

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 10, 2023

MarketWise, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39405
(Commission File Number)

87-1767914
(I.R.S. Employer Identification No.)

Baltimore,

1125 N. Charles St.
Maryland
(Address of principal executive offices, including zip code)

21201

(888) 261-2693
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 par value per share	MKTW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 10, 2023, MarketWise, Inc. (the “Company”) issued a press release announcing its financial results for the second quarter ended June 30, 2023. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is herein incorporated by reference.

The foregoing information (including Exhibit 99.1) is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD Disclosure.

On August 10, 2023, the Company made available on its website an earnings presentation with respect to its financial results for the second quarter ended June 30, 2023. A copy of the presentation is attached hereto as Exhibit 99.2 and incorporated herein by reference.

The information in Item 7.01 to this Current Report on Form 8-K, including Exhibit 99.2, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	MarketWise, Inc. press release, dated August 10, 2023
99.2	MarketWise, Inc. Earnings Supplement, dated August 10, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MarketWise, Inc.

Date: August 10, 2023

By: /s/ Stephen Park
Name: Stephen Park
Title: Interim Chief Financial Officer

MarketWise Reports Financial Results for Second Quarter 2023

~ Total Subscribers of 16.7 Million, Including 750 Thousand Paid Subscribers ~

~ Revenues of \$103.6 Million ~

~ Billings of \$96.2 Million ~

~ Net Income of \$9.7 Million ~

~ CFFO and Adjusted CFFO of \$29.0 Million ~

BALTIMORE, MD -- (GLOBE NEWSWIRE)—MarketWise, Inc. (NASDAQ: MKTW) (“MarketWise” or the “Company”), a leading multi-brand digital subscription services platform that provides premium financial research, software, education, and tools for self-directed investors, today reported financial results for second quarter 2023.

Second Quarter 2023 Key Performance Highlights

<i>(Unaudited)</i>	2Q 2023	2Q 2022	% Change	YTD 2Q 2023	YTD 2Q 2022	YTD % Change
Total Subscribers (in thousands)	16,699	15,871	5.2 %			
Paid Subscribers (in thousands)	750	898	(16.5)%			
Total net revenue (in millions)	\$ 103.6	\$ 128.0	(19.1)%	\$ 229.9	\$ 264.8	(13.2)%
Billings (in millions)	\$ 96.2	\$ 117.5	(18.1)%	\$ 193.3	\$ 253.5	(23.7)%
ARPU	\$ 490	\$ 580	(15.5)%			
Net income (in millions)	\$ 9.7	\$ 34.0	(71.5)%	\$ 40.3	\$ 57.1	(29.4)%
CFFO (in millions)	\$ 29.0	\$ 26.8	8.2 %	\$ 32.8	\$ 27.9	17.6 %
Adjusted CFFO (in millions)	\$ 29.0	\$ 26.8	8.2 %	\$ 32.8	\$ 27.9	17.6 %

Second Quarter 2023 Highlights⁽¹⁾

- Total net revenue was \$103.6 million in second quarter 2023 compared to \$128.0 million in second quarter 2022
- Total Billings was \$96.2 million in second quarter 2023 compared to \$117.5 million in second quarter 2022
- Net income was \$9.7 million in second quarter 2023 compared to \$34.0 million in second quarter 2022
- Cash flow from operations (“CFFO”) was \$29.0 million in second quarter 2023 compared to \$26.8 million in second quarter 2022
- Adjusted CFFO, a non-GAAP measure, was \$29.0 million in second quarter 2023 compared to \$26.8 million in second quarter 2022
- CFFO margin was 28.0% in second quarter 2023 compared to 20.9% in second quarter 2022
- Adjusted CFFO margin, a non-GAAP measure, was 30.1% in second quarter 2023 compared to 22.8% in second quarter 2022

- Deferred revenue was \$628.4 million as of June 30, 2023 compared to \$701.1 million as of June 30, 2022
- Paid Subscribers were 750 thousand as of June 30, 2023 compared to 898 thousand as of June 30, 2022
- Free Subscribers were 15.9 million as of June 30, 2023 compared to 15.0 million as of June 30, 2022. Active Free Subscribers were 3.9 million as of June 30, 2023 compared to 4.3 million as of June 30, 2022

(1) See "Key Business Metrics and Non-GAAP Financial Measures" below. For a reconciliation of Adjusted CFO and Adjusted CFO margin, see "Non-GAAP Measures" below.

Amber Lee Mason, Chief Executive Officer of MarketWise, commented, "We have seen recent signs of stabilization in many of our operating metrics. Subscriber engagement and conversion rates are beginning to improve. However, market volatility and economic uncertainty continued to affect our business throughout the quarter."

Ms. Mason continued, "Our publishers and editors are bringing new product to market, focused on artificial intelligence, global-macro themes, and their impact on the future of financial markets. Our disciplined approach to overhead and direct marketing expense has positioned us to capitalize on new opportunities and grow our community as self-direct investors return the market."

Second Quarter 2023 Financial & Operational Results

Net revenue decreased by \$24.4 million, or 19.0%, to \$103.6 million in second quarter 2023 compared to \$128.0 million in second quarter 2022. The decrease in net revenue was primarily driven by a \$15.6 million decrease in term subscription revenue and a \$8.4 million decrease in membership subscription revenue.

Term subscription revenue decreased during the three months ended June 30, 2023 primarily due to lower Billings as compared to the 2022 period, which was driven by reduced engagement of prospective and existing subscribers in the 2022 period. Membership subscription revenue, which is initially deferred and recognized over a five-year period, decreased during the three months ended June 30, 2023 as a result of lower volume of membership subscriptions in current and prior years.

Billings decreased by \$21.3 million, or 18.2%, to \$96.2 million for the quarter ended June 30, 2023 as compared to \$117.5 million for the quarter ended June 30, 2022. We believe the decrease is due in large part to reduced engagement of prospective and existing subscribers. Levels of engagement had plateaued during the second half of 2021 and first half of 2022. The second half of 2022 saw further declines with uncertainty stemming from external factors such as 40-year high inflation, volatility across asset classes, federal reserve tightening, and the war in Ukraine, which we believe further contributed to prospective and existing subscribers delaying their purchases through second quarter 2023.

Billings decreased by \$1.0 million, or 1.0%, to \$96.2 million for second quarter 2023 as compared to \$97.2 million for first quarter 2023. With overall consumer engagement, as measured by landing pages, slightly up versus first quarter 2023, we attribute the decline in Billings to lower overall conversion rates on our various marketing campaigns within the quarter.

Net income decreased by \$24.3 million, or 71.4%, to \$9.7 million for second quarter 2023 as compared to \$34.0 million for second quarter 2022.

CFFO increased by \$2.2 million, or 8.2%, from \$26.8 million in second quarter 2022 to \$29.0 million in second quarter 2023. CFFO for second quarter 2023 improved primarily due to net income of \$9.7 million, adjusted for net

non-cash items which increased cash by \$5.3 million, and net changes in our operating assets and liabilities which increased cash by \$13.9 million

Adjusted CFO increased by \$2.2 million, or 8.2%, from \$26.8 million in second quarter 2022 to \$29.0 million in second quarter 2023, primarily driven by a decrease in operating expenses as a result of cost reduction initiatives.

Total Paid Subscribers decreased by 148 thousand, or 16.4%, to 750 thousand as of June 30, 2023 as compared to 898 thousand at June 30, 2022, driven by softening consumer engagement that began in third quarter 2022 as well as a significant decrease in direct marketing spend as we focus on maintenance of profitability.

Total Paid Subscribers decreased by 27 thousand, or 3.5%, to 750 thousand as of June 30, 2023 as compared to 777 thousand as of March 31, 2023. Gross new subscribers increased 11% compared to first quarter 2023. However, this level of acquisition is still below historical levels and was not able to offset a normalized quarter of subscriber churn.

Free Subscribers increased by 1.0 million, or 6.5%, to 15.9 million at June 30, 2023 compared to 15.0 million at June 30, 2022. As of June 30, 2023, Active Free Subscribers decreased by 0.4 million, or 9.5%, to 3.9 million, compared to 4.3 million as of June 30, 2022. The year over year decline in Active Free Subscribers is a result of decreased engagement with our Free Subscriber community as consumer engagement continues to be soft.

Free Subscribers increased by 0.3 million, or 1.7%, to 15.9 million as of June 30, 2023 as compared to 15.7 million as of March 31, 2023. As of June 30, 2023, Active Free Subscribers decreased by 0.1 million, or 2.9% to 3.9 million, compared to 4.0 million as of March 31, 2023.

Non-GAAP Measures

The following table provides a reconciliation of net cash provided by operating activities to Adjusted CFO, and net cash provided by operating activities margin as a percentage of total net revenue to Adjusted CFO Margin, in each case, the most directly comparable financial measure calculated in accordance with generally accepted accounting principles in the United States ("GAAP"):

(In thousands)	Second Quarter			Year to Date June 30,		
	2023	2022	% Change	2023	2022	% Change
Net cash provided by operating activities	\$ 28,978	\$ 26,794	8.2%	\$ 32,846	\$ 27,862	17.9%
Non-recurring expenses	—	—	NM	—	—	NM
Adjusted CFO	\$ 28,978	\$ 26,794	8.2%	\$ 32,846	\$ 27,862	17.9%
Net cash provided by operating activities	\$ 28,978	\$ 26,794	8.2%	\$ 32,846	\$ 27,862	17.9%
Total net revenue	103,644	128,014	(19.0)%	229,877	264,812	(13.2)%
Net cash provided by operating activities margin	28.0 %	20.9 %		14.3 %	10.5 %	
Adjusted CFO	\$ 28,978	\$ 26,794	8.2%	\$ 32,846	\$ 27,862	17.9%
Billings	96,170	117,507	(18.2)%	193,341	253,502	(23.7)%
Adjusted CFO margin	30.1 %	22.8 %		17.0 %	11.0 %	

NM: Not meaningful

Dividends

On July 20, 2023, the Company paid a cash dividend to its Class A common stockholders in the amount of \$0.01 per share, totaling \$0.3 million, and a cash distribution to holders of common units of MarketWise, LLC ("LLC Units") in the amount of \$0.01 per unit, totaling \$2.9 million.

On August 3, 2023, the Company's Board declared a cash dividend to its Class A common stockholders in the amount of \$0.01 per share and a cash distribution to holders of LLC Units in the amount of \$0.01 per unit. The dividend and distribution will be paid on October 26, 2023, to stockholders and unitholders of record as of the close of business on September 5, 2023. The total amount of the dividend to Class A common stockholders is expected to be approximately \$0.5 million and the total amount of the distribution to unitholders is expected to be approximately \$2.9 million.

MarketWise Inc.'s Class A common stock trades on the NASDAQ Global Market under the symbol "MKTW." As of June 30, 2023, the Company had 32,073,995 Class A common shares and 289,842,303 Class B common shares issued and outstanding. The Company's common stock market capitalization was approximately \$595.5 million, based on the closing price of publicly traded Class A common shares of \$1.85 on August 9, 2023.

About MarketWise

Founded with a mission to level the playing field for self-directed investors, today MarketWise is a leading multi-brand subscription services platform providing premium financial research, software, education, and tools for investors.

With more than 20 years of operating history, MarketWise is currently comprised of 13 primary customer facing brands, offering more than 200 products, and serving a community of Free and Paid Subscribers. MarketWise's products are a trusted source for high-value financial research, education, actionable investment ideas, and investment software. MarketWise is a 100% digital, direct-to-customer company offering its research across a

variety of platforms including mobile, desktops, and tablets. MarketWise has a proven, agile, and scalable platform and our vision is to become the leading financial solutions platform for self-directed investors.

Conference Call Details

As previously announced, the Company will hold a live video webcast of the earnings conference call to discuss its Second Quarter 2023 results on Thursday, August 10, 2023 at 11:00 a.m. Eastern Time. Interested investors and other parties may also listen to a simultaneous webcast of the conference call by logging onto the investor relations section of the Company's website at investors.marketwise.com. The online replay of the webcast will remain available for a limited time following the call.

Key Business Metrics and Non-GAAP Financial Measures

In this release we discuss certain key business metrics, which we believe provide useful information about the Company's business and the operational factors underlying the Company's financial performance. We are not aware of any uniform standards for calculating these key metrics, which may hinder comparability with other companies who may calculate similarly titled metrics in a different way.

Billings is defined as amounts invoiced to customers.

Free Subscribers are defined as unique subscribers who have subscribed to one of our free investment publications via a valid email address and continue to remain directly opted in, excluding any Paid Subscribers who also have free subscriptions. Active Free Subscribers are those Free Subscribers with whom we have engaged during the most recent quarter and represent those individuals who have received and/or consumed our content on a regular basis during that same quarter.

Paid Subscribers are defined as the total number of unique subscribers with at least one paid subscription at the end of the period.

Average revenue per user or ARPU is defined as the trailing four quarters of net Billings divided by the average number of quarterly total Paid Subscribers over that period.

In addition to our results determined in accordance with GAAP, we believe that the below non-GAAP financial measures are useful in evaluating our ability to generate cash. We use the below non-GAAP financial measures, collectively, to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. This non-GAAP financial information is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly titled non-GAAP measures used by other companies. A reconciliation is provided above for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

Adjusted CFFO is defined as cash flow from operations plus or minus any non-recurring items.

Adjusted CFFO Margin is defined as Adjusted CFFO as a percentage of Billings.

We believe that Adjusted CFFO and Adjusted CFFO Margin are useful indicators that provide information to management and investors about our ability to generate cash (without the effects of non-recurring items), and for internal planning and forecasting purposes.

We expect Adjusted CFFO and Adjusted CFFO Margin to fluctuate in future periods as we invest in our business to execute our growth strategy. These activities, along with any non-recurring items as described above, may result in fluctuations in Adjusted CFFO and Adjusted CFFO Margin in future periods.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the financial position, business strategy, and the plans and objectives of management for future operations of MarketWise. These forward-looking statements generally are 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. Forward-looking statements are predictions, projections, and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including, but not limited to: our ability to attract new subscribers and to persuade existing subscribers to renew their subscription agreements with us and to purchase additional products and services from us; our ability to adequately market our products and services, and to develop additional products and product offerings; our ability to manage our growth effectively, including through acquisitions; failure to maintain and protect our reputation for trustworthiness and independence; our ability to attract, develop, and retain capable management, editors, and other key personnel; our ability to grow market share in our existing markets or any new markets we may enter; adverse or weakened conditions in the financial sector, global financial markets, and global economy; current macroeconomic events, including heightened inflation, rise in interest rates and the potential for an economic recession; failure to comply with laws and regulations or other regulatory action or investigations, including the Advisers Act; our ability to respond to and adapt to changes in technology and consumer behavior; failure to successfully identify and integrate acquisitions, or dispose of assets and businesses; our public securities’ potential liquidity and trading; the impact of the regulatory environment and complexities with compliance related to such environment; our future capital needs; our ability to maintain an effective system of internal control over financial reporting, and to address and remediate existing material weaknesses in our internal control over financial reporting; and other factors beyond our control.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of our filings with the U.S. Securities and Exchange Commission (the “SEC”). These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this press release may not occur and actual results could differ materially and adversely from those anticipated.

Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. We do not give any assurance that we will achieve our expectations.

Table 1. Income Statement*(Unaudited, in thousands)*

	Second Quarter		Year to Date June 30,	
	2023	2022	2023	2022
Net revenue	\$ 103,363	\$ 127,466	\$ 228,978	\$ 264,086
Related party revenue	281	548	899	726
Total net revenue	103,644	128,014	229,877	264,812
Operating expenses:				
Cost of revenue ⁽¹⁾	14,635	16,229	29,925	33,846
Sales and marketing ⁽¹⁾	49,033	65,050	97,760	133,287
General and administrative ⁽¹⁾	27,629	20,364	55,662	50,909
Research and development ⁽¹⁾	2,230	2,289	4,693	4,567
Depreciation and amortization	994	613	1,978	1,217
Related party expense	204	97	332	194
Total operating expenses	94,725	104,642	190,350	224,020
Income from operations	8,919	23,372	39,527	40,792
Other income, net	238	11,923	625	19,219
Interest income (expense), net	1,013	(218)	1,551	(389)
Income before income taxes	10,170	35,077	41,703	59,622
Income tax expense	427	1,040	1,355	2,562
Net income	9,743	34,037	40,348	57,060
Net income attributable to noncontrolling interests	9,707	22,156	38,845	39,354
Net income attributable to MarketWise, Inc.	\$ 36	\$ 11,881	\$ 1,503	\$ 17,706

(1) Cost of revenue, sales and marketing, general and administrative, and research and development expenses are exclusive of depreciation and amortization shown as a separate line item

Table 2. Balance Sheet*(Unaudited, in thousands, except share and per share data)*

	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 187,022	\$ 158,575
Accounts receivable	3,138	4,040
Prepaid expenses	10,416	11,725
Related party receivables	1,008	1,512
Deferred contract acquisition costs	99,854	99,960
Other current assets	2,867	3,363
Total current assets	304,305	279,175
Property and equipment, net	799	892
Operating lease right-of-use assets	8,459	9,468
Intangible assets, net	15,180	16,047
Goodwill	31,307	31,307
Deferred contract acquisition costs, noncurrent	77,822	97,658
Deferred tax assets	7,265	7,332
Other assets	459	629
Total assets	\$ 445,596	\$ 442,508
Liabilities and stockholders' deficit		
Current liabilities:		
Trade and other payables	\$ 3,127	\$ 686
Related party payables, net	422	1,004
Accrued expenses	38,358	45,976
Deferred revenue and other contract liabilities	288,375	315,231
Operating lease liabilities	1,507	1,484
Other current liabilities	22,828	21,125
Total current liabilities	354,617	385,506
Deferred revenue and other contract liabilities, noncurrent	340,032	348,273
Derivative liabilities, noncurrent	1,982	1,281
Tax receivable agreement liability, noncurrent	1,095	—
Operating lease liabilities, noncurrent	5,121	5,831
Total liabilities	702,847	740,891
Commitments and Contingencies	—	—
Stockholders' deficit:		
Common stock - Class A, par value of \$0.0001 per share, 950,000,000 shares authorized; 32,073,995 and 29,039,655 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	3	3
Common stock - Class B, par value of \$0.0001 per share, 300,000,000 shares authorized; 289,842,303 and 291,092,303 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	29	29
Preferred stock - par value of \$0.0001 per share, 100,000,000 shares authorized; 0 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	—	—
Additional paid-in capital	112,146	106,852
Accumulated other comprehensive loss	30	44
Accumulated deficit	(126,622)	(128,125)
Total stockholders' deficit attributable to MarketWise, Inc.	(14,414)	(21,197)
Noncontrolling interest	(242,837)	(277,186)
Total stockholders' deficit	(257,251)	(298,383)
Total liabilities, noncontrolling interest, and stockholders' deficit	\$ 445,596	\$ 442,508

Table 3. Cash Flows*(Unaudited, in thousands)*

	Year to Date June 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 40,348	\$ 57,060
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,978	1,217
Impairment of right-of-use assets	—	287
Stock-based compensation	7,381	5,037
Change in fair value of derivative liabilities – other	701	(19,654)
Deferred taxes	1,356	2,454
Unrealized gains on foreign currency	(26)	(132)
Noncash lease expense	1,053	906
Changes in operating assets and liabilities:		
Accounts receivable	902	4,495
Related party receivables and payables, net	(78)	(479)
Prepaid expenses	1,309	3,802
Other current assets and other assets	666	(615)
Deferred contract acquisition costs	19,942	(5,617)
Trade and other payables	2,408	(2,804)
Accrued expenses	(7,618)	(2,586)
Deferred revenue	(35,097)	(9,120)
Operating lease liabilities	(731)	(981)
Other current and long-term liabilities	(1,648)	(5,408)
Net cash provided by operating activities	32,846	27,862
Cash flows from investing activities:		
Purchases of property and equipment	(46)	(26)
Capitalized software development costs	(913)	(81)
Net cash used in investing activities	(959)	(107)
Cash flows from financing activities:		
Proceeds from related party notes receivable, net	—	294
Proceeds from issuance of common stock	332	517
Repurchases of stock	—	(13,054)
Restricted stock units withheld to pay taxes	(1,106)	—
Distributions to noncontrolling interests	(2,652)	(3,799)
Net cash used in financing activities	(3,426)	(16,042)
Effect of exchange rate changes on cash	(14)	(106)
Net increase in cash, cash equivalents and restricted cash	28,447	11,607
Cash, cash equivalents and restricted cash — beginning of period	158,575	139,578
Cash, cash equivalents and restricted cash — end of period	\$ 187,022	\$ 151,185

MarketWise Investor Relations Contact

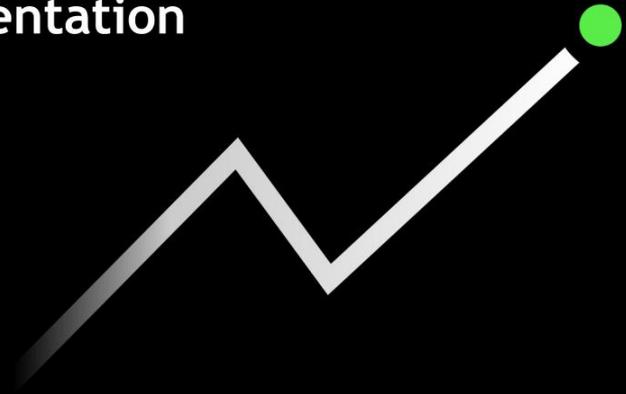
Jonathan Shanfield – MarketWise Investor Relations
 Jamie Lillis – Solebury Trout
 (800) 290-4113
 Email: ir@marketwise.com

MarketWise Media Contact

Email: media@marketwise.com

MarketWise

Second Quarter 2023 Earnings
Supplemental Presentation



IMPORTANT INFORMATION

Cautionary Statement Regarding Forward-Looking Statements

This presentation (this "Presentation") contains forward-looking statements within the meaning of the federal securities laws, including statements regarding the financial position, business strategy, and the plans and objectives of management for future operations of MarketWise, Inc. (the "Company," "we," "us," or "our"). These forward-looking statements generally are 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. Forward-looking statements are predictions, projections, and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward looking statements in this Presentation, including, but not limited to: our ability to attract new subscribers and to persuade existing subscribers to renew their subscription agreements with us and to purchase additional products and services from us; our ability to attract new subscribers and to persuade existing subscribers to renew their subscription agreements with us and to purchase additional products and services from us; our ability to adequately market our products and services, and to develop additional products and product offerings; our ability to manage our growth effectively, including through acquisitions; failure to maintain and protect our reputation for trustworthiness and independence; our ability to attract, develop, and retain capable management, editors, and other key personnel; our ability to grow market share in our existing markets or any new markets we may enter; adverse or weakened conditions in the financial sector, global financial markets, and global economy; current macroeconomic events, including heightened inflation, rise in interest rates and the potential for an economic recession; failure to comply with laws and regulations or other regulatory action or investigations, including the Advisers Act; our ability to respond to and adapt to changes in technology and consumer behavior; failure to successfully identify and integrate acquisitions, or dispose of assets and businesses; our public securities' potential liquidity and trading; the impact of the regulatory environment and complexities with compliance related to such environment; our future capital needs; our ability to maintain an effective system of internal control over financial reporting, and to address and remediate existing material weaknesses in our internal control over financial reporting; and other factors beyond our control.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of our Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K, and other documents filed by us from time to time with the U.S. Securities and Exchange Commission ("SEC"). These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Presentation may not occur and actual results could differ materially and adversely from those anticipated.

Forward-looking statements speak only as of the date they are made. You are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. We do not give any assurance that we will achieve our expectations.

IMPORTANT INFORMATION

Cautionary Statement Regarding Forward-Looking Statements

Non-GAAP Financial Measures

This Presentation also includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP") including, but not limited to, Adjusted CFFO and Adjusted CFFO Margin and certain ratios and other metrics derived therefrom. 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 CFFO 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.

In addition to our results determined in accordance with GAAP, the Company believes that the non-GAAP financial measures are useful in evaluating our ability to generate cash. We use the below non-GAAP financial measures, collectively, to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. This non-GAAP financial information is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP and may be different from similarly titled non-GAAP measures used by other companies. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

Industry and Market Data

In this Presentation, the Company relies on and refers to certain information and statistics obtained from third-party sources which they believe to be reliable. The Company has not independently verified the accuracy or completeness of any such third-party information

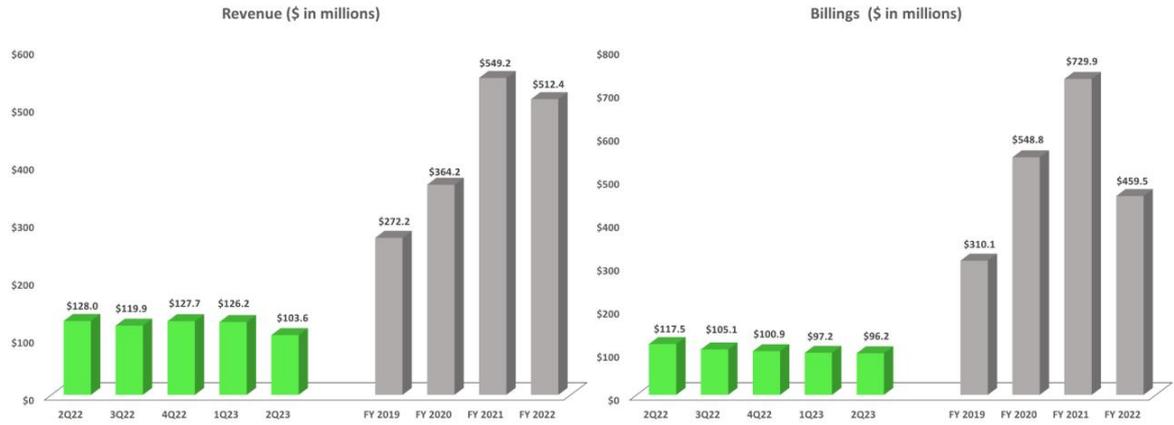
MARKETWISE - SECOND QUARTER 2023 HIGHLIGHTS

- **Market volatility and macroeconomic uncertainty continues to impact subscriber engagement and conversion metrics**
 - Landing page visits were up approximately 10%, in 2Q23 compared to 1Q23
 - For much of the quarter, engagement and conversions were slightly down to 1Q23. Mid-June saw uptick in conversion rate. In total, 2Q23 conversion rate was down 2 bps to 1Q23
- **We continue to focus on maintaining profitability and margin:**
 - 2022 overhead reductions remain intact
 - Direct marketing spend remained at lower levels through first half of 2Q23 and ticked slightly higher in June as engagement activity and conversions began to show signs of improvement
 - 2Q23 Billings of \$96 million down \$1 million, or 1%, to 1Q23
 - Continue to explore additional cost saving and efficiency opportunities
 - Total expenses were down approximately \$10 million, or 9.5%, as compared to 2Q22
- **Launched 15 new publications in the quarter and retired 6 publications not reflective of current market trends**
- **On August 3rd announced declaration of a quarterly dividend equal to \$0.01 per share, payable to stockholders with an equivalent distribution to unitholders of record on September 5, 2023, and payable on October 26, 2023**

MARKETWISE - SECOND QUARTER 2023 FINANCIAL OVERVIEW

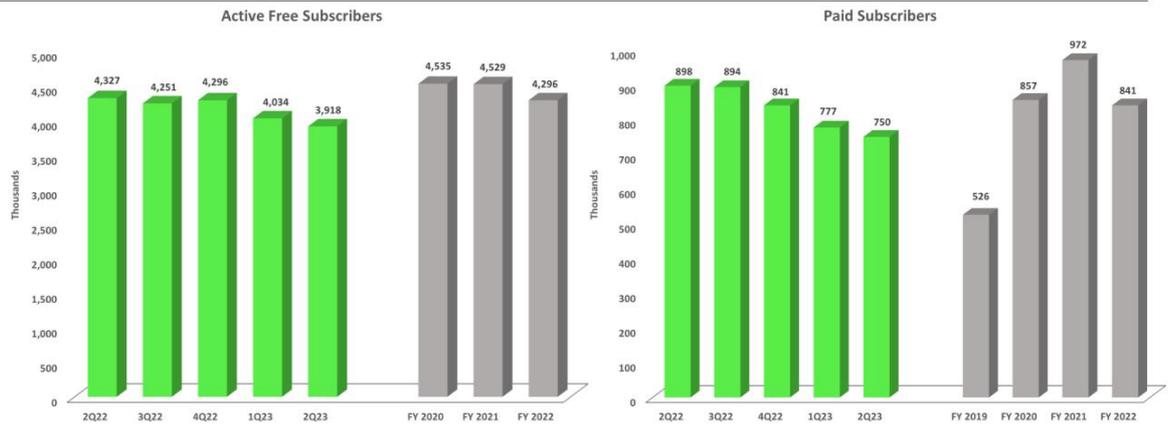
ACTIVE FREE SUBSCRIBERS	PAID SUBSCRIBERS	TOTAL NET REVENUE	NET INCOME
3.9M (9%) YoY	750K (16%) YoY	\$103.6M (19%) YoY	\$9.7M (71%) YoY
BILLINGS	ARPU	CFFO	ADJUSTED CFFO
\$96.2M (18%) YoY	\$490 (16%) YoY	\$29.0M +8% YoY	\$29.0M +8% YoY

MARKETWISE - REVENUE & BILLINGS



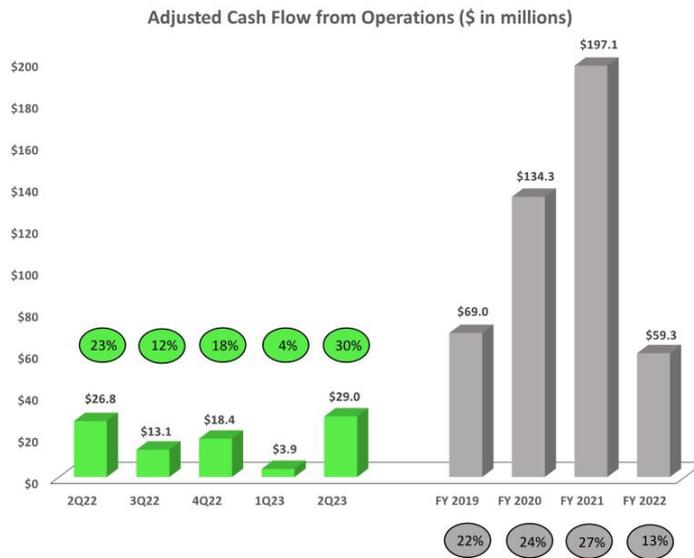
- 2Q23 Revenues of \$103.6 million, down \$22.6 million, or 17.9%, from 1Q23
- 2Q23 Billings of \$96.2 million, down \$1.0 million, or 1.0%, as compared to prior quarter - Membership Billings made up 36% of total in 2Q23 as compared to 37% in 1Q23
- Continued impact of macroeconomic trends throughout late 2022 and into current year impacting subscriber engagement and subscriber purchase behavior - declines in conversion rates impacting billings and revenues

MARKETWISE - SUBSCRIBERS



- **Active Free Subscribers** measures currently targeted members of our free subscriber community – those who have been actively engaged in our communications and offerings over the past 90 days
- **Active Free Subscribers** declined 116K, or 2.9%, from 1Q23 reflecting continued volatility in overall stock market sentiment and lower subscriber engagement
- **Paid Subscribers** declined 27K, or 3.5%, from 1Q23 year due to a combination of lesser subscriber engagement and actions taken to reduce overall market spend in order to maintain margin and cash flow

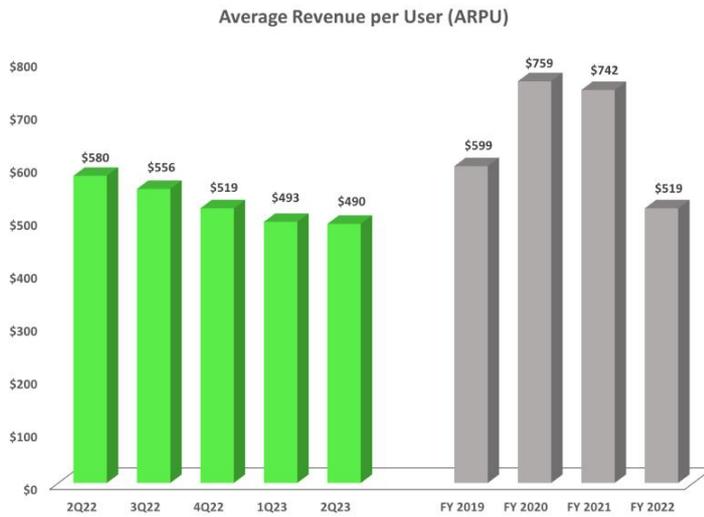
MARKETWISE - ADJUSTED CFFO & MARGIN



- Adjusted CFFO of \$29.0 million for 2Q23 as compared to \$3.9 million for 1Q23
- \$2.2 million, or 8%, higher than 2Q22
- June 2023 YTD Adjusted CFFO margin equal to 17% as compared to 11% for first half of 2022

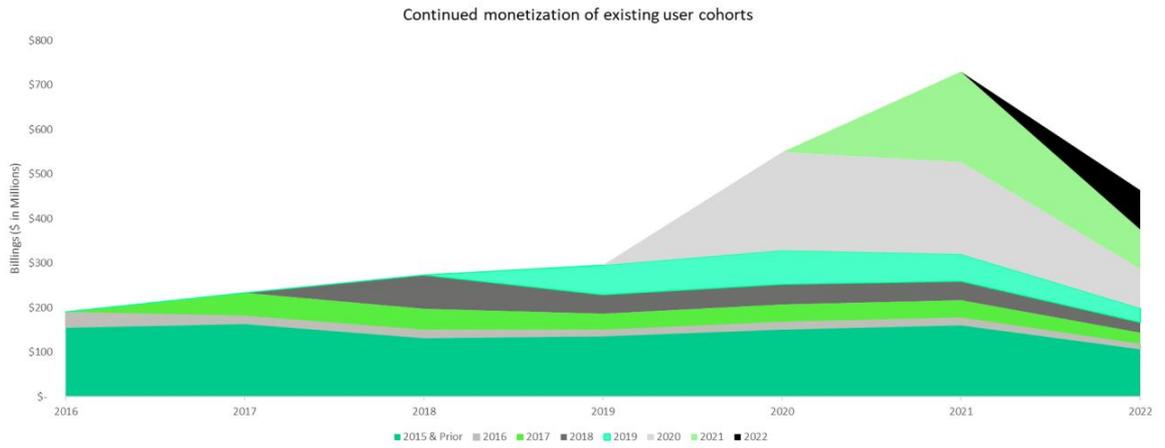
For a reconciliation of non-GAAP items see appendix, "Non-GAAP Reconciliation - 2Q23"

MARKETWISE - AVERAGE REVENUE PER USER



- ARPU declined to \$490 in 2Q, down 0.8% from the prior quarter
- Over the past year, Billings have declined faster than the decline in Paid Subscribers – further reducing ARPU
- Subscribers have slowed the pace of additional purchases likely related to the impact of macro factors and stock market volatility

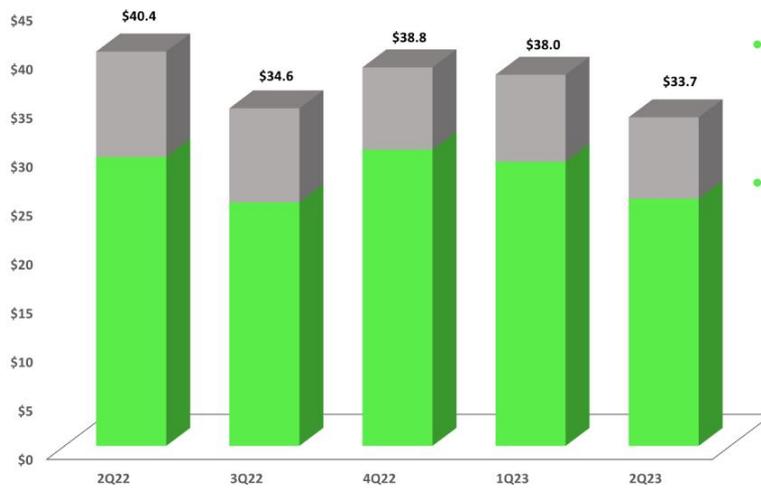
MARKETWISE - REVENUE RETENTION



- Existing cohorts represent long-term subscribers providing a stable recurring revenue base
- Our goal is to establish multi-year relationships with our subscribers
- High-Value Membership subscribers continue to add to the recurring revenue stream

MARKETWISE - NET RENEWAL AND UPGRADE REVENUE

Net Renewal and Upgrade Billings (in millions)



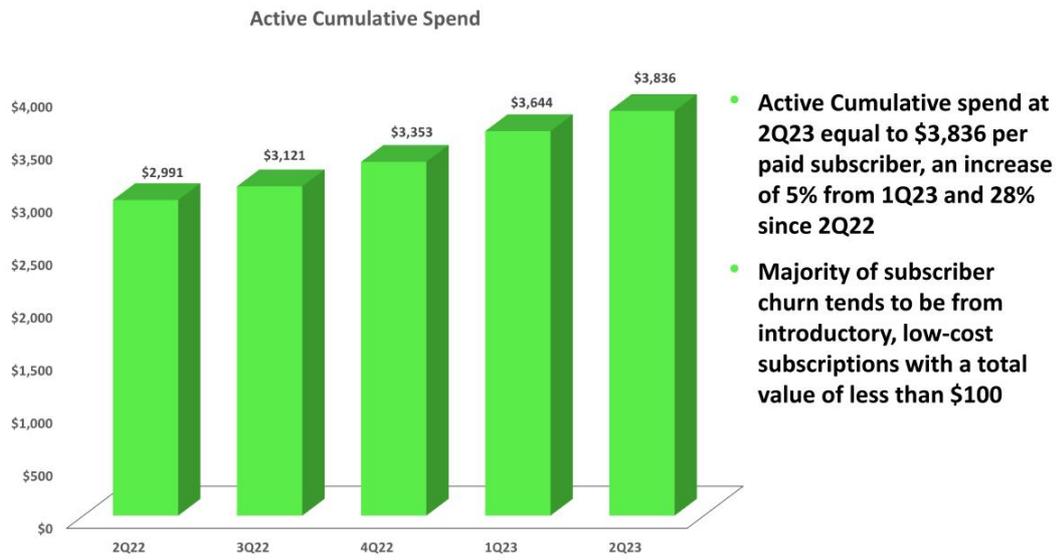
- Renewal Billings and Upgrades produce reliable and steady billings from current customer base
- Approximately \$37 million on average in net renewal and upgrade billings over past 5 quarters

MARKETWISE - MEMBERSHIP SUBSCRIBERS



- **Membership subscribers make up the majority of our high- and ultra-high value subscribers**
- **On average membership subscribers purchase approximately 5 additional subscriptions – including an additional membership subscription**
- **Membership subscribers typically spend over \$5,000 in additional purchases after their first membership subscription**
- **Average tenure of a subscriber with a membership subscription is approximately 5 years**

MARKETWISE - ACTIVE CUMULATIVE SPEND



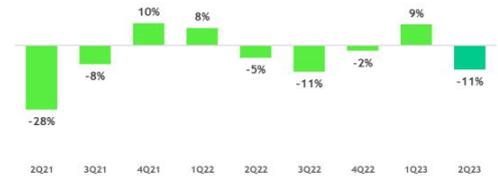
MARKETWISE - MARKET OBSERVATIONS 2Q23

- Markets continued to be impacted by the ongoing economic and market volatility
- Engagement, as measured by landing page visits, was up 10% sequentially between 1Q23 and 2Q23 but is still down 12% since 2Q22
- Schwab DAT's during 1Q23 increased 9% and were down 11% in 2Q23. The spike in DAT's occurred immediately following the mini-bank crisis. 2Q23 DATs in more normal range
- Total landing page-to-purchase conversion rate declined 2bps down from 1Q23. Our most loyal subscribers continue to buy additional products and increase their spend with us as our active subscriber cumulative spend is at an all-time high
- Paid subscriber counts decreased as low-level of new subscribers are outweighed by normal level of churn. Churn declined in 2Q23 vs 1Q23 and we expect it to remain in the normal range in the near future
- Marketing spend continues to be restrained as we prioritize profitability.

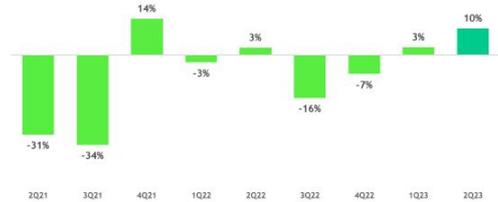
3Q23 Observations:

- Market conditions improved in July and early August
- Landing page visits appear to be trending slightly higher and, as a result, we have increased some marketing efforts
- Overall conversion rates are trending favorably early in 3Q23

SEQUENTIAL CHANGE IN SCHWAB DAILY AVERAGE TRADES¹



SEQUENTIAL CHANGE IN MKTW LANDING PAGE VISITS²

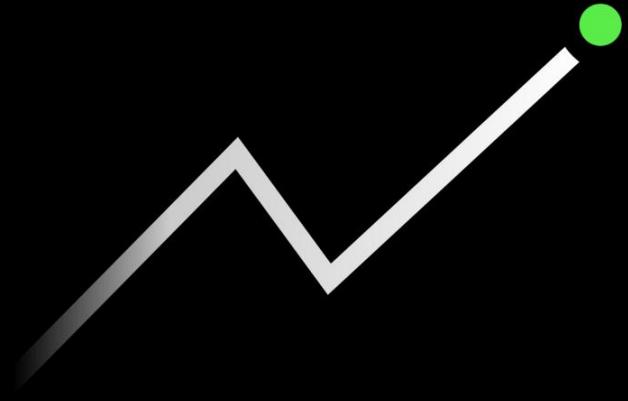


1. Source: Schwab Investor Relations website

2. Note that MKTW metrics were restated to remove Lead Generation and Hot List Landing Page Visits to more accurately reflect activity with a direct call to purchase on click-through.

MarketWise

Appendix



NON-GAAP RECONCILIATION - 2Q23

(\$ in 000's)	2020	2021	2022	2Q22	2Q23
Net Cash Provided/(Used) by Operating Activities	55,875	63,632	48,374	26,794	28,978
Plus: Profits distributions to Class B unitholders included in stock-based compensation expense	78,398	123,449	-	-	-
Plus: Non-Recurring Expenses ¹	-	10,000	10,950	-	-
Adj. CFO (Adjusted Cash Flow from Operations)	134,273	197,081	59,324	26,794	28,978
Billings	548,835	729,893	459,487	117,507	96,170
Adj. CFO Margin	24.5%	27.0%	12.9%	22.8%	30.1%

¹. In 3Q21, represents a discretionary, one-time, lifetime-award non-employee bonus payment of \$10M to the Company's founder, who is a Class B stockholder. In 3Q22, represents costs associated with our warrant tender offer (\$2.1M) and severance costs related to our cost reduction plan (\$1.1M). In 4Q22, represents one-time separation payment to outgoing CEO (\$7.8M).

INCOME STATEMENTS - 2Q23

(\$ in 000's)	2Q22	2Q23	% Variance
Total Revenue	128,014	103,644	-19%
Operating Expenses			
Cost of Revenue	16,229	14,635	-10%
Sales and Marketing	65,050	49,033	-25%
General and Administrative	20,364	27,629	36%
Research and Development	2,289	2,230	-3%
Depreciation and Amortization	613	994	62%
Related Party Expenses	97	204	110%
Total Operating Expenses	104,642	94,725	-9%
Income (Loss) from Operations	23,372	8,919	-62%
Other Income (Expense), net	11,923	238	-98%
Interest Income (Expense), net	(218)	1,013	N/M
Net Income (Loss) Before Income Taxes	35,077	10,170	-71%
Income Tax Expense/(Benefit)	1,040	427	-59%
Net Income (Loss)	34,037	9,743	-71%

(\$ in 000's)	2Q22	2Q23	% Variance
Stock-Based Compensation Expense¹			
Vested Class B Units & Change in Fair Value of Class B Liability Awards	-	-	N/M
Profits distribution to Class B Unitholders included in stock-based compensation expense	-	-	N/M
Total Class B Stock-Based Compensation Expense	-	-	N/M
2021 Incentive Award Plan stock-based compensation expense	2,312	3,587	55%
Employee Stock Purchase Plan	137	91	-34%
Total Stock-Based Compensation Expense	2,449	3,678	50%
Stock-Based Compensation Line Item Summary¹			
Cost of Revenue	525	683	30%
Sales and Marketing	577	716	24%
General and Administrative	1,347	2,279	69%
Total Stock-Based Compensation Expense	2,449	3,678	50%

1. Stock-based compensation expense is related to our Incentive Award Plan and our Employee Stock Purchase Plan (ESPP)

	2Q22	2Q23
Total Revenue	100%	100%
Operating Expenses		
Cost of Revenue	13%	14%
Sales and Marketing	51%	47%
General and Administrative	16%	27%
Research and Development	2%	2%
Depreciation and Amortization	0%	1%
Related Party Expenses	0%	0%
Total Operating Expenses	82%	91%
Income (Loss) from Operations	18%	9%
Other Income (Expense), net	9%	0%
Interest Income (Expense), net	0%	1%
Net Income (Loss) Before Income Taxes	27%	10%
Income Tax Expense	1%	0%
Net Income (Loss)	27%	9%

	2Q22	2Q23
Stock-Based Compensation Line Item Summary¹		
Cost of Revenue	0%	1%
Sales and Marketing	0%	1%
General and Administrative	1%	2%
Total Stock-Based Compensation Expense	2%	4%

GLOSSARY AND DEFINITIONS

- Active Cumulative Spend - (cumulative lifetime net cash collections)/(year end active subscribers)
- 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
- Adjusted CFFO Margin % - Adjusted CFFO/Billings
- ARPU – (trailing 4 quarter billings)/(average number of trailing 4 quarter paid subscribers)
- Active Free Subscribers - Free Subscribers who have been engaged with MarketWise marketing efforts in the most recent quarter
- Billings - total revenue plus the net change in deferred revenue plus the change in customer credit liability in a given period
- Free Subscribers - unique customers who have subscribed to one of our many free investment publications via a valid email address
- Revenue - gross subscriptions less refunds plus revenue share income plus other sales
- Membership Subscribers – total number of unique subscribers with at least one paid membership subscription at the end of the period
- Net Renewal Billings – gross cash renewals and maintenance fees less renewal and maintenance fee refunds processed during the period
- Net Upgrade Billings – gross cash receipts from upgrade subscription purchases in lieu of renewals during the period
- Renewal Billings – billings recorded from renewal of existing subscriptions that are coming to term end
- Paid Subscribers - total number of unique subscribers with at least one paid subscription at the end of the period
- Paid Membership Subscribers - total number of unique subscribers with at least one paid membership subscription at the end of the period

