



WT

LISTED

NYSE

Q4 2022 Results

February 3, 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 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, or the war in Ukraine, and their 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; whether we will experience future growth; 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 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; and the effect of laws and regulations that apply to our business.

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

- adverse market developments arising from the COVID-19 pandemic could negatively impact our assets under management, resulting in a decline in our revenues and other potential operational challenges;
- 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;
- over the last few years, we have expanded our business internationally. 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; and
- actions of activist stockholders against us have been costly and may be disruptive and cause uncertainty about the strategic direction of our business.

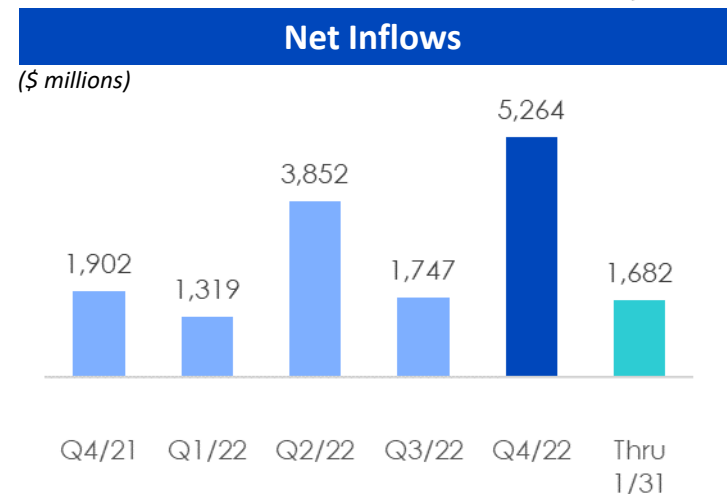
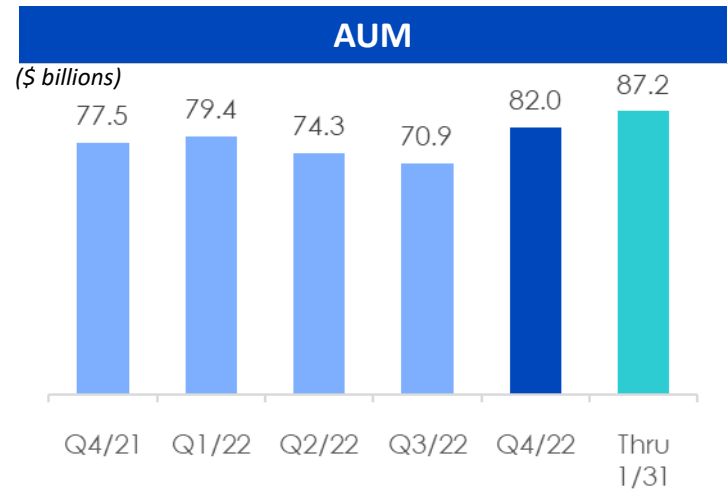
Other factors, such as general economic conditions, including currency exchange rate fluctuations, also may have an effect on the results of our operations. For a more complete description of the risks noted above and other risks that could cause our actual results to differ from our current expectations, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, as amended, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 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.



Q4/22 Highlights

- + Net inflows of \$5.3b for the quarter primarily driven by inflows into fixed income, U.S. equity and commodity products:
 - Highest flowing quarter since 2015
 - 9 straight quarters of net inflows globally
 - U.S. ETF inflows for 30 of the last 31 months (\$4.2b in the quarter)
 - Europe inflows of +\$1 billion
- + YTD annualized organic growth rate of 16%
 - Fixed Income 260%
 - U.S. Equity 14%
 - Commodities (12%)
- + Record quarter-end AUM of \$82.0b, up 15.7% due to market appreciation and net inflows
- + Updated statistics (January):
 - AUM: \$87.2b, up ~6.5% from December 31st
 - Inflows: \$1.7b

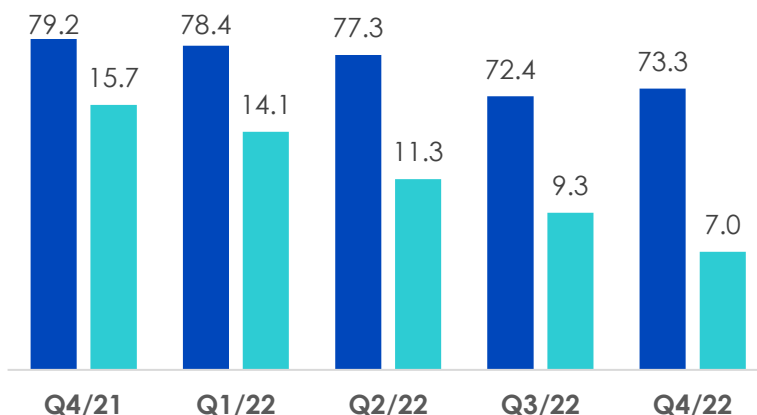


Revenues and Earnings Results

Revenue, Income, Operating Margin, EPS

(\$ millions)

■ Total Revenues ■ Adjusted Net Income (non-GAAP)⁽¹⁾

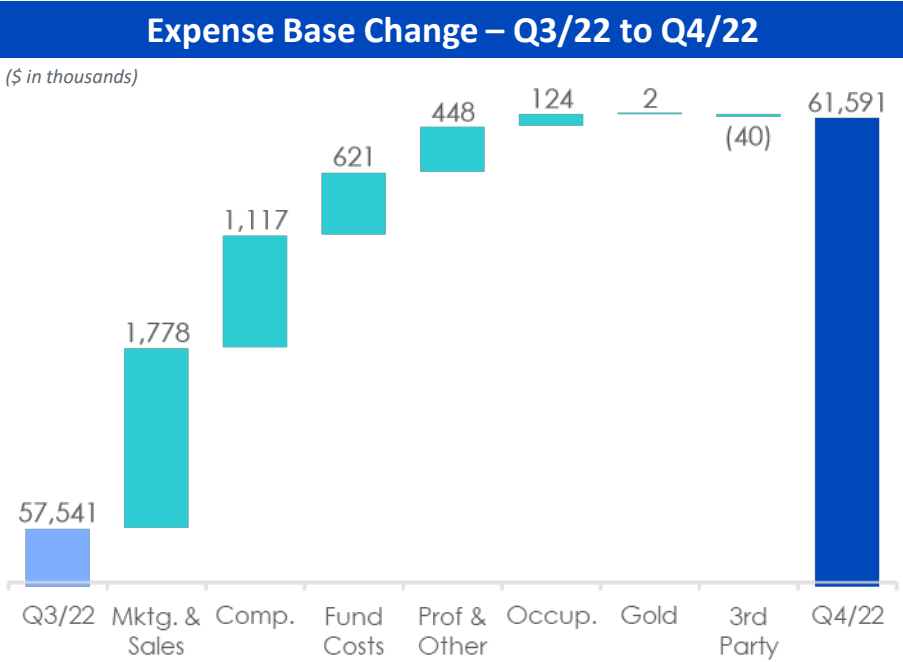


Adjusted operating margin (non-GAAP) ⁽¹⁾ :	28.5%	25.7%	23.1%	20.5%	16.0%
Adjusted EPS (non-GAAP) ⁽¹⁾ :	\$0.10	\$0.09	\$0.07	\$0.06	\$0.04
Net income/ (loss):	\$11.2	(\$10.3)	\$8.0	\$81.2	(\$28.3)
EPS:	\$0.07	(\$0.08)	\$0.05	\$0.50	(\$0.20)

Highlights/Unusual Items

- + Revenues essentially unchanged from prior quarter as higher average AUM was offset by a decline in our average advisory fee
- + \$35.4m after tax, non-cash loss associated with revaluation of deferred consideration (gold payment)

Expense Base - Rollforward



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

- + Higher expenses driven primarily from higher incentive compensation accruals, as well as seasonally higher marketing and sales-related expenses
- + Annual compensation expense of \$97.9m (middle of guidance range)
- + Annual discretionary spending of \$49.4m⁽¹⁾ (below the low-end of guidance)



(1) Excludes non-recurring expenses of \$4,459 in response to an activist campaign

2023 Expense Guidance

Expense Item	2023 Guidance	2022 Actual
Compensation	\$96m-\$106m	\$97.9m
Discretionary Spending ⁽¹⁾	\$56m-\$59m	\$49.4m
Gross Margin (full year)	78%	78.5%
Contractual Gold Payments	\$18m	\$17m
Third-Party Distribution	\$8.0m-\$9.0m	\$7.7m
Interest Expense	\$16m	\$14.9m
Adjusted Tax Rate	23%	22%

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

- + Compensation guidance contemplates new hires, year-end compensation adjustments and variability in incentive compensation
 - Q1 Seasonality: estimated compensation expense of \$27m-\$28m
- + Discretionary spending guidance includes modest uplift for WisdomTree Prime™ marketing and other items
- + Gross margin guidance of 78% at current AUM levels. Margin expansion anticipated assuming continued organic flow growth
- + Third-party distribution costs dependent upon AUM growth on platforms
- + Interest guidance assumes \$50m debt paydown, offset by higher refinancing costs
 - Temporary increase in interest expense as paydown will occur in June 2023
 - Normalized interest expense exiting 2023 estimated to be ~\$14m
- + Tax rate of 23% due to change in UK corporate rate from 19% to 25%



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

WisdomTree's Growth Algorithm

Ongoing Inflow Momentum as AUM is Levered to Attractive Investment Themes

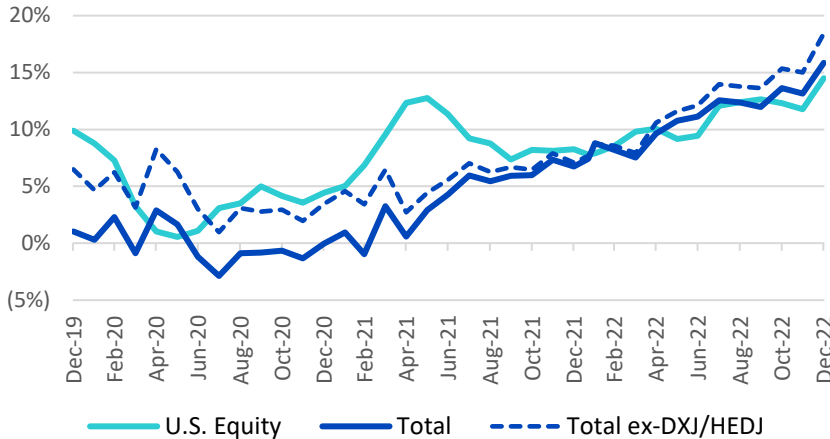
Add 'Stickier' Inflows from Expanding & Deepening Managed Model Relationships

Early Mover into Digital Assets 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

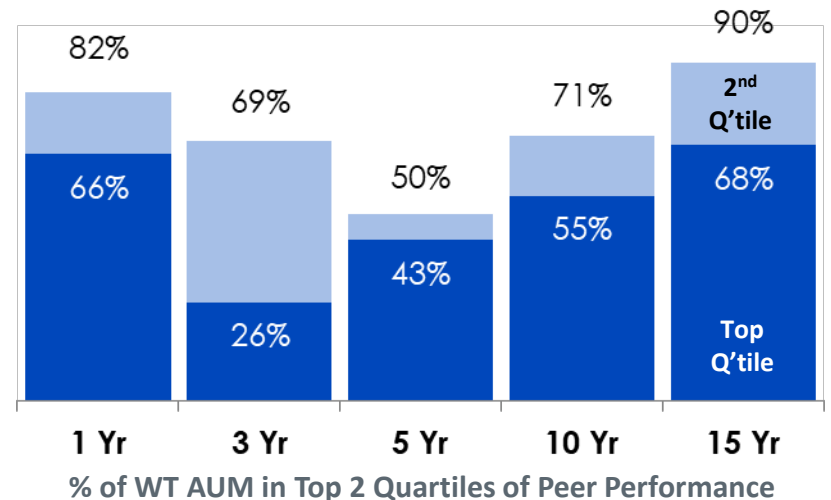


Source: ir.wisdomtree.com

- + Net inflow momentum has accelerated over the last three-plus years for a strong 2022
 - 16% firm-wide pace of organic growth
 - U.S. Equity strategies achieved a 14% inflow rate
 - Fixed Income gathered over \$11 billion of inflows for a ~260% pace of organic growth
 - Net inflows in 7 of 8 major product categories
- + Momentum continues into 2023 with \$1.7 billion net inflows year-to-date

- + Bulk of AUM in 1st & 2nd performance quartiles vs. peers across timeframes
- + Performance is outstanding over many time horizons, noting particular success in both the short- and long-run
 - 66%-68% of AUM in the top quartile in both the 1-year and the 15-year timeframes
 - 82%-90% of AUM in the first and second quartile of peer performance in the 1-year and the 15-year timeframes

WT ETFs Outperform Most ETF and Mutual Fund Peers



Source: WisdomTree U.S. ETF performance vs. Morningstar peer groups, Data as of 12/31/22



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

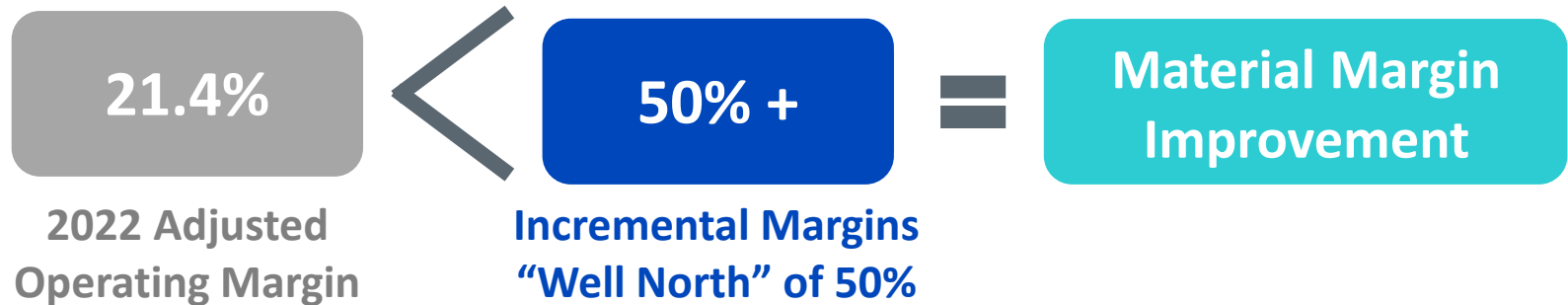
Supports & Accelerates
WisdomTree's Organic Growth

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's Digital Assets Strategy Simplified



Robust Digital Product Suite for Broad Public Roll-Out (with More to Come)

Blockchain-Enabled Equity Funds

- WisdomTree 500 Digital Fund
- Technology & Innovation 100 Digital Fund
- Additional Products in the Pipeline

Blockchain-Enabled Bond Funds

- Floating Rate Treasury Digital Fund
- Short-Term Treasury Digital Fund
- 3-7 Year Treasury Digital Fund
- 7-10 Year Treasury Digital Fund
- Long-Term Treasury Digital Fund
- TIPS Digital Fund
- Short-Duration Income Digital Fund

Real World Asset Tokens

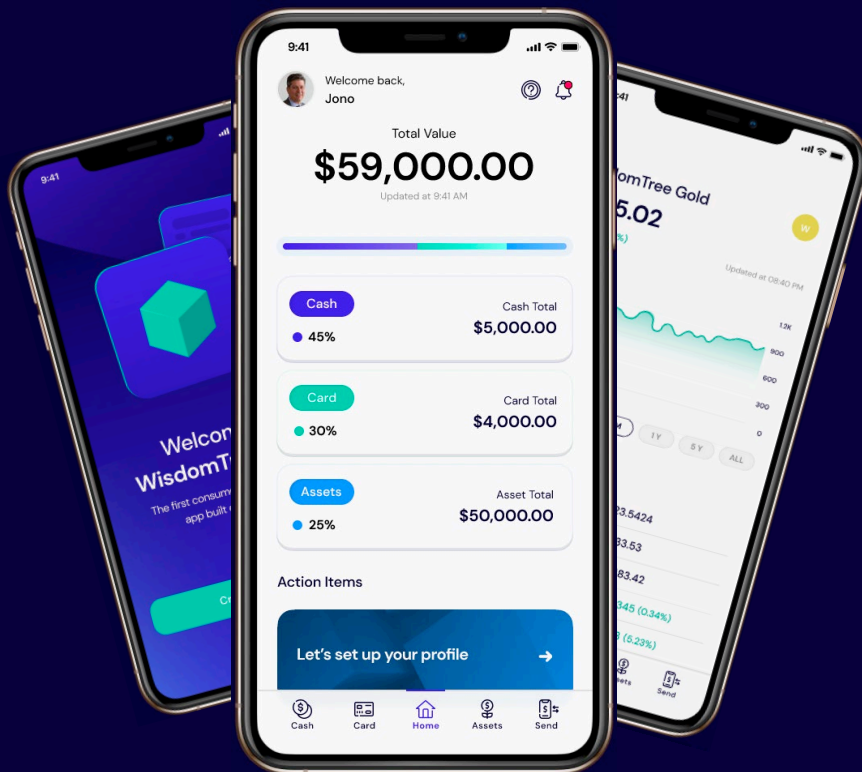
- WisdomTree Gold Token
- WisdomTree U.S. Dollar Token

Crypto Assets

- Bitcoin
- Ether

Introducing WisdomTree Prime.

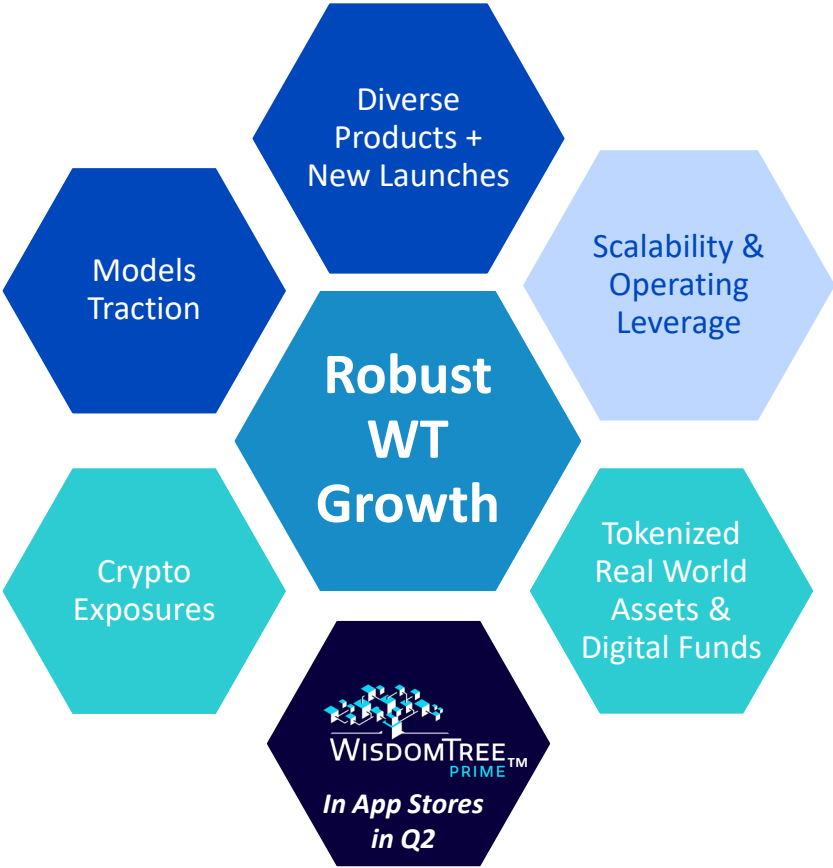
The new digital wallet, built on blockchain, that lets you **spend, save, transfer, send, and invest** digital assets like bitcoin, U.S. dollar tokens, Gold tokens, and more.



Do more with *one* digital wallet.

- Save
- Spend
- Invest
- Pay back your Buddy
- Buy a Latte
- Send Dollar or Gold tokens to your Mom and Dad

WisdomTree is a Multifaceted Growth Story



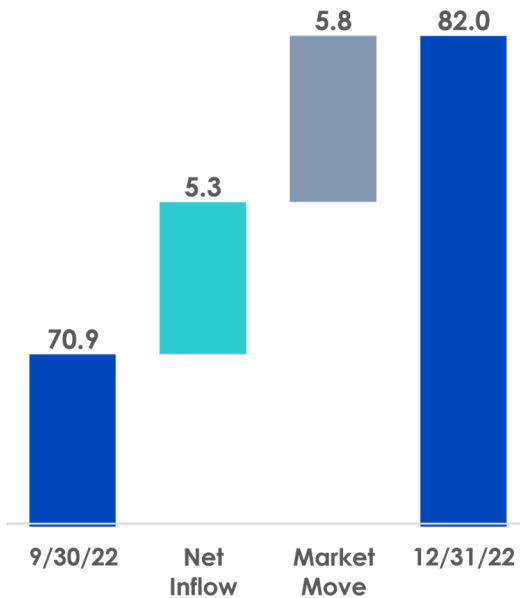
Q&A

Appendix

AUM and Net Inflows

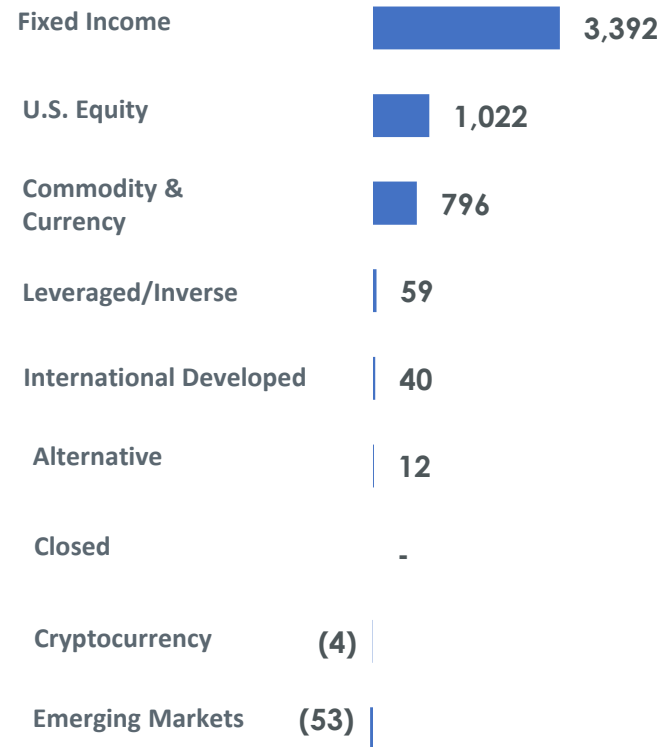
Quarterly ETF AUM Change

(\$ billions)



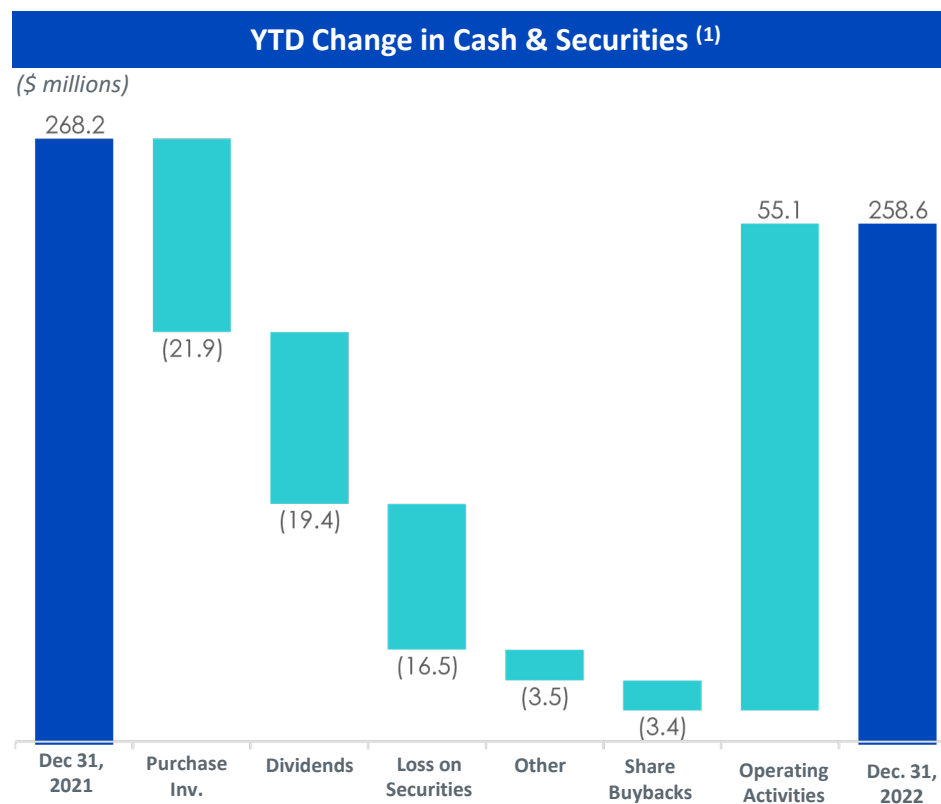
Q4/22 Net Flows by Category

(\$ millions)



Balance Sheet

Balance Sheet		
(\$ millions)	Dec. 31, 2022	Dec. 31, 2021
Assets		
Cash and financial instruments ⁽¹⁾	\$258.6	\$268.2
Investments	35.7	14.2
Accounts receivable	30.5	32.1
Deferred tax asset, net	10.5	8.9
Fixed assets, net	0.5	0.6
Goodwill and intangibles	689.5	687.1
Other assets	8.5	26.8
Total assets	\$1,033.8	\$1,037.9
Liabilities		
Fund management and administration	\$24.1	\$20.7
Compensation and benefits	36.5	32.8
Accounts payable and other liabilities	9.1	9.3
Income taxes payable	1.6	4.0
Convertible notes	321.2	318.6
Deferred consideration (gold payments)	200.3	228.0
Lease Liabilities	1.4	0.3
Other non-current liabilities	1.4	22.2
Total liabilities	595.6	635.9
Preferred stock	132.6	132.6
Stockholders' equity	305.6	269.4
Total liabilities and stockholders' equity	\$1,033.8	\$1,037.9



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



Convertible Notes - EPS

Incremental shares issuable when conversion spread is positive are included in diluted EPS computation. Q4 2022 computations shown below:

	<u>Issued 2020 \$175M Notes</u>	<u>Issued 2021 \$150M Notes</u>
<u>Conversion Spread</u>		
WETF Avg Price in Qtr	\$5.20	\$5.20
— <u>Conversion Price</u>	<u>\$5.92</u>	<u>\$11.04</u>
Conversion spread:	\$0.00	\$0.00
<u>Potential Shares</u>		
Conversion spread:	\$0.00	\$0.00
× <u>Underlying shares (1):</u>	<u>29,560,811</u>	<u>13,586,957</u>
Subtotal - Dilutive \$:	-	-
÷ <u>WETF Avg Price in Qtr</u>	<u>\$5.20</u>	<u>\$5.20</u>
Dilutive Shares - Current Qtr	<u>-</u>	<u>-</u>

(1) Represents principal divided by conversion price

Consolidated Financial Results

	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenues								
Advisory fees	\$ 70,042	\$ 74,169	\$ 76,400	\$ 77,441	\$ 76,517	\$ 75,586	\$ 70,616	\$ 70,913
Other income	1,214	1,606	1,712	1,734	1,851	1,667	1,798	2,397
Total revenues	71,256	75,775	78,112	79,175	78,368	77,253	72,414	73,310
Expenses								
Compensation and benefits	22,627	20,331	22,027	23,178	24,787	24,565	23,714	24,831
Fund management and administration	13,947	14,367	15,181	15,417	15,494	16,076	16,285	16,906
Marketing and advertising	3,006	3,594	2,925	4,565	4,023	3,894	3,145	4,240
Sales and business development	2,145	2,159	2,935	2,668	2,609	3,131	2,724	3,407
Contractual gold payments	4,270	4,314	4,250	4,262	4,450	4,446	4,105	4,107
Professional and consulting fees	2,013	1,921	1,583	2,099	4,459	4,308	2,367	2,666
Occ., communications and equipment	1,475	1,266	1,163	725	753	1,049	986	1,110
Depreciation and amortization	252	256	185	45	47	53	58	104
Third-party distribution fees	1,343	2,130	1,873	1,830	2,212	1,818	1,833	1,793
Other	1,571	1,752	1,787	1,823	1,845	2,109	2,324	2,427
Total expenses	52,649	52,090	53,909	56,612	60,679	61,449	57,541	61,591
Operating Income								
	18,607	23,685	24,203	22,563	17,689	15,804	14,873	11,719
Interest Expense	(2,296)	(2,567)	(3,729)	(3,740)	(3,732)	(3,733)	(3,734)	(3,736)
Gain/(loss) on deferred consideration	2,832	497	1,737	(3,048)	(17,018)	2,311	77,895	(35,423)
Interest Income	231	225	689	864	794	770	811	945
Impairments	(303)	--	(15,853)	--	--	--	--	--
Other gains/(losses)	(5,893)	49	(714)	(1,368)	(24,707)	(4,474)	(5,289)	(1,815)
Income/(loss) before taxes	13,178	21,889	6,333	15,271	(26,974)	10,678	84,556	(28,310)
Income tax (benefit)/expense	(1,969)	4,259	500	4,084	(16,713)	2,673	3,327	(21)
Net Income/(loss)	\$ 15,147	\$ 17,630	\$ 5,833	\$ 11,187	\$ (10,261)	\$ 8,005	\$ 81,229	\$ (28,289)
As adjusted (non-GAAP)								
Total operating expenses	\$ 52,649	\$ 52,090	\$ 53,909	\$ 56,612	\$ 58,244	\$ 59,425	\$ 57,541	\$ 61,591
Operating income	\$ 18,607	\$ 23,685	\$ 24,203	\$ 22,563	\$ 20,124	\$ 17,828	\$ 14,873	\$ 11,719
Income before income taxes	\$ 15,583	\$ 21,253	\$ 20,991	\$ 19,968	\$ 17,674	\$ 14,498	\$ 12,645	\$ 8,615
Income tax expense	\$ 3,079	\$ 4,458	\$ 4,674	\$ 4,232	\$ 3,888	\$ 3,241	\$ 3,323	\$ 1,588
Net income	\$ 12,504	\$ 16,795	\$ 16,317	\$ 15,736	\$ 14,063	\$ 11,257	\$ 9,322	\$ 7,027
Earnings per share - diluted	\$ 0.08	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.09	\$ 0.07	\$ 0.06	\$ 0.04

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 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 obligations 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.
 - *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. In the third quarter of 2021, we began excluding these items when calculating our non-GAAP financial measurements as these securities have become a more meaningful percentage of total assets and 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 calculating our non-GAAP financial measurements as they introduce volatility in earnings and are not core to our operating business.
 - *Other items:* Unrealized gains and losses recognized on our investments, changes in the deferred tax asset valuation allowance and expenses incurred in response to an activist campaign are excluded when calculating our non-GAAP financial measurements.
- *Adjusted effective income tax rate.* We disclose our adjusted effective income tax rate as a non-GAAP financial measurement in order to report our effective income tax rate exclusive of items that are non-recurring or not core to our operating business. We believe reporting our adjusted effective income tax rate provides investors with a consistent way to analyze our income taxes. Our adjusted effective income tax rate is calculated by dividing adjusted income tax expense by adjusted income before income taxes. See above for information regarding the items that are excluded.
- *Gross margin and gross margin percentage.* We disclose our gross margin and gross margin percentage as non-GAAP financial measurements because we believe they provide investors with a consistent way to analyze the amount we retain after paying third-party service providers to operate our ETPs. These measures also assist us in analyzing the profitability of our products. We define gross margin as total 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 2022	Sept. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021
Adjusted net income and diluted earnings per share:					
Net income/(loss), as reported	\$ (28,289)	\$ 81,229	\$ 8,005	\$ (10,261)	\$ 11,187
Add back/(Deduct): Loss/(gain) on revaluation of deferred consideration	35,423	(77,895)	(2,311)	17,018	3,048
Add back: Losses on financial instruments owned, net of income taxes	669	4,778	3,165	3,893	1,501
Add back: Increase in deferred tax asset valuation allowance on financial instruments owned	364	1,454	901	2,010	--
Deduct: Decrease in deferred tax asset valuation allowance on net operating losses of a European subsidiary	(1,609)	--	--	--	--
Add back/(deduct): Unrealized loss/(gain) recognized on our investments, net of income taxes	469	(248)	(55)	124	--
Add back/(deduct): Tax shortfalls/(windfalls) upon vesting and	--	4	20	(565)	--
Add back: Expenses incurred in response to the activist campaign, net of income taxes	--	--	1,532	1,844	--
Adjusted net income	<u>\$ 7,027</u>	<u>\$ 9,322</u>	<u>\$ 11,257</u>	<u>\$ 14,063</u>	<u>\$ 15,736</u>
Weighted average common share - diluted	<u>158,953</u>	<u>158,953</u>	<u>158,976</u>	<u>158,335</u>	<u>159,826</u>
Adjusted earnings per share - diluted	<u>\$0.04</u>	<u>\$0.06</u>	<u>\$0.07</u>	<u>\$0.09</u>	<u>\$0.10</u>

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2022	Sept. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021
Gross Margin and Gross Margin Percentage					
Operating Revenues	\$ 73,310	\$ 72,414	\$ 77,253	\$ 78,368	\$ 79,175
Deduct: Fund management and administration	(16,906)	(16,285)	(16,076)	(15,494)	(15,417)
Gross margin	<u>\$ 56,404</u>	<u>\$ 56,129</u>	<u>\$ 61,177</u>	<u>\$ 62,874</u>	<u>\$ 63,758</u>
Gross margin percentage	<u>76.9%</u>	<u>77.5%</u>	<u>79.2%</u>	<u>80.2%</u>	<u>80.5%</u>

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2022	Sept. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021
Adjusted Operating Income and Operating Income Margin					
Operating Revenues	<u>\$ 73,310</u>	<u>\$ 72,414</u>	<u>\$ 77,253</u>	<u>\$ 78,368</u>	<u>\$ 79,175</u>
Operating income	\$ 11,719	\$ 14,873	\$ 15,804	\$ 17,689	\$ 22,563
Add back: Expenses incurred in response to the activist campaign	-	-	2,024	2,435	--
Adjusted operating income	<u>\$ 11,719</u>	<u>\$ 14,873</u>	<u>\$ 17,828</u>	<u>\$ 20,124</u>	<u>\$ 22,563</u>
Adjusted operating income margin	<u>16.0%</u>	<u>20.5%</u>	<u>23.1%</u>	<u>25.7%</u>	<u>28.5%</u>

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2022	Sept. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021
Adjusted Total Operating Expenses					
Total operating expenses	\$ 61,591	\$ 57,541	\$ 61,449	\$ 60,679	\$ 56,612
Deduct: Expenses incurred in response to the activist campaign	-	-	(2,024)	(2,435)	--
Adjusted operating expenses	<u>\$ 61,591</u>	<u>\$ 57,541</u>	<u>\$ 59,425</u>	<u>\$ 58,244</u>	<u>\$ 56,612</u>

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2022	Sept. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021
Adjusted Effective Income Tax Rate					
(Loss)/income before income taxes	\$ (28,310)	\$ 84,556	\$ 10,678	\$ (26,974)	\$ 15,271
Add back/(deduct): Loss/(gain) on revaluation of deferred consideration	35,423	(77,895)	(2,311)	17,018	3,048
Add back: Losses on financial instruments owned	883	6,311	4,180	5,142	1,649
Add back: Expenses incurred in response to the activist campaign	--	--	2,024	2,435	--
Add back/(deduct): Unrealized loss/(gain) recognized on investments	619	(327)	(73)	163	--
Add back: Loss recognized upon reduction of tax-related indemnification asset	--	--	--	19,890	--
Adjusted income before income taxes	<u>\$ 8,615</u>	<u>\$ 12,645</u>	<u>\$ 14,498</u>	<u>\$ 17,674</u>	<u>\$ 19,968</u>
Income tax (benefit)/expense	\$ (21)	\$ 3,327	\$ 2,673	\$ (16,713)	\$ 4,084
Add back: Tax benefit arising from losses on financial instruments owned	214	1,533	1,015	1,249	148
Add back: Decrease in deferred tax asset valuation allowance on net operating losses of a European subsidiary	1,609	--	--	--	--
Deduct: Increase in deferred tax asset valuation allowance on financial instruments owned	(364)	(1,454)	(901)	(2,010)	--
Add back: Tax benefit arising from expenses incurred in response to the activist campaign	--	--	492	591	--
Add back/(deduct): Tax (benefit)/expense on unrealized losses and gains on investments	150	(79)	(18)	39	--
(Deduct)/Add back: Tax (shortfalls)/windfalls upon vesting and exercise of stock-based compensation awards	--	(4)	(20)	565	--
Add back: Tax benefit arising from reduction of a tax-related indemnification asset	--	--	--	19,890	--
Adjusted income tax expense	<u>\$ 1,588</u>	<u>\$ 3,323</u>	<u>\$ 3,241</u>	<u>\$ 3,611</u>	<u>\$ 4,232</u>
Adjusted effective income tax rate	<u>18.4%</u>	<u>26.3%</u>	<u>22.4%</u>	<u>20.4%</u>	<u>21.2%</u>



Reconciliation of US GAAP to Non-GAAP results

Three Months ended December 31, 2022

	US GAAP	Loss on Deferred Consideration	Loss on Fin. Instruments	Deferred Tax Val. Allowance	Loss on Investments	Non-GAAP
Revenues						
Advisory fees	\$ 70,913	\$ -	\$ -	\$ -	\$ -	\$ 70,913
Other income	2,397	-	-	-	-	2,397
Total revenues	<u>73,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,310</u>
Expenses						
Compensation and benefits	24,831	-	-	-	-	24,831
Fund mgmt. & admin.	16,906	-	-	-	-	16,906
Marketing and advertising	4,240	-	-	-	-	4,240
Sales and business development	3,407	-	-	-	-	3,407
Contractual gold payments	4,107	-	-	-	-	4,107
Professional and consulting fees	2,666	-	-	-	-	2,666
Occ., commun. and equip.	1,110	-	-	-	-	1,110
Depr. and amort.	104	-	-	-	-	104
Third-party distribution fees	1,793	-	-	-	-	1,793
Other	2,427	-	-	-	-	2,427
Total expenses	<u>61,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,591</u>
Operating Income	11,719	-	-	-	-	11,719
Interest Expense	(3,736)	-	-	-	-	(3,736)
(Loss)/gain on of def. consideration	(35,423)	35,423	-	-	-	--
Interest Income	945	-	-	-	-	945
Other gains/(losses)	<u>(1,815)</u>	<u>-</u>	<u>883</u>	<u>-</u>	<u>619</u>	<u>(313)</u>
Income before taxes	<u>(28,310)</u>	<u>35,423</u>	<u>883</u>	<u>-</u>	<u>619</u>	<u>8,615</u>
Income tax expense	(21)	-	214	1,245	150	1,588
Net income	<u>\$ (28,289)</u>	<u>\$ 35,423</u>	<u>\$ 669</u>	<u>\$ (1,245)</u>	<u>\$ 469</u>	<u>\$ 7,027</u>



WISDOMTREE®

