 million after tax, non-cash charge associated with revaluation of deferred consideration (gold payment)

(1) See "Non-GAAP Financial Measurements"

(2) Includes \$0.23 of net losses

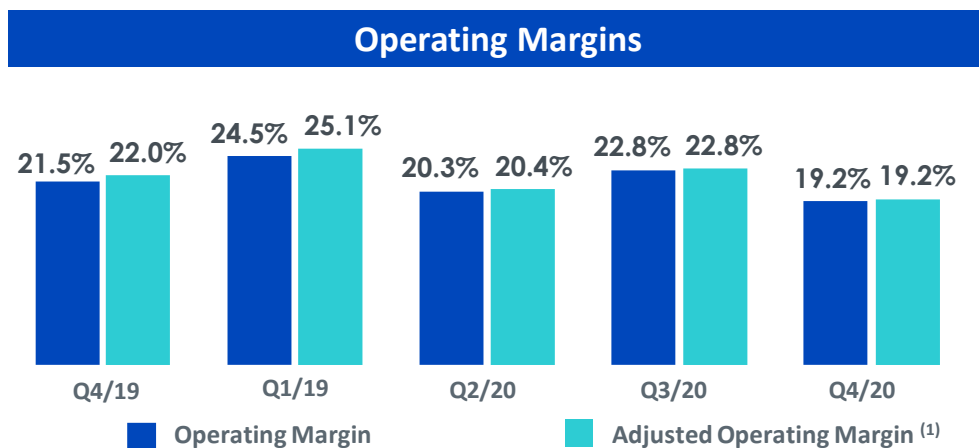
(3) Includes \$0.13 of net losses

(4) Includes \$0.14 of net losses

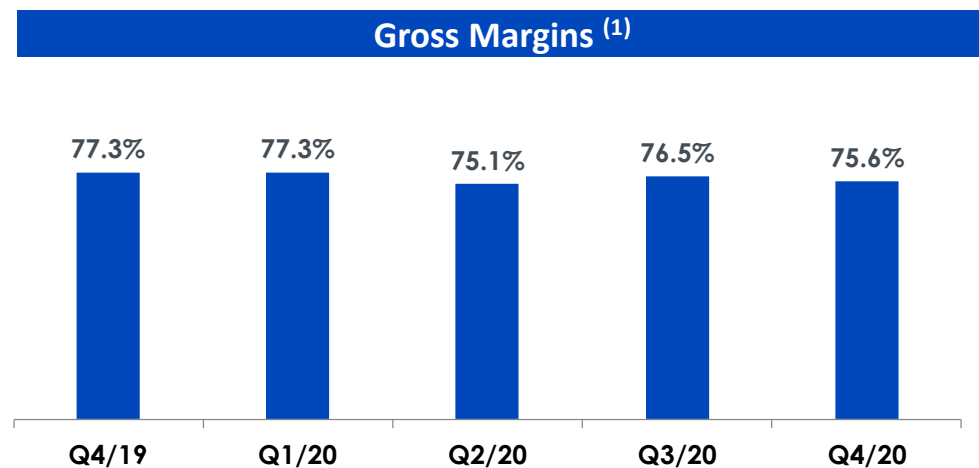
(5) Includes \$0.08 of net losses

(6) Includes \$0.16 of net losses

Seasonal and one-time expenses affecting margins in the quarter



- + Higher revenues offset by seasonally higher expenses impacting margins in the quarter



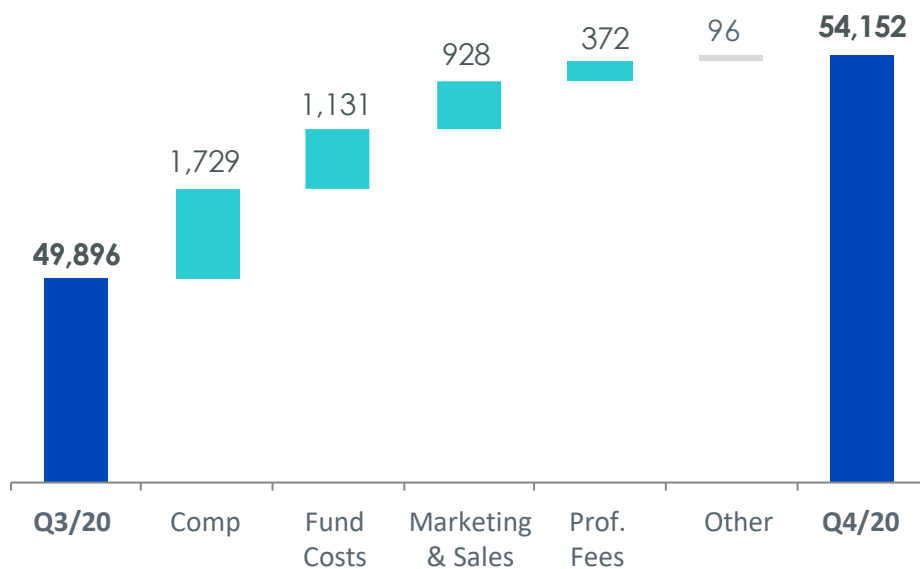
- + Gross margins affected by Brexit related expenses to passport products to EU and fund rebalancing

(1) See "Non-GAAP Financial Measurements"

Higher quarter over quarter expenses; however, full year discretionary spending remains well controlled

Expense Base Change – Q3/20 to Q4/20

(\$ in thousands)

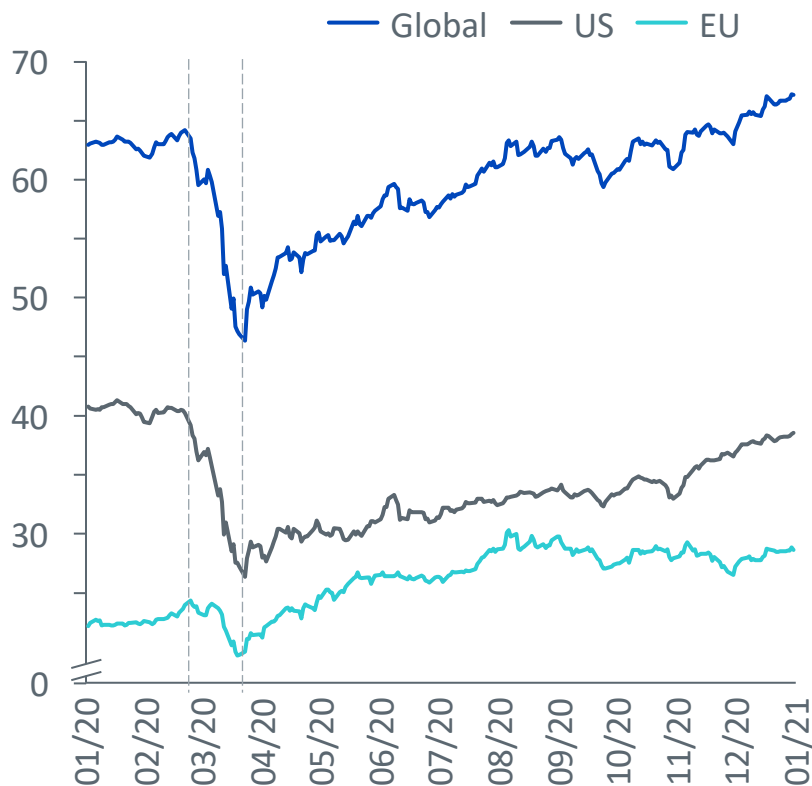


- + Higher compensation to adjust for full year results. Annual compensation expense of \$74.7 million below low end of initial guidance range.
- + Brexit and rebalancing costs impacting fund related expenses
- + Higher seasonal spending in marketing and sales as compared to summer months in Q3
- + Discretionary spending well controlled - \$41.0 million for 2020 compared to \$51.5 million initial guidance

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

Ended 2020 with record global diversified AUM

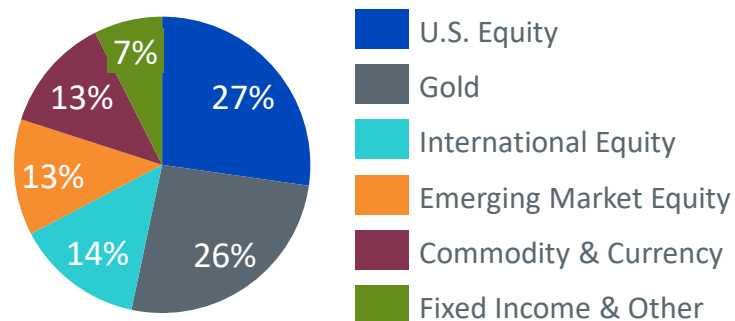
Daily WisdomTree AUM by Region (\$B)



Key Highlights

- + AUM at all time high of \$67B after post-pandemic low of \$46B – driven by positive market move and net inflows (+11% vs. Q3)
- + Gold and commodity strategies dampened volatility while further diversifying AUM base
- + U.S. and Emerging Markets equities saw strong growth in Q4 (+25% vs. Q3)

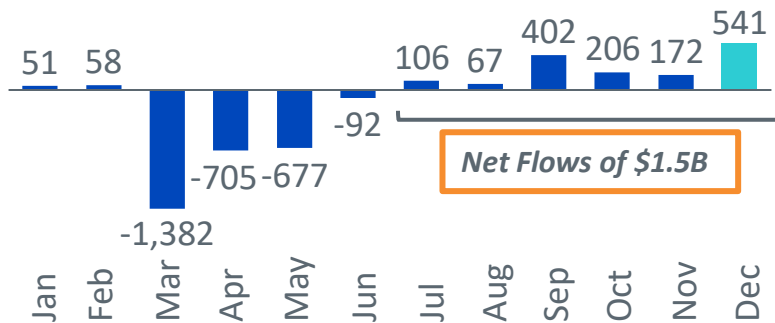
Global AUM by Asset Class (%)



Strong momentum in the U.S. and record 2020 for Europe

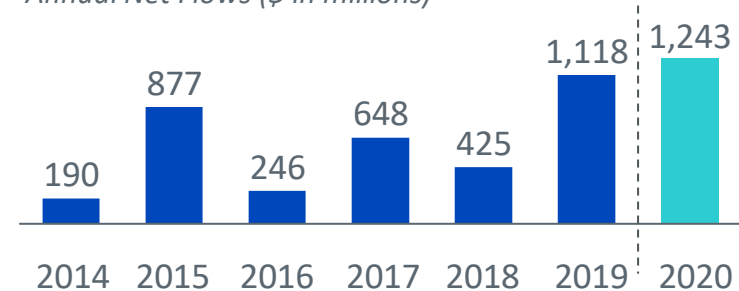
Strong Momentum in the U.S.

2020 Monthly Net (\$ in millions)



Record 2020 for Europe

Annual Net Flows (\$ in millions)



+ Strong Momentum in the U.S.

- Dec '20 best month since Oct '17 and 6th consecutive month of net inflows
- Strong 2020 flows and continued momentum in core funds - XSOE \$2.1B, DGRW \$1.3B, WCLD \$0.9B
- 13 funds over \$1B

+ Record 2020 for Europe

- Record Flows in 2020 of \$1.2B with Q2 best quarter on record
- Success was spread across the platform with all 5 product ranges in net inflows
- 6 funds over \$1B
- UCITS >\$2 billion

Well positioned globally for growth

Low Interest Rate Environment

- + Economic revival, negative real rates
- + Solutions - Dividend weighted equities, zero duration suite, yield enhanced bonds

Growth and Inflation

- + Fiscal stimulus / QE, Weak dollar
- + Solutions - Gold, Commodities, Emerging Markets, Small / Mid Caps

Disruptive Growth/ Thematics

- + Disruptive technologies drove new economy
- + Solutions – Cloud computing, Artificial Intelligence, Battery technology, Crypto and Cybersecurity

ESG

- + Increased focus on climate change, diversity, inclusion and equity, and governance
- + Solutions – ESG funds, ex State owned strategies, and UCITS

ESG at WisdomTree



Product WisdomTree is the 3rd largest ESG ETF issuer in the U.S. In Europe, we will be applying ESG screens across our UCITS equity ETFs tracking proprietary WisdomTree indexes.

Top 10 U.S. ESG ETF Issuers

#	Firm	Assets under Management (\$ Billion)
1	iShares	45.4
2	Invesco	11.9
3	WisdomTree	5.1
4	Vanguard	5.0
5	First Trust	4.6
6	Xtrackers	3.7
7	Nuveen	2.8
8	State Street	2.0
9	ALPS	1.1
10	Global X	0.6



Performance Driven Combine ESG as a potential performance and risk factor with WisdomTree's research-driven investment strategies



Thought Leadership Transparency into the ESG metrics of our funds through enhanced reporting, as well as market research and timely insights



Company-wide WisdomTree is a signatory of the Principles for Responsible Investment (PRI) and has produced a Corporate Social Responsibility report, highlighting our commitment to sustainability at an enterprise level

2021 key initiatives

Investing in Growth

- + Product – targeting 20 global product launches with a focus on core, tactical, thematic, and ESG exposures
- + Client engagement - Continue to drive record levels through investments in sales, marketing, advisor solutions and unmatched client service
- + Model portfolios – continued progress and expect meaningful flows in 2021

Investing in Efficiency

- + Shift to remote business played to our strengths - gain new operating efficiencies and realize cost savings
- + Product enhancements, operational efficiency and prioritization, and continued global coordination

Investing in the Future

- + Leader in cryptocurrency investing in ETFs - Offer better designed and smarter access ETFs
- + Innovator and leader in digital assets - Tap additional revenue streams and accelerate organic growth

2021 expense guidance

	2020 Pre-Pandemic Guidance	2020 Actual	2021 Guidance
Compensation	\$75-\$85 million	\$74.7 million	\$75-\$85 million
Gross Margin	77-78%	76%	77-78%
Third-Party Distribution Fees	\$7.0 million	\$5.2 million	~\$6.0 million
Other Discretionary Spending (marketing, sales, professional fees, occupancy & equipment, depreciation & amortization, other)	\$51.5 million (flat to 2019)	\$41.0 million	\$49.0 million
Contractual Gold Payments (9500 oz at average daily gold spot price)	\$14.9 million	\$16.8 million	\$17.6 million⁽¹⁾
Adjusted Tax Rate	~27%	20%	19-20%

Capital management priorities: Debt repayment, dividends, dry powder for organic growth and strategic opportunities

(1) Based on \$1,850 per ounce (9,500 x 1,850)

Closing thoughts.....

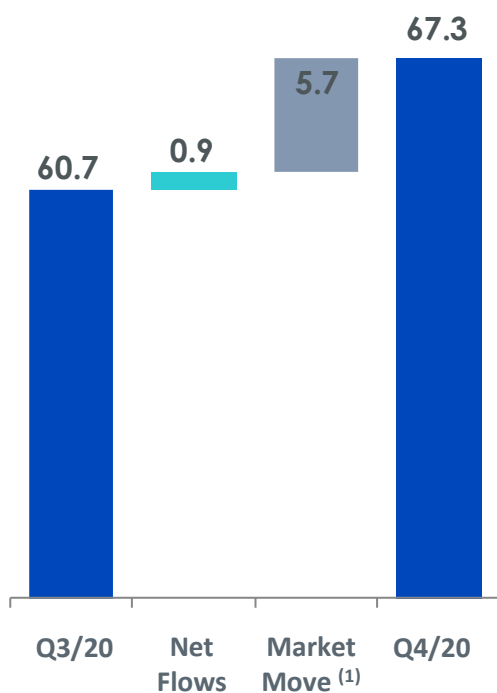
- + Navigating the pandemic and emerging stronger and more efficient
- + Global synergies by leveraging investment ideas and capabilities for product and distribution initiatives
- + Existing and emerging strengths in our business:
 - Best in class bitcoin product
 - Growing and profitable UCITS platform
 - Better diversified today
 - Diverse and strong gold franchise to meet clients needs
 - Best positioned for the future of gold through digital assets

Appendix

AUM and net inflows

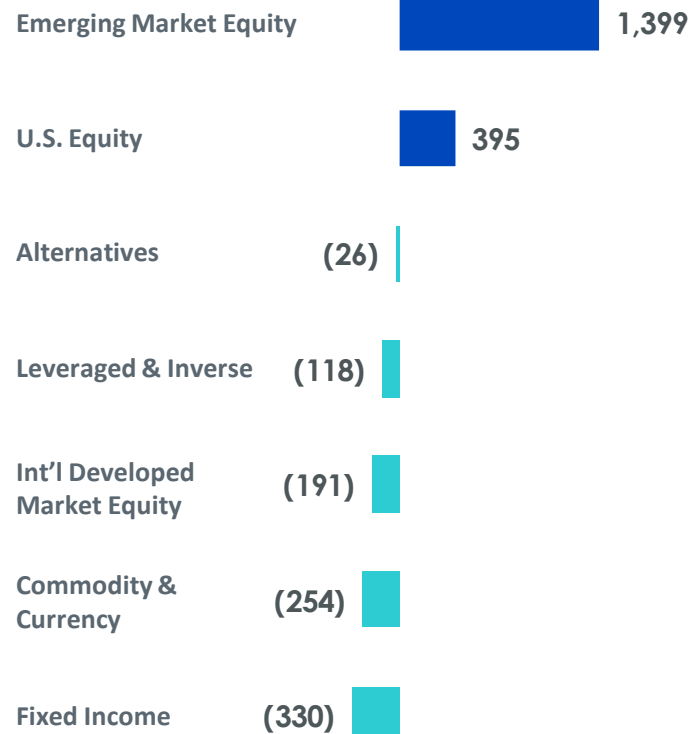
Quarterly ETF AUM Change

(\$ billions)



Q4/20 Net Flows by Category

(\$ millions)

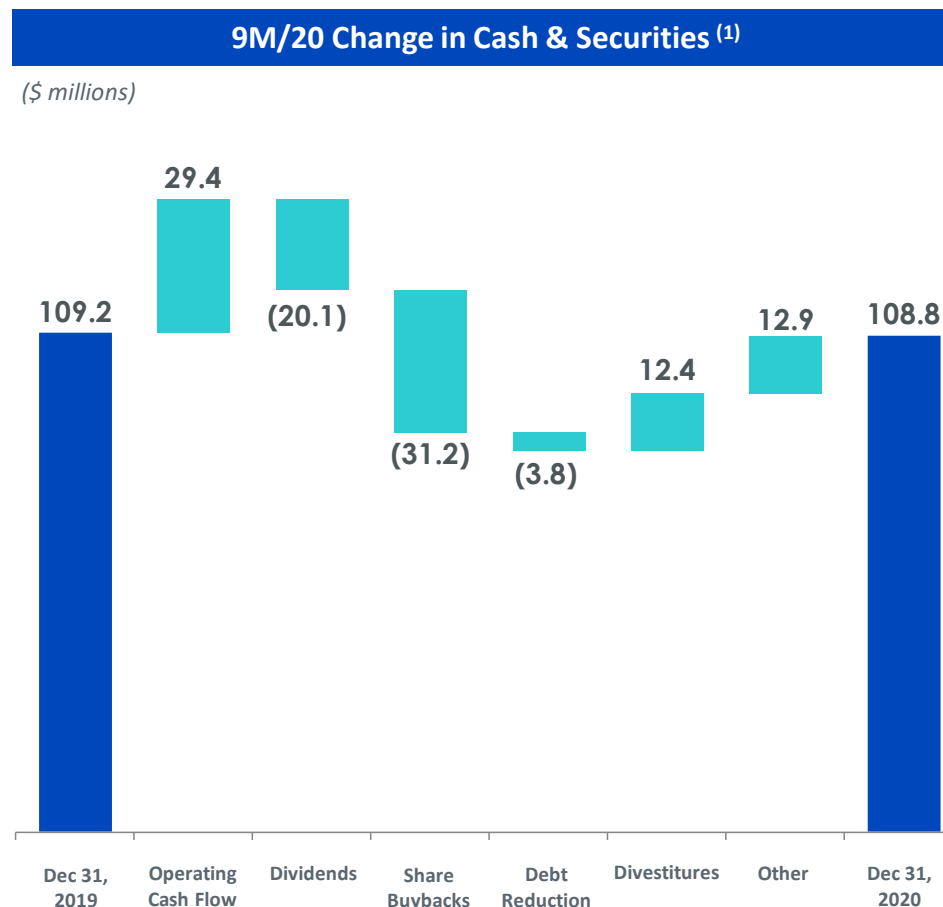


(1) Includes \$97 million reduction from fund closures

(2) Represents outflows from funds prior to the closure. Does not reflect the return of capital due to closure

Balance sheet

Balance Sheet		
(\$ millions)	Dec. 31, 2020	Dec. 31, 2019
Assets		
Cash and securities ⁽¹⁾	\$108.8	\$109.2
Investments ⁽²⁾	8.1	39.4
Accounts receivable	29.5	26.8
Deferred tax asset, net	8.1	7.4
Fixed assets, net	7.6	8.1
Goodwill and intangibles	687.1	689.2
Other assets	20.5	55.1
Total assets	\$869.7	\$935.2
Liabilities		
Fund management and administration	\$19.6	\$22.0
Compensation and benefits	22.8	26.5
Accounts payable and other liabilities	10.2	12.9
Long-term debt	166.6	176.0
Deferred consideration (gold payments)	230.1	173.0
Lease Liabilities	17.4	22.7
Other non-current liabilities	4.1	32.1
Total liabilities	470.8	465.2
Preferred stock	132.6	132.6
Stockholders' equity	266.3	337.4
Total liabilities and stockholders' equity	\$869.7	\$935.2



(1) Includes securities owned and securities held to maturity

(2) Includes note receivable associated with AdvisorEngine at 12/31/19

Consolidated financial results

	2019				2020				2019	2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenues										
Advisory fees	\$ 64,840	\$ 65,627	\$ 67,006	\$ 68,179	\$ 62,950	\$ 57,208	\$ 63,919	\$ 66,105	\$265,652	\$250,182
Other income	645	666	712	728	924	918	721	954	2,751	3,517
Total revenues	65,485	66,293	67,718	68,907	63,874	58,126	64,640	67,059	268,403	253,699
Expenses										
Compensation and benefits	21,301	21,300	18,880	19,280	17,295	17,455	19,098	20,827	80,761	74,675
Fund management and administration	15,166	15,576	15,110	15,650	14,485	14,461	15,219	16,350	61,502	60,515
Marketing and advertising	2,680	2,910	3,022	3,551	2,468	1,949	2,996	3,715	12,163	11,128
Sales and business development	4,422	4,171	4,354	5,329	3,417	2,181	2,386	2,595	18,276	10,579
Contractual gold payments	3,098	3,110	3,502	3,516	3,760	4,063	4,539	4,449	13,226	16,811
Professional and consulting fees	1,482	1,296	1,259	1,604	1,273	1,357	950	1,322	5,641	4,902
Occupancy, communications and equipment	1,618	1,548	1,549	1,587	1,551	1,643	1,611	1,622	6,302	6,427
Depreciation and amortization	269	264	259	253	256	251	253	261	1,045	1,021
Third party distribution fees	2,400	1,919	1,503	1,146	1,355	1,340	1,233	1,291	6,968	5,219
Acquisition & disposition related costs	313	33	190	366	383	33	—	—	902	416
Other	2,053	2,255	1,959	1,816	1,997	1,596	1,611	1,720	8,083	6,924
Total expenses	54,802	54,382	51,587	54,098	48,240	46,329	49,896	54,152	214,869	198,617
Operating Income	10,683	11,911	16,131	14,809	15,634	11,797	14,744	12,907	53,534	55,082
Interest Expense	(2,892)	(2,910)	(2,832)	(2,606)	(2,419)	(2,044)	(2,511)	(2,694)	(11,240)	(9,668)
Gain/(loss) on revaluation of deferred consideration	4,404	(4,037)	(6,306)	(5,354)	(2,208)	(23,358)	(8,870)	(22,385)	(11,293)	(56,821)
Interest Income	779	818	799	936	163	119	111	351	3,332	744
Impairments	(572)	—	—	(30,138)	(19,672)	—	(3,080)	—	(30,710)	(22,752)
Debt Extinguishment	—	—	—	—	—	(2,387)	—	—	—	(2,387)
Other gains/(losses)	(4,627)	284	843	(2)	(2,507)	1,819	744	524	(3,502)	580
Income/(loss) before taxes	7,775	6,066	8,635	(22,355)	(11,009)	(14,054)	1,138	(11,297)	121	(35,222)
Income tax (benefit)/expense	(1,049)	3,587	4,483	3,525	(2,371)	(804)	1,408	2,200	10,546	433
Net Income/(loss)	\$ 8,824	\$ 2,479	\$ 4,152	\$ (25,880)	\$ (8,638)	\$ (13,250)	\$ (270)	\$ (13,497)	\$ (10,425)	\$ (35,655)

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 measures provides investors with a consistent way to analyze our performance. These non-GAAP financial measures exclude the following:
 - *Unrealized gains or losses on the revaluation of deferred consideration:* Deferred consideration is an obligation we assumed in connection with the ETFS acquisition that is carried at fair value. This item represents the present value of an obligation to pay fixed ounces of gold into perpetuity and is measured using forward-looking gold prices. Changes in the forward-looking price of gold and changes in the discount rate used to compute the present value of the annual payment obligation may have a material impact on the carrying value of the deferred consideration and our reported financial results. We exclude this item when calculating our non-GAAP financial measurements as it is not core to our operating business. The item is not adjusted for income taxes as the obligation was assumed by a wholly-owned subsidiary of ours that is based in Jersey, a jurisdiction where we are subject to a zero percent tax rate.
 - *Tax shortfalls and windfalls 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 calculating our non-GAAP financial measurements as they introduce volatility in earnings and are not core to our operating business.
 - *Interest expense from the amortization of discount arising from the bifurcation of the conversion option embedded in the convertible notes:* GAAP requires convertible instruments to be separated into their liability and equity components by allocating the issuance proceeds to each of those components. The liability component for convertible instruments that qualify for a derivative scope exception (applicable to our convertible notes) is allocated proceeds equal to the estimated fair value of similar debt without the conversion option. The difference between the gross proceeds received from the issuance of the convertible instrument and the proceeds allocated to the liability component represents the residual amount that is classified in equity. The discount arising from the recognition of the residual amount classified in equity is amortized as interest expense over the life of instrument. We exclude this item when calculating our non-GAAP financial measurements as it is non-cash and distorts our actual cost of borrowing. In addition, in August 2020, the FASB issued ASU 2020-06 *Debt – Debt with Conversion and Other Options, Cash Conversion* which includes the elimination of the requirement to bifurcate conversion options qualifying for a derivative scope exception. Once effective, this interest expense will no longer be recognized.
 - *Other items:* Loss on extinguishment of debt, the release of a deferred tax asset valuation allowance recognized on interest carryforwards arising from our debt previously outstanding in the United Kingdom, a gain arising from an adjustment to the estimated fair value of consideration received from the exit of our investment in AdvisorEngine, impairment charges, a gain recognized upon sale of our Canadian ETF business and acquisition and disposition-related costs 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 ratios 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.
- *Adjusted operating income margin.* We disclose adjusted operating income margin as a non-GAAP financial measurement in order to report our operating income margin exclusive of items that are non-recurring or not core to our operating business.

Non-GAAP reconciliation to GAAP results

(\$ in thousands) Unaudited	Three Months Ended				
	Dec 31 2020	Sept. 30 2020	Jun. 30 2020	Mar. 31 2020	Dec. 31 2019
<u>Adjusted net income and diluted earnings per share:</u>					
Net income, as reported	\$ (13,497)	\$ (270)	\$ (13,250)	\$ (8,638)	\$ (25,880)
Add back: Impairments, net of income taxes	22,385	2,326	--	19,672	30,138
Add back: Loss on extinguishment of debt, net of income taxes	--	--	1,910	--	--
Deduct: Release of deferred tax asset valuation allowance recognized on interest carryforwards arising from our debt previously outstanding in the United Kingdom	--	--	(2,842)	--	--
Add back: Interest expense from the amortization of discount arising from bifurcation of the conversion option embedded in the convertible notes, net of tax	314	286	42	--	--
Deduct: Gain arising from an adjustment to the estimated fair value of consideration received from Advisor Engine	--	(225)	(868)	--	--
Add back: Acquisition and disposition related costs, net of income taxes	--	--	25	358	353
Add back/(deduct): Tax shortfalls/(windfalls) upon vesting and exercise of stock-based compensation awards	21	50	119	501	142
Deduct: Gain recognized upon sale of our former Canadian Business	--	--	--	(2,877)	--
Add back / (deduct): Unrealized loss/(gain) on revaluation of deferred consideration	--	8,870	23,358	2,208	5,354
Adjusted net income	9,223	11,037	8,494	11,224	10,107
Weighted average common share - diluted	161,138	160,876	166,634	167,561	167,203
Adjusted earnings per share - diluted	\$0.06	\$0.07	\$0.05	\$0.07	\$0.06
<u>Adjusted operating income and adjusted operating income margin:</u>					
Operating revenues	\$ 67,059	\$ 64,640	\$ 58,126	\$ 63,874	\$ 68,907
Operating income	12,907	14,744	11,797	15,634	14,809
Add: Acquisition and disposition related costs, before income taxes	--	--	33	383	366
Adjusted operating income	\$ 12,907	\$ 14,744	\$ 11,830	\$ 16,017	\$ 15,175
Adjusted operating income margin	19.2%	22.8%	20.4%	25.1%	22.0%
<u>Adjusted Total Operating Expenses</u>					
Total Operating expenses	\$ 54,152	\$ 49,896	\$ 46,329	\$ 48,240	\$ 54,098
Deduct: Acquisition and disposition-related costs, before income taxes	--	--	(33)	(383)	(366)
Adjusted operating expenses	\$ 54,152	\$ 49,896	\$ 46,296	\$ 47,857	\$ 53,732

(\$ in thousands) Unaudited	Three Months Ended				
	Dec 31 2020	Sept. 30 2020	Jun. 30 2020	31-Mar 2020	Dec. 31 2019
<u>Gross Margin and Gross Margin Percentage</u>					
Operating Revenues	\$ 67,059	\$ 64,640	\$ 58,126	\$ 63,874	\$ 68,907
Deduct: Fund management and administration	(16,350)	(15,219)	(14,461)	(14,485)	(15,650)
Gross margin	\$ 50,709	\$ 49,421	\$ 43,665	\$ 49,389	\$ 53,257
Gross margin percentage	75.6%	76.5%	75.1%	77.3%	77.3%
<u>Adjusted Effective Income Tax Rate</u>					
Income/(loss) before income taxes	\$ (11,297)	\$ 1,138	\$ (14,054)	\$ (11,009)	\$ (22,355)
Add back/(deduct): Unrealized loss/(gain) on revaluation of deferred consideration	22,385	8,870	23,358	2,208	5,354
Add back: Loss on extinguishment of debt	--	--	2,387	--	--
Add back: Interest expense from the amortization of discount arising from bifurcation of the conversion option embedded in the convertible notes, net of tax	416	379	55	--	--
Deduct: Gain arising from an adjustment to the estimated fair value of consideration received from Advisor Engine	--	(225)	(868)	--	--
Deduct: Gain recognized upon sale of Canadian Business	--	--	--	(2,877)	--
Add back: Loss recognized upon reduction of tax indemnification asset	--	--	--	5,981	--
Add back: Impairments, before income tax	--	3,080	--	19,672	30,138
Add back: Acquisition and disposition related costs, before income taxes	--	--	33	383	366
Adjusted income before income taxes	\$ 11,504	\$ 13,242	\$ 10,911	\$ 14,358	\$ 13,503
Income tax (benefit)/expense	\$ 2,200	\$ 1,408	\$ (804)	\$ (2,371)	\$ 3,525
Add back: Tax benefit arising from loss on extinguishment of debt	--	--	477	--	--
Add back: Release of deferred tax asset valuation allowance recognized on interest carryforwards arising from our debt previously outstanding in the United Kingdom	--	--	2,842	--	--
Add back: tax benefit from the amortization of discount associated with the bifurcation of the conversion option embedded in the convertible notes	102	93	13	--	--
Add back: Tax benefit arising from impairments	--	754	--	--	--
Add back: Tax benefit arising reduction in unrecognized tax benefits	--	--	--	5,981	--
Add back/(deduct): Tax windfalls/(shortfalls) upon vesting and exercise of stock-based compensation awards	(21)	(50)	(119)	(501)	(142)
Add back: Tax benefit arising from acquisition/disposition related costs	--	--	8	25	13
Adjusted income tax expense	\$ 2,281	\$ 2,205	\$ 2,417	\$ 3,134	\$ 3,396
Adjusted effective income tax rate	19.8%	16.7%	22.2%	21.8%	25.1%



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