



WT

LISTED

NYSE

Q3 2023 Results

October 27, 2023



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:

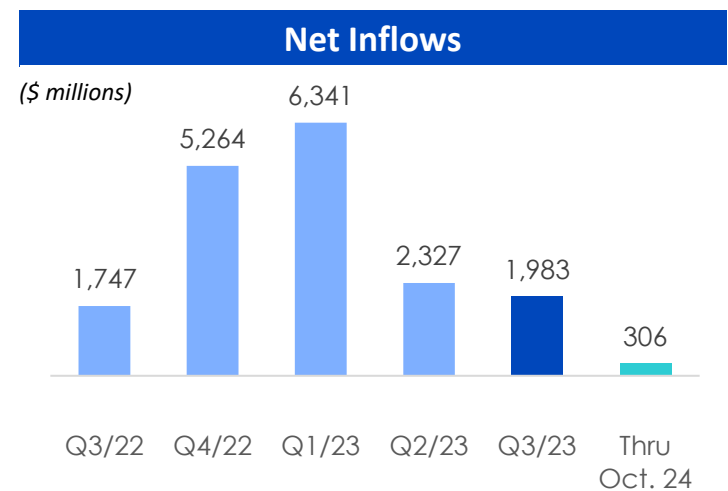
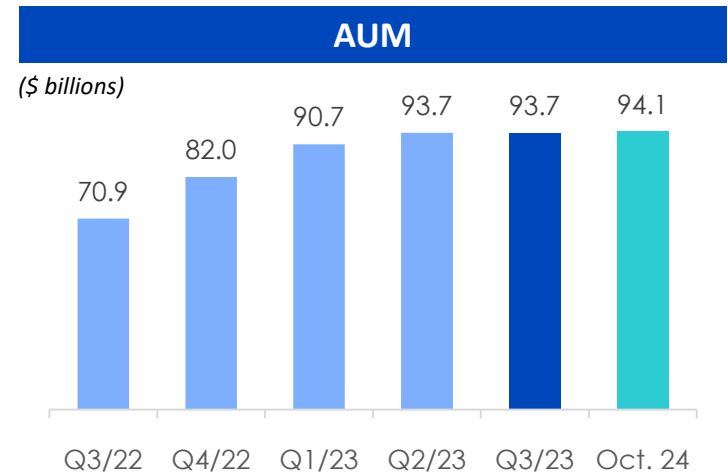
- declining prices of securities, gold and other precious metals and other commodities and changes in interest rates and general market conditions can adversely affect our business by reducing the market value of the assets we manage or causing WisdomTree ETP investors to sell their fund shares and trigger 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 event such as COVID-19, or the war in Ukraine, 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.

Q3/23 Highlights

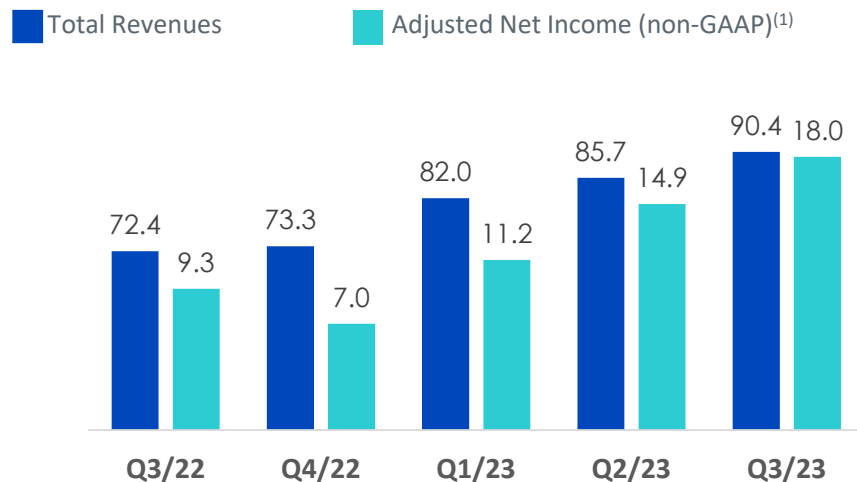
- + Net inflows of \$2.0b for the quarter primarily driven by inflows into fixed income, U.S. equity, international equity and emerging markets products, partly offset by commodity outflows:
 - 12 straight quarters of net inflows globally
 - YTD inflows in 7 of 8 major product categories
- + YTD annualized organic growth rate of 17.4%
 - Fixed Income: 58%
 - International equity: 37%
 - Emerging markets: 21%
 - U.S equity: 6%
 - Commodities: (8%)
- + AUM of \$93.7b, unchanged as inflows offset unfavorable market conditions
- + Updated statistics (October):
 - AUM: \$94.1b, up slightly from September 30th



Revenues and Earnings Results

Revenue, Income, Operating Margin, EPS

(\$ millions)



Adjusted operating margin (non-GAAP) ⁽¹⁾ :	20.5%	16.0%	21.4%	26.9%	29.5%
Adjusted EPS (non-GAAP) ⁽¹⁾ :	\$0.06	\$0.04	\$0.07	\$0.09	\$0.10
Net income/(loss):	\$81.2	(\$28.3)	\$16.2	\$54.3	\$13.0
EPS:	\$0.50	(\$0.20)	\$0.10	\$0.32	\$0.07

Adjusted Operating Margin (ex. Termination of Contractual Gold Payments)

Adjusted Operating Margins (YTD)	Three Months Ended		Change
	Sept. 30, 2023	Sept. 30, 2022	
Operating revenues	\$90,423	\$72,414	
Operating income	\$26,705	\$14,873	
Add back: Contractual gold payments	0	4,105	
Adjusted operating income - ex. Contractual gold payments	\$26,705	\$18,978	
Adjusted operating margin	29.5%	20.5%	9.0%
Adjusted operating margin - ex. Contractual gold payments	29.5%	26.2%	3.3%

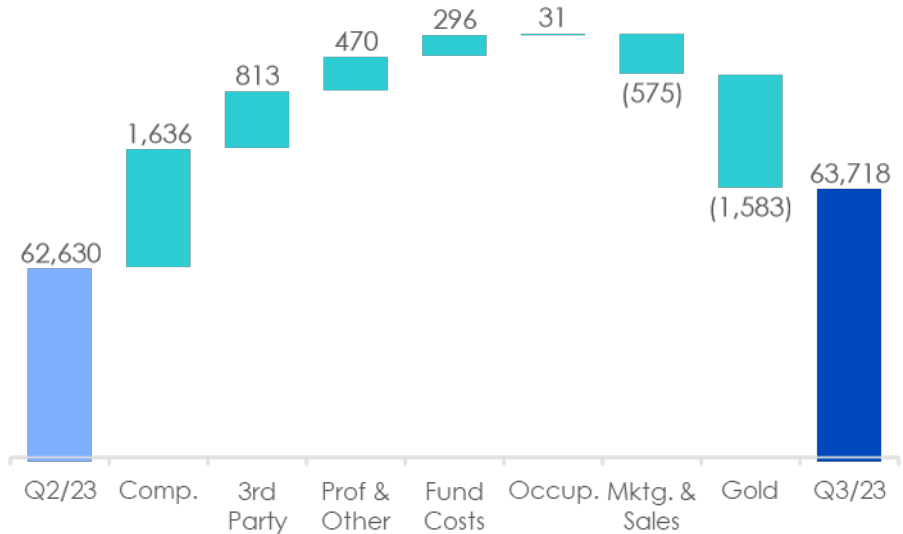
Highlights/Unusual Items

- + Revenues up 5.5% from prior quarter primarily due to higher average AUM
- + Adjusted operating margin expansion:
 - Versus prior quarter: +2.6 points
 - Versus Q3 2022: +9.0 points
- + \$5.1m in other non-operating losses, net

Expense Base - Rollforward

Expense Base Change – Q2/23 to Q3/23 ⁽¹⁾

(\$ in thousands)



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

- + Higher incentive compensation driven by strong performance
- + Higher third-party distribution fees due to AUM growth in Latin America (+70% YTD)
- + Lower contractual gold payments (terminated in May 2023)
- + Lower seasonal marketing expenses
- + Discretionary spending of \$15m (maintaining annual guidance of \$56m to \$59m)



(1) Excludes non-recurring expenses of \$4.9 million in response to an activist campaign

2023 Expense Guidance

Expense Item	YTD 9/30 Actual	Updated Guidance	Prior Guidance
Compensation	\$81.7m	\$104m-\$110m	unchanged
Discretionary Spending ⁽¹⁾	\$43.4m	\$56m-\$59m	unchanged
Gross Margin (full year)	79.6%	79%-80%	79%
Third-Party Distribution	\$6.8m	\$9.0m-\$10.0M	\$8.0m-\$9.0m
Interest Expense	\$11.5m	\$15m (Q4: \$3.5m)	unchanged
Interest Income	\$2.9m	\$3.5m-\$4.0m	~\$3.0m
Adjusted Tax Rate	24.0%	24%	unchanged

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

- + Compensation guidance:
 - **High-End** of the range considering organic flow growth, revenue growth, margin expansion and share price performance in relation to peers
- + Discretionary spending guidance:
 - **High-End** of the range considering YTD and Q4 seasonal spend
- + Gross margin guidance updated to **79%-80%** which we anticipate being sustainable at current AUM levels
- + Third-party distribution guidance higher driven by growth experienced in Latin America (AUM +70% YTD)
- + Interest income guidance increased given current investment levels

WisdomTree's Growth Algorithm

Ongoing Inflow Momentum as AUM is Levered to Attractive Investment Themes

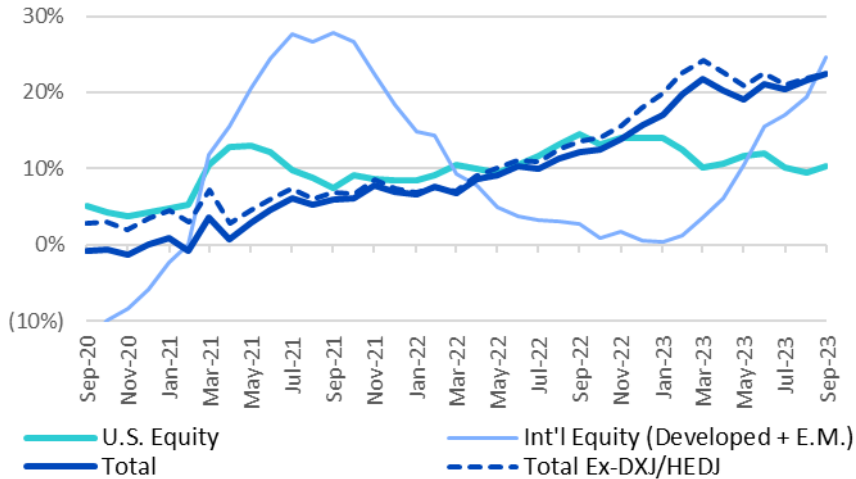
Add 'Stickier' Inflows from Expanding & Deepening Managed Model Relationships

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

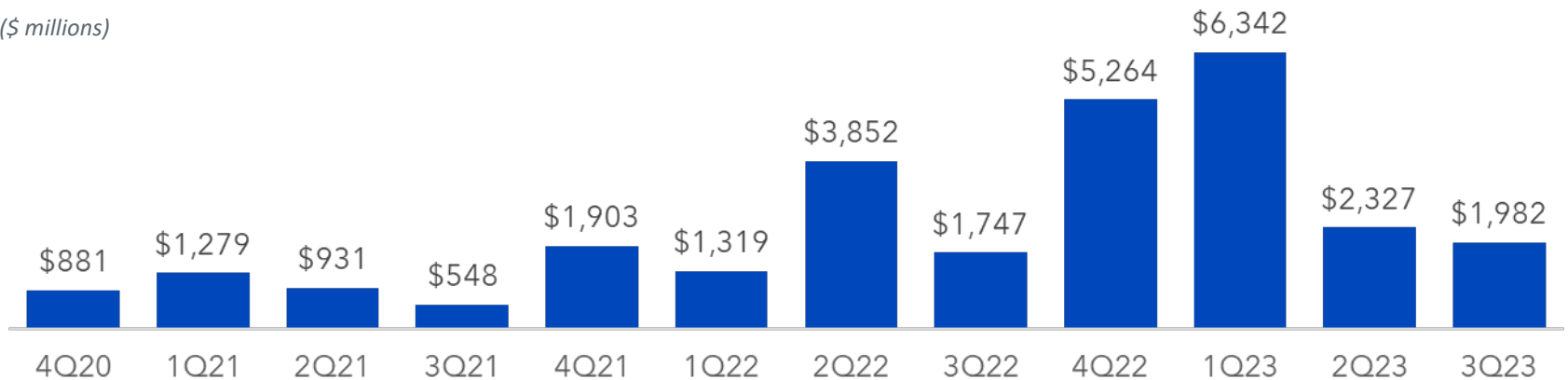
3-Yr Lookback at Trailing 12-Month Net Inflow Rate



- + Nearly \$11b of inflows through Q3 after generating \$12b of net inflows in 2022
- + Best-in-class 17.4% YTD annualized organic growth rate, including net inflows in 7 of 8 major product categories
- + Q3 2023 summary statistics
 - Nearly \$1.7b of Fixed Income inflows
 - \$1.25b of net inflows across International Developed & Emerging Market strategies
 - Over \$850m of US Equity inflows
 - Net inflows in 6 of 8 major product categories

WT's 12 Consecutive Quarters of Net Inflows

(\$ millions)



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

Expanding Footprint in Managed Models is Additive to Organic Growth

WisdomTree's Managed Models Franchise

Greater
Share of
Advisor
Wallets

'Stickier'
Inflows &
AUM

'Stackable' on
top of
WisdomTree's
Current Inflows

Expanding managed model
provider partners & deepening
current partner relationships

Offering New
Growth Oriented
Advisor Services

Supports & Accelerates
WisdomTree's Organic Growth

Expanding Footprint in Managed Models is Additive to Organic Growth

- + Over \$2.5b in Managed Models AUM today after launching the models initiative in early 2020
- + Managed Models strategy is twofold:
 - + Continue to build a large group of recurring model users 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
- + Traction has accelerated from this time last year
 - + At Merrill, both AUM and the number of advisors using WisdomTree managed models have ***doubled*** year-over-year
 - + In the RIA / IBD channel, we initiated 8 new client relationships this past year and currently have a pipeline of over 60 RIA and IBD firms representing potential partner opportunities with over \$60 billion in assets under management
 - + Recently launched new managed models at LPL and have already doubled AUM from June launch to today

WisdomTree has a Barbell Approach to Model Portfolio 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 (e.g., trading)
- + Manage a majority of an advisor's business

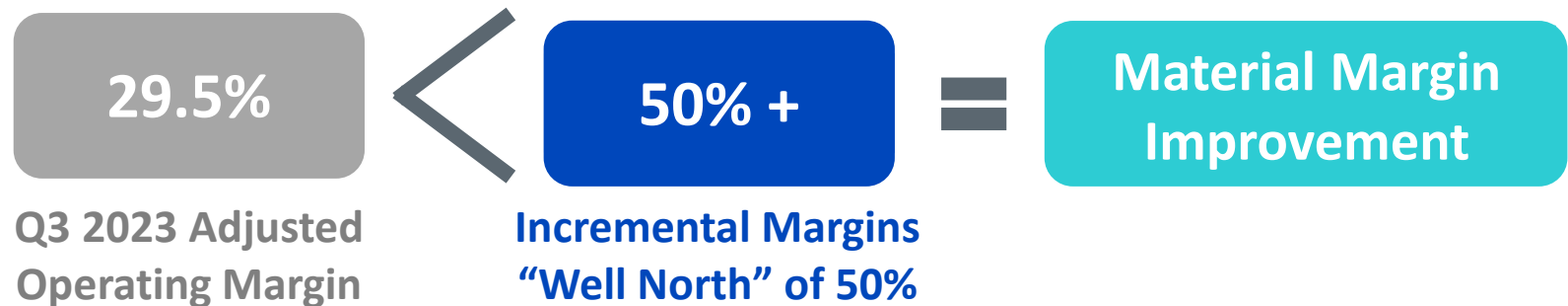


Through the Cycle, Organic Growth Accelerates Scale & Expands Op Margins

Illustrative Annual AUM & Revenue Growth Algorithm over the Long Run



Illustrative Margin Outlook from Scaling AUM & Revenue



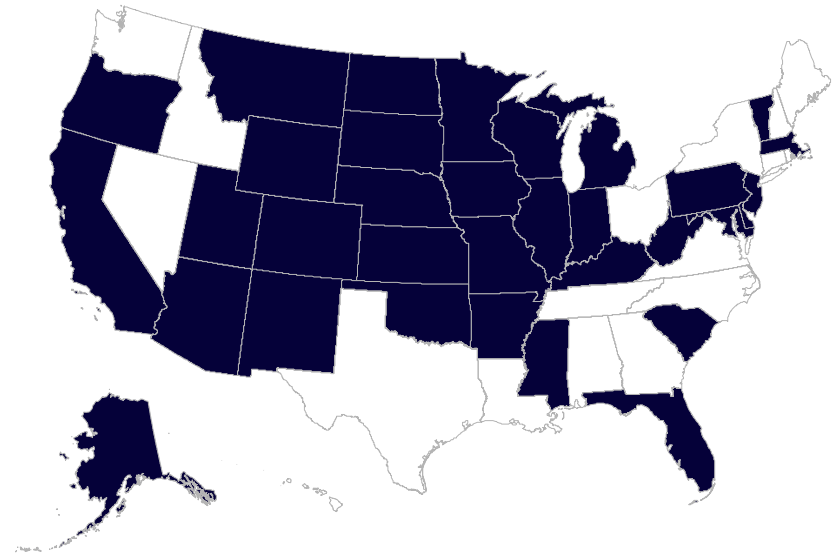


WisdomTree Prime™ is Live in 33 States

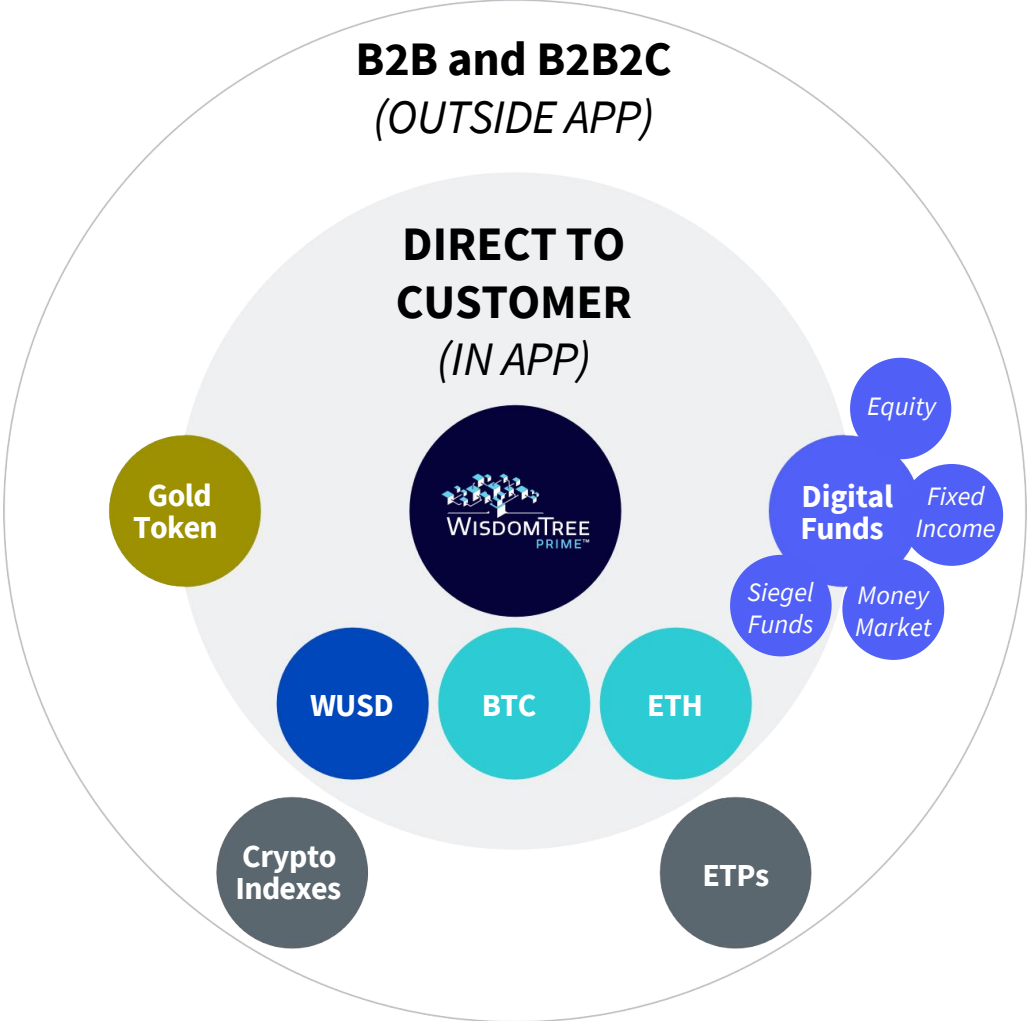
The financial app, built on blockchain tech, that lets you **spend, save, transfer,** and **invest** digital assets like Bitcoin, Ether, Gold tokens, Equity Funds, Fixed Income Funds and more.



With the launch of 12 additional states in October, WisdomTree Prime™ is now available to ~60% of the U.S. population



Asset Tokenization & Digital Funds: Significant Distribution Optionality



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

How Traditional Financial Services Peers Approach Tokenization

J.P.Morgan

October 2023: JPMorgan launches Tokenized BlackRock Money Market Fund Shares as Collateral with Barclays through JPM’s Tokenized Collateral Network (TCN)

BLACKROCK

December 2022: BlackRock CEO Says ‘Next Generation for Markets’ Is Tokenization

VanEck®

October 2023: Van Eck invests in L1 Advisors that is building the operating system of onchain wealth and asset management

FRANKLIN TEMPLETON

April 2023: Franklin Templeton launched the OnChain U.S. Government Money Fund whose transfer agent maintains the official record of share ownership via a proprietary blockchain-integrated system utilizing the Stellar blockchain network.

T.RowePrice®
WELLINGTON
MANAGEMENT®

April 2023: T. Rowe Price Associates along with Wellington and WisdomTree joined an Avalanche subnet to test blockchain-based foreign exchange and other institutional use cases

Hamilton Lane

October 2022: Hamilton Lane and Securitize to Tokenize Funds, Expanding Access to Private Markets for a Broader Set of Investors

KKR

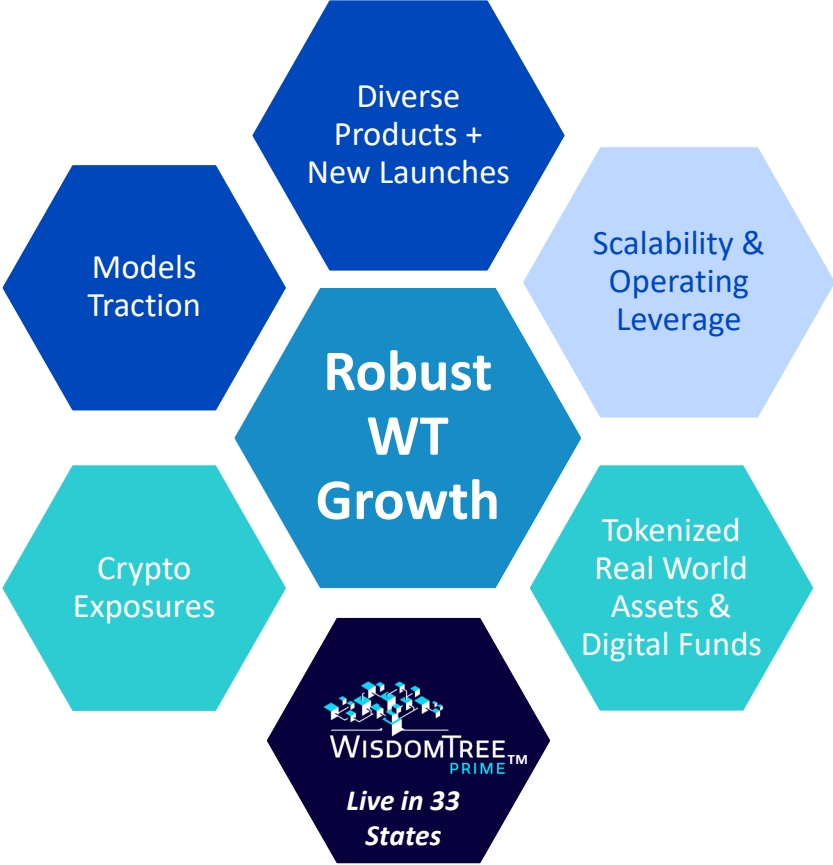
September 2022: KKR makes its Health Care Strategic Growth Fund available on the Avalanche blockchain provided by Securitize

Other firms engaged:

citi APOLLO Goldman Sachs abrdn Schroders //DWS



WisdomTree is a Multifaceted Growth Story



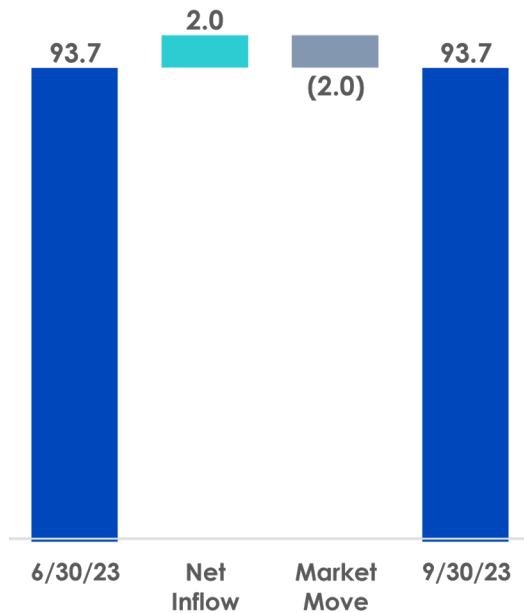
Q&A

Appendix

AUM and Net Inflows

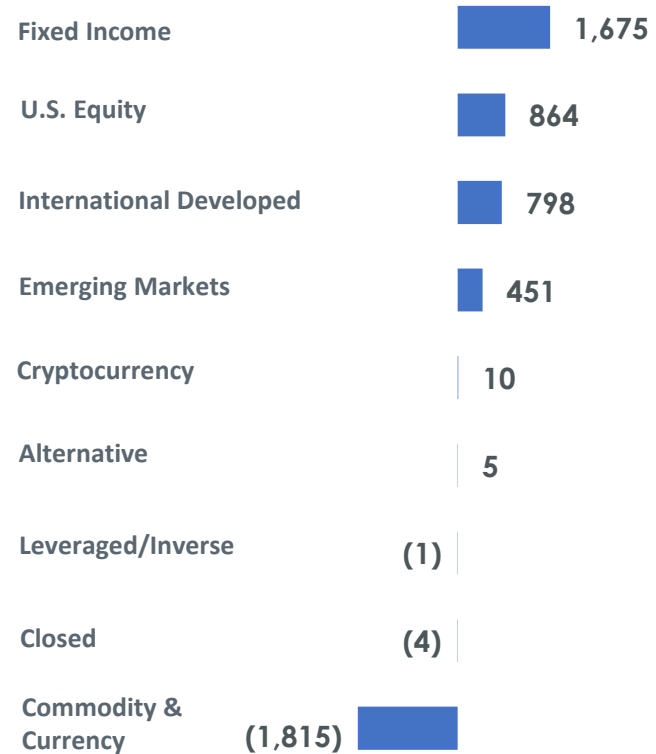
Quarterly ETP AUM Change

(\$ billions)



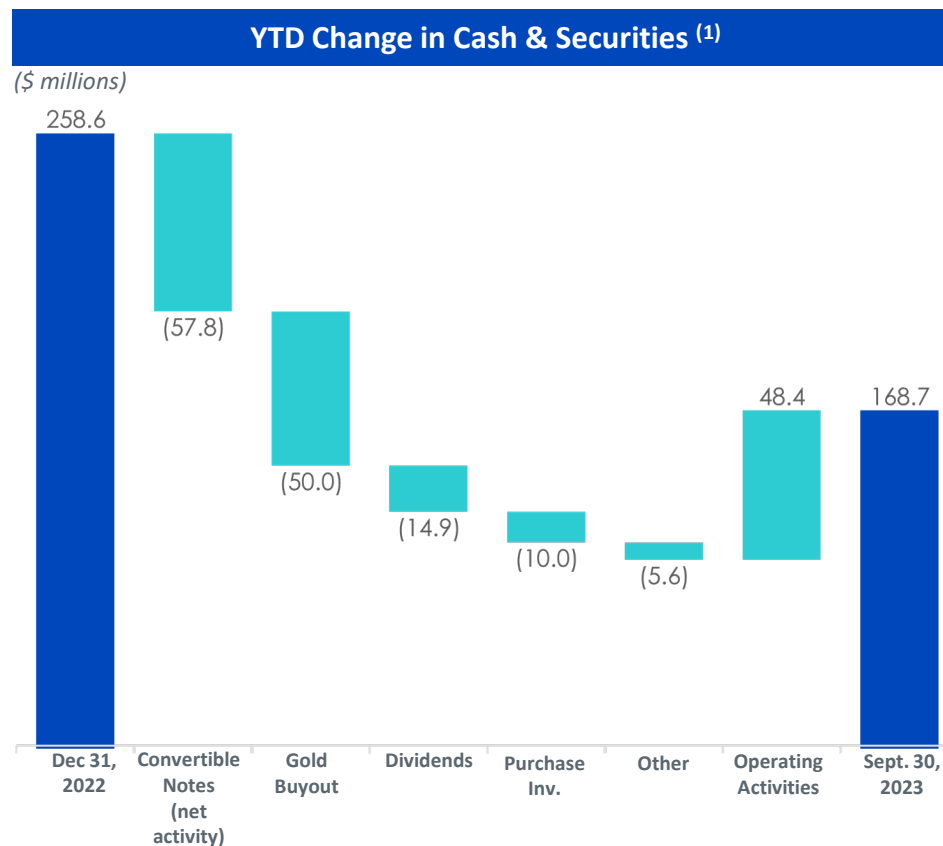
Q3/23 Net Flows by Category

(\$ millions)



Balance Sheet

Balance Sheet		
(\$ millions)	Sept. 30, 2023	Dec. 31, 2022
Assets		
Cash and financial instruments ⁽¹⁾	\$168.7	\$258.6
Investments	36.9	35.7
Accounts receivable	35.9	30.5
Deferred tax asset, net	9.5	10.5
Fixed assets, net	0.5	0.5
Goodwill and intangibles	691.6	689.5
Other assets	8.7	8.5
Total assets	\$951.8	\$1,033.8
Liabilities		
Fund management and administration	\$27.7	\$24.1
Compensation and benefits	27.8	36.5
Accounts payable and other liabilities	14.7	9.1
Income taxes payable	4.3	1.6
Convertible notes	274.5	321.2
Deferred consideration (gold payments)	0.0	200.3
Lease Liabilities	0.8	1.4
Other non-current liabilities	0.0	1.4
Total liabilities	349.8	595.6
Preferred stock	132.6	132.6
Stockholders' equity	469.4	305.6
Total liabilities and stockholders' equity	\$951.8	\$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
Revenues							
Advisory fees	\$ 76,517	\$ 75,586	\$ 70,616	\$ 70,913	\$ 77,637	\$ 82,004	\$ 86,598
Other income	1,851	1,667	1,798	2,397	4,407	3,720	3,825
Total revenues	78,368	77,253	72,414	73,310	82,044	85,724	90,423
Expenses							
Compensation and benefits	24,787	24,565	23,714	24,831	27,398	26,319	27,955
Fund management and administration	15,494	16,076	16,285	16,906	17,153	17,727	18,023
Marketing and advertising	4,023	3,894	3,145	4,240	4,007	4,465	3,833
Sales and business development	2,609	3,131	2,724	3,407	2,994	3,326	3,383
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
Occ., communications and equipment	753	1,049	986	1,110	1,101	1,172	1,203
Depreciation and amortization	47	53	58	104	109	121	307
Third-party distribution fees	2,212	1,818	1,833	1,793	2,253	1,881	2,694
Other	1,845	2,109	2,324	2,427	2,257	2,615	2,601
Total expenses	60,679	61,449	57,541	61,591	65,473	67,543	63,718
Operating Income	17,689	15,804	14,873	11,719	16,571	18,181	26,705
Interest Expense	(3,732)	(3,733)	(3,734)	(3,736)	(4,002)	(4,021)	(3,461)
(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
Impairments	–	–	–	–	(4,900)	–	(2,703)
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)
Income/(loss) before taxes	(26,974)	10,678	84,556	(28,310)	17,616	57,807	18,820
Income tax (benefit)/expense	(16,713)	2,673	3,327	(21)	1,383	3,555	5,836
Net Income/(loss)	\$(10,261)	\$ 8,005	\$ 81,229	\$(28,289)	\$ 16,233	\$ 54,252	\$ 12,984
<u>As adjusted (non-GAAP)</u>							
Total operating expenses	\$ 58,244	\$ 59,425	\$ 57,541	\$ 61,591	\$ 64,506	\$ 62,630	\$ 63,718
Operating income	\$ 20,124	\$ 17,828	\$ 14,873	\$ 11,719	\$ 17,538	\$ 23,094	\$ 26,705
Income before income taxes	\$ 17,674	\$ 14,498	\$ 12,645	\$ 8,615	\$ 14,485	\$ 19,752	\$ 23,902
Income tax expense	\$ 3,888	\$ 3,241	\$ 3,323	\$ 1,588	\$ 3,287	\$ 4,833	\$ 5,854
Net income	\$ 14,063	\$ 11,257	\$ 9,322	\$ 7,027	\$ 11,198	\$ 14,919	\$ 18,048
Earnings per share - diluted	\$ 0.09	\$ 0.07	\$ 0.06	\$ 0.04	\$ 0.07	\$ 0.09	\$ 0.10
Weighted average common shares - diluted	158,335	158,976	158,953	159,478	159,887	170,672	177,140



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:
 - *Unrealized gains or losses on revaluation/termination of deferred consideration—gold payments:* Deferred consideration—gold payments was an obligation we assumed in connection with the ETFs acquisition that was carried at fair value. This item represented 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 obligations have had 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 was not core to our operating business. The item was 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. This obligation was terminated during the second quarter of 2023.
 - *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.
 - *Other items:* 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 Contrinental 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				
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30
	2023	2023	2023	2022	2022
Adjusted net income and diluted earnings per share:					
Net income/(loss), as reported	\$ 12,984	\$ 54,252	\$ 16,233	\$ (28,289)	\$ 81,229
Add back: Impairments net of income taxes	2,046	--	3,710	--	--
Add back/(deduct): Losses/(gains) on financial instruments owned, net of income taxes	1,479	762	(1,479)	669	4,778
Add back/(deduct): Increase/(decrease) in deferred tax asset valuation allowance on financial instruments owned	1,234	(508)	1,667	364	1,454
Add back/(deduct): Unrealized loss/(gain) recognized on our investments, net of income taxes	323	(2,346)	2,966	469	(248)
(Deduct)/add back: Tax (windfalls)/shortfalls upon vesting and exercise of stock-based compensation awards	(18)	33	(185)	--	4
(Deduct)/Add back: (Gain)/loss on revaluation of deferred consideration-gold payments	--	(41,361)	(20,592)	35,423	(77,895)
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	\$ 18,048	\$ 14,919	\$ 11,198	\$ 7,027	\$ 9,322
Weighted average common share - diluted	177,140	159,887	159,478	158,953	158,976
Adjusted earnings per share - diluted	\$0.10	\$0.09	\$0.07	\$0.04	\$0.06

(\$ in thousands) Unaudited	Three Months Ended				
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30
	2023	2023	2023	2022	2022
Gross Margin and Gross Margin Percentage					
Operating Revenues	\$ 90,423	\$ 85,724	\$ 82,044	\$ 73,310	\$ 72,414
Deduct: Fund management and administration	(18,023)	(17,727)	(17,153)	(16,906)	(16,285)
Gross margin	\$ 72,400	\$ 67,997	\$ 64,891	\$ 56,404	\$ 56,129
Gross margin percentage	80.1%	79.3%	79.1%	76.9%	77.5%

(\$ in thousands) Unaudited	Three Months Ended				
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30
	2023	2023	2023	2022	2022
Adjusted Operating Income and Operating Income Margin					
Operating Revenues	\$ 90,423	\$ 85,724	\$ 82,044	\$ 73,310	\$ 72,414
Operating income	\$ 26,705	\$ 18,181	\$ 16,571	\$ 11,719	\$ 14,873
Add back: Expenses incurred in response to the activist campaign	-	4,913	967	-	-
Adjusted operating income	\$ 26,705	\$ 23,094	\$ 17,538	\$ 11,719	\$ 14,873
Adjusted operating income margin	29.5%	26.9%	21.4%	16.0%	20.5%

(\$ in thousands) Unaudited	Three Months Ended				
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30
	2023	2023	2023	2022	2022
Adjusted Total Operating Expenses					
Total operating expenses	\$ 63,718	\$ 67,543	\$ 65,473	\$ 61,591	\$ 57,541
Deduct: Expenses incurred in response to the activist campaign	-	(4,913)	(967)	-	-
Adjusted operating expenses	\$ 63,718	\$ 62,630	\$ 64,506	\$ 61,591	\$ 57,541

(\$ in thousands) Unaudited	Three Months Ended				
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30
	2023	2023	2023	2022	2022
Adjusted Effective Income Tax Rate					
Income/(loss) before income taxes	\$ 18,820	\$ 57,807	\$ 17,616	\$ (28,310)	\$ 84,556
Add back: Impairments	2,703	--	4,900	--	--
Add back/(deduct): Losses/(gains) on financial instruments owned	1,953	1,007	(1,954)	883	6,311
Add back/(deduct): Unrealized losses/(gains) recognized on investments	426	(3,099)	3,918	619	(327)
(Deduct)/add back: (Gain)/loss on revaluation of deferred consideration-gold payments	--	(41,361)	(20,592)	35,423	(77,895)
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	\$ 23,902	\$ 19,752	\$ 14,485	\$ 8,615	\$ 12,645
Income tax (benefit)/expense	\$ 5,836	\$ 3,555	\$ 1,383	\$ (21)	\$ 3,327
(Deduct)/add back: (Increase)/decrease in deferred tax asset valuation allowance on financial instruments owned	(1,234)	508	(1,667)	(364)	(1,454)
Add back: Tax benefit arising from impairments	657	--	1,190	--	--
Add back/(deduct): Tax benefit/(expense) arising from losses/(gains) on financial instruments owned	474	245	(475)	214	1,533
Add back/(deduct): Tax benefit/(expense) on unrealized losses and gains on investments	103	(753)	952	150	(79)
Add back/(deduct): Tax windfalls/(shortfalls) upon vesting and exercise of stock-based compensation awards	18	(33)	185	--	(4)
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	\$ 5,854	\$ 4,833	\$ 3,287	\$ 1,588	\$ 3,323
Adjusted effective income tax rate	24.5%	24.5%	22.7%	18.4%	26.3%



Reconciliation of US GAAP to Non-GAAP results

Three Months ended September 30, 2023

	QTD Sept. US GAAP	Impairments	Loss on Sec. Owned	Loss on Inv.	DTA Val. Allow	Tax Windfalls	Non-GAAP
Revenues							
Advisory fees	\$ 86,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,598
Other income	3,825	-	-	-	-	-	3,825
Total revenues	<u>90,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,423</u>
Expenses							
Compensation and benefits	27,955	-	-	-	-	-	27,955
Fund management and admin	18,023	-	-	-	-	-	18,023
Marketing and advertising	3,833	-	-	-	-	-	3,833
Sales and business development	3,383	-	-	-	-	-	3,383
Contractual gold payments	--	-	-	-	-	-	--
Professional and consulting fees	3,719	-	-	-	-	-	3,719
Occ., commun. and equip.	1,203	-	-	-	-	-	1,203
Depreciation and amort.	307	-	-	-	-	-	307
Third-party distribution fees	2,694	-	-	-	-	-	2,694
Other	2,601	-	-	-	-	-	2,601
Total expenses	<u>63,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,718</u>
Operating Income	26,705	-	-	-	-	-	26,705
Interest Expense	(3,461)	-	-	-	-	-	(3,461)
Gain/(loss) on def. consideration	--	-	-	-	-	-	--
Interest Income	791	-	-	-	-	-	791
Impairments	(2,703)	2,703	-	-	-	-	--
Other gains/(losses)	(2,512)	-	1,953	426	-	-	(133)
Income before taxes	<u>18,820</u>	<u>2,703</u>	<u>1,953</u>	<u>426</u>	<u>-</u>	<u>-</u>	<u>23,902</u>
Income tax expense	5,836	657	474	103	(1,234)	18	5,854
Net income	<u>\$ 12,984</u>	<u>\$ 2,046</u>	<u>\$ 1,479</u>	<u>\$ 323</u>	<u>\$ 1,234</u>	<u>\$ (18)</u>	<u>\$ 18,048</u>

Diluted Shares: 177,140

EPS: \$ 0.10





WISDOMTREE®

