

MarketWise

MarketWise (MKTW)
Investor Presentation
January 2025



MarketWise **Important information**

Cautionary Statement Regarding Forward-Looking Statements:

This presentation contains forward-looking statements about MarketWise's financial position, business strategy, and objectives for future operations. These forward-looking statements are generally identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions, but the absence of these words does not mean that a statement is not forward-looking. These statements are based on current expectations and assumptions. But the future is uncertain. Myriad factors beyond our control could cause our results to differ from our expectations. We detail these risks and uncertainties in the "Risk Factors" section of our quarterly (10-Q) and annual (10-K) reports. You should consider these risks before investing.

Non-GAAP Financial Measures:

This presentation uses several financial measures that are not recognized as Generally Accepted Accounting Principles (GAAP), including Adjusted CFFO, Adjusted Free Cash Flow, Adjusted CFFO Conversion, and Adjusted Free Cash Flow Margin. The Company defines Adjusted CFFO as net cash provided by operating activities plus profits distributions to Class B unitholders included in stock-based compensation, plus or minus any non-recurring items. The Company defines Adjusted Free Cash Flow as Adjusted CFFO minus capital expenditures. The Company defines Adjusted CFFO Conversion as Adjusted Free Cash Flow divided by Adjusted CFFO. The Company defines Adjusted Free Cash Flow Margin as Adjusted Free Cash Flow divided by Billings (i.e., amounts invoiced to customers).

These financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies.

MarketWise uses these non-GAAP measures to evaluate ongoing operations and to forecast future performance. This non-GAAP financial information is presented for supplemental informational purposes only and is not a substitute for GAAP measures. However, we believe that when taken together with traditional GAAP metrics these non-GAAP figures give investors a more complete picture of our business. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. We reconcile these non-GAAP figures with the corresponding GAAP measures in the appendix to this presentation.

MarketWise

About MarketWise

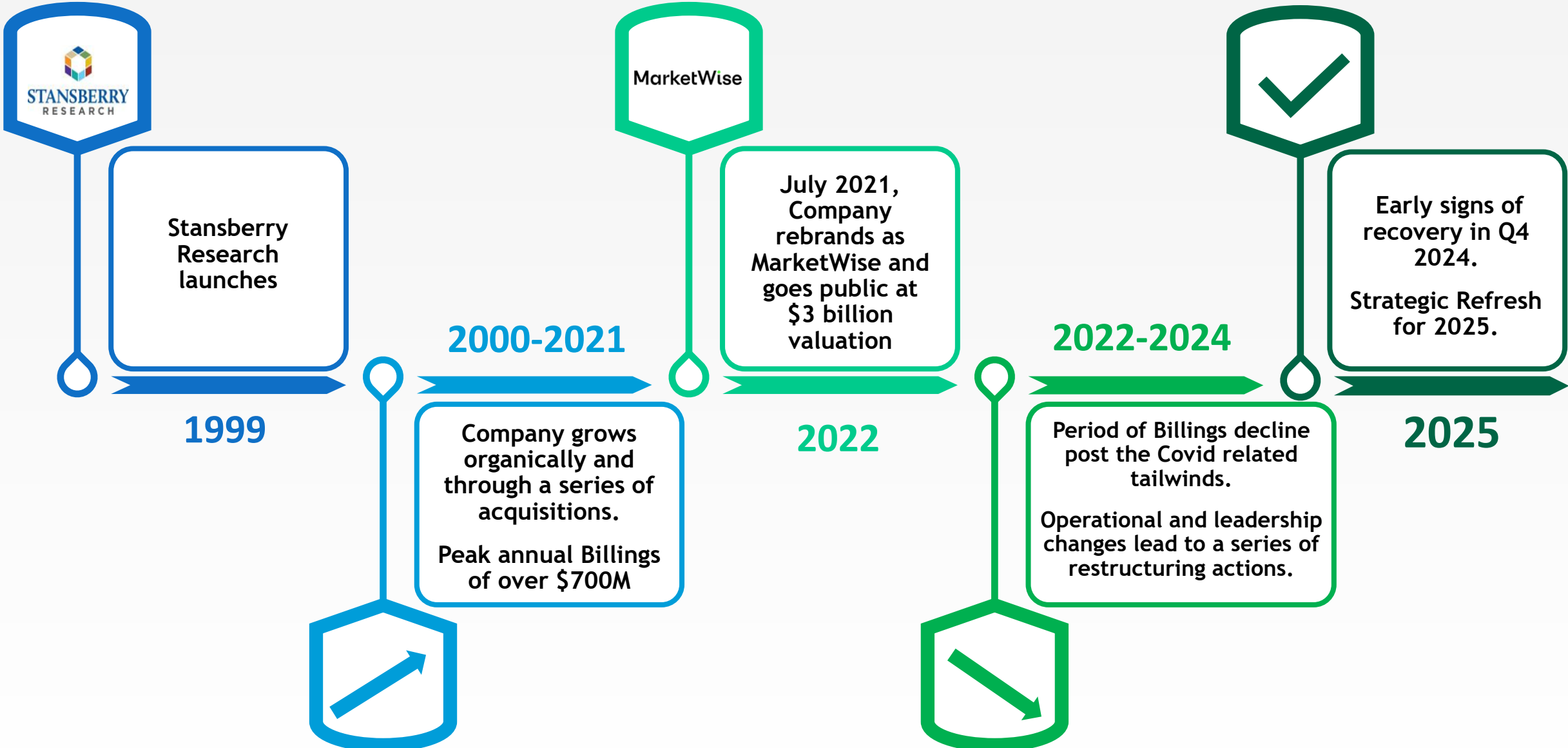
- **Founded with a mission to level the playing field for self-directed investors**
- **MarketWise is a leading multi-brand subscription services platform providing premium financial research, software, education, and tools for investors.**
- **We serve a community of millions of free and paid subscribers.**
- **Our products are a trusted source for high-value financial research, education, actionable investment ideas, and investment software.**
- **100% digital, direct-to-customer company offering its research across a variety of platforms including mobile, desktops, and tablets.**
- **Our vision is to become the leading financial solutions platform for self-directed investors.**

MarketWise Our Core Principles

- **MarketWise was founded in 1999 with three core principles:**
 - **To deliver great investing ideas to investors**
 - **To present these ideas in a manner that can be easily understood**
 - **To treat our subscribers the way we would want to be treated if roles were reversed**

- **These core principles are still in place today and have allowed us to:**
 - **Become a leading multi-brand subscription services platform serving millions of self-directed investors**
 - **Provide a comprehensive suite of research, software and analytical tools**
 - **Develop long-term relationships with our subscribers**
 - **Generate a stable base of recurring revenues**

MarketWise Company Timeline



MarketWise Investment Thesis

1. Massive Market Opportunity

- Large and growing market
- Strong secular tailwinds with overall democratization of investing

2. Robust Ecosystem with Diversified Product Set

- 3.8M active platform members¹
- Installed base of over 500K paid subscribers
- 12 market facing brands with over 100 curated investment products (research & software tools)

3. Asset-lite Business Model

- Minimal capex
- Ability to scale quickly to maximize ROI
- Durable cash flows (Adj CFFO of approx. \$100M from 2022 through 3Q 2024)²

4. Meaningful Scale with Strong Balance Sheet

- Annualized Q4 2024 customer Billings of \$222M³
- Approx. \$98M in cash as of December 31, 2024⁴
- No Debt Outstanding

5. Compelling Capital Allocation Strategy

- Potential for opportunistic and accretive M&A
- Track record of returning capital through dividends

1. Includes active free (free subscribers with whom we've engaged over the past quarter) and Paid Subscribers

2. Adjusted CFFO is calculated as net cash provided by operating activities plus or minus any non-recurring items (see appendix for reconciliation to the nearest GAAP measure)

3. Billings represents amounts invoiced to customers. \$222M represents the annualization of our estimated and unaudited 4Q'24 Billings of \$55.4M

4. Estimated and unaudited

MarketWise **Key Drivers** Of Our Success



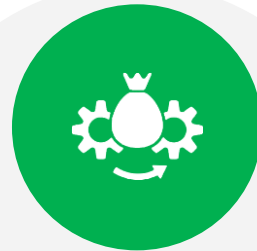
POWERFUL CONTENT PLATFORM

- Compelling content fosters relationships between readers and editors, creates customer loyalty and brand goodwill
- Insightful and engaging content drives conversion of users from free to paid subscribers
- Over 50% of '24 Billings came from subscribers who've been with us for 4+ years



CUSTOMER FOCUS

- Emphasis on developing long-term relationship with the subscriber
- Typical paid subscriber journey includes multiple subscription purchases



SCALABLE MODEL

- Industry-leading ROI on new customer acquisition
- Upsell to higher ARPU products with almost all of the upsell revenues falling to the bottom line
- Focus on proven formula to launch & scale new products in a low-risk capital way



DATA / TECHNOLOGY

- Real-time campaign feedback
- Rapid scalability

MarketWise Premium Subscription Content, Software & Tools

ACTIONABLE IDEAS

SOFTWARE & TOOLS

— Fry's —
Investment Report

The Bigger the Lie
the
Opp

"Prices are liars," one well me. He was right.

Prices can't seem to help t That's why it pays for an i distrust and skepticism.

Sometimes prices tell littl as incredible and outlandi

At the peak of a bull mark the eyes and try to make y market values" that accur

But in the depths of a bea type of fiction. They lead y are accurate indications o investment potential.

Lies... All of them.

Simply stated, deceptions here's the good news: The compelling investment op

Consider a couple of recer telling us that the prospec were lackluster, at best.

They were priced for a w silver prices – many of th

Here's What You Blockchain Dece

Dear reader,

Welcome to our new subscribers. Be day early.

If you haven't already, I recommenc look at our special reports and Mast learning more about reputable exc

This week, I'm covering **Cosmos'** (A announcements. And I'm looking at

This week, I'm also explaining why specifically the seemingly infinite v looking for one easy way to do ever that in mind, I'm also looking at wh are faster and cheaper to use than "

Finally, I'm following up on a story

In This Issue
CRYPTO CAPITAL
Update

CHAIKIN ANALYTICS

PowerGauge REPORT

This Stock Will Soon Be Rated a "BUY" at Every Bank on Wall Street

At Chaikin Analytics, we believe in a "Top-Down Approach" to investing. Why? It allows investors to harness the strength of the overall market, manage investment risks, and minimize bias and emotional decisions. The recent explosion of ETFs, whereby investors can invest solely in a commodity or sector, into a \$2.2 trillion business can attest to the popularity of this approach.

Top-down investing starts with a "big picture" mindset. This macro starting point allows investors to make decisions based on overall trends in the market. It begins with looking at the market as a whole, then sectors and subsectors, and, lastly, drilling down to find the best stocks in those sectors.

Especially compared to its counterpart, "Bottom-Up Investing," a type of value investing that involves scrutinizing balance sheets and individual aspects of a company, "Top-Down Investing" is a more manageable approach for individual investors and can help buffer against risk.

Successful investing starts with understanding the trend of the market: bullish or bearish. It's often better to invest with the direction of the market, rather than against it, because the overall market trend can greatly impact the movement of individual stocks.

Think of the phrase "a rising tide lifts all boats:" in terms of investing, this means using the same bullish or bearish direction of the market for your own investments, using the "rising tide" of the market to lift your investment "boats."

Now that you've determined which direction the market is headed, start

ABOUT THE EDITOR:

Marc Chaikin

After 40 years on Wall Street as a trader, stock broker, analyst and head of the options department for a major brokerage firm, Marc founded Chaikin Analytics LLC to deliver proven stock analytics to investors and traders, based on the Chaikin Power Gauge, a 20-factor alpha model proven effective at identifying a stock's potential. Chaikin developed computerized stock selection models and technical indicators that have become industry standards (including Chaikin Money Flow) and pioneered the first real-time analytics workstation for portfolio managers and stock traders.

Chaikin Investments has collaborated with Nasdaq and IndexIQ to bring the Chaikin Power Gauge stock rating approach to the ETF marketplace for the first time. Marc and the Chaikin Analytics team rang the NASDAQ Opening Bell on April 30, 2018 to celebrate the one-year anniversary of this very successful launch.

TRADESMITH™



THE ALTIMETER

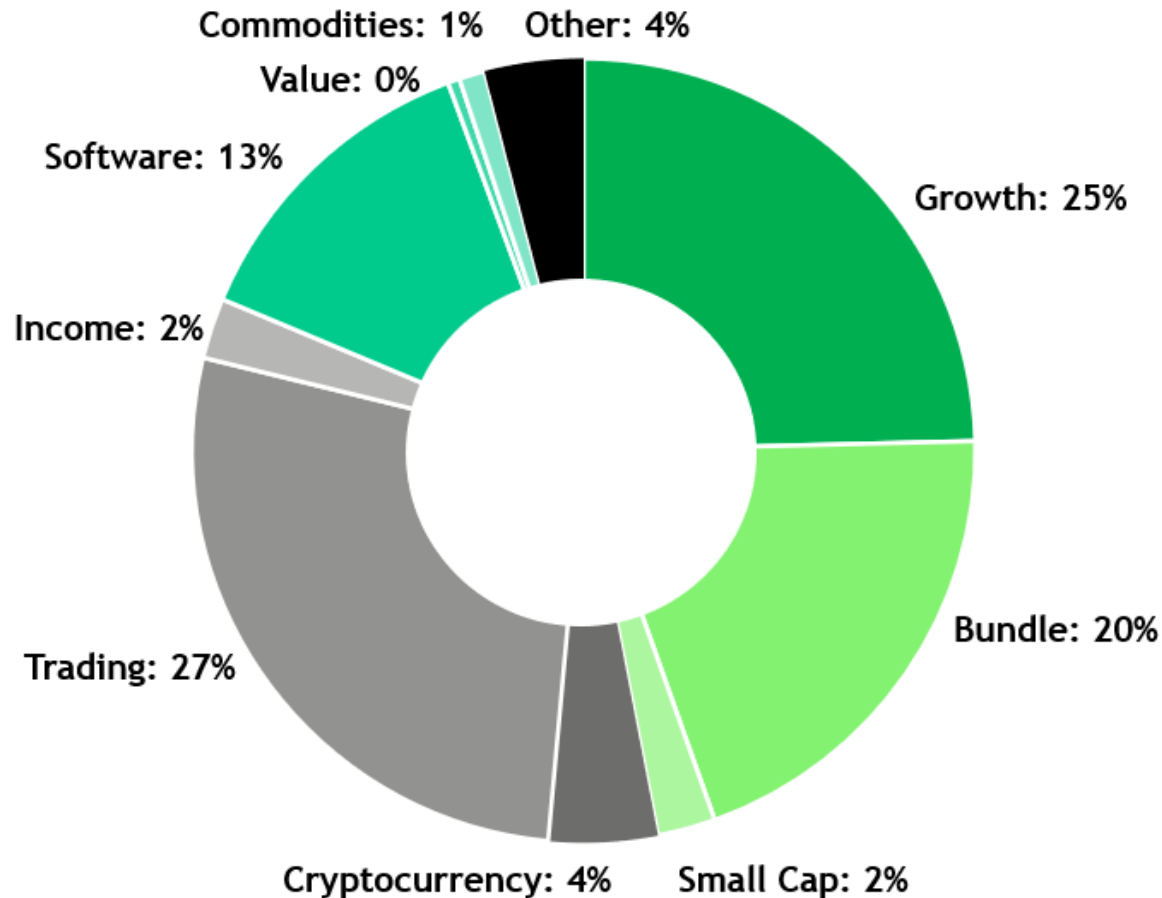


CHAIKIN ANALYTICS™



MarketWise Diverse Research Portfolio Across Different Asset Classes

DIVERSE RESEARCH PRODUCTS (% OF BILLINGS - 2024)



- **140+ product offerings at 12/31/24**
- **Provides a portfolio of investing ideas for self-directed investors**
- **Breadth of ideas provides relevant content in most market conditions**

MarketWise Provides Diverse, Actionable & Affordable Content

	SOCIAL MEDIA COMMUNITIES	ONLINE TOOLS	ONLINE BROKERS	ONLINE NEWSLETTERS	GENERAL FINANCIAL PUBLICATIONS	SPECIALTY FINANCIAL RESEARCH	INSTITUTIONAL INFO SERVICES	INSTITUTIONAL RESEARCH	MarketWise
ACTIONABLE CONTENT									
DATA & INFO									
DIVERSIFIED PRODUCT OFFERING									
FULL RANGE OF PRICES									

MarketWise Subscriber Composition

	# OF SUBSCRIBERS ¹	CUMULATIVE LIFETIME SPEND ¹	SELECTED EXAMPLES
Active Free General market commentary, current events - Insightful and educational	3.3M		<ul style="list-style-type: none"> • Stansberry Digest • Whitney Tilson's Daily • Hypergrowth Investing
Paid Mega Cap equities and basic investment strategies	224K ²	<\$600	<ul style="list-style-type: none"> • Fry's Investment Report - \$249 • Retirement Millionaire - \$199
High Value More advanced investing strategies - Value Investing, Microcaps, Real Estate, Options, Trading, Cryptocurrencies	156K ²	\$600-\$5,000	<ul style="list-style-type: none"> • Crypto Capital - \$5,000 • Chaikin Power Gauge Investor - \$5,000
Ultra High Value Product bundles	126K ²	>\$5,000	<ul style="list-style-type: none"> • Alliance - \$34,000 one-time + \$499 annually • Total Portfolio - \$15,000 one-time + \$499 annually

1. As of December 31, 2024

2. Number of subscribers indicated correspond with the cumulative lifetime spend to the right (e.g., 224K of the 506K total paid subscribers have less than \$600 of cumulative lifetime spend)

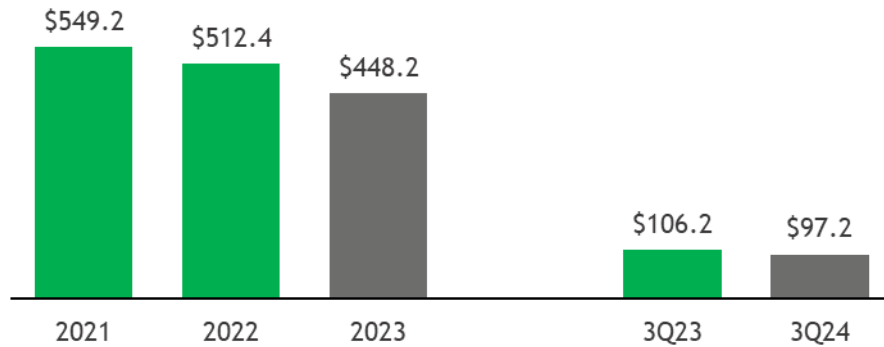
MarketWise

Financial Summary and Capital Structure

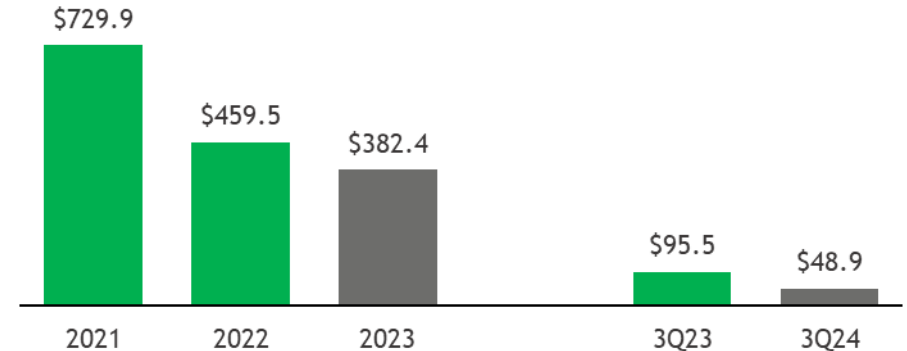


MarketWise Financial Summary (3Q24)

REVENUE (\$ IN MILLIONS)¹

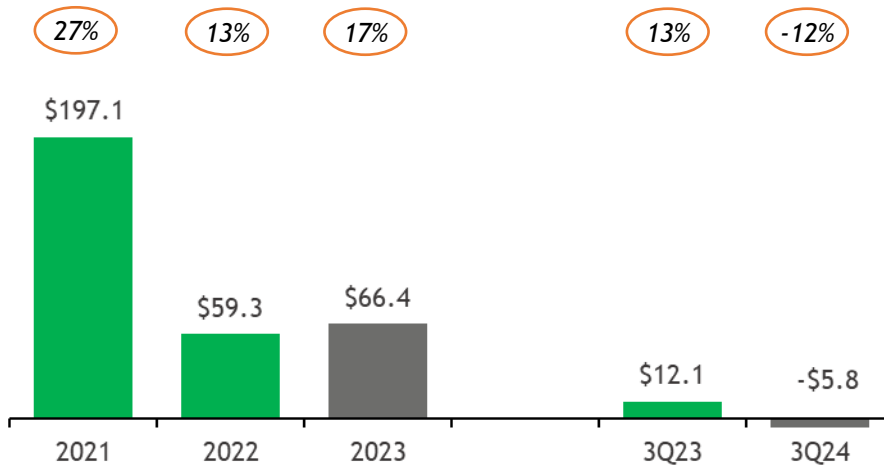


BILLINGS (\$ IN MILLIONS)^{1,2}



ADJUSTED CFFO (\$ IN MILLIONS)^{1,3}

Margin



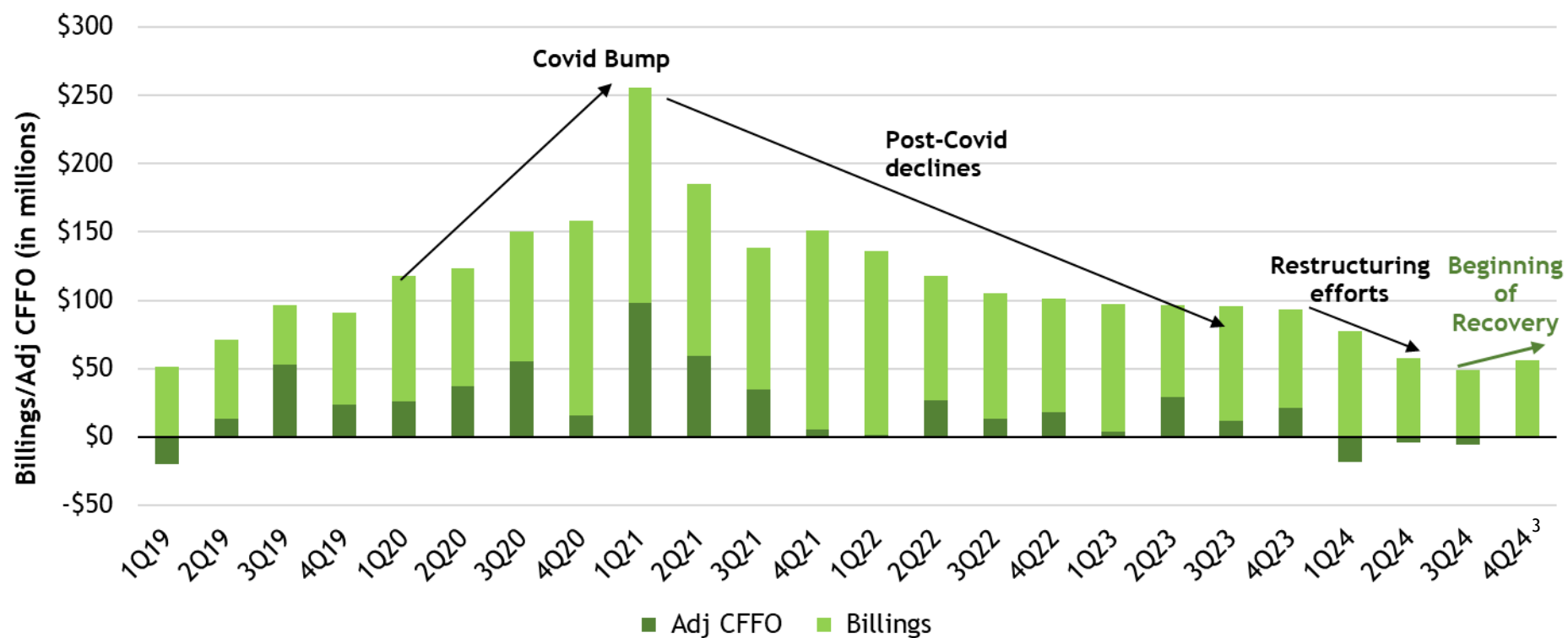
- Estimated and unaudited Q4 2024 Billings were approximately \$55m, more than a 10% sequential increase
- Significant difference between Revenue and Billings due to amortization of cash receipts
- Billings decline and restructuring costs led to reduction in CFFO

1. Quarterly numbers are unaudited

2. Billings represents amounts invoiced to customers

3. Adjusted CFFO = net cash provided by operating activities plus profits distributions to Class B unitholders included in stock-based compensation expense plus or minus any non-recurring items. Adjusted CFFO Margin = Adjusted CFFO/ Billings.

MarketWise Recovery in Billings Expected to Result in Higher Adj CFFO¹



- **While Billings have been in decline, cash generation has remained resilient**
- **Negative cash flow in 2024 largely due to reorganization and restructuring efforts (headcount declined by 145 or 25% year over year)**
- **Some seasonality in Adjusted CFFO due to timing of compensation and royalty payments**

1. Adjusted CFFO is calculated as net cash provided by operating activities plus or minus any non-recurring items

2. Billings represents amounts invoiced to customers

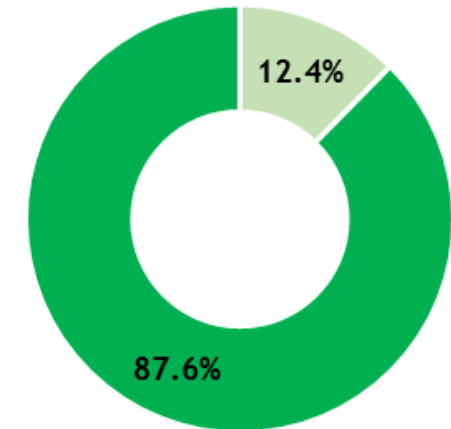
3. 4Q24 Billings are estimated and unaudited

MarketWise Capital Structure

As of December 31, 2024

TYPE	SHARES	OWNERSHIP
Class A Shareholders	39,562,797	12.4%
Class B Unitholders	279,890,147	87.6%
Total	319,452,944¹	100.0%
Share Price as of Dec. 31, 2024	\$0.57	
Market Cap as of Dec. 31, 2024	\$182.1M	

Current Ownership



■ Class A Shareholders ■ Class B Unitholders

1. Excludes 24M unvested RSUs that vest over time

MarketWise

Appendix



MarketWise Our Customer-Facing Brands



MarketWise Income Statement (3Q24)

(\$ in 000's)	3Q23	3Q24 ¹	% Variance
Total Revenue	106,150	97,186	-8%
Operating Expenses			
Cost of Revenue	13,812	12,902	-7%
Sales and Marketing	52,466	36,644	-30%
General and Administrative	25,005	22,480	-10%
Research and Development	2,085	2,614	25%
Depreciation and Amortization	1,001	635	-37%
Impairment of Intangible Assets	584	-	N/M
Related Party Expenses	155	9	-94%
Total Operating Expenses	95,108	75,284	-21%
Income (Loss) from Operations	11,042	21,902	98%
Other Income (Expense), net	182	632	247%
Interest Income (Expense), net	1,511	1,185	-22%
Net Income (Loss) Before Income Taxes	12,735	23,719	86%
Income Tax Expense/(Benefit)	691	973	41%
Net Income (Loss)	12,044	22,746	89%

(\$ in 000's)	3Q23	3Q24 ¹	% Variance
Stock-Based Compensation Expense			
2021 Incentive Award Plan stock-based compensation expense	2,848	3,124	10%
Employee Stock Purchase Plan	84	36	-57%
Profits interests	643	44	-93%
Total Stock-Based Compensation Expense	3,575	3,204	-10%
Stock-Based Compensation Line Item Summary			
Cost of Revenue	688	889	29%
Sales and Marketing	711	880	24%
General and Administrative	2,176	1,435	-34%
Total Stock-Based Compensation Expense	3,575	3,204	-10%

	3Q23	3Q24
Total Revenue	100%	100%
Operating Expenses		
Cost of Revenue	13%	13%
Sales and Marketing	49%	38%
General and Administrative	24%	23%
Research and Development	2%	3%
Depreciation and Amortization	1%	1%
Impairment of Intangible Assets	1%	0%
Related Party Expenses	0%	0%
Total Operating Expenses	90%	77%
Income (Loss) from Operations	10%	23%
Other Income (Expense), net	0%	1%
Interest Income (Expense), net	1%	1%
Net Income (Loss) Before Income Taxes	12%	24%
Income Tax Expense	1%	1%
Net Income (Loss)	11%	23%

	3Q23	3Q24
Stock-Based Compensation Line Item Summary		
Cost of Revenue	1%	1%
Sales and Marketing	1%	1%
General and Administrative	2%	1%
Total Stock-Based Compensation Expense	3%	3%

(\$ in 000's)	Dec 31, 2023	Sep 30, 2024 ¹
Assets		
Current Assets		
Cash and Cash Equivalents	155,174	94,111
Accounts Receivable	4,528	2,224
Prepaid Expenses	9,305	8,993
Related Party Receivables	5,182	930
Deferred Contract Acquisition Costs	91,480	64,757
Other Current Assets	2,172	1,480
Total Current Assets	267,841	172,495
Property and Equipment, Net	690	567
Operating Lease Right-of-Use Assets	7,331	5,801
Intangible Assets, Net	6,255	7,687
Goodwill	31,038	33,560
Deferred Contract Acquisition Costs, Noncurrent	73,420	49,746
Deferred Tax Assets	9,693	8,469
Other Assets	287	26
Total Assets	396,555	278,351

(\$ in 000's)	Dec 31, 2023	Sep 30, 2024 ¹
Liabilities and Stockholders' Deficit		
Current Liabilities		
Trade and Other Payables	559	2,326
Related Party Payables	1,137	1,133
Accrued Expenses	55,041	22,370
Deferred Revenue and Other Contract Liabilities	287,751	229,735
Operating Lease Liabilities	1,446	1,639
Other Current Liabilities	27,959	26,769
Total Current Liabilities	373,893	283,972
Long-Term Liabilities - Related Party	-	316
Deferred Revenue and Other Contract Liabilities, Noncurrent	304,342	233,096
Related Party Tax Receivable Agreement Liability, Noncurrent	2,151	2,669
Other Liabilities, Noncurrent	746	2,313
Operating Lease Liabilities, Noncurrent	4,366	3,100
Total Liabilities	685,498	525,466
Stockholders' Deficit		
Common Stock - Class A	4	4
Common Stock - Class B	29	28
Preferred Stock	-	-
Additional Paid-In Capital	115,164	101,857
Accumulated Other Comprehensive Income	65	56
Accumulated Deficit	(126,343)	(121,422)
Total Stockholders' Deficit Attributable to MarketWise, Inc.	(11,081)	(19,477)
Noncontrolling Interest	(277,862)	(227,638)
Total Stockholders' Deficit	(288,943)	(247,115)
Total Liabilities and Stockholders' Deficit	396,555	278,351