

REFINITIV

## DELTA REPORT

### 10-Q

MARKETWISE, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS** 1789

█ CHANGES 263

█ DELETIONS 1067

█ ADDITIONS 459

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number: 001-39405**

**MarketWise, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**87-1767914**

(I.R.S. Employer Identification Number)

**1125 N. Charles Street Baltimore, Maryland**

(Address of principal executive offices)

**21201**

(Zip Code)

(Address of principal executive offices, including zip code)

**(888) 261-2693**

(Registrant's telephone number, including area code)

**N/A**

(Former name **or** former address, **and** former fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 12 (a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of **November 6, 2023** **May 10, 2024**, there were **39,147,437** **43,173,283** shares of the registrant's Class A common stock and **288,342,303** **280,390,147** shares of the registrant's Class B common stock, each with a par value of \$0.0001 per share, outstanding.

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### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of **Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, federal securities law**, and as such are not historical facts. This includes, without limitation, statements regarding our financial

position and business strategy, and the plans and objectives of management for our future operations. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this report, words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "would," and similar expressions may identify forward-looking statements, 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 report, 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 Investment Advisers Act of 1940, as amended (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;
- our ability to maintain and protect our intellectual property; and
- other factors detailed under the section of **our Annual Report on Form 10-K for the year ended December 31, 2022** this report entitled "Risk Factors."

These forward-looking statements are based on information available as of the date of this report and current expectations, forecasts, and assumptions, and involve a number of judgments, risks, and uncertainties. Additionally, as a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Accordingly, **forward-**

**looking forward-looking** statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements for any reason, except as may be required under applicable securities laws.

## PART 1—FINANCIAL INFORMATION

### MARKETWISE, INC.

#### Condensed Consolidated Balance Sheets (Unaudited) (In thousands, except share and per share data)

##### Item 1. Financial Statements.

	March 31, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 131,175	\$ 155,174
Accounts receivable	3,350	4,528
Prepaid expenses	10,555	9,305

Related party receivables	2,008	5,182
Deferred contract acquisition costs	83,423	91,480
Other current assets	2,046	2,172
<b>Total current assets</b>	<b>232,557</b>	<b>267,841</b>
Property and equipment, net	630	690
Operating lease right-of-use assets	6,827	7,331
Intangible assets, net	8,437	6,255
Goodwill	33,560	31,038
Deferred contract acquisition costs, noncurrent	67,713	73,420
Deferred tax assets	9,367	9,693
Other assets	199	287
<b>Total assets</b>	<b>\$ 359,290</b>	<b>\$ 396,555</b>
<b>Liabilities and stockholders' deficit</b>		
Current liabilities:		
Trade and other payables	\$ 2,936	\$ 559
Related party payables, net	344	1,137
Accrued expenses	22,048	55,041
Deferred revenue and other contract liabilities	280,314	287,751
Operating lease liabilities	1,474	1,446
Other current liabilities	26,787	27,959
<b>Total current liabilities</b>	<b>333,903</b>	<b>373,893</b>
Long-term liabilities - related party	707	—
Deferred revenue and other contract liabilities, noncurrent	285,231	304,342
Related party tax receivable agreement liability, noncurrent	2,470	2,151
Other liabilities, noncurrent	2,378	746
Operating lease liabilities, noncurrent	3,987	4,366
<b>Total liabilities</b>	<b>628,676</b>	<b>685,498</b>
Commitments and Contingencies	—	—
Stockholders' deficit:		
Common stock - Class A, par value of \$0.0001 per share, 950,000,000 shares authorized; 38,122,283 and 36,384,981 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	4	4
Common stock - Class B, par value of \$0.0001 per share, 300,000,000 shares authorized; 287,592,303 and 288,092,303 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	29	29
Preferred stock - par value of \$0.0001 per share, 100,000,000 shares authorized; 0 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	—	—

#### MARKETWISE, INC.

#### Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except share and per share data)

	September 30, 2023	December 31, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 194,023	\$ 158,575
Accounts receivable	5,958	4,040
Prepaid expenses	11,396	11,725
Related party receivables	1,003	1,512
Deferred contract acquisition costs	97,525	99,960
Other current assets	3,058	3,363
<b>Total current assets</b>	<b>312,963</b>	<b>279,175</b>
Property and equipment, net	748	892

Operating lease right-of-use assets	7,921	9,468
Intangible assets, net	14,271	16,047
Goodwill	31,392	31,307
Deferred contract acquisition costs, noncurrent	76,527	97,658
Deferred tax assets	7,751	7,332
Other assets	372	629
<b>Total assets</b>	<b>\$ 451,945</b>	<b>\$ 442,508</b>
<b>Liabilities and stockholders' deficit</b>		
Current liabilities:		
Trade and other payables	\$ 1,950	\$ 686
Related party payables, net	1,305	1,004
Accrued expenses	42,711	45,976
Deferred revenue and other contract liabilities	293,528	315,231
Operating lease liabilities	1,504	1,484
Other current liabilities	21,423	21,125
Total current liabilities	362,421	385,506
Deferred revenue and other contract liabilities, noncurrent	325,688	348,273
Other liabilities, noncurrent	3,597	1,281
Tax receivable agreement liability, noncurrent	2,096	—
Operating lease liabilities, noncurrent	4,743	5,831
Total liabilities	698,545	740,891
Commitments and Contingencies	—	—
Stockholders' deficit:		
Common stock - Class A, par value of \$0.0001 per share, 950,000,000 shares authorized; 34,096,437 and 29,039,655 shares issued and outstanding at September 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; 288,342,303 and 291,092,303 shares issued and outstanding at September 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 September 30, 2023 and December 31, 2022, respectively	—	—
Additional paid-in capital	113,139	106,852
Accumulated other comprehensive income	55	44
Accumulated deficit	(126,482)	(128,125)

#### MARKETWISE, INC.

##### Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except share and per share data)

Additional paid-in capital		
Accumulated other comprehensive income		
Accumulated other comprehensive income		
Accumulated other comprehensive income		
Accumulated deficit		
Total stockholders' deficit attributable to MarketWise, Inc.	Total stockholders' deficit attributable to MarketWise, Inc.	(13,256)
Noncontrolling interest	Noncontrolling interest	(233,344)
Total stockholders' deficit	Total stockholders' deficit	(246,600)
<b>Total liabilities, noncontrolling interest, and stockholders' deficit</b>	<b>\$ 451,945</b>	<b>\$ 442,508</b>
<b>Total liabilities and stockholders' deficit</b>		

The accompanying notes are an integral part of these condensed consolidated financial statements.

MARKETWISE, INC.

Condensed Consolidated Statements of Operations (Unaudited)  
(In thousands, except per share data)

	Three Months Ended		Nine Months Ended			
	September 30,		September 30,			
	2023	2022	2023	2022		
			Three Months Ended March 31,		Three Months Ended March 31,	
	2024		2024		2023	
Net revenue	Net revenue	\$105,799	\$119,297	\$334,777	\$383,383	
Related party revenue	Related party revenue	351	637	1,250	1,363	
Total net revenue	Total net revenue	106,150	119,934	336,027	384,746	
Operating expenses:	Operating expenses:					
Cost of revenue <sup>(1)</sup>	Cost of revenue <sup>(1)</sup>	13,812	14,482	43,737	48,328	
Cost of revenue <sup>(1)</sup>	Cost of revenue <sup>(1)</sup>					
Sales and marketing <sup>(1)</sup>	Sales and marketing <sup>(1)</sup>	52,466	51,635	150,226	184,922	
General and administrative <sup>(1)</sup>	General and administrative <sup>(1)</sup>	25,005	28,986	80,667	79,895	
Research and development <sup>(1)</sup>	Research and development <sup>(1)</sup>	2,085	2,173	6,778	6,740	
Depreciation and amortization	Depreciation and amortization	1,001	836	2,979	2,053	
Impairment of intangible assets		584	—	584	—	
Related party expense	Related party expense	155	96	487	290	
Total operating expenses	Total operating expenses	95,108	98,208	285,458	322,228	
Income from operations	Income from operations	11,042	21,726	50,569	62,518	
Other income (expense), net		182	(3,651)	807	15,568	
Interest income (expense), net		1,511	(183)	3,062	(572)	
Other income, net						
Interest income, net						
Income before income taxes	Income before income taxes	12,735	17,892	54,438	77,514	
Income tax expense	Income tax expense	691	1,383	2,046	3,945	
Net income	Net income	12,044	16,509	52,392	73,569	

Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	11,904	20,521	50,749	59,875
Net income (loss) attributable to MarketWise, Inc.		\$ 140	\$ (4,012)	\$ 1,643	\$ 13,694
Net income attributable to MarketWise, Inc.					
Earnings per share – basic		\$ 0.00	\$ (0.17)	\$ 0.05	\$ 0.59
Net income per Class A common share – basic					
Net income per Class A common share – basic					
Net income per Class A common share – basic					
Earnings per share – diluted		\$ 0.00	\$ (0.17)	\$ 0.05	\$ 0.59
Net income per Class A common share – diluted					
Net income per Class A common share – diluted					
Net income per Class A common share – diluted					
Weighted average shares outstanding – basic					
Weighted average shares outstanding – basic					
Weighted average shares outstanding – basic		32,910	23,533	30,883	23,233
Weighted average shares outstanding – diluted		33,632	23,566	31,996	23,267
Weighted average shares outstanding – diluted					
Weighted average shares outstanding – diluted					

(a) 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

(a) 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

(a) 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

The accompanying notes are an integral part of these condensed consolidated financial statements.

**MARKWISE, INC.**

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**REFINITIV** 

**Condensed Consolidated Statements of Comprehensive Income (Unaudited)**  
*(In thousands)*

	Three Months Ended		Nine Months Ended			
	September 30,		September 30,			
	2023	2022	2023	2022		
Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		
	2024		2024		2023	
Net income	Net income	\$12,044	\$16,509	\$52,392	\$73,569	
Other comprehensive income (loss):						
Other comprehensive (loss) income:						
Cumulative translation adjustment						
Cumulative translation adjustment						
Cumulative translation adjustment	Cumulative translation adjustment	25	6	11	(100)	
Total comprehensive income	Total comprehensive income	\$12,069	\$16,515	\$52,403	\$73,469	

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

MARKETWISE, INC.

### Condensed Consolidated Statement of Stockholders' Deficit (Unaudited)

(In thousands, except share and per share data)

Statement of Stockholders' Equity										For the Year Ended December 31, 2023	
										For the Year Ended December 31, 2023	
										For the Year Ended December 31, 2023	
										For the Year Ended December 31, 2023	
										For the Year Ended December 31, 2023	
Common Stock -										Common Stock -	
Class A										Class A	
Common Stock -										Common	
Class A										Stock -	
Common Stock -										Class B	
Class A											
Shares											
Balance at January 1, 2023											
Balance at January 1, 2023											
Balance at January 1, 2023											
Equity-based compensation											

<b>Balance at July 1, 2022</b>	22,505,103	\$ 2	291,092,303	\$ 29	—	\$ —	\$ 90,048	\$ (128,409)	\$ (115)	\$ (38,445)	\$ (321,162)	\$ (359,607)
Equity-based compensation	—	—	—	—	—	—	2,153	—	—	2,153	—	2,153
Issuance of common stock - warrant exchanges	5,939,739	1	—	—	—	—	14,400	—	—	14,401	—	14,401
Vesting of restricted stock units												
Vesting of restricted stock units												
Vesting of restricted stock units	Vesting of restricted stock units	377,660	—	—	—	—	—	—	—	—	—	—
Restricted stock units withheld to pay taxes	Restricted stock units withheld to pay taxes	—	—	—	—	—	(511)	—	—	(511)	—	(511)
Acquisition of noncontrolling interest - Chaikin	—	—	—	—	—	—	(1,257)	—	—	(1,257)	960	(297)
Distributions	Distributions	—	—	—	—	—	—	—	—	—	(677)	(677)
Foreign currency translation adjustments	Foreign currency translation adjustments	—	—	—	—	—	—	—	6	6	—	6
Net income	—	—	—	—	—	—	(4,012)	—	(4,012)	20,521	16,509	
<b>Balance at September 30, 2022</b>	<b>28,822,502</b>	<b>\$ 3</b>	<b>291,092,303</b>	<b>\$ 29</b>	<b>—</b>	<b>\$ —</b>	<b>\$ 104,833</b>	<b>\$ (132,421)</b>	<b>\$ (109)</b>	<b>\$ (27,665)</b>	<b>\$ (300,358)</b>	<b>\$ (328,023)</b>
Net income (loss)												
Net income (loss)												
Net income (loss)												
<b>Balance at March 31, 2023</b>												

#### MARKETWISE, INC.

#### Condensed Consolidated Statement of Stockholders' Deficit (Unaudited)

(In thousands, except share and per share data)

	Total Stockholders' Deficit												
	Common Stock - Class A		Common Stock - Class B		Preferred Stock		Additional paid-in capital		Accumulated deficit		Attributable to MarketWise, Inc.	Noncontrolling Interest	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	\$ 112,146	\$ (126,622)	\$ 30	\$ (14,414)	\$ (242,837)	\$ (257,251)	
<b>Balance at July 1, 2023</b>	32,073,995	\$ 3	289,842,303	\$ 29	—	\$ —	\$ 112,146	\$ (126,622)	\$ 30	\$ (14,414)	\$ (242,837)	\$ (257,251)	
Equity-based compensation	—	—	—	—	—	—	2,932	—	—	2,932	—	2,932	
Vesting of restricted stock units	522,442	—	—	—	—	—	—	—	—	—	—	—	
Restricted stock units withheld to pay taxes	—	—	—	—	—	—	(415)	—	—	(415)	—	(415)	
Cash dividends declared (\$0.01 per share)	—	—	—	—	—	—	(462)	—	—	(462)	—	(462)	

Distributions	—	—	—	—	—	—	—	—	—	—	—	(3,649)	(3,649)
Issuance per													
redemption of Class													
B shares for Class													
A	1,500,000	—	(1,500,000)	—	—	—	(1,062)	—	—	(1,062)	1,238	176	
Foreign currency													
translation													
adjustments	—	—	—	—	—	—	—	—	25	25	—	25	
Net income	—	—	—	—	—	—	140	—	140	11,904	12,044		
<b>Balance at</b>													
<b>September 30, 2023</b>	<b>34,096,437</b>	<b>\$ 3</b>	<b>288,342,303</b>	<b>\$ 29</b>	<b>—</b>	<b>\$ —</b>	<b>\$ 113,139</b>	<b>\$ (126,482)</b>	<b>\$ 55</b>	<b>\$ (13,256)</b>	<b>\$ (233,344)</b>	<b>\$ (246,600)</b>	

	Total Stockholders' Deficit												
	Attributable to						Total Stockholders' Deficit						
	Common Stock - Class A		Common Stock - Class B		Preferred Stock		Additional paid-in capital	Accumulated deficit	Other Comprehensive Income (Loss)	MarketWise, Inc.	Noncontrolling Interest	Total Stockholders' Deficit	
	Shares	Amount	Shares	Amount	Shares	Amount	\$ 115,164	\$ (126,343)	\$ (126,343)	\$ 65	\$ (11,081)	\$ (277,862)	
<b>Balance at January 1, 2024</b>	36,384,981	\$ 4	288,092,303	\$ 29	—	\$ —	\$ 115,164	\$ (126,343)	\$ (126,343)	\$ 65	\$ (11,081)	\$ (288,943)	
Equity-based compensation	—	—	—	—	—	—	2,175	—	—	—	2,175	—	2,175
Vesting of restricted stock units	1,796,681	—	—	—	—	—	—	—	—	—	—	—	—
Restricted stock units withheld to pay taxes	(559,379)	—	—	—	—	—	(1,172)	—	—	(1,172)	—	(1,172)	
Dividends declared	—	—	—	—	—	—	(493)	—	—	(493)	—	(493)	
Distributions declared to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(3,683)	(3,683)	
Issuance per													
redemption of Class B shares for Class A shares	500,000	—	(500,000)	—	—	—	(471)	—	—	(471)	471	—	
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(38)	(38)	—	(38)	
Remeasurement of deferred taxes due to change in noncontrolling interest	—	—	—	—	—	—	56	—	—	56	—	56	
Net income (loss)	—	—	—	—	—	—	—	1,657	—	1,657	21,055	22,712	
<b>Balance at March 31, 2024</b>	<b>38,122,283</b>	<b>\$ 4</b>	<b>287,592,303</b>	<b>\$ 29</b>	<b>—</b>	<b>\$ —</b>	<b>\$ 115,259</b>	<b>\$ (124,686)</b>	<b>\$ (124,686)</b>	<b>\$ 27</b>	<b>\$ (9,367)</b>	<b>\$ (260,019)</b>	<b>\$ (269,386)</b>

#### MARKETWISE, INC.

#### Condensed Consolidated Statement of Stockholders' Deficit (Unaudited)

(In thousands, except share and per share data)

												Total Stockholders' Deficit				
Common Stock - Class A				Common Stock - Class B				Preferred Stock		Additional paid-in capital		Accumulated deficit	Other Comprehensive Income (Loss)	Attributable to MarketWise, Inc.	Noncontrolling Interest	Total Stockholders' Deficit
	Shares	Amount		Shares	Amount		Shares	Amount								
<b>Balance at January 1, 2022</b>	24,718,402	\$ 2	291,092,303	\$ 29	—	\$ —	97,548	\$ (146,115)	\$ (9)	\$ (48,545)	\$ (356,717)	\$ (405,262)				
Equity-based compensation	—	—	—	—	—	—	7,190	—	—	7,190	—	7,190				
Proceeds from issuance of common stock	161,178	—	—	—	—	—	517	—	—	517	—	517				
Issuance of common stock - warrant exchanges	5,939,739	1	—	—	—	—	14,400	—	—	14,401	—	14,401				
Repurchases of stock	(2,484,717)	—	—	—	—	—	(13,054)	—	—	(13,054)	—	(13,054)				
Vesting of restricted stock units	487,900	—	—	—	—	—	—	—	—	—	—	—				
Restricted stock units withheld to pay taxes	—	—	—	—	—	—	(511)	—	—	(511)	—	(511)				
Acquisition of noncontrolling interest																
- Chaikin	—	—	—	—	—	—	(1,257)	—	—	(1,257)	960	(297)				
Distributions	—	—	—	—	—	—	—	—	—	—	(4,476)	(4,476)				
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	(100)	(100)	—	(100)			
Net income	—	—	—	—	—	—	—	13,694	—	13,694	59,875	73,569				
<b>Balance at September 30, 2022</b>	<b>28,822,502</b>	<b>\$ 3</b>	<b>291,092,303</b>	<b>\$ 29</b>	<b>—</b>	<b>\$ —</b>	<b>104,833</b>	<b>\$ (132,421)</b>	<b>\$ (109)</b>	<b>\$ (27,665)</b>	<b>\$ (300,358)</b>	<b>\$ (328,023)</b>				

#### MARKETWISE, INC.

##### Condensed Consolidated Statement of Stockholders' Deficit (Unaudited)

(In thousands, except share and per share data)

												Total Stockholders' Deficit				
Common Stock - Class A				Common Stock - Class B				Preferred Stock		Additional paid-in capital		Accumulated deficit	Other Comprehensive Income (Loss)	Attributable to MarketWise, Inc.	Noncontrolling Interest	Total Stockholders' Deficit
	Shares	Amount		Shares	Amount		Shares	Amount								
<b>Balance at January 1, 2023</b>	29,039,655	\$ 3	291,092,303	\$ 29	—	\$ —	106,852	\$ (128,125)	\$ 44	\$ (21,197)	\$ (277,186)	\$ (298,383)				
Equity-based compensation	—	—	—	—	—	—	10,313	—	—	10,313	—	10,313				
Proceeds from issuance of common stock	648,849	—	—	—	—	—	332	—	—	332	—	332				
Vesting of restricted stock units	1,657,933	—	—	—	—	—	—	—	—	—	—	—				
Restricted stock units withheld to pay taxes	—	—	—	—	—	—	(1,521)	—	—	(1,521)	—	(1,521)				

Cash dividends declared (\$0.01 per share)	—	—	—	—	—	—	(902)	—	—	(902)	—	(902)
Distributions	—	—	—	—	—	—	—	—	—	—	(9,212)	(9,212)
Issuance per redemption of Class B shares for Class A	2,750,000	—	(2,750,000)	—	—	—	(1,935)	—	—	(1,935)	2,305	370
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	11	11	—	11
Net income	—	—	—	—	—	—	—	1,643	—	1,643	50,749	52,392
<b>Balance at September 30, 2023</b>	<b>34,096,437</b>	<b>\$ 3</b>	<b>288,342,303</b>	<b>\$ 29</b>	<b>—</b>	<b>\$ —</b>	<b>\$ 113,139</b>	<b>\$ (126,482)</b>	<b>\$ 55</b>	<b>\$ (13,256)</b>	<b>\$ (233,344)</b>	<b>\$ (246,600)</b>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**MARKWISE, INC.**

**Condensed Consolidated Statements Statement of Cash Flows (Unaudited)**  
(In thousands)

		Nine Months Ended September 30,			
		2023	2022		
		Three Months Ended March 31,		Three Months Ended March 31,	
		2024	2024	2023	
<b>Cash flows from operating activities:</b>	<b>Cash flows from operating activities:</b>				
Net income	Net income	\$ 52,392	\$ 73,569		
Adjustments to reconcile net income to net cash provided by operating activities:					
Net income					
Net income					
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	Depreciation and amortization	2,979	2,053		
Impairment and other charges		584	287		
Depreciation and amortization					
Depreciation and amortization					
Stock-based compensation	Stock-based compensation	10,313	7,190		
Change in fair value of warrant liabilities and other liabilities, noncurrent		2,316	(15,626)		

Stock-based compensation			
Stock-based compensation			
Change in fair value of derivative liabilities			
Change in fair value of derivative liabilities			
Change in fair value of derivative liabilities			
Deferred taxes	Deferred taxes	2,046	3,649
Unrealized losses (gains) on foreign currency		5	(91)
Unrealized gains on foreign currency			
Noncash lease expense	Noncash lease expense	1,590	1,616
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:		
Changes in operating assets and liabilities:			
Changes in operating assets and liabilities:			
Accounts receivable			
Accounts receivable			
Accounts receivable	Accounts receivable	(1,918)	3,241
Related party receivables and payables, net	Related party receivables and payables, net	810	(1,140)
Prepaid expenses	Prepaid expenses	329	2,371
Other current assets and other assets	Other current assets and other assets	562	(774)
Deferred contract acquisition costs			
Deferred contract acquisition costs			
Deferred contract acquisition costs	Deferred contract acquisition costs	23,566	486
Trade and other payables	Trade and other payables	1,189	(1,516)

Accrued expenses	Accrued expenses	(3,265)	(7,151)
Deferred revenue	Deferred revenue	(44,288)	(24,759)
Operating lease liabilities	Operating lease liabilities	(1,111)	(1,486)
Operating lease liabilities			
Operating lease liabilities			
Other current and long-term liabilities	Other current and long-term liabilities	(3,198)	(4,156)
Net cash provided by operating activities		44,901	37,763
Net cash (used in) provided by operating activities			
<b>Cash flows from investing activities:</b>	<b>Cash flows from investing activities:</b>		
Cash paid for acquisitions, net of cash acquired		(170)	(12,770)
Acquisition of noncontrolling interests, including transaction costs		—	(297)
Purchases of property and equipment	Purchases of property and equipment	(60)	(35)
Purchases of property and equipment			
Purchases of property and equipment			
Capitalized software development costs			
Capitalized software development costs			
Capitalized software development costs	Capitalized software development costs	(1,428)	(136)
Net cash used in investing activities	Net cash used in investing activities	(1,658)	(13,238)
<b>Cash flows from financing activities:</b>	<b>Cash flows from financing activities:</b>		
Proceeds from related party notes receivable, net		—	737
Proceeds from issuance of common stock		332	517
Repurchases of stock		—	(13,054)

Restricted stock units withheld to pay taxes			
Restricted stock units withheld to pay taxes			
Restricted stock units withheld to pay taxes	Restricted stock units withheld to pay taxes	(1,520)	(511)
Dividends paid	Dividends paid	(299)	—
Distributions to noncontrolling interests			
Distributions to noncontrolling interests			
Distributions to noncontrolling interests	Distributions to noncontrolling interests	(6,319)	(4,476)
Net cash used in financing activities	Net cash used in financing activities	(7,806)	(16,787)
Effect of exchange rate changes on cash	Effect of exchange rate changes on cash	11	(100)
Net increase in cash, cash equivalents and restricted cash		35,448	7,638
Net (decrease) increase in cash, cash equivalents and restricted cash			
Cash, cash equivalents and restricted cash — beginning of period	Cash, cash equivalents and restricted cash — beginning of period	158,575	139,578
Cash, cash equivalents and restricted cash — end of period	Cash, cash equivalents and restricted cash — end of period	\$194,023	\$147,216

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

#### MARKETWISE, INC.

#### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

#### 1. Organization

##### Description of Business and Basis of Presentation

MarketWise, Inc. ("MarketWise," "the Company," "we," "us," or "our") is a holding company that has no material assets other than its ownership in MarketWise, LLC, and operates and controls all of the businesses and operations of MarketWise, LLC and its subsidiaries. The Company provides independent investment research for investors around the world. We believe we are a leading content and technology multi-brand platform for self-directed investors. We offer a comprehensive portfolio of high-quality, independent investment research, as well as several software and analytical tools, on a subscription basis.

While our headquarters are in Baltimore, Maryland, we operate multiple subsidiaries in the United States.

On July 21, 2021, MarketWise, Inc. became a publicly traded company as a result of completing the business combination, recapitalization and other transactions with Ascendant Digital Acquisition Corp. ("ADAC" or "Sponsor"), a special purpose acquisition company, MarketWise, LLC, all of the members of MarketWise, LLC (the "MarketWise Members"), and Shareholder Representative Services LLC (collectively, the "Transactions").

## 2. Summary of Significant Accounting Policies

### **Basis of Consolidation**

The accompanying **condensed** consolidated financial statements include the accounts of MarketWise, Inc. and its subsidiary, MarketWise, LLC, a variable interest entity ("VIE") for which MarketWise, Inc. is deemed to be the primary beneficiary.

MarketWise, Inc. is a holding company that owns a minority economic interest in MarketWise, LLC but, through its role as the managing member of MarketWise, LLC, controls all of the business and operations of MarketWise, LLC. Therefore, MarketWise, LLC and its subsidiaries are included in the Company's condensed consolidated financial statements. As of **September 30, 2023** **March 31, 2024**, MarketWise, Inc. had a **10.6%** **11.7%** ownership interest in MarketWise, LLC.

The Company determined that MarketWise, LLC is the primary beneficiary of a VIE, and therefore, the assets, liabilities, and results of operations of that VIE are included in the Company's **condensed** consolidated financial statements.

The condensed consolidated financial statements have been prepared in accordance with **accounting principles generally accepted in the United States of America ("GAAP")**. All intercompany balances and transactions have been eliminated in consolidation.

The accompanying statements of operations include certain expenses incurred by, and charged to us by, a related party for general corporate services. These expenses are based primarily on direct usage when identifiable, direct capital expenditures, or other relevant allocations during the respective periods. We believe the assumptions underlying the accompanying condensed consolidated financial statements, including the assumptions regarding these expenses from this related party, are reasonable. Actual results may differ from these expenses, assumptions and estimates. The amounts recorded in the accompanying condensed consolidated financial statements are not necessarily indicative of the actual amount of such indirect expenses that would have been recorded had we been a separate independent entity.

### **Unaudited Interim Financial Information**

The accompanying unaudited condensed consolidated financial statements and the related footnote disclosures have been prepared by us in accordance with GAAP for interim financial reporting and as required by Rule 10-01 of Regulation S-X. Accordingly, the unaudited condensed consolidated financial statements may not include all of the information and notes required by GAAP for audited financial statements. The year-end **December 31, 2022** **December 31, 2023** consolidated balance sheet data included herein was derived from audited financial statements but does not include all disclosures required by GAAP for complete financial statements. In the opinion of management, the

### **MARKETWISE, INC.**

#### **Notes to the Condensed Consolidated Financial Statements (Unaudited)**

*(Dollar amounts in thousands, except share, unit, per share, and per unit data)*

accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of items of a normal and recurring nature, necessary to present fairly our financial position as of **September 30, 2023** **March 31, 2024**, the results of operations, comprehensive income, stockholders' deficit, and cash flows for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022**. The results of operations for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022** are not necessarily indicative of the results to be expected for the full year. The information contained herein should be read in conjunction with the audited financial statements included in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023** filed with the **Securities and Exchange Commission ("SEC")**. **SEC**. Management considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through the date of issuance of these condensed financial statements.

### **MARKETWISE, INC.**

#### **Notes to the Condensed Consolidated Financial Statements (Unaudited)**

*(Dollar amounts in thousands, except share, unit, per share, and per unit data)*

### **Use of Estimates**

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions made in the accompanying **condensed consolidated** financial statements include, but are not limited to, the fair value of common units, derivatives, **warrants**, valuation of assets acquired and liabilities assumed in business combinations, useful lives of intangible assets with definite lives, benefit period of deferred contract acquisition costs, determination of standalone selling prices, estimated life of lifetime customers, recoverability of goodwill and long-lived assets, valuation allowances on deferred tax assets, the incremental borrowing rates to calculate lease liabilities and right-of-use ("ROU") assets and certain accruals. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors and adjust those estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

### **Emerging Growth Company**

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section

404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the **Securities Exchange Act of 1934, as amended**) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our unaudited condensed financial statements with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

#### **MARKETWISE, INC.**

##### **Notes to the Condensed Consolidated Financial Statements (Unaudited)** (Dollar amounts in thousands, except share, unit, per share, and per unit data)

###### **Noncontrolling Interest**

Noncontrolling interest represents the Company's noncontrolling interest in consolidated subsidiaries which are not attributable, directly or indirectly, to the controlling Class A common stock ownership of the Company.

Net income for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** was **fully** attributable to consolidated MarketWise, Inc. and its respective noncontrolling interests.

As of **September 30, 2023** **March 31, 2024**, MarketWise, Inc.'s controlling interest in MarketWise, LLC is 11.7% and the noncontrolling interest was 88.3%. For the three months ended March 31, 2024, net income attributable to controlling interests included a \$735 tax provision, which is 100% attributable to the controlling interest.

As of **March 31, 2023**, MarketWise, Inc.'s controlling interest in MarketWise, LLC was **10.6%** **9.3%** and the noncontrolling interest was **89.4%** **90.7%**. For the three months ended **September 30, 2023**, **March 31, 2023** net income attributable to controlling interests included a **\$691** **\$0.9** million tax provision, and for the nine months ended **September 30, 2023**, net income attributable to controlling interests included a \$2,046 tax provision, both of which were solely attributable to the controlling interest.

As of **September 30, 2022**, MarketWise, Inc.'s controlling interest in MarketWise, LLC was 9.0% and the noncontrolling interest was 91.0%. For the three months ended **September 30, 2022** net income attributable to controlling interests included a \$3,868 loss on warrant liabilities and a \$1,383 tax provision, and for the nine months ended **September 30, 2022** net income attributable to controlling interests included a \$14,931 gain on warrant liabilities and a \$3,945 tax provision, both of which were solely 100% attributable to the controlling interest.

#### **MARKETWISE, INC.**

##### **Notes to the Condensed Consolidated Financial Statements (Unaudited)** (Dollar amounts in thousands, except share, unit, per share, and per unit data)

###### **3. Revenue Recognition**

###### **Disaggregation of revenues**

The following table depicts the disaggregation of revenue according to customer type and is consistent with how we evaluate our financial performance. We believe this depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

		Three Months Ended September 30, 2023				Three Months Ended March 31, 2024				
		Subscriptions	Advertising	Share (Related Party)	Share (Third-party)	Subscriptions	Advertising	Revenue Share (Related Party)	Revenue Share (Third-party)	Total
Timing of transfer:	Timing of transfer:									
Transferred over time										
Transferred over time										
Transferred over time										
Transferred over time										
Transferred over time										
Transferred over time										

	Three Months Ended September 30, 2022						
	Revenue Share (Related Party)			Revenue Share (Third-party)			
	Subscriptions	Advertising					Total
<b>Timing of transfer:</b>							
Transferred over time	\$ 118,990	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 118,990
Transferred at a point in time	—	169	637	138	944		
<b>Total</b>	<b>\$ 118,990</b>	<b>\$ 169</b>	<b>\$ 637</b>	<b>\$ 138</b>	<b>\$ 119,934</b>		

	Nine Months Ended September 30, 2023								
	Subscriptions		Advertising		Revenue Share (Related Party)		Revenue Share (Third-party)		Total
<b>Timing of transfer:</b>									
Transferred over time	\$	334,141	\$	—	\$	—	\$	—	\$ 334,141
Transferred at a point in time		—		508		1,250		128	
<b>Total</b>	<b>\$</b>	<b>334,141</b>	<b>\$</b>	<b>508</b>	<b>\$</b>	<b>1,250</b>	<b>\$</b>	<b>128</b>	<b>\$ 336,027</b>

MARKETWISE, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

**Notes to the Condensed Consolidated Financial Statements (Unaudited)**  
 (Dollar amounts in thousands, except share, unit, per share, and per unit data)

Nine Months Ended September 30, 2022				
	Revenue	Revenue		
	Share	Share		
	(Related	(Third-		
Subscriptions	Advertising	Party)	party)	Total
Three Months Ended March 31, 2023				

Revenue recognition by subscription type was as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<b>Three Months Ended March</b>				
	<u>31,</u>			<b>Three Months Ended March 31,</b>
	<u>2024</u>		<u>2024</u>	<u>2023</u>
Membership	Membership			
subscriptions	subscriptions	\$ 48,177	\$ 46,915	\$137,988
Term	Term			
subscriptions	subscriptions	57,404	72,075	196,153
Non-	Non-			
subscription	subscription			
revenue	revenue	569	944	1,886
				2,425
Total	Total	\$106,150	\$119,934	\$336,027
				\$384,746

Revenue for the **membership** **Membership** and **term** **Term** subscription types are determined based on the terms of the subscription agreements. Non-subscription revenue consists of revenue from advertising and other revenue from revenue share arrangements and the sale of print products and events, such as webinars and conferences. **revenue**.

Net revenue by principal geographic areas was as follows:

		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
		2023	2022	2023	2022
<b>Three Months Ended March</b>					
31,					
		2024		2024	
United States	United States	\$106,150	\$119,707	\$335,936	\$384,419
International	International	—	227	91	327
Total	Total	\$106,150	\$119,934	\$336,027	\$384,746

Revenue by location is determined by the billing entity for the customer.

#### Contract Balances

The timing of revenue recognition, Billings, billings, cash collections and refunds affects the recognition of accounts receivable, contract assets and deferred revenue. Our current deferred revenue balance in the condensed consolidated

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

balance sheets includes an obligation for refunds for contracts where the provision for refund has not lapsed. Accounts receivable, deferred revenue and obligation for refunds are as follows:

		As of			
		September 30, 2023	December 31, 2022		
		As of		March 31, 2024	December 31, 2023
Contract balances	Contract balances			March 31, 2024	December 31, 2023
Accounts receivable					
Accounts receivable					
Accounts receivable	Accounts receivable	\$ 5,958	\$ 4,040		
Obligations for refunds	Obligations for refunds	\$ 3,302	\$ 4,676		
Deferred revenue – current	Deferred revenue – current	\$290,226	\$310,555		
Deferred revenue – non-current	Deferred revenue – non-current	\$325,688	\$348,273		

We recognized \$69,978 \$92,561 and \$72,852 \$104,035 of revenue during the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$256,627 and \$266,246 during the nine months ended September 30, 2023 and 2022, 2023, respectively, that was included within the beginning contract liability balance of the respective periods. The Company has collected all amounts included in deferred revenue other than \$5,958 \$3,350 and \$4,040 \$4,528 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, related to the timing of cash settlement with our credit card processors.

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

processor.

#### Assets Recognized from Costs to Obtain a Contract with a Customer

The following table presents the opening and closing balances of our capitalized costs associated with contracts with customers:

Balance at January 1, 2023	\$ 197,618	164,900
Royalties and sales commissions – additions	22,989	5,237
Revenue share and cost per acquisition fees – additions	36,526	9,303
Amortization of capitalized costs	(83,081)	(28,304)
Balance at September 30, 2023	\$ 174,052	151,136

We did not recognize any impairment on capitalized costs associated with contracts with customers for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023.

#### **Remaining Performance Obligations**

As of September 30, 2023 March 31, 2024, the Company had \$619,216 \$565,545 of remaining performance obligations presented as deferred revenue in the condensed consolidated balance sheets. We expect to recognize approximately 47% 50% of that amount as revenues over the next twelve months, with the remainder recognized thereafter.

#### **4. Acquisitions Legacy Reorganization**

##### **2023 Acquisition**

In July 2023, On February 8, 2024, the Company acquired reported that its Board of Directors had committed to a strategic realignment and reorganization (the "Reorganization") whereby the Company will wind-down the operations of its Legacy Research Group business for cash ("Legacy Research") in response to misconduct discovered at Legacy Research where certain managers violated the Company's policies.

Following the commitment to the Reorganization, Legacy Research began to significantly curtail business activities including any marketing efforts to acquire new subscribers, but continued to serve existing subscribers and fulfill existing subscriptions during the first quarter of 2024. At the transaction was accounted for as a business combination in accordance with ASC 805, *Business Combinations*. The Company does not consider this acquisition to be material.

##### **Buttonwood Publishing**

During third quarter 2022, we acquired 100% ownership of certain assets and liabilities from Crowdability, Inc. ("Buttonwood Publishing transaction"), a provider of financial newsletters, for cash of \$12,770. The Buttonwood Publishing transaction was accounted for using the acquisition method of accounting for business combinations. The following table summarizes the fair value of assets acquired and liabilities assumed as of the acquisition date:

Right announcement, there were 104 employees at Legacy Research, which represented approximately 18% of use asset	\$ 50
Goodwill	8,019
Tradenames	709
Customer relationships	9,350
Total assets acquired	18,128
Deferred revenue, current	(2,648)
Operating lease liabilities, current	(22)
Operating lease liabilities, noncurrent	(28)
Deferred revenue, noncurrent	(2,660)
Liabilities assumed	(5,358)
Net assets acquired	\$ 12,770

The excess purchase consideration over the fair values Company's total employees. As of assets acquired March 31, 2024, 12 employees were either terminated or resigned, and liabilities assumed was recorded as goodwill. The acquired intangible assets related to the Buttonwood Publishing transaction are amortized over their estimated useful lives. Accordingly, the tradenames are amortized over 9.0 years and customer relationships are amortized over 6.5 years. Amortization for the acquired intangible assets was \$382 and \$217 for separation costs incurred in the three months ended September 30, 2023 March 31, 2024 totaled approximately \$200. As of March 31, 2024, the Company was still evaluating a range of potential actions related to the Reorganization, including the sale of certain Legacy Research assets to other businesses within MarketWise, and 2022, respectively, actions with respect to the remaining employees, and \$1,135 for the nine months ended September 30, 2023, had not approved any such plans.

#### **MARKETWISE, INC.**

##### **Notes to the Condensed Consolidated Financial Statements (Unaudited)**

(Dollar amounts in thousands, except share, unit, per share, and per unit data)

Revenue Legacy Research has leased office space and the current lease end date for this property is December 2028. As of March 31, 2024, the operating lease right-of-use asset and related leasehold improvements totaled approximately \$2.9 million. The Company was still using this property in its operations, and evaluating various future alternatives with respect to this property as of March 31, 2024.

The Company expects that the Reorganization will be completed in the first half of fiscal 2024.

#### **5. Acquisitions**

#### MMP Acquisition

In January 2024, we acquired 100% ownership of certain assets and liabilities from Buttonwood Publishing Money Map Press, LLC ("MMP Acquisition"), a provider of financial newsletters, which is a related party. The Company will pay contingent consideration based on the level of subscription sales it achieves from certain customers beginning from the sale date through January 1, 2026, as defined in the sale agreement. The fair value of the contingent consideration was \$987 estimated to be \$707. The contingent consideration will be remeasured at the end of each reporting period. The MMP Acquisition was accounted for using the acquisition method of accounting for business combinations. The purchase price allocation is preliminary pending completion of valuations of certain acquired assets and \$788 liabilities. The following table summarizes the fair value of assets acquired and liabilities assumed as of the acquisition date:

Goodwill	\$	2,522
Tradenames		283
Customer relationships		2,235
Total assets acquired		5,040
Deferred revenue, current		(3,166)
Deferred revenue, noncurrent		(1,167)
Liabilities assumed		(4,333)
Net assets acquired	\$	707

The excess purchase consideration over the fair values of assets acquired and liabilities assumed was recorded as goodwill. The acquired intangible assets related to the MMP Acquisition are amortized over their estimated useful lives. Accordingly, the tradenames are amortized over 8.7 years and customer relationships are amortized over 6.2 years. Amortization for the acquired intangible assets was \$97 for the three months ended September 30, 2023 and 2022, respectively, and \$3,233 for the nine months ended September 30, 2023 March 31, 2024.

#### 5.6. Goodwill and Intangible Assets, Net

##### Goodwill

The carrying amounts of goodwill are as follows:

Balance at December 31, 2022	January 1, 2024	\$ 31,307	31,038
MMP Acquisition			Acquisition 2,522 85
Balance at September 30, 2023	March 31, 2024	\$ 31,392	33,560

##### Intangible assets, net

Intangible assets, net consisted of the following as of the dates indicated:

	September 30, 2023			
	Cost	Accumulated Amortization	Net Book Value	Weighted-Average Remaining
				Useful Life (in years)
<b>Finite-lived intangible assets:</b>				
Customer relationships	\$ 21,793	\$ (12,410)	\$ 9,383	4.8
Tradenames	4,297	(2,662)	1,635	5.4
Capitalized software development costs	4,500	(2,334)	2,166	3.8
Finite-lived intangible assets, net	30,590	(17,406)	13,184	
<b>Indefinite-lived intangible assets:</b>				
Internet domain names	1,087	—	1,087	
Indefinite-lived intangible assets, net	1,087	—	1,087	
Intangible assets, net	\$ 31,677	\$ (17,406)	\$ 14,271	
<b>December 31, 2022</b>				
	Cost	Accumulated Amortization	Net Book Value	Weighted-Average Remaining
Useful Life (in years)				
<b>Finite-lived intangible assets:</b>				
Customer relationships	\$ 21,718	\$ (9,924)	\$ 11,794	5.4
Tradenames	4,287	(2,265)	2,022	5.8
Capitalized software development costs	3,002	(1,858)	1,144	2.0

Finite-lived intangible assets, net	29,007	(14,047)	14,960
Indefinite-lived intangible assets:			
Internet domain names	1,087	—	1,087
Indefinite-lived intangible assets, net	1,087	—	1,087
Intangible assets, net	\$ 30,094	\$ (14,047)	\$ 16,047

During the three months ended September 30, 2023, the Company determined that impairment indicators were present due to continuing losses with respect to its Buttonwood Publishing business which it had acquired during 2022. As a result, the Company recorded an impairment loss on Buttonwood Publishing's intangible assets totaling

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

###### **\$584. The Company used a with and without method to determine the fair value Intangible assets, net**

Intangible assets, net consisted of the customer relationships and a relief from royalty method to determine the fair value following as of the tradenames, dates indicated:

	March 31, 2024				
	Cost	Accumulated Amortization	Net Book Value	Weighted-Average Remaining Useful Life (in years)	
				4.7	4.8
<b>Finite-lived intangible assets:</b>					
Customer relationships	\$ 14,679	\$ (10,655)	\$ 4,024		
Tradenames	3,871	(2,697)	1,174		
Capitalized software development costs	5,010	(2,858)	2,152		
Finite-lived intangible assets, net	23,560	(16,210)	7,350		
<b>Indefinite-lived intangible assets:</b>					
Internet domain names	1,087	—	1,087		
Indefinite-lived intangible assets, net	1,087	—	1,087		
Intangible assets, net	\$ 24,647	\$ (16,210)	\$ 8,437		

	December 31, 2023				
	Cost	Accumulated Amortization	Net Book Value	Weighted-Average Remaining Useful Life (in years)	
				3.0	3.9
<b>Finite-lived intangible assets:</b>					
Customer relationships	\$ 12,443	\$ (10,371)	\$ 2,072		
Tradenames	3,588	(2,611)	977		
Capitalized software development costs	4,714	(2,595)	2,119		
Finite-lived intangible assets, net	20,745	(15,577)	5,168		
<b>Indefinite-lived intangible assets:</b>					
Cryptocurrencies	—	—	—		
Internet domain names	1,087	—	1,087		
Indefinite-lived intangible assets, net	1,087	—	1,087		
Intangible assets, net	\$ 21,832	\$ (15,577)	\$ 6,255		

We recorded amortization expense related to finite-lived intangible assets of \$936 \$633 and \$760 \$914 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$2,775 and \$1,793 for the nine months ended September 30, 2023 and 2022, 2023, respectively, within depreciation and amortization in the accompanying condensed consolidated statement of operations. These amounts include amortization of capitalized software development costs of \$187 \$264 and \$133 \$143 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$476 and \$368 for the nine months ended September 30, 2023 and 2022, 2023, respectively.

We recorded additions to capitalized software development costs of \$526 \$297 and \$1,498 \$382 for the three and nine months ended September 30, 2023, March 31, 2024 and 2023, respectively. We recorded additions

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited)

(Dollar amounts in thousands, except share, unit, per share, and \$136 for the three and nine months ended September 30, 2022, respectively, per unit data)

As of September 30, 2023, March 31, 2024, the total expected future amortization expense for finite-lived intangible assets is as follows:

Remainder of 2023	\$	992
2024		3,442
Remainder of 2024		
2025	2025	2,879
2026	2026	2,462
2027	2027	1,554
2028		
Thereafter	Thereafter	1,855
Finite-lived intangible assets, net	Finite-lived intangible assets, net	\$ 13,184

## 6.

### 7. Fair Value Measurements

The following tables summarize our financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as of the dates indicated:

		September 30, 2023			
		Level		Aggregate	
		Level 1	2	Level 3	Fair Value
		March 31, 2024		March 31, 2024	
		Level 1	Level 2	Level 3	Aggregate Fair Value
Assets:	Assets:				
Money	Money				
market	market				
market funds	market funds	\$125,311	\$—	\$—	\$125,311
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Money market funds					
Contingent					
consideration					
receivable					
Total assets	Total assets	125,311	—	—	125,311
Liabilities:	Liabilities:				





The level 3 assets relate to contingent consideration receivable from a related party associated with the Buttonwood Publishing sale, see Note 4 - *Acquisitions and Disposals* in our Annual Report on Form 10-K for the year ended December 31, 2023, and the level 3 liabilities relate to contingent consideration liability to a related party associated with the MMP Acquisition and profits interests, see Note 5 - *Acquisitions* and Note 9 - *Stock-Based Compensation*, respectively.

## MARKETWISE, INC.

## Notes to the Condensed Consolidated Financial Statements (Unaudited)

(Dollar amounts in thousands, except share, unit, per share, and per unit data)

The level 3 liabilities relate to certain employee contracts with embedded derivatives and profits interests, see Note 8 – *Derivative Financial Instruments* and Note 9 – *Stock-Based Compensation*, respectively.

The following table provides quantitative information regarding the recurring Level 3 fair value measurements inputs for the derivative liabilities contingent consideration receivable, profits interests, and contingent consideration liability at their measurement dates:

	As of	
	September 30, 2023	December 31, 2022
Volatility	39.80 %	37.30 %
Discount rate	22.40 %	21.80 %
Credit spread	1.70 %	0.20 %
Risk-free rate	3.50 %	3.50 %

The following table provides quantitative information regarding Level 3 fair value measurements inputs for the profits interests at the measurement date:

	As of	
	September 30, 2023 Contingent consideration receivable	September 30, 2023 Contingent consideration receivable
Discount rate	22.80	27.2 %
Revenue discount rate	5.8 %	
<b>Profits interests</b>		
Discount rate	25.0 %	
Discount for lack of marketability	30.50	29.5 %
<b>Contingent consideration liability</b>		
Discount Rate	27.2	
<p>The Company held no derivative liabilities as during the three months ended March 31, 2024. The following table summarizes the change in fair value of the derivative liabilities during the <b>nine</b> <b>three</b> months ended <b>September 30, 2023</b> and <b>2022</b>: <b>March 31, 2023</b>:</p>		
Balance at January 1, 2023	\$ 1,281	
Establishment of profits interests liability (see Note 9 – Stock-Based Compensation)	1,010	
Change in fair value of profits interests liability	(367)	
Change in fair value of derivative instruments	1,673	1,011
Balance at <b>September 30, 2023</b> <b>March 31, 2023</b>	<b>\$ 3,597</b>	<b>2,292</b>
Balance at January 1, 2022	\$ 31,347	
Change in fair value of derivative instruments	(15,626)	
Warrants exchanged for Class A common stock (see Note 15 – Warrant Exchange)	\$ (14,401)	
Balance at September 30, 2022	\$ 1,320	

## 7.8. Balance Sheet Components

### Capitalized Implementation Costs

We capitalized cloud computing implementation costs for customer-relationship management, revenue management, and enterprise **resource** **resource** planning systems of \$0 and \$360 for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, and \$71 and \$1,392 for the **nine** months ended **September 30, 2023** and **2022**, 2023, respectively. The capitalized implementation costs are **capitalized** **capitalized** within other current assets and other assets on the condensed **consolidated** **consolidated** balance sheets. Amortization expense related to capitalized cloud computing implementation costs was \$238 and \$222 for the three months ended March 31, 2024 and 2023, respectively.

### Property and Equipment, Net

Property and equipment, net consists of the following:

	Estimated Useful Lives	As of	
		March 31, 2024	December 31, 2023
Furniture and fixtures	5 years	\$ 960	\$ 960
Computers, software and equipment	3 years	1,520	1,520
Leasehold improvements	Shorter of estimated useful life or remaining term of lease	1,271	1,271
		3,751	3,751
Less: Accumulated depreciation and amortization		(3,121)	(3,061)
Total property and equipment, net		<b>\$ 630</b>	<b>\$ 690</b>

MARKETWISE, INC.

**Notes to the Condensed Consolidated Financial Statements (Unaudited)**  
(Dollar amounts in thousands, except share, unit, per share, and per unit data)

implementation costs was \$238 and \$133, for the three months ended September 30, 2023 and 2022, respectively, and \$689 and \$145 for the nine months ended September 30, 2023 and 2022, respectively.

#### Property and Equipment, Net

Property and equipment, net consists of the following:

	Estimated Useful Lives	As of	
		September 30, 2023	December 31, 2022
Furniture and fixtures	5 years	\$ 960	\$ 960
Computers, software and equipment	3 years	1,518	1,458
Leasehold improvements	Shorter of estimated useful life or remaining term of lease	1,271	1,278
		3,749	3,696
Less: Accumulated depreciation and amortization		(3,001)	(2,804)
Total property and equipment, net		\$ 748	\$ 892

Depreciation and amortization expense for property and equipment was \$65 and \$76 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$204 and \$260 for the nine months ended September 30, 2023 and 2022, 2023, respectively.

#### Accrued Expenses

Accrued expenses consist of the following:

		As of	
		September 30, 2023	December 31, 2022
Commission and variable compensation	\$ 22,510	\$ 24,207	
Payroll and benefits	4,357	5,258	
Other accrued expenses	15,844	16,511	
Total accrued expenses	\$ 42,711	\$ 45,976	

#### 8. Derivative Financial Instruments

Prior to the closing of the Transactions, as part of our compensation and employee retention strategy, we entered into contracts with key employees and independent contractors which contain embedded derivatives. These contracts are intended to compensate the employees or independent contractors for services provided and retain their future services. These embedded derivative instruments are issued in the form of phantom interests in Net Income, as defined by our board of directors (the "Board"), that grant the holder value equal to a percentage of Net Income multiplied by a price multiple. All derivative instruments are recorded at fair value as derivative liabilities on our condensed consolidated balance sheets.

As of September 30, 2023, there is one embedded derivative instrument outstanding. The following table presents information on the location and amounts of derivative instrument gains and losses:

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited)

(Dollar amounts in thousands, except share, unit, per share, and per unit data)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023		2022	
		Recognized in Income Statement		2023	2022
Warrants	Other income, net	\$ —	\$ (3,868)	\$ —	\$ 14,931
Phantom Interests in Net Income	General and administrative	(972)	(160)	(1,673)	695
Total		\$ (972)	\$ (4,028)	\$ (1,673)	\$ 15,626

See Note 6 – Fair Value Measurements for more information regarding the valuation of our derivative instruments.

As of	
March 31, 2024	December 31, 2023

Commission and variable compensation	\$ 8,260	\$ 29,817
Payroll and benefits	3,617	10,941
Other accrued expenses	10,171	14,283
<b>Total accrued expenses</b>	<b>\$ 22,048</b>	<b>\$ 55,041</b>

## 9. Stock-Based Compensation

Included within cost of revenue, sales and marketing, and general and administrative expenses are total stock-based compensation expenses as follows:

	Three Months Ended March 31,	
	2024	2023
Cost of revenue	\$ 599	\$ 1,008
Sales and marketing	621	1,092
General and administrative	2,587	1,603
<b>Total stock based-compensation expense</b>	<b>\$ 3,807</b>	<b>\$ 3,703</b>

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Cost of revenue	\$ 688	\$ 438	\$ 2,379	\$ 1,496
Sales and marketing	711	514	2,519	1,655
General and administrative	2,176	1,201	6,058	4,039
<b>Total stock based-compensation expense</b>	<b>\$ 3,575</b>	<b>\$ 2,153</b>	<b>\$ 10,956</b>	<b>\$ 7,190</b>

Total stock-based compensation expense for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** includes expenses related to our **MarketWise, Inc.** 2021 Incentive Award Plan, (the "2021 Incentive Award Plan") our 2021 Employee Stock Purchase Plan ("ESPP"), **ESPP** and profits interests, as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
2021 Incentive Award Plan	\$ 2,848	\$ 2,086	\$ 10,037	\$ 6,828
Employee Stock Purchase Plan	84	67	276	362
Profits interests	643	—	643	—
<b>Total stock-based compensation expense</b>	<b>\$ 3,575</b>	<b>\$ 2,153</b>	<b>\$ 10,956</b>	<b>\$ 7,190</b>

	Three Months Ended March 31,	
	2024	2023
2021 Incentive Award Plan	\$ 2,086	\$ 3,603
Employee Stock Purchase Plan	89	100
Profits interests	1,632	—
<b>Total stock-based compensation expense</b>	<b>\$ 3,807</b>	<b>\$ 3,703</b>

### 2021 Incentive Award Plan

As of September 30, 2023, The Company has reserved a total of 33,960,802 shares of MarketWise Class A common stock for issuance pursuant to the 2021 Incentive Award Plan.

During the **nine** three months ended **September 30, 2023** **March 31, 2024**, we granted **5,098,818** **955,035** restricted stock units ("RSUs") and 715,000 fully vested shares of **Class A common stock** to certain employees and service providers in aggregate under our 2021 Incentive Award Plan.

For employees and service providers, both RSUs and stock appreciation rights ("SARs") are primarily **time-based** and typically vest ratably over four years, as specified in the individual grant notices. The RSUs may entitle the recipients to dividend equivalents if approved by the Plan Administrator, which are subject to the same vesting terms and accumulate during the vesting period. Upon vesting, the RSU holder will be issued a corresponding number of the Company's Class A common stock. The SARs will be settled in the Company's Class A common stock upon exercise. The shares to be issued upon exercise of a SAR will have a total market value equal to the

### MARKETWISE, INC.

#### Notes to the Condensed Consolidated Financial Statements (Unaudited)

(Dollar amounts in thousands, except share, unit, per share, and per unit data)

SAR value calculated as (x) number of shares underlying such SAR, multiplied by (y) any excess of the Company's share value on the date of exercise over the exercise price set in each individual grant notice.

The fair value of the RSU is the same as the Company's share price on the date of grant. The fair value of the SARs was determined using a Black-Scholes model.

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

The activities of the RSUs and SARs and the related weighted average grant-date fair value of the respective share classes are summarized as follows, including granted, exercised and forfeited from January 1, 2023 January 1, 2024 to September 30, 2023, are summarized as follows: March 31, 2024.

	RSUs		SARs			
	Weighted-Average		Weighted-Average			
	Grant		Grant			
	Date Fair		Date Fair			
	Units	Value	Units	Value		
<b>Outstanding at January 1, 2023</b>	6,261,543	\$ 3.45	1,747,473	\$ 4.05		
	RSUs		RSUs			
	RSUs		SARs			
	Units		Units		Weighted-Average Grant Date Fair Value	
<b>Outstanding at January 1, 2024</b>					Weighted-Average Grant Date Fair Value	
Granted	Granted	5,098,818	1.79	—	—	
Exercised or vested	Exercised or vested	(2,259,892)	3.28	—	—	
Forfeited	Forfeited	(604,232)	2.94	(92,885)	4.05	
<b>Outstanding at September 30, 2023</b>	<b>8,496,237</b>	<b>\$ 2.53</b>	<b>1,654,588</b>	<b>\$ 4.05</b>		
<b>Exercisable at September 30, 2023</b>						
Expired	—	\$ —	829,619	\$ 4.05		
<b>Outstanding at March 31, 2024</b>						
<b>Exercisable at March 31, 2024</b>						

The stock compensation expense related to the RSU and SAR grants was \$2,848 \$2,087 and \$2,086 \$3,603 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$8,893 and \$6,828 for the nine months ended September 30, 2023 and 2022, 2023, respectively. As of September 30, 2023 March 31, 2024, 829,619 of the 761,219 SARs were exercisable and they have a remaining contractual term of 8.0 7.3 years. For the fully vested shares, during the nine months ended September 30, 2023, we issued 417,684 shares of Class A common stock after withholding for taxes, resulting in compensation expense of \$1,144.

#### Employee Stock Purchase Plan

The Company recognized \$89 and \$100 of stock-based compensation expense related to the Employee Stock Purchase Plan ("ESPP") during the three months ended three months ended March 31, 2024 and 2023, respectively. As of September 30, 2023 March 31, 2024, The Company has reserved for issuance a total of 6,728,300 shares of Class A common stock for the ESPP. The most recent offering period began on July 1, 2023 and ends on December 31, 2023. As of September 30, 2023, \$230 \$189 has been withheld on behalf of employees for the December 31, 2023 June 30, 2024 purchase date.

The Company recognized \$84 and \$67 of stock-based compensation expense related to the ESPP during the three months ended September 30, 2023 and 2022, respectively, and \$276 and \$362 for the nine months ended September 30, 2023 and 2022, respectively. On each purchase date, eligible employees may purchase the shares at a price per share equal to 85% of the lesser of the fair market value of the Company's Class A common stock on (1) the first trading day of the offering period, or (2) the last trading day of the offering period. The Company issued 231,165 shares of Class A common stock for \$332,184 related to employee purchases under the ESPP during the nine months ended September 30, 2023.

#### Profits Interests

During the three months ended September 30, 2023, the Company granted fully vested profits interests in a subsidiary of the Company to an employee. The profits interests are accounted for under ASC 718, *Compensation—Stock Compensation*, and are classified as liability awards, which requires that the awards be remeasured to fair value at the end of each reporting period until the liability is settled. The Company recognized \$643 \$1,632 of stock-based compensation expense related to the profits interests during the three months ended September 30, 2023 March 31, 2024.

**MARKWISE, INC.**

**Notes to the Condensed Consolidated Financial Statements (Unaudited)**  
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**10. Earnings Per Share**

The following tables set forth the computation of basic and diluted earnings per share for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three months ended		Nine months ended			
		September 30,		September 30,			
		2023	2022	2023	2022		
		Three Months Ended March 31,		Three Months Ended March 31,			
		2024		2024		2023	
<b>Basic earnings per share:</b>	<b>Basic earnings per share:</b>						
<b>Numerator:</b>	<b>Numerator:</b>						
<b>Numerator:</b>							
Net income							
<b>Net income</b>	<b>Net income</b>	\$12,044	\$16,509	\$52,392	\$73,569		
Less: Net income attributable to noncontrolling interests	Less: Net income attributable to noncontrolling interests	11,904	20,521	50,749	59,875		
Net income attributable to Class A common stockholders	Net income attributable to Class A common stockholders	\$ 140	\$ (4,012)	\$ 1,643	\$13,694		
<b>Denominator:</b>	<b>Denominator:</b>						
<b>Denominator:</b>							
Weighted average shares outstanding (in thousands)							
Weighted average shares outstanding (in thousands)							
Weighted average shares outstanding (in thousands)	Weighted average shares outstanding (in thousands)	32,910	23,533	30,883	23,233		
Basic earnings per share	Basic earnings per share	\$ 0.00	\$ (0.17)	\$ 0.05	\$ 0.59		
<b>Basic earnings per share:</b>							
<b>Diluted earnings per share:</b>	<b>Diluted earnings per share:</b>						
<b>Diluted earnings per share:</b>							
<b>Diluted earnings per share:</b>							

<b>Numerator:</b>	<b>Numerator:</b>
<b>Numerator:</b>	
<b>Numerator:</b>	
Net income	
Net income	
Net income	Net income \$12,044 \$16,509 \$52,392 \$73,569
Less: Net income attributable to noncontrolling interests	Less: Net income attributable to noncontrolling interests 11,904 20,521 50,749 59,875
Net income attributable to Class A common stockholders	Net income attributable to Class A common stockholders \$ 140 \$ (4,012) \$ 1,643 \$13,694
<b>Denominator:</b>	<b>Denominator:</b>
<b>Denominator:</b>	
<b>Denominator:</b>	
Weighted average shares outstanding (in thousands)	
Weighted average shares outstanding (in thousands)	
Weighted average shares outstanding (in thousands)	Weighted average shares outstanding (in thousands) 33,632 23,566 31,996 23,267
Diluted earnings per share	Diluted earnings per share \$ 0.00 \$ (0.17) \$ 0.05 \$ 0.59
Diluted earnings per share	
Diluted earnings per share	

The Company's potentially dilutive securities and their impact on the computation of diluted earnings per share is as follows:

- Public and private placement warrants: the public and private placement warrants were "out of the money" during the three and nine months ended September 30, 2022, therefore, net income per share excludes any impact of the 20,699,993 public warrants and 10,280,000 private placement warrants. The warrants were exchanged in September 2022 and there are no warrants outstanding as of September 30, 2023.
- Sponsor and MarketWise management member earnout shares: Management Member Earnout Shares: the 3,051,000 Sponsor earnout shares Earnout Shares and the 2,000,000 MarketWise management member earnout shares granted Management Member Earnout Shares (as defined and discussed in connection with our Current Report on Form 8-K filed with the closing of the Transactions SEC on July 28, 2021) held in escrow are excluded from the earnings per share computation in both periods since the earnout contingency has not been met.
- Restricted stock units: The basic earnings per share calculation includes the impact of vested RSUs. The diluted earnings per share calculation includes the impact of unvested RSUs, where the impact is dilutive, unless the Company has a net loss. The diluted earnings per share calculations above exclude certain RSUs

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with performance conditions, since the performance conditions were not met, and such RSUs were forfeited as of June 30, 2023.

- Stock appreciation rights: The diluted earnings per share calculation for the three and nine months ended September 30, 2023 and 2022 excludes the impact of SARs since the effect was antidilutive.
- ESPP: The basic earnings per share calculation includes the impact of the shares that were issued under the ESPP as of June 30, 2023 and 2022. The diluted earnings per share calculation includes the impact of dilutive shares and excludes the impact of antidilutive shares under the ESPP as of September 30, 2023 March 31, 2024 and 2022, 2023.

#### 11. Income Taxes

We are subject to U.S. federal and state taxes with respect to our allocable share of any taxable income or loss of MarketWise, LLC, as well as any stand-alone income or loss we generate. MarketWise, LLC is treated as a

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

partnership for U.S. income tax purposes and for most applicable state and local income tax purposes and generally does not pay income taxes in most jurisdictions. Instead, MarketWise, LLC's taxable income or loss is passed through to its members, including us.

Our effective income tax rate was 5.4% 3.1% and 3.8% 2.9% for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and 7.7% and 5.1% for the three and nine months ended September 30, 2022, 2023, respectively. The main driver of the effective income tax rate for the three and nine months ended September 30, 2022 March 31, 2023 was the income allocation to the non-controlling interest. The main driver of the decrease increase in the effective tax rate from the three months ended September 30, 2022 March 31, 2023 is the change in the income allocation to the non-controlling interest. Our effective tax rate for the three and nine months ended September 30, 2023 March 31, 2024 differs from the U.S. federal statutory rate primarily because we generally do not record income taxes for the noncontrolling portion of pre-tax income.

As a result of the reverse capitalization in 2021, we recorded a deferred tax asset resulting from the outside basis difference in our interest in MarketWise, LLC. The Company company considers both positive and negative evidence when measuring the need for a valuation allowance. A valuation allowance is not required to the extent that, in management's judgment, positive evidence exists with a magnitude and duration sufficient to result in a conclusion that it is more likely than not (a likelihood of more than 50%) that the Company's deferred tax assets will be realized.

In evaluating the need for a valuation allowance on the deferred tax asset, the company considered positive evidence related to its historic earnings, forecasted income and reversal of temporary differences. Therefore, the Company recorded a valuation allowance in the amount of \$29,088 \$29,869 for certain deferred tax assets that are not more likely than not to be realized.

As part of the reverse capitalization in 2021, Transactions, we entered into a Tax Receivable Agreement Agreements ("TRA" TRAs) with certain stockholders, shareholders. Pursuant to our election under Section 754 of the Internal Revenue Code, of 1986, as amended, and the regulations issued thereunder, we expect to receive a step up in the tax basis of our ownership in MarketWise, LLC as exchanges of the LLC Units (as defined herein) occur. These increases in tax basis may reduce the amount we may otherwise pay to various tax authorities in the future. The TRA liability represents will represent approximately 85% of the calculated tax savings based on basis adjustments and other carryforward attributes assumed that we anticipate being to be able to utilize in future years. We will retain the remaining 15% of calculated tax savings. The payments contemplated by the TRA are not conditioned upon any continued ownership interest in MarketWise, LLC. The timing and amount of aggregate payments due pursuant to the TRA may vary based on several factors including the timing and amount of future taxable income, as well as future applicable tax rates. As such, significant inputs and assumptions are used to estimate the future expected payments under the TRA. During the three and nine months ended September 30, 2023 March 31, 2024, Members of MarketWise, LLC exchanged an aggregate of 1,500,000 and 2,750,000 500,000 common units of MarketWise, LLC ("LLC Units") together with an equal number of shares of Class B common stock for 1,500,000 and 2,750,000 500,000 newly-issued shares of Class A common stock, respectively. As a result, we have recorded a cumulative liability of \$2,096 \$2,470 under the TRA as of September 30, 2023 March 31, 2024. No payments have been made under the TRA and no payments are expected in the next 12 months.

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##### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

As of September 30, 2023 March 31, 2024, we had no unrecognized tax positions and believe there will be no changes to uncertain tax positions within the next 12 months.

#### 12. Related Party Transactions

We have certain revenue share agreements with related parties. Accordingly, we recognized revenue from related parties of \$351 \$379 and \$637 \$618 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$1,250 and \$1,363 for the nine months ended September 30, 2023 and 2022, 2023, respectively.

We also incurred costs related to revenue share agreements with expenses paid to related parties of \$1,306 and \$1,152 which are were capitalized within deferred as contract acquisition costs. We capitalized \$1,952 and \$397 origination costs for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$4,039 and \$2,167 for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Additionally, a related party provided call center support and other services to the Company for which we recorded an expense within cost of revenue of \$80 \$134 and \$186 \$136 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, 2023, respectively.

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

A related party provided marketing and copywriting services to the Company for which we recorded an expense within cost of revenue of \$644 \$0 and \$1,229 for the three and nine months ended September 30, 2023, respectively, and \$86 \$253 for the three months ended September 30, 2022, March 31, 2024 and 2023, respectively.

A related party also provided certain corporate functions to the Company MarketWise and the costs of these services are charged to us. MarketWise. We recorded \$24 \$23 and \$21 \$27 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$78 and \$64 for the nine months ended September 30, 2023 and 2022, 2023, respectively, within related party expense in the accompanying condensed consolidated statement of operations. We held balances of \$1,015 \$563 and \$1,043 \$1,220 as of September 30, 2023 March 31, 2024 and December 31, 2022, respectively, December 31, 2023 of related party payables related to revenue share expenses, call center support, and the services noted above. The balances with our related party are presented net and are included in related party payables, net in the condensed consolidated balance sheet.

We earned fees and provided certain accounting and marketing services to companies owned by certain of MarketWise's Class B stockholders. As a result, we recognized \$97 \$155 and \$225 \$302 in other income, net for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$604 and \$478 for the nine months ended September 30, 2023 and 2022, 2023, respectively. Related party receivables related to these services were \$97 \$155 and \$403 \$239 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

We lease offices from related parties. Lease payments made to related parties were \$441 \$435 and \$418 \$433 for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, and \$1,309 and \$1,337 for the nine months ended September 30, 2023 and 2022, respectively. Rent related party rent expense of \$602 \$603 and \$588 \$605 were recognized in general and administrative expenses for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, 2023. At March 31, 2024 and \$1,802 and \$1,729 for the nine months ended September 30, 2023 and 2022, respectively, related to leases with related parties, and was recognized in general and administrative expenses.

At September 30, 2023 and December 31, 2022 December 31, 2023, ROU assets of \$7,804 \$6,771 and \$9,210 \$7,261 and lease liabilities of \$6,124 \$5,403 and \$7,041, respectively, \$5,740 are associated with leases with related parties.

In April 2020 we provided a loan to a related party and recognized a related party note receivable from the unitholder of \$1,148. We recognized \$6 and \$16 in interest income for the three and nine months ended September 30, 2022, respectively. This loan was repaid in October 2022.

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

#### 13. Supplemental Cash Flow Information

Supplemental cash flow disclosures are as follows:

	2024	2024	2023
Supplemental Disclosures of Cash Flow Information:			
Cash paid for interest			
Cash paid for interest			
Cash paid for interest			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases			
Operating cash flows from operating leases			
Operating cash flows from operating leases			
	Nine Months Ended September 30,		
	2023	2022	
Supplemental Disclosures of Cash Flow Information:			

Cash paid for interest	\$ 675	\$ 589
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	(1,486)	(1,731)
Operating lease right-of-use assets obtained in exchange for lease obligations	(76)	(795)
Operating lease right-of-use assets obtained in exchange for lease obligations from acquisitions	—	(50)
<b>Supplemental Disclosures of Non-Cash Investing and Financing Activities:</b>		
<b>Supplemental Disclosures of Non-Cash Investing and Financing Activities:</b>		
<b>Supplemental Disclosures of Non-Cash Investing and Financing Activities:</b>	<b>Supplemental Disclosures of Non-Cash Investing and Financing Activities:</b>	
Capitalized software included in accounts payable	Capitalized software included in accounts payable	71 120
Recording of deferred tax assets and capital contribution related to exchanges of Class B common stock to Class A common stock		2,466 —
Capitalized software included in accounts payable		
	<b>As of September 30,</b>	
Capitalized software included in accounts payable		
	<b>2023 2022</b>	
	<b>As of March 31,</b>	
	<b>As of March 31,</b>	
	<b>As of March 31,</b>	
	<b>2024</b>	
<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash:</b>	<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash:</b>	
Cash and cash equivalents	Cash and cash equivalents	\$194,023 \$147,216
Restricted cash		— —
Total		\$194,023 \$147,216
Cash and cash equivalents		

Cash and cash equivalents
Total cash and cash equivalents
Total cash and cash equivalents
Total cash and cash equivalents

#### 14. Stockholders' Equity

The Company's capital stock consists of (i) issued and outstanding Class A common stock with a par value of \$0.0001 per share, and (ii) issued and outstanding Class B common stock with a par value of \$0.0001 per share.

The table set forth below reflects information about the Company's equity as of **September 30, 2023** **March 31, 2024**. The 3,051,000 Sponsor **earnout shares** **Earnout Shares** held in escrow and the 2,000,000 **management member earnout shares** **Management Member Earnout Shares** are considered contingently issuable shares and therefore excluded from the number of Class A common stock issued and outstanding in the table below.

	Authorized	Issued	Outstanding
Common stock – Class A	950,000,000	34,096,437	34,096,437
Common stock – Class B	300,000,000	288,342,303	288,342,303
Preferred stock	100,000,000	—	—
<b>Total</b>	<b>1,350,000,000</b>	<b>322,438,740</b>	<b>322,438,740</b>

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited)

(Dollar amounts in thousands, except share, unit, per share, and per unit data)

	Authorized	Issued	Outstanding
Common stock - Class A	950,000,000	38,122,283	38,122,283
Common stock - Class B	300,000,000	287,592,303	287,592,303
Preferred stock	100,000,000	—	—
<b>Total</b>	<b>1,350,000,000</b>	<b>325,714,586</b>	<b>325,714,586</b>

Each share of Class A and Class B common stock entitles the holder **to** one vote per share. Only holders of Class A common stock have the right to receive dividends. In the event of liquidation, dissolution or winding up of the affairs of the Company, only holders of Class A common stock have the right to receive liquidation proceeds, while the holders of Class B common stock are entitled to only the par value of their shares. Class B common stock can be issued only to members of MarketWise, LLC, their respective successors and permitted transferees. Under the terms of the Third Amended and Restated Limited Liability Company Operating Agreement of MarketWise, LLC (the "MarketWise Operating Agreement"), and subject to certain restrictions set forth therein, the MarketWise Members are entitled to have their LLC Units redeemed or exchanged for shares of our Class A common stock, at

#### MARKETWISE, INC.

##### Notes to the Condensed Consolidated Financial Statements (Unaudited)

(Dollar amounts in thousands, except share, unit, per share, and per unit data)

our option. If redeemed for cash at the Company's option, such cash would have to be generated through an offering of shares to the market such that there would not be any situation where there would be a net cash obligation to the Company for such redemption. Shares of our Class B common stock held by any such redeeming or exchanging MarketWise Member will be canceled for no additional consideration on a one-for-one basis with the redeemed or exchanged LLC Units whenever **such the** MarketWise Member's **Members' LLC Units** are so redeemed or exchanged. The MarketWise Members may exercise such redemption rights for as long as their LLC Units remain outstanding. Our Board has discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

On May 11, 2023, our Board declared a cash dividend to its Class A common stockholders in the amount of \$0.01 per share, totaling \$0.4 million, and a cash distribution to holders of LLC Units in the amount of \$0.01 per unit, totaling \$2.9 million, to stockholders and unitholders of record as of the close of business **In 2023**, we commenced paying quarterly dividends on June 1, 2023. On July 20, 2023, \$0.3 million of the dividends and the full distribution of \$2.9 million was paid to stockholders and unitholders, respectively.

On August 3, 2023, the Board declared a cash dividend to its Class A common stockholders in the amount of \$0.01 per share, totaling \$0.5 million, and a cash distribution to holders of LLC Units in the amount of \$0.01 per unit, totaling \$2.9 million, to stockholders and unitholders of record as of the close of business on September 5, 2023. On October 26, 2023, \$0.3 million of the dividends and the full distribution of \$2.9 million was paid to stockholders and unitholders, respectively.

Certain of the dividends are attributable to earnout shares and dividend equivalents are attributable to unvested RSUs, and are therefore forfeitable. The Company recorded the full dividend payable as a charge to additional paid-in capital on the declaration date, and forfeitures are reversed as they occur.

The Company intends to pay dividends quarterly in the future, subject to Board approval of any such dividends. Dividends payable and distributions payable are included in other current liabilities in the condensed consolidated balance sheet.

During the three and nine months ended September 30, 2023, pursuant to the terms of the MarketWise Operating Agreement, MarketWise Members exchanged an aggregate of 1,500,000 and 2,750,000 LLC Units, together with an equal number of shares of Class B common stock for 1,500,000 and 2,750,000 newly-issued shares of the Company's our Class A common stock respectively. As a result and distributions on our LLC Units. There can be no assurance that we will continue to pay dividends in the future. The payment of any future dividends and distributions will be at the exchanges, the Company recognized adjustments to non-controlling interests. As discretion of September 30, 2023, MarketWise, Inc.'s controlling interest in MarketWise, LLC was 10.6% and the noncontrolling interest was 89.4%.

On November 4, 2021, our Board authorized the repurchase of up to \$35.0 million Directors and will depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, any limitations on payment of dividends present in aggregate any debt agreements, and other factors that our Board of shares of the Company's Class A common stock. We did not repurchase any shares during the three Directors may deem relevant.

The dividends and nine months ended September 30, 2023. We did not repurchase any shares distributions declared during the three months ended September 30, 2022, and we repurchased 2,484,717 shares totaling \$13.1 million in aggregate, including fees and commissions of \$25 for the nine months ended September 30, 2022. Since the inception of the program we have repurchased 2,984,987 total shares. The maximum dollar value of shares that may yet to be purchased under the plan was \$18.6 million March 31, 2024 were as of September 30, 2023. The share repurchase program expired by its terms on November 3, 2023, follows:

For each share of Class A common stock the Company repurchased under the share repurchase program, MarketWise, LLC, the Company's direct subsidiary, redeemed one LLC Unit held by the Company, decreasing the percentage ownership of MarketWise, LLC by the Company and relatively increasing the ownership by the other unitholders.

Date declared	Date paid	Dividends		Distributions	
		per share	Total	per unit	Total
October 18, 2023	January 25, 2024	\$ 0.01	\$ 471	\$ 0.01	\$ 2,881
March 5, 2024	April 25, 2024	\$ 0.01	\$ 493	\$ 0.01	\$ 2,878

## 15. Warrant Exchange

On August 17, 2022, we commenced an exchange offer (the "Offer") and consent solicitation (the "Consent Solicitation") relating to our outstanding Public Warrants and Private Placement Warrants to purchase shares of Class A common stock at \$11.50 per share. Each holder was offered the opportunity to receive 0.1925 shares of

### MARKETWISE, INC.

#### Notes to the Condensed Consolidated Financial Statements (Unaudited) (Dollar amounts in thousands, except share, unit, per share, and per unit data)

Class A common stock in exchange for each outstanding warrant tendered by the holder and exchanged pursuant to the Offer. Concurrently with the Offer, we solicited consents from holders of the warrants to amend the warrant agreement that governs all of the warrants (the "Warrant Agreement") to permit us to require that each warrant outstanding upon the closing of the Offer be exchanged for 0.17325 shares of Class A common stock, which is a ratio 10% less than the exchange ratio applicable to the Offer (such amendment, the "Warrant Amendment").

On September 14, 2022, we concluded the Offer and Consent Solicitation with approximately 96% of the outstanding warrants validly tendered and not withdrawn prior to the expiration of the Offer and Consent Solicitation. Accordingly, on September 19, 2022, we issued 5,725,681 shares of Class A common stock in exchange for the 29,743,932 warrants tendered in the Offer.

Additionally, we received the requisite approval of warrant holders to enter into the Warrant Amendment. Accordingly, we and Continental Stock Transfer & Trust Company entered into the Warrant Amendment, dated September 15, 2022, and we exercised our right, in accordance with the terms of the Warrant Amendment, to exchange each warrant that was outstanding upon the closing of the Offer for 0.17325 shares of Class A common stock per warrant. On September 30, 2022, we issued 214,058 shares of Class A common stock in exchange for the 1,236,061 outstanding warrants after closing of the Offering. As a result, there are no outstanding warrants as of September 30, 2022, and the warrants were delisted from trading on the Nasdaq. In connection with the warrant exchange, we paid out a de minimis amount of cash in lieu of fractional shares.

We incurred \$2.1 million of costs directly related to the warrant exchange, consisting primarily of dealer manager fees and professional, legal, printing, filing, regulatory, and other costs during the three months ended September 30, 2022. These costs were recorded in general and administrative expenses on the condensed consolidated statements of operations as the transactions did not generate any proceeds to us and therefore the costs did not qualify to be deferred or charged to additional paid-in-capital under ASC 340-10-S99-1.

## 16. Subsequent Events

Subsequent events have been evaluated through November 9, 2023 May 15, 2024, which is the date that the financial statements were issued.

On October 18, 2023, our Board declared a special cash dividendWith respect to the Company's Class A common stockholders Legacy Research Reorganization described in the amount of \$0.15 per share and a special cash distribution to holders of LLC Units in the amount of \$0.15 per unit, totaling approximately \$50 million in the aggregate, to stockholders and unitholders of record Note 4 – Legacy Reorganization, as of May 15, 2024, the close Company was still evaluating a range of business on November 10, 2023. The special dividend potential actions related to the Reorganization, including the sale of certain Legacy Research assets to other businesses within MarketWise, and distribution will be paid on December 1, 2023. actions with respect to the remaining employees, and had not approved any such plans.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the financial condition and results of operations of MarketWise, Inc., a Delaware corporation ("MarketWise," "we," "us," and "our"), should be read together with our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023 (the "Annual Report"). The following discussion contains forward-looking statements. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" in this report.

## Overview

We are a leading multi-brand platform of subscription businesses that provides premium financial research, software, education, and tools for self-directed investors. We offer a comprehensive portfolio of high-quality, independent investment research, as well as several software and analytical tools, on a subscription basis.

MarketWise started in 1999 with the simple idea that, if we could publish intelligent, independent, insightful, and in-depth investment research and treat the subscriber the way we would want to be treated, then subscribers would renew their subscriptions and stay with us. Over the years, we have expanded our business into a comprehensive suite of investment research products and solutions. We now produce a diversified product portfolio from a variety of financial research brands such as Stansberry Research, Palm Beach Research, Chaikin Analytics, and InvestorPlace. Our entire investment research product portfolio is 100% digital and channel agnostic, and we offer all of our research across a variety of platforms, including desktop, laptop, and mobile devices, including tablets and mobile phones.

Today, we benefit from the confluence of a leading editorial team, diverse portfolio of content and brands, and comprehensive suite of investor-centric tools that appeal to a broad subscriber base.

**In October 2023,**

### First Quarter 2024 Highlights

On February 8, 2024, the Company announced reported that its Board of Directors had committed to a number strategic realignment and reorganization (the "Reorganization") whereby we will wind-down the operations of board and leadership changes that included our Legacy Research Group business ("Legacy Research") in response to misconduct discovered at Legacy Research where certain managers violated the Company's founder returning policies. For more information on the Legacy Reorganization, see "— Legacy Reorganization."

The following table presents net cash provided by operating activities, and the related margin as Chairman a percentage of net revenue, and Adjusted CFFO, a non-GAAP measure, and the related margin as a percentage of Billings, for each of the Board periods presented. For more information on Adjusted CFFO and CEO, and that it has initiated an internal review of current operations with the intent to enhance alignment, improve efficiency, and increase cash flow and intrinsic value of the business. Adjusted CFFO Margin, see "— Non-GAAP Financial Measures."

As a result of continuing losses, the Company recorded an impairment loss on Buttonwood Publishing's intangible assets totaling \$584 during the third quarter of 2023. We will continue to evaluate our Buttonwood Publishing business for additional impairment (if any), which could have a material impact on our results of operations. The remaining intangible assets of Buttonwood Publishing comprised \$7.7 million of our remaining \$14.3 million balance of intangible assets, net as of September 30, 2023. See Note 5 – Goodwill and Intangible Assets, Net to our unaudited condensed consolidated and combined financial statements included elsewhere in this Form 10-Q for further details.

(In thousands)

	Three Months Ended March 31,		
	2024	2023	% Change
Net cash provided by operating activities	\$ (18,511)	3,868	(578.6)%
Total net revenue	108,991	126,233	(13.7)%
Net cash provided by operating activities margin	(17.0) %	3.1 %	
Adjusted CFFO	\$ (18,511)	\$ 3,868	(578.6)%
Billings	77,222	97,171	(20.5)%
Adjusted CFFO Margin	(24.0) %	4.0 %	

## Key Factors Affecting Our Performance

We believe that our growth and future success are dependent upon several factors, including those below and those noted in the "Risk Factors" section in the Annual Report. The key factors below represent significant business opportunities as well as challenges that we must successfully address in order to continue our growth and improve our financial results.

**Growing our subscriber base with compelling unit economics.** We are highly focused on continuing to acquire new subscribers to support our long-term growth. Our marketing spend is a large driver of new

subscriber growth. At the heart of our marketing strategy is our compelling unit economics that combine long-term subscriber relationships, highly scalable content delivery, cost-effective customer acquisition, and high-margin conversions.

Our Paid Subscribers (as defined below) as of December 31, 2022 December 31, 2023 generated average customer lifetime Billings of approximately \$1,815, \$1,494, resulting in a LTV/CAC (as defined below) ratio of approximately 2.0x, 2.3x. On average, it takes us approximately 0.61 to 1.51 years for a Paid Subscriber's cumulative net revenue to exceed the total cost of acquiring that subscriber (which includes fixed costs, such as marketing salaries). For more information on Billings and our LTV/CAC ratio and the components of this ratio, see "—Key Business Metrics" and "—Definitions of Metrics," respectively.

We adjust our marketing spend to drive efficient and profitable customer acquisition. We can adjust our marketing spend in near real-time, and we monitor costs per acquisition relative to the cart value of the initial subscription. We seek and typically achieve 90-day payback periods to cover this variable component of the direct marketing spend.

As of **September 30, 2023** **March 31, 2024**, our **Paid Subscriber** paid subscriber base was **774,683** thousand, down **120,94** thousand, or **13.4%** **12.1%** as compared to **894,777** thousand at **September 30, 2022** **March 31, 2023**. Our **Paid Subscriber** base is comprised of subscribers obtained through both direct-to-paid acquisition and free-to-paid conversions. Since 2019, direct-to-paid acquisition has accounted for approximately two-thirds of our annual Paid Subscriber acquisition, and is largely driven by display ads and targeted email campaigns.

Our free subscription products also serve as a significant source of new Paid Subscribers, accounting for approximately one-third of our annual Paid Subscriber acquisition since 2019. Our free-to-paid and active free-to-paid conversion rate reflects the rate at which Free Subscribers and Active Free Subscribers purchase paid subscription products. Our annual free-to-paid and annual active free-to-paid conversion rates were approximately 1% to 2% and 2% to 4%, respectively, between 2020 and 2022. Over that same three year period, our cumulative free-to-paid and cumulative active free-to-paid conversion rates were 4% and 10%, respectively.

**Retaining and expanding relationships with existing subscribers.** We believe that we have a significant opportunity to expand our relationships with our large base of Free and Paid Subscribers. Thanks to the quality of our products, we believe our customers will continue their relationship with us and extend and increase their subscriptions over time. As we deepen our engagement with our subscribers, our customers tend to purchase more and higher-value products. Our ARPU (as defined below) as of **September 30, 2023** **March 31, 2024** was **\$496**, **\$492**, which decreased **10.8%** **0.2%** from **\$556** **\$493** as of **September 30, 2022** **March 31, 2023**. For more information on ARPU, see "Key Business Metrics—Average Revenue Per User."

Conversion rates are important to our business because they are an indicator of how engaged and how well we are connecting with our subscribers. The time it takes our customers to move from our free products to our lower-priced paid subscriptions and eventually to high-end products and membership "bundled" offerings impacts our growth in net revenue, Billings, and ARPU.

Our high-value composition rate reflects the portion of our rate at which Paid Subscribers that over their lifetime, have purchased more than \$600 of our products. products over their lifetime convert into subscribers that have purchased more than \$600. We believe our high-value composition rate reflects our ability to retain existing subscribers through renewals and our ability to expand our relationship with them when those subscribers purchase higher-value subscriptions. Our cumulative ultra high-value composition rate reflects the portion rate at which high value Paid Subscribers that have purchased more than \$600 of our high-value products over their lifetime convert into subscribers that have purchased more than \$5,000 of our products over their lifetime. \$5,000. We believe our ultra high-value composition rate reflects our ability to successfully build lifetime relationships with our subscribers, often across multiple products and brands. These high-value and ultra high-value subscribers are at the heart of our business model, and are particularly important in periods of time when we are bringing in fewer new subscribers. These high-value and ultra high-value subscribers continue to see the value in our products and are continuing to purchase products at rates similar to historic trends, which is currently driving the majority of our Billings. As of **September 30, 2023** **March 31, 2024**, our high-value composition rate was 47%. Our and ultra high-value composition rate – ultra high-value subscribers as a percent of high-value subscribers – was 39%, were 49% and 42%, respectively.

#### **Definitions of Metrics**

Throughout this discussion and analysis, a number of our financial and operating metrics are referenced which we do not consider to be key business metrics, but which we review to monitor performance, and which we believe may be useful to investors. These are:

**Annual free-to-paid and annual active free-to-paid conversion rates:** The Company has historically defined free-to-paid conversion rate as the number of Free Subscribers (as defined below) who purchased a subscription during the period divided by the average number of Free Subscribers during the period. In addition, the Company has historically defined active free-to-paid conversion rate as the number of Active Free Subscribers (as defined below) who purchased a subscription during the period divided by the average number of Active Free Subscribers during the period. There have been no changes to the calculation of free-to-paid or active free-to-paid conversion rates. However, the Company has revised the definition of free-to-paid and active free-to-paid conversion rates to provide clarity in how they are calculated.

We calculate our free-to-paid conversion rate as the sum of (i) the number of Free Subscribers who purchased their first subscription during the period and (ii) the number of Free Subscribers who purchased their first subscription during the period after six months of not having an active paid subscription across all of MarketWise divided by the average number of Free Subscribers during the period. We calculate our active free-to-paid conversion rate as the sum of (i) the number of Active Free Subscribers who purchased their first subscription during the period and (ii) the number of Active Free Subscribers who purchased their first subscription during the period after six months of not having an active paid subscription across all of MarketWise divided by the average number of Active Free Subscribers during the period. We believe our free-to-paid and active free-to-paid conversion rates are indicators of the type of Free Subscribers that we are signing up and the quality of our content and marketing efforts. Investors should consider free-to-paid and active free-to-paid conversion rates as two of the factors in evaluating our ability to maintain a robust pipeline for new customer acquisition.

**Cumulative free-to-paid and cumulative active free-to-paid conversion rates:** We calculate our cumulative free-to-paid conversion rate as the sum of (i) the number of Free Subscribers who purchased their first subscription during the trailing three-year period and (ii) the number of Free Subscribers who purchased their first subscription during the trailing three-year period after six months of not having an active paid subscription across all of MarketWise divided by the average number of Free Subscribers during the trailing three-year period. We calculate our cumulative active free-to-paid conversion rate as the sum of (i) the number of Active Free Subscribers who purchased their first subscription during the trailing three-year period and (ii) the number of Active Free Subscribers who purchased their first subscription during the trailing three-year period after six months of not having an active paid subscription across all of MarketWise divided by the average number of Active Free Subscribers during the trailing three-year period.

**High-value composition rate:** Our high-value composition rate reflects the number of Paid Subscribers who have purchased >\$600 in aggregate over their lifetime as of a particular point in time divided by the total number of Paid Subscribers as of that same point in time.

**Landing Page Visits:** The cumulative number of visits to our standalone web pages created specifically for each marketing campaign. We believe landing page visits are a measure of customer engagement.

**LTV/CAC ratio:** We calculate LTV/CAC ratio as LTV divided by CAC. We use LTV/CAC ratio because it is a standard metric for subscription-based businesses, and we believe that an LTV/CAC ratio above 3x is considered to be indicative of strong profitability and marketing efficiency. We believe that an increasing LTV per subscriber reflects our existing subscribers recognizing our value proposition, which will expand their relationship with us across our platform over time, either through a combination of additional product purchases or by joining our membership offerings. Investors should consider this metric when evaluating our ability to achieve a return on our marketing investment. Lifetime value ("LTV") represents the average margin on average customer lifetime Billings (that is, the estimated cumulative spend across a customer's lifetime). Customer acquisition cost ("CAC") is defined as direct marketing spend, plus external revenue share expense,

plus retention and renewal expenses, plus copywriting and marketing salaries, plus telesales salaries and commissions, plus customer service commissions.

**Net revenue retention:** Net revenue retention is defined as Billings from all prior period cohorts in the current period, divided by all Billings from the prior period. We believe that a high net revenue retention rate is a measure of customer retention and an indicator of the engagement of our subscribers with our products. Investors should consider net revenue retention as an ongoing measure when evaluating our subscribers' interest in continuing to subscribe to our products and spending more with us over time.

**Ultra high-value composition rate:** Our ultra high-value composition rate reflects the number of Paid Subscribers who have purchased >\$5,000 in aggregate over their lifetime as of a particular point in time divided by the number of high-value subscribers as of that same point in time. We believe our ultra high-value composition rate reflects our ability to successfully build lifetime relationships with our subscribers, often across multiple products and brands. Investors should consider ultra high-value composition rate as a factor in evaluating our ability to retain and expand our relationship with our subscribers.

#### Key Business Metrics

We review the following key business metrics to measure our performance, identify trends, formulate financial projections, and make strategic decisions. 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.

		As of and for the Three Months Ended September 30,			As of and for the Nine Months Ended September 30,			As of and for the Three Months Ended June 30, 2023					
		2023	2022	% change	2023	2022	% change	Ended June 30, 2023	% change	2023	2022	% change	
<b>As of and for the Three Months Ended March 31,</b>													
<b>2024</b>													
<b>Free Subscribers</b>													
Free Subscribers	Free Subscribers	16,341,577	15,415,263	6.0 %	16,341,577	15,415,263	6.0 %	15,948,652	2.5 %	Free Subscribers	16,655,670	15,678,205	15,678,205
Active Free Subscribers										Active Free Subscribers	3,784,280		4,033,987
Paid Subscribers	Paid Subscribers	773,827	893,764	(13.4)%	773,827	893,764	(13.4)%	750,287	3.1 %	Paid Subscribers	683,436	777,397	777,397
ARPU	ARPU	\$ 496	\$ 556	(10.8)%	\$ 496	\$ 556	(10.8)%	490	1.2 %	ARPU	\$ 492	\$ 493	(0.2)%
Billings (in thousands)		\$ 95,513	\$ 105,062	(9.1)%	\$ 288,854	\$ 358,564	(19.4)%	\$ 96,170	(0.7)%				
New Marketing Billings (in thousands)										New Marketing Billings (in thousands)	\$ 54,788		\$ 66,746
Net Renewal Billings (in thousands)										Net Renewal Billings (in thousands)	\$ 21,439		\$ 29,101
Other Billings (in thousands)										Other Billings (in thousands)	\$ 995		\$ 1,324
Total Billings (in thousands)										Total Billings (in thousands)	\$ 77,222		\$ 97,171

**Free Subscribers.** 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. Free subscriptions are often daily publications that include some commentary about the stock market, investing ideas, or other specialized topics. Included within our free publications are advertisements and editorial support for our current

marketing campaigns. While subscribed to our publications, Free Subscribers learn about our editors and analysts, get to know our products and services, and learn more about ways we can help them be a better investor.

In order to better describe our universe of Free Subscribers, we recognize sub-categories of Free Subscribers – Active and Passive Free Subscribers. 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. Our analysis indicates that this population of Active Free Subscribers is more likely to continue to consume content and convert to a Paid Subscriber. Passive Free Subscribers represent those individuals who have not directly received our content during the most recent quarter, however, they remain included in our Free Subscriber population as defined above and may continue to consume content from our platforms. We expect the composition of our Active and Passive Free

Subscribers will change over time as we refine our marketing and data analysis techniques aimed at converting Free Subscribers to Paid Subscribers.

Free Subscribers increased by 0.9 million 1.0 million, or 6.0% 6.2%, to 16.3 million 16.7 million at September 30, 2023 March 31, 2024 as compared to 15.4 million 15.7 million at September 30, 2022 March 31, 2023. As of September 30, 2023 March 31, 2024, average Active Free Subscribers decreased by 0.2 million, or 6.2%, to 3.8 million, compared to 4.0 million as of March 31, 2023. The year over year decline in Active Free Subscribers is a result of cessation of engagement with our Legacy Research Group free subscribers as the wind down of this business began in February 2024.

Free Subscribers was flat at 16.7 million as of March 31, 2024 as compared to 16.4 million as of December 31, 2023. As of March 31, 2024, average Active Free Subscribers decreased by 0.3 million, or 6.9% 7.0% to 4.0 million 3.8 million, compared to 4.3 million 4.1 million as of September 30, 2022. The year over year decline in Active Free Subscribers is December 31, 2023, again as a result of decreased cessation of engagement with our Free Subscriber community Legacy Research Group free subscribers as consumer engagement continues to be soft.

Free Subscribers increased by 0.4 million, or 2.5% to 16.3 million as the wind down of September 30, 2023 as compared to 15.9 million as of June 30, 2023. As of September 30, 2023, Active Free Subscribers increased by 41 thousand, or 1.0% to 4.0 million, compared to 3.9 million as of June 30, 2023, this business began in February 2024.

**Paid Subscribers.** We define Paid Subscribers as the total number of unique subscribers with at least one paid subscription at the end of the period. We view the number of Paid Subscribers at the end of a given period as a key indicator of the attractiveness of our products and services, as well as the efficacy of our marketing in converting Free Subscribers to Paid Subscribers and generating direct-to-paid acquisitions. Paid Subscribers. We grow our Paid Subscriber base through performance marketing directly to prospective and existing subscribers across a variety of media, channels, and platforms.

Total Paid Subscribers decreased by 120 94 thousand, or 13.4% 12.1%, to 774 683 thousand as of September 30, 2023 March 31, 2024 as compared to 894 777 thousand at September 30, 2022 March 31, 2023, driven by softening continued consumer engagement that engagement. While gross new subscribers increased 16.4% over the same quarter in the prior year, churn was elevated due to expiring subscriptions in our Legacy Research Group which likely came as a result of the wind down of this business which began in February 2024. The decreases from these factors were partially offset by the addition of approximately 25 thousand Paid Subscribers that joined our list with the MMP acquisition in first quarter 2022 as well as a significant decrease in direct marketing spend over the past four quarters in total as we focus on maintenance of profitability. 2024.

Total Paid Subscribers increased decreased by 24 54 thousand, or 3.1% 7.3%, to 774 683 thousand as of September 30, 2023 March 31, 2024 as compared to 750 737 thousand as of June 30, 2023 December 31, 2023. Gross new subscribers increased 87% were flat compared to second fourth quarter 2023 as 2023. However, we increased our marketing spend significantly saw elevated churn in the face quarter primarily as a result of favorable per unit costs and acceptable paybacks on expiring subscriptions within our Legacy Research Group as the wind down of this business began in February 2024. The decreases from these investments factors were partially offset by the addition of approximately 25 thousand Paid Subscribers that joined our list with the MMP acquisition in first quarter 2024.

Subscriber count churn has ranged from approximately 1.8% 2.4% to 2.7% per month between 2020 2021 and 2022, 2023. As of September 30, 2023 March 31, 2024, the average monthly churn over the trailing twelve months was near at the higher end of the this range. Almost all of the subscribers who churned in third first quarter 2023 2024 did so having owned only one entry level publication. This is evidenced by the fact that their ARPU approximately matched the subscription price of our entry level publications. We believe our net revenue retention rate, which has averaged over 80% 70% from 2020 2021 to 2022, 2023, is a more meaningful gauge of subscriber satisfaction.

**Average Revenue Per User, User ("ARPU").** We calculate ARPU as the trailing four quarters of net Billings divided by the average number of quarterly total Paid Subscribers over that period. We believe ARPU is a key indicator of how successful we are in attracting subscribers to higher-value content. We believe that our high ARPU is indicative of the trust we build with our subscribers and of the value they see in our products and services.

ARPU decreased by \$6, \$1, or 10.8% 0.2%, to \$496 \$492 as of September 30, 2023 March 31, 2024 as compared to \$556 \$493 as of September 30, 2022 March 31, 2023. The year-over-year decrease was driven by a 24% decrease in Both trailing four quarter Billings while and trailing four quarter Paid Subscribers only decreased by 14%. The decrease in

trailing four quarter Billings was driven by reduced engagement of prospective and existing subscribers, as further discussed in Billings below.

ARPU increased decreased by \$6, \$11, or 1.2% 2.2%, to \$496 \$492 as of September 30, 2023 March 31, 2024 as compared to \$490 \$503 as of June 30, 2023 December 31, 2023. The sequential increase decrease was driven by a 4% 5% decrease in trailing four-quarter Billings, while trailing four-quarter average Paid Subscribers while trailing four-quarter Billings only decreased only 2% 3%.

While they have been in decline up until this quarter, declined somewhat recently, our ARPUs remain high relative to other subscription businesses, and we attribute this to the quality of our content and effective sales and marketing efforts regarding higher value content, bundled subscriptions and membership subscriptions. These subscriptions have compelling economics that allow us to recoup our initial marketing spend made to acquire these subscribers. Specifically, our payback period was estimated at 1.5 years, 0.9 1.5 years, and 0.6 0.9 years for the years ended December 31, 2022 December 31, 2023, 2022 and 2021, and 2020, respectively. We have experienced an increase in the 2022 Our payback period remains elevated primarily due to a combination of increased customer acquisition costs and the hesitancy of these subscribers to make additional purchases. The payback period reached the low side of the historical range was lower in 2020 as a result of expanded 2021 with conversion rates still relatively high and, to a far

lesser degree, decreasing lower costs for media spend as demand dropped was somewhat constrained as a result of the pandemic. We have seen the costs for media spend revert back to higher rates in 2021 which continued through third quarter 2023. pandemic lingered.

**Billings.** Billings represents amounts invoiced to customers. We measure and monitor our Billings because it provides insight into trends in cash generation from our marketing campaigns. We generally bill our subscribers at the time of sale and receive full cash payment up front, and defer and recognize a portion of the related revenue ratably over time for term and membership subscriptions. For certain subscriptions, we may invoice our Paid Subscribers at the beginning of the term, in annual or monthly installments, and, from time to time, in multi-year installments. Only amounts invoiced to a Paid Subscriber in a given period are included in Billings. While we believe that Billings provides valuable insight into the cash that will be generated from sales of our subscriptions, this metric may vary from period to period for a number of reasons and, therefore, Billings has a number of limitations as a quarter-over-quarter or year-over-year comparative measure. These reasons include, but are not limited to, the following: (i) a variety of contractual terms could result in some periods having a higher proportion of annual or membership subscriptions than other periods; (ii) fluctuations in payment terms may affect the Billings recognized in a particular period; and (iii) the timing of large campaigns may vary significantly from period to period.

We break down our Billings into three sub-categories: New Marketing Billings, Net Renewal Billings, and Other Billings.

New Marketing Billings are Billings from all new subscription sales. New Marketing Billings decreased by \$9.5 million \$12.0 million, or 9.1% 17.9%, to \$95.5 million \$54.8 million for the three months ended September 30, 2023 first quarter 2024 as compared to \$105.1 million \$66.7 million for first quarter 2023. The decrease was primarily driven by ceasing new sales campaigns within our Legacy Research Group brands, which began winding down operations in mid-February 2024.

New Marketing Billings decreased by \$12.9 million, or 19.1% to \$54.8 million for first quarter 2024 as compared to \$67.7 million in fourth quarter 2023. The decrease was primarily driven by ceasing new sales campaigns within our Legacy Research Group brands, which began winding down operations in mid-February 2024.

Net Renewal Billings are Billings from renewals and maintenance fee payments. Net Renewal Billings decreased by \$7.7 million, or 26.3%, to \$21.4 million for first quarter 2024 as compared to \$29.1 million for first quarter 2023. This is primarily a function of a significant decrease (approximately 120 thousand) in average Paid Subscribers for the three trailing twelve months ended September 30, 2022 March 31, 2024 versus the trailing twelve months ended March 31, 2023. We

Net Renewal Billings decreased by \$0.1 million, or 0.6%, to \$21.4 million for first quarter 2024 as compared to \$21.6 million for fourth quarter 2023. While new sales campaigns ceased within Legacy Research Group beginning with the wind down in February 2024, existing subscription renewals continued to be fulfilled throughout the quarter contributing to flat Net Renewal Billings.

Other Billings are Billings from revenue share, advertising and conferences. Other Billings decreased by \$0.3 million, or 24.8% to \$1.0 million for first quarter 2024 as compared to \$1.3 million for first quarter 2023.

Other Billings decreased by \$3.3 million or 76.6% to \$1.0 million for first quarter 2024 as compared to \$4.3 million for fourth quarter 2023 as a result of decreasing revenue share activity with external parties.

Total Billings decreased by \$19.9 million, or 20.5%, to \$77.2 million for the first quarter 2024 as compared to \$97.2 million for first quarter 2023. While consumer engagement remains soft, we believe the decrease is due was primarily driven by our Legacy Research Group brands, which began winding down operations in large part mid-February 2024.

Total Billings decreased by \$16.3 million, or 17.5%, to reduced engagement of prospective and existing subscribers. Levels of engagement had plateaued during the second half of 2021 and \$77.2 million for 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 third quarter 2023.

Approximately 40% of our Billings during the three months ended September 30, 2023 came from membership subscriptions, 59% from term subscriptions, and 1% from other Billings, 2024 as compared to 33% from membership subscriptions, 66% from term subscriptions, and 1% from other Billings during the three months ended September 30, 2022. \$93.6 million for fourth quarter 2023. The decrease was primarily driven by our Legacy Research Group brands, which began winding down operations in mid-February 2024.

## Components of Our MarketWise's Results of Operations

### Net Revenue

We generate net revenue primarily from services provided in delivering term and membership subscription-based financial research, publications, and SaaS offerings to individual subscribers through our online platforms, advertising arrangements, print products, events, and revenue share agreements.

Net revenue is recognized ratably over the duration of the subscriptions, in an amount that reflects the consideration we expect to be entitled to in exchange for those services. In addition to term subscriptions, we offer membership subscriptions where we receive a large upfront payment when the subscriber enters into the contract, and for which we will receive a lower annual maintenance fee thereafter. Subscribers are typically billed in advance of the subscriptions. Much of our We earn net revenue is generated from subscriptions entered into during previous periods. Consequently, any decreases in new subscriptions or renewals in any one period may not be immediately reflected as a decrease in net revenue for that period, but could negatively affect our net revenue in future quarters. This also makes it difficult for us to rapidly increase our net revenue through the sale of additional subscriptions in any period, as net revenue is recognized over advertising placements on our websites and from the term sale of the subscription agreement. We expect subscription net revenue to fluctuate due to the timing print products and relative mix in recent and prior periods between term subscriptions and related renewals, and membership subscriptions and related maintenance fees.

events. We also recognize net revenue through revenue share agreements where we earn a commission for successful sales by other parties generated through the use of our customer list. We expect advertising and other net revenue to increase in absolute dollars as our business grows.

### Employee Compensation Costs

Employee compensation costs, or payroll and payroll-related costs, include salaries, bonuses, benefits, and stock-based compensation for employees classified within cost of revenue, sales and marketing, and general and administrative, and also includes sales commissions for sales and marketing employees.

We recognized stock-based Stock-based compensation expenses includes amounts related to our 2021 Incentive Award Plan, our ESPP, and our profits interests awards of \$3.6 million and \$2.2 million during the three months ended September 30, 2023 and 2022, and \$11.0 million and \$7.2 million during the nine months ended September 30, 2023 and 2022, respectively.

The total amount of stock-based compensation expense included within each of the respective line items in the condensed consolidated statement of operations is as follows:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023		2022	
	2023	2022	2023	2022
Cost of revenue	\$ 688	\$ 438	\$ 2,379	\$ 1,496
Sales and marketing	711	514	2,519	1,655
General and administrative	2,176	1,201	6,058	4,039
Total stock based-compensation expense	\$ 3,575	\$ 2,153	\$ 10,956	\$ 7,190

interests.

#### Cost of Revenue

Cost of revenue consists primarily of employee compensation costs associated with producing and publishing our MarketWise's content, including payroll, payroll-related costs and stock-based compensation expenses related to the 2021 Incentive Award Plan and the ESPP, hosting fees, customer service, credit card processing fees, product costs, and allocated overhead. Cost of revenue is exclusive of depreciation and amortization, which is shown as a separate line item.

We expect cost of revenue to increase as our business grows, including as a result of new acquisitions, joint ventures, and other strategic transactions. However, the level and timing of our variable compensation may not match the pattern of how net revenue is recognized over the subscription term. Therefore, we expect that our cost of revenue will fluctuate as a percentage of net revenue in the future.

#### Sales and Marketing

Sales and marketing consists expenses consist primarily of costs associated with marketing and selling our products and services, including payroll, payroll-related costs and stock-based employee compensation expenses related to the 2021 Incentive Award Plan and the ESPP, costs, amortization of deferred contract acquisition costs, agency costs, advertising campaigns, and branding initiatives. Sales and marketing expenses are exclusive of depreciation and amortization shown as a separate line item.

We expect that our sales and marketing expense will increase in absolute dollars and continue to be our largest operating expense for the foreseeable future as we expand our sales and marketing efforts. However, because we incur sales and marketing expenses up front when we launch campaigns to drive sales, while we recognize net revenue ratably over the underlying subscription term, we expect that our sales and marketing expense will fluctuate as a percentage of our net revenue over the long term. Sales and marketing expenses may fluctuate further as a result of acquisitions, joint ventures, or other strategic transactions we undertake in the future.

#### Research and Development

Research and development consists expenses consist primarily of employee compensation costs, associated with technical services, including payroll, payroll-related costs and stock-based compensation expenses related to the 2021 Incentive Award Plan and the ESPP, software expenses, and hosting expenses. Research and development expenses are exclusive of depreciation and amortization shown as a separate line item.

We expect that our research and development expense will increase in absolute dollars as our business grows, including as a result of new acquisitions, joint ventures, and other strategic transactions, particularly as we incur additional costs related to continued investments in our platform.

#### General and Administrative

General and administrative consists expenses consist primarily of employee compensation costs associated with our finance, legal, information technology, human resources, executive, and administrative personnel, including payroll, payroll-related costs and stock-based compensation expenses related to the 2021 Incentive Award Plan, the ESPP, and profits interests awards, legal fees, corporate insurance, office expenses, professional fees, and travel and entertainment costs.

We expect to continue to incur general and administrative expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, and increased expenses for insurance, investor relations, and professional services. General and administrative expenses may fluctuate further as a result of acquisitions, joint ventures, or other strategic transactions we undertake in the future.

#### Depreciation and Amortization

Depreciation and amortization expenses consist of amortization of trade names, customer relationship intangibles, and software development costs, as well as depreciation on other property and equipment such as leasehold improvements, furniture and fixtures, and computer equipment. We expect depreciation and amortization expenses to increase on an absolute dollar basis as our business grows, including as a result of new acquisitions, joint ventures, and other strategic transactions, but to remain generally consistent as a percentage of total net revenue.

#### Impairment of Intangible Assets

Impairment of intangible assets consists of impairment losses related to our Buttonwood Publishing business.

#### Related Party Expense

Related party expenses primarily consist of board Board of director Director compensation, revenue share expenses, and costs expenses for certain corporate functions performed by a related party, party for certain historic periods.

#### Other Income (Expense), Net

Other income (expense), net primarily consists of the net gains on our embedded derivative instruments.

#### Interest (Expense) Income, (Expense), Net

Interest (expense) income, (expense), net primarily consists of interest income from our money market accounts, as well as interest expense related to our the 2021 Credit Facility.

#### Net Income Attributable to Noncontrolling Interests

As of September 30, 2023 March 31, 2024, MarketWise, Inc.'s controlling interest in MarketWise, LLC was 10.6% 11.7% and the noncontrolling interest was 89.4% 88.3%. For the three and nine months ended September 30, 2023, March 31, 2024 net income attributable to controlling interests included a \$0.7 million tax provision, and a \$2.0 million tax provision, respectively, both of which were solely 100% attributable to the controlling interest.

As of September 30, 2022 March 31, 2023, MarketWise, Inc.'s controlling interest in MarketWise, LLC was 9.0% 9.3% and the noncontrolling interest was 91.0% 90.7%. For the three months ended September 30, 2022 March 31, 2023 net income attributable to controlling interests included a \$3.9 million loss on warrant liabilities and a \$1.4 million \$0.9 million tax provision, and for the nine months ended September 30, 2022 net income attributable to controlling interests included a \$14.9 million gain on warrant liabilities and a \$3.9 million tax provision, both of which were solely 100% attributable to the controlling interest.

#### Results of Operations

The following table sets forth our results of operations for the periods presented:

(In thousands)	(In thousands)					Three Months Ended March 31,	
		Three Months Ended		Nine Months Ended			
		September 30,	September 30,	September 30,	September 30,		
		2023	2022	2023	2022	(In thousands)	
		2024					2024
Net revenue	Net revenue	\$ 105,799	\$119,297	\$334,777	\$383,383		2023
Related party revenue	Related party revenue	351	637	1,250	1,363		
Total net revenue	Total net revenue	106,150	119,934	336,027	384,746		
Operating expenses:	Operating expenses:						
Cost of revenue <sup>(1)</sup>	Cost of revenue <sup>(1)</sup>	13,812	14,482	43,737	48,328		
Cost of revenue <sup>(1)</sup>	Cost of revenue <sup>(1)</sup>						
Sales and marketing <sup>(1)</sup>	Sales and marketing <sup>(1)</sup>	52,466	51,635	150,226	184,922		
General and administrative <sup>(1)</sup>	General and administrative <sup>(1)</sup>	25,005	28,986	80,667	79,895		
Research and development <sup>(1)</sup>	Research and development <sup>(1)</sup>	2,085	2,173	6,778	6,740		
Depreciation and amortization	Depreciation and amortization	1,001	836	2,979	2,053		
Impairment of intangible assets		584	—	584	—		
Related party expense	Related party expense	155	96	487	290		
Total operating expenses	Total operating expenses	95,108	98,208	285,458	322,228		
Income from operations	Income from operations	11,042	21,726	50,569	62,518		
Other income (expense), net		182	(3,651)	807	15,568		
Interest income (expense), net		1,511	(183)	3,062	(572)		

Other income, net				
Interest income, net				
Income before income taxes	Income before income taxes			
		12,735	17,892	54,438
Income tax expense	Income tax expense			
		691	1,383	2,046
Net income	Net income			
		12,044	16,509	52,392
				73,569
Net income				
Net income				
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests			
		11,904	20,521	50,749
Net income (loss) attributable to MarketWise, Inc.	Net income (loss) attributable to MarketWise, Inc.	\$ 140	\$ (4,012)	\$ 1,643
				\$ 13,694
Net income attributable to MarketWise, Inc.				

(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.

The following table sets forth our **condensed** consolidated statements of operations data expressed as a percentage of net revenue for the periods indicated:

	Three Months Ended March 31,	
	2024	2023
Net revenue	100.0 %	100.0 %
Operating expenses:		
Cost of revenue <sup>(1)</sup>	12.3 %	12.1 %
Sales and marketing <sup>(1)</sup>	43.4 %	38.6 %
General and administrative <sup>(1)</sup>	21.8 %	22.2 %
Research and development <sup>(1)</sup>	2.0 %	2.0 %
Depreciation and amortization	0.6 %	0.8 %
Related party expense	0.1 %	0.1 %
Total operating expenses	80.2 %	75.8 %
Income from operations	19.8 %	24.2 %
Other income, net	0.2 %	0.3 %
Interest income, net	1.5 %	0.4 %
Income before income taxes	21.5 %	25.0 %
Income tax expense	0.7 %	0.7 %
Net income	20.8 %	24.2 %
Net income attributable to noncontrolling interests	19.3 %	23.1 %
Net income attributable to MarketWise, Inc.	1.5 %	1.2 %

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net revenue	100.0 %	100.0 %	100.0 %	100.0 %
Operating expenses:				
Cost of revenue <sup>(1)</sup>	13.0 %	12.1 %	13.0 %	12.6 %
Sales and marketing <sup>(1)</sup>	49.4 %	43.1 %	44.7 %	48.1 %
General and administrative <sup>(1)</sup>	23.6 %	24.2 %	24.0 %	20.8 %
Research and development <sup>(1)</sup>	2.0 %	1.8 %	2.0 %	1.8 %
Depreciation and amortization	0.9 %	0.7 %	0.9 %	0.5 %
Impairment of intangible assets	0.6 %	— %	0.2 %	— %
Related party expense	0.1 %	0.1 %	0.1 %	0.1 %

Total operating expenses	89.6 %	81.9 %	85.0 %	83.8 %
Income from operations	10.4 %	18.1 %	15.0 %	16.2 %
Other income (expense), net	0.2 %	(3.0) %	0.2 %	4.0 %
Interest income (expense), net	1.4 %	(0.2) %	0.9 %	(0.1) %
Income before income taxes	12.0 %	14.9 %	16.2 %	20.1 %
Income tax expense	0.7 %	1.2 %	0.6 %	1.0 %
Net income	11.3 %	13.8 %	15.6 %	19.1 %
Net income attributable to noncontrolling interests	11.2 %	17.1 %	15.1 %	15.6 %
Net income (loss) attributable to MarketWise, Inc.	0.1 %	(3.3) %	0.5 %	3.6 %

(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.

#### Comparison of Three Months Ended September 30, 2023 March 31, 2024 and Three Months Ended September 30, 2022 March 31, 2023

##### Net Revenue

(In thousands)	(In thousands)	Three Months Ended			(In thousands)	Three Months Ended March 31,			\$ Change	% Change	
		September 30,	2023	2022		\$ Change	Change	September 30,	2024	2023	% Change
Net revenue	Net revenue	\$106,150	\$119,934	\$119,934	\$106,150	\$13,784	(11.5) %	\$126,233	\$126,233	\$126,233	\$126,233
Net revenue	Net revenue	\$106,150	\$119,934	\$119,934	\$106,150	\$13,784	(11.5) %	\$126,233	\$126,233	\$126,233	\$126,233
Net revenue	Net revenue	\$106,150	\$119,934	\$119,934	\$106,150	\$13,784	(11.5) %	\$126,233	\$126,233	\$126,233	\$126,233
Net revenue	Net revenue	\$106,150	\$119,934	\$119,934	\$106,150	\$13,784	(11.5) %	\$126,233	\$126,233	\$126,233	\$126,233

Net revenue decreased by \$13.8 million, or 11.5%, from \$119.9 million for the three months ended September 30, 2022 to \$106.2 million for the three months ended September 30, 2023. The decrease in net revenue was primarily driven by a \$14.7 million \$18.4 million decrease in term subscription revenue, partially offset by a \$1.3 million \$1.2 million increase in membership subscription revenue.

Term subscription revenue decreased during the three months ended September 30, 2023 March 31, 2024 primarily due to lower Billings as compared to the 2022 2023 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, increased during the three months ended September 30, 2023 as a result of an increase in Billings related to membership subscriptions in the current 2024 period.

##### Operating Expenses

(In thousands)	(In thousands)	Three Months Ended			(In thousands)	Three Months Ended March 31,			\$ Change	% Change	
		September 30,	2023	2022		\$ Change	Change	September 30,	2024	2023	% Change
Operating expenses:	Operating expenses:	\$13,812	\$14,482	\$14,482	\$13,368	\$13,368	\$13,368	\$15,290	\$15,290	\$15,290	\$15,290
Operating expenses:	Operating expenses:	\$13,812	\$14,482	\$14,482	\$13,368	\$13,368	\$13,368	\$15,290	\$15,290	\$15,290	\$15,290
Cost of revenue	Cost of revenue	\$13,812	\$14,482	\$14,482	\$13,368	\$13,368	\$13,368	\$15,290	\$15,290	\$15,290	\$15,290
Sales and marketing	Sales and marketing	52,466	51,635	51,635	47,297	47,297	47,297	48,727	48,727	48,727	48,727
General and administrative	General and administrative	25,005	28,986	28,986	23,802	23,802	23,802	28,033	28,033	28,033	28,033
Research and development	Research and development	2,085	2,173	2,173	2,149	2,149	2,149	2,463	2,463	2,463	2,463
Depreciation and amortization	Depreciation and amortization	1,001	836	165	693	693	693	984	984	984	984
				19.7 %					(291)	(291)	(291)

Impairment of intangible assets	584	—	584	N/M	Related party expenses	127	128	128	(1)	(1)	(0.8)	
Related party expenses	Related party expenses	155	96	59	61.5 %							
Total operating expenses	Total operating expenses	\$95,108	\$98,208	(\$3,100)	(3.2)%	Total operating expenses	\$87,436	\$	\$95,625	\$	\$ (8,189)	(8.6)

#### Cost of Revenue

Cost of revenue decreased by \$0.7 million, or 4.6%, from \$14.5 million for the three months ended September 30, 2022 to \$13.8 million for the three months ended September 30, 2023, primarily driven by a \$0.7 million decrease in salaries, taxes and benefits, and a \$0.2 million decrease in credit card fees. This was partially offset by a \$0.2 million increase in stock-based compensation expense related to awards under the 2021 Incentive Award Plan.

#### Sales and Marketing

Sales and marketing expense increased by \$0.8 million, or 1.6%, from \$51.6 million for the three months ended September 30, 2022 to \$52.5 million for the three months ended September 30, 2023, primarily driven by a \$3.4 million increase in amortization of deferred contract acquisition costs, a \$0.3 million increase in outside labor, and a \$0.2 million increase in stock-based compensation expense related to awards under the 2021 Incentive Award Plan. This was partially offset by a \$3.0 million decrease in marketing expense, as we have reduced our marketing spend as part of our cost reduction initiatives.

#### General and Administrative

General and administrative expense decreased by \$4.0 million, or 13.7%, from \$29.0 million for the three months ended September 30, 2022 to \$25.0 million for the three months ended September 30, 2023, primarily driven by a \$2.9 million decrease in professional fees, a \$1.0 million decrease in severance expense, a \$0.4 million decrease in salaries, taxes and benefits, a \$0.3 million decrease in software expense, and a \$0.3 million decrease in insurance expense. This was partially offset by a \$1.6 million increase in incentive compensation, and a \$1.0 million increase in stock-based compensation expense related to awards under the 2021 Incentive Award Plan, the ESPP, and profits interests awards.

#### Impairment of Intangible Assets

During the three months ended September 30, 2023, we determined that impairment indicators were present with respect to our Buttonwood Publishing business which we had acquired during 2022, due to continuing losses. As a result, we recorded an impairment loss on Buttonwood Publishing's intangible assets totaling \$584.

#### Comparison of Nine Months Ended September 30, 2023 and Nine Months Ended September 30, 2022

##### Net Revenue

(In thousands)	Nine Months Ended September 30,			\$ Change	% Change
	2023	2022			
Net revenue	\$ 336,027	\$ 384,746		\$ (48,719)	(12.7)%

Net revenue decreased by \$48.7 million, or 12.7%, from \$384.7 million for the nine months ended September 30, 2022 to \$336.0 million for the nine months ended September 30, 2023. The decrease in net revenue was primarily driven by a \$37.9 million decrease in term subscription revenue, a \$10.2 million decrease in membership subscription revenue and a \$0.5 million decrease in non-subscription revenue.

Term subscription revenue decreased during the nine months ended September 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 nine months ended September 30, 2023 as a result of lower volume of membership subscriptions in current and prior years.

##### Operating Expenses

(In thousands)	Nine Months Ended September 30,			\$ Change	% Change
	2023	2022			
<b>Operating expenses:</b>					
Cost of revenue	\$ 43,737	\$ 48,328		\$ (4,591)	(9.5)%
Sales and marketing	150,226	184,922		(34,696)	(18.8)%
General and administrative	80,667	79,895		772	1.0 %
Research and development	6,778	6,740		38	0.6 %
Depreciation and amortization	2,979	2,053		926	45.1 %
Impairment of intangible assets	584	—		584	N/M
Related party expenses	487	290		197	67.9 %
<b>Total operating expenses</b>	<b>\$ 285,458</b>	<b>\$ 322,228</b>		<b>\$ (36,770)</b>	<b>(11.4)%</b>

##### Cost of Revenue

Cost of revenue decreased by \$4.6 million, or 9.5%, from \$48.3 million for the nine months ended September 30, 2022 to \$43.7 million for the nine months ended September 30, 2023, primarily driven by a \$2.1 million decrease in salaries, taxes and benefits, a \$1.6 million decrease in credit card fees, and a \$1.3 million \$0.4 million decrease in outside

labor, primarily related to customer service, and a \$0.6 million decrease related to subscription printing and postage. This was partially offset by a \$0.9 million increase in stock-based compensation expense related to awards under the 2021 Incentive Award Plan and the ESPP, and a \$0.3 million increase in freelance editorial expense.

#### Sales and Marketing

Sales and marketing expense decreased by \$34.7 million, or 18.8%, from \$184.9 million for the nine months ended September 30, 2022 to \$150.2 million for the nine months ended September 30, 2023, primarily driven by a \$47.2 million \$2.2 million decrease in marketing expense as we have reduced our marketing spend as part of our cost reduction initiatives salaries, taxes and due to higher per unit subscriber acquisition costs, benefits, and a \$0.7 million \$0.5 million decrease in conference stock-based compensation expense. This was partially offset by a \$11.5 million \$1.3 million increase in amortization of deferred contract acquisition costs, a \$1.1 million increase in salaries, taxes and benefits, and a \$0.9 million increase in stock-based compensation expense related to awards under the 2021 Incentive Award Plan and the ESPP.

costs.

#### General and Administrative

General and administrative expense increased by \$0.8 million, or 1.0%, from \$79.9 million for the nine months ended September 30, 2022 to \$80.7 million for the nine months ended September 30, 2023, decreased primarily driven by a \$6.3 million increase in incentive compensation, a \$2.8 million increase related to sales tax, a \$2.0 million increase in stock-based compensation expense related to awards under the 2021 Incentive Award Plan, the ESPP, and profits interests awards, and a \$1.0 million increase in outside labor. This was partially offset by a \$3.3 million decrease in salaries, taxes incentive compensation, and benefits, a \$2.8 million \$1.1 million decrease in professional fees, a \$1.4 million decrease in severance expense, a \$1.3 million decrease in professional fees, a \$0.8 million decrease in insurance expense, a \$0.8 million decrease in non-software subscriptions, and a \$0.7 million decrease in software expense.

#### Impairment of Intangible Assets

During the nine months ended September 30, 2023, we determined that impairment indicators were present with respect to our Buttonwood Publishing business which we had acquired during 2022, due to continuing losses. As a result, we recorded an impairment loss on Buttonwood Publishing's intangible assets totaling \$584, fees.

#### Non-GAAP Financial Measures

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, operating performance. 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.

(In thousands)	(In thousands)	Three Months Ended		Nine Months Ended September		%	%
		September 30,	2023	September 30,	2023	2022	change
		2024					
		2024					
		2024					
Adjusted CFFO	Adjusted CFFO	\$ 12,055	\$ 13,091	(7.9)%	\$ 44,901	\$ 40,953	9.6% change
Adjusted CFFO	Adjusted CFFO				Adjusted CFFO	\$ (18,511)	\$ 3,868
Margin	Margin	12.6	% 12.5	%	15.5	% 11.4	%
<b>Adjusted CFFO / Adjusted CFFO Margin</b>							
						2023	% Change

In addition to our results determined in accordance with GAAP, we disclose the non-GAAP financial measures measure Adjusted CFFO and Adjusted CFFO Margin. We define Adjusted CFFO as cash flow from operations plus or minus any non-recurring items. We define Adjusted CFFO Margin 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.

Adjusted CFFO and Adjusted CFFO Margin have limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of other GAAP financial measures, such as cash flow from operations or operating cash flow margin. Some of the limitations of using Adjusted CFFO and Adjusted CFFO Margin are that these metrics may be calculated differently by other companies in our industry.

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.

The following table provides a reconciliation of net cash provided by operating activities, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted CFFO for each of the periods presented:

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% change	2023	2022	% change
Net cash provided by operating activities	\$ 12,055	\$ 9,901	21.8%	\$ 44,901	\$ 37,763	18.9%
Non-recurring expenses	—	3,190	(100.0)%	—	3,190	(100.0)%
Adjusted CFFO	\$ 12,055	\$ 13,091	(7.9)%	\$ 44,901	\$ 40,953	9.6%

N/M: Not meaningful

(In thousands)	Three Months Ended March 31,			% Change
	2024	2023		
	\$ (18,511)	\$ 3,868		
Net cash provided by operating activities	\$ (18,511)	\$ 3,868		(578.6)%
Nonrecurring expenses	—	—		N/M
Adjusted CFFO	\$ (18,511)	\$ 3,868		(578.6)%

The following table provides the calculation of net cash provided by operating activities margin as a percentage of total net revenue, the most directly comparable financial measure in accordance with GAAP, and Adjusted CFFO Margin for each of the periods presented:

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,			2023	% change	
	2023	2022	% change	2023	2022	% change			
	2024	2024	2024	2024	2024	2024			
Net cash provided by operating activities	\$ 12,055	\$ 9,901	21.8%	\$ 44,901	\$ 37,763	18.9%	Net cash provided by operating activities	\$ (18,511) 3,868 3,868 (578.6)% (578.6)%	
Total net revenue	106,150	119,934	(11.5)%	336,027	384,746	(12.7)%	Total net revenue	108,991 126,233 126,233 (13.7)% (13.7)%	
Net cash provided by operating activities margin	11.4%	8.3%	13.4%	9.8%	9.6%				
Adjusted CFFO	\$ 12,055	\$ 13,091	(7.9)%	\$ 44,901	\$ 40,953	9.6%			
Adjusted CFFO									
Billings	95,513	105,062	(9.1)%	288,854	358,564	(19.4)%	Billings	77,222 97,171 97,171 (20.5)% (20.5)%	
Adjusted CFFO Margin	12.6%	12.5%	15.5%	11.4%					

Net cash provided by operating activities margin increased from 8.3% CFFO and Adjusted CFFO for the three months ended September 30, 2022 to 11.4% for the three months ended September 30, 2023 March 31, 2024 was primarily due to the increase in net cash provided by operating activities. Cash flow from operations increased by \$2.2 million, or 21.8%, from \$9.9 million for the three months ended September 30, 2022 to \$12.1 million for the three months ended September 30, 2023, primarily due to net income of \$12.0 million, adjusted for net non-cash items which increased cash by \$7.4 million, and net changes in our operating assets and liabilities which reduced cash by \$7.4 million. Third quarter 2022 included certain one-time costs \$46.8 million, including incentive compensation payouts and payments related to our cost reduction initiatives and professional fees related to our warrant exchange transaction.

Net cash provided two renegotiated employment agreements. This was partially offset by operating activities margin increased from 9.8% for the nine months ended September 30, 2022 to 13.4% for the nine months ended September 30, 2023 primarily due to the increase in net cash provided by operating activities. Cash flow from operations increased by \$7.1 million, or 18.9%, from \$37.8 million for the nine months ended September 30, 2022 to \$44.9 million for the nine months ended September 30, 2023, primarily due to net income of \$52.4 million \$22.7 million, adjusted for net non-cash items which increased cash by \$19.8 million, and net changes in our operating assets and liabilities which reduced cash by \$27.3 million \$5.6 million.

Billings represents amounts invoiced to customers. We generally bill our subscribers at the time of sale and receive full cash payment up front, and in accordance with GAAP, we defer and recognize a portion of the related revenue ratably over time for term and membership subscriptions. For certain subscriptions, we may invoice our Paid Subscribers at the beginning of the term, in annual or monthly installments, and, from time to time, in multi-year installments.

Adjusted CFFO margin increased from 12.5% for three months ended September 30, 2022 to 12.6% for the three months ended September 30, 2023 primarily due to the decrease in Billings. Adjusted CFFO decreased by \$1.0 million, or 7.9%, from \$13.1 million for the three months ended September 30, 2022 to \$12.1 million for the three months ended September 30, 2023. The difference between Adjusted CFFO and CFFO in third quarter 2022 is \$3.2 million, which are one-time costs related to our cost reduction initiatives and professional fees related to our warrant exchange transaction.

Adjusted CFFO margin increased from 11.4% for the nine months ended September 30, 2022 to 15.5% for the nine months ended September 30, 2023 due to the increase in Adjusted CFFO and the decrease in Billings. Adjusted CFFO increased by \$3.9 million, or 10%, from \$41.0 million for the nine months ended September 30, 2022 to \$44.9 million for the nine months ended September 30, 2023, primarily driven by a decrease in operating expenses as a result of cost reduction initiatives.

## Liquidity and Capital Resources

### General

A substantial portion of our cash on hand is the result of the nature of our subscription business. We receive cash up front from our sales of annual, multi-year, and membership subscriptions. For tax and GAAP purposes, however, this revenue is deferred and recognized over the term of the subscription, or in the case of membership subscriptions, over four years for tax and five years for GAAP. Tax distributions are made to MarketWise Members to satisfy their tax obligations when revenue is recognized for tax purposes, not when cash is received. The timing difference between when cash is received and when tax distributions are made results in an accumulation of cash on our balance sheet.

We refer to this accumulation of cash as our "float" which we view as a valuable resource that we may invest or use to expand our operations. We expect that as we grow our business, the amount of our float will increase.

The Company estimates that the amount of float was approximately \$108.6 million \$127.0 million and \$94.1 million \$120.5 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. As part of the Company's broader capital allocation strategy, our consolidated cash balance may from time to time decline below our estimate of the long term float requirement.

The Company invests a portion of this cash in financial instruments to achieve reasonable returns on a risk-adjusted basis. The investment allocation decisions are based in part on the anticipated liquidity requirements of the Company including working capital, estimated tax related distributions, and broader capital allocation objectives.

For the three and nine months quarter ended September 30, 2023 March 31, 2024, the Company earned interest income of \$1.7 million and \$3.6 million, respectively, on our cash portfolio.

The Company may allocate a portion of our "float" to investments meeting pre-determined guidelines, including U.S.-listed equity securities, with the objective to provide an acceptable rate of return while complying with established risk tolerances and liquidity parameters. The Board of Directors is responsible for approving investment decisions. Gains and losses on marketable securities may fluctuate significantly from period to period in the future and could have a significant impact on the Company's results of operations.

As of September 30, 2023 March 31, 2024, our principal sources of liquidity were cash, cash equivalents, and restricted cash of \$194.0 million \$131.2 million. Cash and cash equivalents are comprised of bank deposits, money market funds, and certificates of deposit. Restricted cash is comprised of reserves held with credit card processors for chargebacks and refunds. We have financed our operations primarily through cash received from operations, and our sources of liquidity have enabled us to make continued investments in supporting the growth of our business. Our 2021 Credit Facility (as defined and further discussed below) can be used to finance permitted acquisitions, for working capital and general corporate purposes. We expect that our operating cash flows, in addition to cash on hand, will enable us to continue to make investments in the future, and to pay dividends. We expect our operating cash flows to further improve as we increase our operational efficiency and experience economies of scale.

In 2023, we commenced paying quarterly dividends on shares of our Class A common stock and distributions on our LLC Units. There can be no assurance that we will continue to pay dividends in the future. The payment of any future dividends and distributions will be at the discretion of our Board of Directors and will depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, any limitations on payment of dividends present in any debt agreements, and other factors that our Board of Directors may deem relevant.

We believe that our existing cash and cash equivalents and cash flow from operations will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. While we believe that our existing cash and cash equivalents and cash flow from operations will be sufficient to support working capital and capital expenditure requirements for the long term, our future capital requirements will depend on many factors, including our subscription growth rate, subscription renewal activity, including the timing and the amount of cash received from subscribers, the pace of expansion of sales and marketing activities, the timing and extent of spending to support development efforts, the introduction of new and enhanced products, and the level of costs to operate as a public company. We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products, and technologies.

We have incurred and we will continue to incur public company expenses related to our operations, plus we expect to incur payment obligations under the Tax Receivable Agreement in the future, which we expect to be

significant. MarketWise, Inc. intends to cause MarketWise, LLC to make distributions to MarketWise, Inc. in an amount sufficient to allow MarketWise, Inc. to pay its tax obligations and operating expenses, including distributions to fund any payments due under the Tax Receivable Agreement. If MarketWise, LLC does not have sufficient cash to fund distributions to MarketWise, Inc. in amounts sufficient to cover MarketWise, Inc.'s obligations under the Tax Receivable Agreement, it may have to borrow funds, which could materially adversely affect its liquidity and financial condition and subject it to various restrictions imposed by any such lenders. To the extent that MarketWise, Inc. is unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid. For additional information regarding the Tax Receivable Agreement, see the section entitled "Management's Discussion and Analysis of Financial

Condition and Results of Operations—Liquidity and Capital Resources—Tax Receivable Agreement" in the Annual Report.

Furthermore, to the extent we have taxable income, we will make distributions to the MarketWise Members in amounts sufficient for the MarketWise Members to pay taxes due on their share of MarketWise income at prevailing individual income tax rates, which for the 2023 tax year the highest federal, state and local tax rate the Company used was 49.75%. While historically we have not been required to make tax distributions, we expect to begin making required tax distributions to MarketWise Members, along with a proportionate payment to MarketWise Inc., as early as the second half of 2024. Such amounts will be reflected in MarketWise, Inc.'s our statement of cash flows as cash used in financing activities, and so will not decrease the amount of cash from operations or net income reflected in MarketWise, Inc.'s our financial statements. However, such distributions will decrease the amount of cash available to us for use in our business.

We may be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, operations, and financial condition.

**Share Repurchase Program** In April 2024, MarketWise, LLC purchased 7.2 million LLC Units for \$10.8 million from two MarketWise Members. For each LLC Unit purchased, MarketWise, Inc. cancelled one Class B share, thereby decreasing the total outstanding Class B shares by 7.2 million. MarketWise, LLC purchased the LLC Units according to the terms of the Third Amended and Restated Limited Liability Company Operating Agreement of MarketWise, LLC (the "MarketWise Operating Agreement").

#### **As previously disclosed Legacy Reorganization**

On February 8, 2024, the Company reported that its Board of Directors had committed to a strategic realignment and reorganization (the "Reorganization") whereby the Company will wind-down the operations of its Legacy Research Group business ("Legacy Research") in our Annual Report, on November 4, 2021, our Board authorized response to misconduct discovered at Legacy Research where certain managers violated the repurchase Company's policies.

At the time of up to \$35.0 million in aggregate of shares the announcement, there were 104 employees at Legacy Research, which represented approximately 18% of the Company's Class A common stock, total employees. We did not repurchase any shares during the three months ended September 30, 2023. During the nine months ended September 30, 2022, we repurchased 2,484,717 shares totaling \$13.1 million in the aggregate, including fees and commissions currently estimate that approximately half of \$25. Since the inception of the program, we have repurchased 2,984,987 total shares. The share repurchase program expired by its terms on November 3, 2023.

For each share of Class A common stock the Company repurchased under the share repurchase program, MarketWise, LLC, the Company's direct subsidiary, redeemed one LLC Unit held by the Company, decreasing the percentage ownership of MarketWise, LLC by these employees will be offered a new role within the Company and relatively increasing the ownership remainder will have their positions eliminated, however, we continue to evaluate. Separation costs incurred in the first quarter 2024 were approximately \$0.2 million and approximately \$0.5 million in total through May 15, 2024. The annualized compensation costs associated with the terminated employees through May 15, 2024 is approximately \$6.1 million.

Following the commitment to the Reorganization, Legacy Research began to significantly curtail business activities including any marketing efforts to acquire new subscribers. As a result of the Reorganization, the Billings of Legacy Research declined from \$30.1 million during the fourth quarter 2023, to \$15.8 million in Billings during the first quarter 2024. Legacy Research continued to serve existing subscribers and fulfill existing subscriptions during the first quarter 2024. While subscriber refund activity as a percent of Billings increased in the first quarter 2024 relative to prior quarter levels, the amounts were not material. As a result of this increase in refund activity, the Company recorded an increase of \$1.6 million to the refund accrual as of March 31, 2024.

As part of the Reorganization, the Company continues to make efforts to serve existing Legacy Research customers. In April 2024, the Company began offering certain Legacy Research subscribers similar products published by other MarketWise brands, consistent with past Company practice when we cease a publication.

Legacy Research has leased office space and the other unitholders current lease end date for this property is December 2028. As of March 31, 2024, the operating lease right-of-use asset and related leasehold improvements totaled approximately \$2.9 million. The Company was still using this property in its operations and evaluating various alternatives with respect to this property as of March 31, 2024.

The Company expects that the Reorganization will be completed in the first half of fiscal 2024.

#### **Credit Facility**

In 2021, MarketWise, LLC, entered into a loan and security agreement (as amended the (the "Loan and Security Agreement") providing for up to \$150 million of commitments under a revolving credit facility (the "2021 Credit Facility"), including a \$5 million letter of credit sublimit, and allows for revolving commitments under the 2021 Credit Facility to be increased or new term commitments to be established by up to \$65 million. The existing lenders under the 2021 Credit Facility are entitled, but not obligated, to provide such incremental commitments. The 2021 Credit Facility has a term of three years, maturing on October 29, 2024. On May 2, 2023, MarketWise, LLC entered into the First Amendment to the Loan and Security Agreement, which provides, among other things, a transition away from LIBOR to SOFR as the basis for the interest rate.

The 2021 Credit Facility is guaranteed by MarketWise, LLC's direct and indirect material U.S. subsidiaries, subject to customary exceptions (the "Guarantors"), pursuant to a guaranty by the Guarantors in favor of HSBC Bank USA, National Association, as agent (the "Guaranty"). Borrowings under the 2021 Credit Facility are secured by a first-priority lien on substantially all of the assets of MarketWise, LLC and the Guarantors, subject to customary exceptions.

Borrowings will bear interest at a floating rate depending on MarketWise, LLC's Net Leverage Ratio (as defined in the Loan and Security Agreement). As of September 30, 2023, March 31, 2024, there were no outstanding advances under the 2021 Credit Facility.

The Loan and Security Agreement contains customary affirmative and negative covenants for transactions of this type, and contains financial maintenance covenants that require MarketWise, LLC to maintain an Interest Coverage Ratio and Net Leverage Ratio (both as defined in the Loan and Security Agreement), and provides for a number of customary events of default, which could result in the acceleration of obligations and the termination of lending commitments under the Loan and Security Agreement. As of September 30, 2023, March 31, 2024, we were in compliance with these covenants. The Company is currently in discussions with lenders to amend or replace the Credit Facility. While we have no amounts borrowed on the existing Credit Facility, we intend to amend or replace it prior to the maturity date.

#### **Cash Flows**

The following table presents a summary of our consolidated cash flows provided by (used in) operating, investing, and financing activities for the periods indicated:

(In thousands)	(In thousands)	Nine Months Ended September 30, (In thousands)		Three Months Ended March 31, 2024		2023
		2024	2023	2024	2023	
		2023	2022			
Net cash provided by operating activities	\$ 44,901	\$37,763				
Net cash (used in) provided by operating activities						
Net cash (used in) provided by operating activities						
Net cash (used in) provided by operating activities						
Net cash used in investing activities	Net cash used in investing activities	(1,658)	(13,238)			
Net cash used in financing activities	Net cash used in financing activities	(7,806)	(16,787)			

#### Operating Activities

For the **ninethree** months ended **September 30, 2023** **March 31, 2024**, net cash provided by used in operating activities was **\$44.9 million** **\$18.5 million**, primarily due to net income of **\$52.4 million**, adjusted for net non-cash items which increased cash by **\$19.8 million**, and net changes in our operating assets and liabilities which reduced cash by **\$27.3 million** **\$46.8 million**, largely due to timing differences in the partially offset by net receipt income of cash **\$22.7 million**, adjusted for net non-cash items which increased cash by **\$5.6 million**. The non-cash items include stock-based compensation expense of **\$3.8 million**, and depreciation and amortization of **\$10.3 million** and **\$3.0 million**, respectively. The changes in operating assets and liabilities were primarily driven by a an decrease in deferred revenue, which reduced cash by **\$44.3 million** due to our overall decrease in sales, a decrease in other current and long-term liabilities which reduced cash by **\$3.2 million**, and a decrease in accrued expenses, which decreased cash by **\$3.3 million**, partially offset by a decrease in deferred contract acquisition costs, which increased cash by **\$23.6 million**.

For the nine months ended September 30, 2022, net cash provided by operating activities was **\$37.8 million**, primarily due to net income of **\$73.6 million**, adjusted for net non-cash items which reduced cash by **\$0.9 million**, and net changes in our operating assets and liabilities which reduced cash by **\$34.9 million**, largely due to timing differences in the net receipt of cash. The non-cash items include a change in fair value of derivative liabilities of **\$15.6 million**, which was partially offset by stock-based compensation expense and deferred income taxes of **\$7.2 million** and **\$3.6 million**, respectively. The changes in operating assets and liabilities were primarily driven by a decrease in deferred revenue, which reduced cash by **\$24.8 million** **\$30.9 million** due to our overall decrease in sales, a decrease in accrued expenses, which decreased cash by **\$7.2 million** **\$33.0 million**, and a net increase due to deferred contract acquisition costs of **\$13.8 million**.

For the three months ended March 31, 2023, net cash provided by operating activities was **\$3.9 million**, primarily due to net income of **\$30.6 million**, adjusted for net non-cash items which increased cash by **\$7.1 million**, and net changes in our operating assets and liabilities which reduced cash by **\$33.8 million**. The non-cash items include a change in fair value of derivative liabilities of **\$1.0 million**, and stock-based compensation expense of **\$3.7 million**. The changes in operating assets and liabilities were primarily driven by an decrease in other current and long-term liabilities, deferred revenue, which decreased cash by **\$4.2 million**, partially offset by a decrease in accounts receivable **\$29.3 million** due to our overall decrease in sales, a decrease in accrued expenses, which increased decreased cash by **\$3.2 million** **\$16.2 million**, and a net increase due to deferred contract acquisition costs of **\$9.8 million**.

#### Investing Activities

For the **ninethree** months ended **September 30, 2023** **March 31, 2024**, net cash used in investing activities was **\$1.7 million**, primarily driven by **\$1.4 million** of capitalized software development costs **\$0.3 million**.

For the **nine three** months ended **September 30, 2022** **March 31, 2023**, net cash used in investing activities was **\$13.2 million**, primarily driven by the payment of **\$12.8 million** related to the Buttonwood Publishing transaction.

**\$0.4 million.**

#### Financing Activities

For the **ninethree** months ended **September 30, 2023** **March 31, 2024**, net cash used in financing activities was **\$7.8 million** **\$5.2 million**, primarily due to **\$6.3 million** in driven by dividends and distributions to noncontrolling interests and **\$1.5 million** in restricted stock units withheld to pay taxes paid.

For the **nine three** months ended **September 30, 2022** **March 31, 2023**, net cash used in financing activities was **\$16.8 million**, primarily due to **\$13.1 million** in share repurchases and **\$4.5 million** in distributions to noncontrolling interests.

On August 3, 2023, the Board declared a cash dividend to the Company's Class A common stockholders in the amount of \$0.01 per share and a cash distribution to its common unit holders in the amount of \$0.01 per unit. The dividend and distribution was 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 payment to Class A common stockholders was \$0.5 million and the total amount of the distribution payment to common unit holders was approximately \$2.9 million. The Company intends to pay dividends quarterly in the future, subject to Board approval of any such dividends.

On October 18, 2023, our Board declared a cash dividend to its Class A common stockholders in the amount of \$0.01 per share, totaling \$0.4 million, and a cash distribution to holders of LLC Units in the amount of \$0.01 per unit, totaling \$2.9 million, to stockholders and unitholders of record as of the close of business on December 25, 2023. The dividend and distribution will be paid on January 25, 2024.

On October 18, 2023, our Board also declared a special cash dividend to the Company's Class A common stockholders in the amount of \$0.15 per share and a special cash distribution to holders of LLC Units in the amount of \$0.15 per unit, totaling approximately \$50 million in the aggregate, to stockholders and unitholders of record as of the close of business on November 10, 2023. The special dividend and distribution will be paid on December 1, 2023 \$0.6 million.

#### Critical Accounting Estimates

Our condensed consolidated financial statements have been prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses, and related disclosures. On an ongoing basis, management evaluates its estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

Management believes that, of our significant accounting policies, which are described in Note 2 to our consolidated financial statements for the year ended **December 31, 2022** December 31, 2023 in our Annual Report, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, management believes that "Revenue Recognition" and "Transactions and Valuation of Goodwill and Other Acquired Intangible Assets" are the two policies that are the most critical to aid in fully understanding and evaluating our condensed consolidated financial condition and results of operations. Refer to the **2022** 2023 Annual Report on Form 10-K for further discussion of these two policies. During the three months ended **September 30, 2023** March 31, 2024, there were no material changes to these policies.

#### Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

#### Item 4. Controls and Procedures.

##### Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our **principal executive officer** Chief Executive Officer and **principal financial officer**, Chief Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the

Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, **our Chief Executive Officer** and as a result of the material weaknesses described below, **our principal executive officer and principal financial officer** Chief Financial Officer concluded that, as of **September 30, 2023** March 31, 2024, **our disclosure controls and procedures were not effective**. In light of this fact, our management has performed additional analyses, reconciliations, and other post-closing procedures and has concluded that, notwithstanding the material weaknesses in our internal control over financial reporting, the condensed consolidated financial statements for the periods covered by and included in this Quarterly Report on Form 10-Q fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

**As previously reported, Changes in connection with the audit of our consolidated financial statements for the year ended December 31, 2020, our management determined that material weaknesses existed Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting related to: (i) a lack of contemporaneous documentation and account reconciliation, and (ii) that occurred during the lack of a formal quarter ended March 31, 2024, that have materially affected, or documented risk assessment process. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

##### Remediation Efforts are reasonably likely to Address the Material Weaknesses

We have taken a number of remediation actions since the identification of the material weakness through September 30, 2023, including:

- hiring personnel with appropriate levels of experience in accounting, technology, risk assessment, and internal controls;
- establishing a comprehensive SOX program that includes the documentation and assessment of the Company's risks and internal controls over financial reporting to comply with the Sarbanes-Oxley Act;
- implementing an annual risk assessment process over financial reporting;
- implementing an annual cyber security risk assessment process;
- establishing a Disclosure Task Force with participants across business units to ensure the completeness and accuracy of financial reporting disclosures;
- establishing regular director and executive management meetings to oversee Company risks and performance;
- implementing a new revenue recognition application and associated internal controls over financial reporting; and
- enhancing account reconciliation processes and internal controls, leveraging the use of a reconciliation application, and training of accounting personnel.

While significant progress has been made to enhance our internal control over financial reporting, we are still in the process of building and enhancing our processes, procedures, and controls. Additional time is required to complete the remediation of these material weaknesses and the assessment to ensure the sustainability of these remediation actions. We believe the above actions, when complete, will be effective in the remediation of the material weaknesses described above. As such, we have not concluded that the material weaknesses have been fully remediated as of September 30, 2023.

#### **Changes in Internal Control Over Financial Reporting**

Other than as described above, there have been no changes in **materially affect**, our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that **materially affected, or is reasonably likely to materially affect, our internal control over financial reporting**. **Act**.

#### **Inherent Limitations on Effectiveness of Controls**

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## **PART II—OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

Not applicable.

### **Item 1A. Risk Factors.**

**Not applicable.** *The risks described below could have a material adverse impact on our business, financial condition, or operating results. Although it is not possible to predict or identify all such risks and uncertainties, they may include, but are not limited to, the factors discussed below. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business or results of operations*

There have been no material changes in the risk factors disclosed in Part 1, Item 1A, of our Annual Report.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

#### **Issuer Purchases of Equity Securities**

In November 2021, our Board authorized the repurchase of up to \$35.0 million in aggregate of shares of the Company's Class A common stock. There were no share repurchases made by or on behalf of the Company of its common stock during the three months ended September 30, 2023. The maximum dollar value of shares that may yet to be purchased under the plan was \$18.6 million as of September 30, 2023. The share repurchase program expired by its terms on November 3, 2023.

During the three and nine months ended September 30, 2023, pursuant to the terms of the MarketWise Operating Agreement, members of MarketWise, LLC exchanged an aggregate of 1,500,000 and 2,750,000 LLC Units, together with an equal number of shares of Class B common stock for 1,500,000 and 2,750,000 newly-issued shares of the Company's Class A common stock, respectively. These shares of Class A common stock were issued in reliance on an exemption from registration pursuant to Section 4(a)(2) of the Securities Act of 1933.

Not applicable.

### **Item 3. Defaults Upon Senior Securities.**

Not applicable.

### **Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

Not applicable.

**Item 6. Exhibits.**

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

<u>Exhibit No.</u>	<u>Description</u>
10.1†	<a href="#">Letter Agreement, dated as of July 6, 2023, by and between MarketWise, Inc. and Erik Mickels (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 6, 2023).</a>
10.2	<a href="#">Agreement, dated as of September 8, 2023, by and between MarketWise, Inc., F. Porter Stansberry and Stokes Holding, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 8, 2023).</a>
10.3+	<a href="#">Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement (Employees)</a>
10.4+	<a href="#">Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement (Non-Employee Directors)</a>
10.5+	<a href="#">Form of Restricted Stock Grant Notice and Restricted Stock Agreement</a>
10.6+	<a href="#">MarketWise, Inc. Non-Employee Director Compensation Policy (Effective August 2, 2023)</a>
31.1	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Definition Linkbase Document
101.DEF	XBRL Taxonomy Extension Label Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† The annexes, schedules, and certain exhibits to this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant hereby agrees to furnish supplementally a copy of any omitted annex, schedule, or exhibit to the SEC upon request.

+ Indicates a management contract or compensatory plan

**SIGNATURES**

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

**MARKETWISE, INC.**

Date: **November 9, 2023** May 15, 2024

By: **/s/ Erik Mickels**  
 Name: Erik Mickels  
 Title: Chief Financial Officer

**MARKETWISE, INC.**  
**2021 INCENTIVE AWARD PLAN**

**RESTRICTED STOCK UNIT GRANT NOTICE**

Capitalized terms not specifically defined in this Restricted Stock Unit Grant Notice (the "Grant Notice") have the meanings given to them in the 2021 Incentive Award Plan (as amended from time to time, the "Plan") of MarketWise, Inc. (the "Company").

The Company has granted to the participant listed below ("Participant") the Restricted Stock Units described in this Grant Notice (the "RSUs"), subject to the terms and conditions of the Plan and the Restricted Stock Unit Agreement attached as Exhibit A (the "Agreement"), both of which are incorporated into this Grant Notice by reference. Each RSU is hereby granted in tandem with a corresponding dividend equivalent to the extent a portion of such RSU is vested, as further described in the Agreement (the "Dividend Equivalents").

**Participant:**

**Grant Date:**

**Number of RSUs:**

**Vesting Commencement Date:**

**Vesting Schedule:**

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

**MARKETWISE, INC.**

By:

Name: Cynthia Cherry, SHRM-SCP

Title: Chief Human Resources Officer

**PARTICIPANT**

[Participant Name]

**Exhibit A**

## **RESTRICTED STOCK UNIT AGREEMENT**

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

### **ARTICLE I.** **GENERAL**

#### **1.1 Award of RSUs and Dividend Equivalents.**

(a) The Company has granted the RSUs to Participant effective as of the grant date set forth in the Grant Notice (the "Grant Date"). Each RSU represents the right to receive one Share as set forth in this Agreement. Participant will have no right to the distribution of any Shares until the time (if ever) the RSUs have vested.

(b) The Company hereby grants to Participant an Award of Dividend Equivalents with respect to each RSU granted pursuant to the Grant Notice for all ordinary cash dividends or distributions that are paid to all or substantially all holders of the outstanding Shares between the Grant Date and the date when the applicable RSU is distributed or paid to Participant or is forfeited or expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends or distributions paid on a single Share. The Company will establish a separate Dividend Equivalent bookkeeping account (a "Dividend Equivalent Account") for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid. Any Dividend Equivalents granted in connection with the RSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A.

1.2 Incorporation of Terms of Plan. The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

**1.3 Unsecured Promise.** The RSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

## **ARTICLE II.** **VESTING; FORFEITURE AND SETTLEMENT**

### **2.1 Vesting; Forfeiture.**

(a) The RSUs will vest according to the vesting schedule in the Grant Notice except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. Dividend Equivalents (including any Dividend Equivalent Account balance) will vest or be forfeited, as applicable, upon the vesting or forfeiture of the RSU with respect to which the Dividend Equivalent (including the Dividend Equivalent Account) relates.

(b) In the event of Participant's Termination of Service for any reason, all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company.

(c) Notwithstanding the Grant Notice or the provisions of Section 2.1(a) and Section 2.1(b), (i) in the event of Participant's Termination of Service due to death, the RSUs shall become vested in full upon such date of Participant's Termination of Service so long as circumstances which would constitute Cause do not exist at the time of (and did not exist at any time prior to) such Termination of Service, and (ii) in the event of Participant's Termination of Service due to Disability, the RSUs will remain outstanding and eligible to vest pursuant to the vesting schedule in the Grant Notice without regard for any requirement of continued service so long as circumstances which would constitute Cause do not exist at any time prior to or following such Termination of Service.

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**2.2 Settlement.** RSUs will be paid in Shares as soon as administratively practicable after the vesting of the applicable RSU, but in no event more than sixty (60) days after the RSU's vesting date. Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in cash as soon as administratively practicable after the vesting of the applicable RSU, but in no event more than sixty (60) days after the RSU's vesting date. Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A. For the avoidance of doubt, any Dividend Equivalents granted in connection with the RSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A.

## **ARTICLE III.** **TAXATION AND TAX WITHHOLDING**

**3.1 Representation.** Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award of RSUs and Dividend Equivalents and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

### **3.2 Tax Withholding.**

(a) The Participant shall satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with the RSUs through the surrender of Shares, as set forth in Sections 9.5 of the Plan. The number of Shares that may be so withheld or surrendered shall be limited to the number of Shares that have a fair market value on the date of withholding or repurchase no greater than the aggregate amount of such liabilities based on the maximum statutory withholding rates in such Participant's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income. Payment of the withholding obligations with respect to the Dividend Equivalents shall be, unless otherwise determined by the Administrator, by cash.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs and Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

**ARTICLE IV.**  
**OTHER PROVISIONS**

**4.1 Adjustments.** Participant acknowledges that the RSUs, the Shares subject to the RSUs and the Dividend Equivalents are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

**4.2 Notices.** Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post

office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

**4.3 Titles.** Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

**4.4 Conformity to Securities Laws.** Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

**4.5 Successors and Assigns.** The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

**4.6 Limitations Applicable to Section 16 Persons.** Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the RSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

**4.7 Entire Agreement.** The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

**4.8 Agreement Severable.** In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

**4.9 Limitation on Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the RSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

**4.10 Not a Contract of Employment.** Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

**4.11 Counterparts.** The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

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**MARKETWISE, INC.**  
**2021 INCENTIVE AWARD PLAN**

**RESTRICTED STOCK UNIT GRANT NOTICE**

Capitalized terms not specifically defined in this Restricted Stock Unit Grant Notice (the "Grant Notice") have the meanings given to them in the 2021 Incentive Award Plan (as amended from time to time, the "Plan") of MarketWise, Inc. (the "Company").

The Company has granted to the participant listed below ("Participant") the Restricted Stock Units described in this Grant Notice (the "RSUs"), subject to the terms and conditions of the Plan and the Restricted Stock Unit Agreement attached as Exhibit A (the "Agreement"), both of which are incorporated into this Grant Notice by reference. Each RSU is hereby granted in tandem with a corresponding dividend equivalent to the extent a portion of such RSU is vested, as further described in the Agreement (the "Dividend Equivalents").

**Participant:**

**Grant Date:**

**Number of RSUs:**

**Vesting Schedule:**

On the earlier of (i) the day immediately preceding the date of the first annual meeting of the Company's stockholders following the Grant Date and (ii) the first anniversary of the Grant Date, subject to the Participant continuing in service on the Board through the applicable vesting date.

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

**MARKETWISE, INC.**

By:

Name: Cynthia S. Cherry SHRM-SCP

**PARTICIPANT**

Title: Chief Human Resources Officer

[Participant Name]

**Exhibit A**

**RESTRICTED STOCK UNIT AGREEMENT**

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

**ARTICLE I.**  
**GENERAL**

**1.1 Award of RSUs and Dividend Equivalents.**

(a) The Company has granted the RSUs to Participant effective as of the grant date set forth in the Grant Notice (the "Grant Date"). Each RSU represents the right to receive one Share as set forth in this Agreement. Participant will have no right to the distribution of any Shares until the time (if ever) the RSUs have vested.

(b) The Company hereby grants to Participant an Award of Dividend Equivalents with respect to each RSU granted pursuant to the Grant Notice for all ordinary cash dividends or distributions that are paid to all or substantially all holders of the outstanding Shares between the Grant Date and the date when the applicable RSU is distributed or paid to Participant or is forfeited or expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends or distributions paid on a single Share. The Company will establish a separate Dividend Equivalent bookkeeping account (a "Dividend Equivalent Account") for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the

amount of any such cash paid. Any Dividend Equivalents granted in connection with the RSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A.

**1.2 Incorporation of Terms of Plan.** The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

**1.3 Unsecured Promise.** The RSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

## ARTICLE II.

### VESTING; FORFEITURE AND SETTLEMENT

**2.1 Vesting; Forfeiture.** The RSUs will vest according to the vesting schedule in the Grant Notice except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. In the event of Participant's Termination of Service for any reason, all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company. Dividend Equivalents (including any Dividend Equivalent Account balance) will vest or be forfeited, as applicable, upon the vesting or forfeiture of the RSU with respect to which the Dividend Equivalent (including the Dividend Equivalent Account) relates.

**2.2 Settlement.** RSUs will be paid in Shares as soon as administratively practicable after the vesting of the applicable RSU, but in no event more than sixty (60) days after the RSU's vesting date. Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in cash as soon as administratively practicable after the vesting of the applicable RSU, but in no event more than sixty (60) days after the RSU's vesting date. Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A. For the avoidance of doubt, any Dividend Equivalents granted in connection with the RSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such RSUs

and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A.

## ARTICLE III.

### TAXATION AND TAX WITHHOLDING

**3.1 Representation.** Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award of RSUs and Dividend Equivalents and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

**3.2 Tax Withholding.**

(a) Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs and Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

## ARTICLE IV.

### OTHER PROVISIONS

**4.1 Adjustments.** Participant acknowledges that the RSUs, the Shares subject to the RSUs, and the Dividend Equivalents are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

**4.2 Notices.** Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

**4.3 Titles.** Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

**4.4 Conformity to Securities Laws.** Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

**4.5 Successors and Assigns.** The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

**4.6 Limitations Applicable to Section 16 Persons.** Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the RSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

**4.7 Entire Agreement.** The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

**4.8 Agreement Severable.** In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

**4.9 Limitation on Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the RSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

**4.10 Not a Contract of Employment.** Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

**4.11 Counterparts.** The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

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**MARKETWISE, INC.  
2021 INCENTIVE AWARD PLAN**

**RESTRICTED STOCK GRANT NOTICE**

Capitalized terms not specifically defined in this Restricted Stock Grant Notice (the "Grant Notice") have the meanings given to them in the 2021 Incentive Award Plan (as amended from time to time, the "Plan") of MarketWise, Inc. (the "Company").

The Company has granted to the participant listed below ("Participant") the shares of Restricted Stock described in this Grant Notice (the "Restricted Shares"), subject to the terms and conditions of the Plan and the Restricted Stock Agreement attached as **Exhibit A** (the "Agreement"), both of which are incorporated into this Grant Notice by reference.

**Participant:**

**Grant Date:**

**Number of Restricted Shares:**

**Vesting Commencement Date:**

**Vesting Schedule:**

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

**MARKETWISE, INC.**

**PARTICIPANT**

By:

Name: Cynthia Cherry, SHRM-SCP

Title: Chief Human Resources Officer

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**Exhibit A**

#### **RESTRICTED STOCK AGREEMENT**

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

#### **ARTICLE I.**

##### **GENERAL**

**1.1 Issuance of Restricted Shares.** The Company will issue the Restricted Shares to the Participant effective as of the grant date set forth in the Grant Notice and will cause (a) a stock certificate or certificates representing the Restricted Shares to be registered in Participant's name or (b) the Restricted Shares to be held in book-entry form. If a stock certificate is issued, the certificate will be delivered to, and held in accordance with this Agreement by, the Company or its authorized representatives and will bear the restrictive legends required by this Agreement. If the Restricted Shares are held in book-entry form, then the book-entry will indicate that the Restricted Shares are subject to the restrictions of this Agreement.

**1.2 Incorporation of Terms of Plan.** The Restricted Shares are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

#### **ARTICLE II.**

##### **VESTING, FORFEITURE AND ESCROW**

**2.1 Vesting.** The Restricted Shares will become vested Shares (the "Vested Shares") according to the vesting schedule in the Grant Notice except that any fraction of a Share that would otherwise become a Vested Share will be accumulated and will become a Vested Share only when a whole Vested Share has accumulated.

**2.2 Forfeiture.**

(a) In the event of Participant's Termination of Service for any reason, Participant will immediately and automatically forfeit to the Company any Shares that are not Vested Shares (the "Unvested Shares") at the time of Participant's Termination of Service, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company. Upon forfeiture of Unvested Shares, the Company will become the legal and beneficial owner of the Unvested Shares and all related interests and Participant will have no further rights with respect to the Unvested Shares.

(c) Notwithstanding the Grant Notice or the provisions of Section 2.1 and Section 2.2(a), (i) in the event of Participant's Termination of Service due to death, the Unvested Shares shall become vested in full upon such date of Participant's Termination of Service so long as circumstances which would constitute Cause do not exist at the time of (and did not exist at any time prior to) such Termination of Service, and (ii) in the event of Participant's Termination of Service due to Disability, the Unvested Shares will remain outstanding and eligible to vest pursuant to the vesting schedule in the Grant Notice without regard for any requirement of continued service so long as circumstances which would constitute Cause do not exist at any time prior to or following such Termination of Service.

### 2.3 Escrow.

(a) Unvested Shares will be held by the Company or its authorized representatives until (i) they are forfeited, (ii) they become Vested Shares or (iii) this Agreement is no longer in effect. By accepting this Award, Participant appoints the Company and its authorized representatives as Participant's attorney(s)-in-fact to take all actions necessary to effect any transfer of forfeited Unvested Shares (and Retained Distributions (as defined below), if any, paid on such forfeited Unvested Shares) to the Company as may be required pursuant to the Plan or this Agreement and to execute such representations or other documents or assurances as the Company or such representatives deem necessary or advisable in connection with any such transfer. The Company, or its authorized

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representative, will not be liable for any good faith act or omission with respect to the holding in escrow or transfer of the Restricted Shares.

(b) All cash dividends and other distributions made or declared with respect to Unvested Shares ("Retained Distributions") will be held by the Company until the time (if ever) when the Unvested Shares to which such Retained Distributions relate become Vested Shares. The Company will establish a separate Retained Distribution bookkeeping account ("Retained Distribution Account") for each Unvested Share with respect to which Retained Distributions have been made or declared in cash and credit the Retained Distribution Account (without interest) on the date of payment with the amount of such cash made or declared with respect to the Unvested Share. Retained Distributions (including any Retained Distribution Account balance) will immediately and automatically be forfeited upon forfeiture of the Unvested Share with respect to which the Retained Distributions were paid or declared.

(c) As soon as reasonably practicable following the date on which an Unvested Share becomes a Vested Share, the Company will (i) cause the certificate (or a new certificate without the legend required by this Agreement, if Participant so requests) representing the Share to be delivered to Participant or, if the Share is held in book-entry form, cause the notations indicating the Share is subject to the restrictions of this Agreement to be removed and (ii) pay to Participant the Retained Distributions relating to the Share.

2.4 Rights as Stockholder. Except as otherwise provided in this Agreement or the Plan, upon issuance of the Restricted Shares by the Company, Participant will have all the rights of a stockholder with respect to the Restricted Shares, including the right to vote the Restricted Shares and to receive dividends or other distributions paid or made with respect to the Restricted Shares.

## ARTICLE III.

### TAXATION AND TAX WITHHOLDING

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of the Restricted Shares and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Section 83(b) Election. If Participant makes an election under Section 83(b) of the Code with respect to the Restricted Shares, Participant will deliver a copy of the election to the Company promptly after filing the election with the Internal Revenue Service.

### 3.3 Tax Withholding.

(a) The Participant shall satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with the Restricted Shares through the surrender of Shares, as set forth in Sections 9.5 of the Plan. The number of Shares that may be so withheld or surrendered shall be limited to the number of Shares that have a fair market value on the date of withholding or repurchase no greater than the aggregate amount of such liabilities based on the maximum statutory withholding rates in such Participant's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the Restricted Shares, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the Restricted Shares. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding,

vesting or payment of the Restricted Shares or the subsequent sale of the Restricted Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure this Award to reduce or eliminate Participant's tax liability.

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**ARTICLE IV.**  
**RESTRICTIVE LEGENDS AND TRANSFERABILITY**

**4.1 Legends.** Any certificate representing a Restricted Share will bear the following legend until the Restricted Share becomes a Vested Share:

**THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE IN FAVOR OF THE COMPANY AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A RESTRICTED STOCK AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.**

**4.2 Transferability.** The Restricted Shares and any Retained Distributions are subject to the restrictions on transfer in the Plan and may not be sold, assigned or transferred in any manner unless and until they become Vested Shares. Any attempted transfer or disposition of Unvested Shares or related Retained Distributions prior to the time the Unvested Shares become Vested Shares will be null and void. The Company will not be required to (a) transfer on its books any Restricted Share that has been sold or otherwise transferred in violation of this Agreement or (b) treat as owner of such Restricted Share or accord the right to vote or pay dividends to any purchaser or other transferee to whom such Restricted Share has been so transferred. The Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, or make appropriate notations to the same effect in its records.

**ARTICLE V.**  
**OTHER PROVISIONS**

**5.1 Adjustments.** Participant acknowledges that the Restricted Shares are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

**5.2 Notices.** Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

**5.3 Titles.** Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

**5.4 Conformity to Securities Laws.** Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

**5.5 Successors and Assigns.** The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

**5.6 Limitations Applicable to Section 16 Persons.** Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the Restricted Shares will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws

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permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

5.7 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.9 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Award.

5.10 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

5.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

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# Non-Employee Director Compensation Policy

Effective August 2, 2023

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NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

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## Introduction

Non-employee members of the Board of Directors (the “**Board**”) of MarketWise, Inc. (the “**Company**”) shall be eligible to receive cash and equity compensation as set forth in this Non-Employee Director Compensation Policy (this “**Policy**”). The cash and equity compensation described in this Policy shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (each, a “**Non-Employee Director**”) unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Policy shall apply as of the Effective Date reflected and shall remain in effect until it is revised or rescinded by further action of the Board. This Policy may be amended, modified or terminated by the Board at any time in its sole discretion.

### 1. Cash Compensation

**1.1 Annual Retainers.** Each Non-Employee Director shall receive an annual retainer as follows and where applicable:

- (a) \$60,000 for service on the Board;
- (b) \$75,000 for service as the *Lead Independent Director* on the Board; or
- (c) \$90,000 for service as the Non-Employee Chairperson on the Board.

**1.2 Additional Annual Retainers.** In addition, a Non-Employee Director shall receive the following annual retainers:

- (a) **Audit Committee.** A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of \$20,000 for such service. A Non-Employee Director serving as a member of the Audit Committee (other than the Chairperson of the Audit Committee) shall receive an additional annual retainer of \$9,000 for such service.
- (b) **Compensation Committee.** A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of \$15,000 for such service. A Non-Employee Director serving as a member of the Compensation Committee (other than the Chairperson of the Compensation Committee) shall receive an additional annual retainer of \$6,000 for such service.
- (c) **Nominating and Corporate Governance Committee.** A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of \$12,000 for such service. A Non-Employee Director serving as a member of the Nominating and Corporate Governance Committee (other than the Chairperson of the Nominating and Corporate Governance Committee) shall receive an additional annual retainer of \$5,000 for such service.

**1.3 Payment of Retainers.** The annual retainers described in Sections 1.1 and 1.2 shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears on a quarterly prorated portion basis (where applicable) not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section 1.1 and 1.2, for an entire calendar quarter, such Non-Employee Director shall receive a prorated portion of the annual retainer(s) otherwise payable to such Non-Employee Director for such calendar quarter pursuant to Sections 1.1 and 1.2, with such prorated portion determined by multiplying such otherwise payable retainer(s) by a fraction, the numerator of which is the number of days during which the Non-Employee Director serves as a Non-Employee Director or in the applicable positions described in Section 1.1 and 1.2 during the applicable calendar quarter and the denominator of which is the number of days in the applicable calendar quarter.

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NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

## 2. Equity Compensation

2.1 Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2021 Incentive Award Plan or any other applicable Company equity incentive plan maintained by the Company (such plan, as may be amended from time to time, the "**Equity Plan**") and shall be granted subject to the execution and delivery of award agreements, in substantially the forms previously approved by the Board. All applicable terms of the Equity Plan apply to this Policy as if fully set forth herein, and all equity grants hereunder are subject in all respects to the terms of the Equity Plan.

- (a) **Annual Awards.** Each Non-Employee Director who (i) serves on the Board as of the date of any annual meeting of the Company's stockholders (an "**Annual Meeting**") after the Effective Date and (ii) will continue to serve as a Non-Employee Director immediately following such Annual Meeting, shall be automatically granted, on the date of such Annual Meeting, an award of restricted stock units that has an aggregate fair value on the date of grant of \$125,000, except for any Lead Independent Director and any Non-Employee Board Chairperson whose awards of restricted stock units shall each have an aggregate fair value on the date of grant of \$135,000 (as determined in accordance with ASC 718 and subject to adjustment as provided in the Equity Plan). The awards described in this Section 2.1(a) shall be referred to as the "Annual Awards." For the avoidance of doubt, a Non-Employee Director elected for the first time to the Board at an Annual Meeting shall receive only an Annual Award in connection with such election, and shall not receive any Initial Award on the date of such Annual Meeting as well.
- (b) **Initial Awards.** Except as otherwise determined by the Board, each Non-Employee Director who is initially elected or appointed to the Board after the Effective Date on any date other than the date of an Annual Meeting shall be automatically granted, on the date of such Non-Employee Director's initial election or appointment (such Non-Employee Director's "Start Date"), an award of restricted stock units that has an aggregate fair value on such Non-Employee Director's Start Date (as determined in accordance with ASC 718) equal to the product of (i) \$125,000 and (ii) a fraction, the numerator of which is (x) 365 minus (y) the number of days in the period beginning on the date of the Annual Meeting immediately preceding such Non-Employee Director's Start Date and ending on such Non-Employee Director's Start Date and the denominator of which is 365. The awards described in this Section 2.1(b) shall be referred to as "Initial Awards." For the avoidance of doubt, no Non-Employee Director shall be granted more than one Initial Award.
- (c) **Termination of Employment of Employee Directors.** Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their employment with the Company and any parent or subsidiary of the Company and remain on the Board will not receive an Initial Award pursuant to Section 2.1(b) above, but to the extent that they are otherwise eligible, will be eligible to receive, after termination from employment with the Company and any parent or subsidiary of the Company, Annual Awards as described in Section 2.1(a) above.
- (d) **Vesting of Awards Granted to Non-Employee Directors.** Each Annual Award and Initial Award shall vest on the earlier of (i) the day immediately preceding the date of the first Annual Meeting following the date of grant and (ii) the first anniversary of the date of grant, subject to the Non-Employee Director continuing in service on the Board through the applicable vesting date. No portion of an Annual Award or Initial Award that is unvested at the time of a Non-Employee Director's termination of service on the Board shall become vested thereafter. All of a Non-Employee Director's Annual Awards and Initial Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

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NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

## 3. Expenses

The Company will reimburse each Non-Employee Director for ordinary, necessary, and reasonable out-of-pocket travel expenses to cover in-person attendance at and participation in Board meetings and meetings of any committee of the Board; provided, that the Non-Employee Director timely submits to the Company appropriate documentation substantiating such expenses in accordance with the Company's travel and expense policy applicable to directors, as in effect from time to time. To the extent that any taxable reimbursements are provided to any Non-Employee Director, they will be provided in accordance with Section 409A of the Internal Revenue Code of 1986, as amended, including, but not limited to, the following provisions: (i) the amount of any such expenses eligible for reimbursement during such individual's taxable year may not affect the expenses eligible for reimbursement in any other taxable year; (ii) the reimbursement of an eligible expense must be made no later than the last day of such individual's taxable year that immediately follows the taxable year in which the expense was incurred; and (iii) the right to any reimbursement may not be subject to liquidation or exchange for another benefit.

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**Certification by the Chief Executive Officer pursuant to  
Securities Exchange Act Rules 13a-14(a) and 15d-14(a)  
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Porter Stansberry, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MarketWise, Inc. (the "Registrant") for the fiscal quarter ended **September 30, 2023** **March 31, 2024**;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

**MarketWise, Inc.**

Date: **November 9, 2023** **May 15, 2024**

By: **/s/ Porter Stansberry**

Name: **Porter Stansberry**

Title: **Chief Executive Officer**

**Certification by the Chief Financial Officer pursuant to  
Securities Exchange Act Rules 13a-14(a) and 15d-14(a)  
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Erik Mickels, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MarketWise, Inc. (the "Registrant") for the fiscal quarter ended **September 30, 2023** **March 31, 2024**;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**MarketWise, Inc.**

Date: **November 9, 2023** **May 15, 2024**

By: **/s/ Erik Mickels**

Name: **Erik Mickels**

Title: **Chief Financial Officer**

**Exhibit 32.1**

**Certification of Chief Executive Officer  
pursuant to 18 U.S.C. Section 1350,  
as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Porter Stansberry, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of MarketWise, Inc. for the fiscal quarter ended **September 30, 2023** **March 31, 2024** fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of MarketWise, Inc.

**MarketWise, Inc.**

Date: **November 9, 2023** **May 15, 2024**

By: **/s/ Porter Stansberry**

Name: **Porter Stansberry**

Title: **Chief Executive Officer**

**Certification of Chief Financial Officer  
pursuant to 18 U.S.C. Section 1350,  
as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Erik Mickels, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of MarketWise, Inc. for the fiscal quarter ended **September 30, 2023****March 31, 2024** fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of MarketWise, Inc.

**MarketWise, Inc.**

Date: **November 9, 2023****May 15, 2024**

By: **/s/ Erik Mickels**

Name: **Erik Mickels**

Title: **Chief Financial Officer**

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