STONEGATE CAPITAL PARTNERS

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INDUSTRY: FINANCIAL EXCHANGES AND DATA

RESEARCH UPDATE

MARKETWISE, INC. (NASDAQGM: MKTW)

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Market Statistics in USD	
Price	$ 20.59
52 week Range	$13.49 - $23.00
Daily Vol (3-mo. average)	20,937
Market Cap (M)	$ 55.8
Implied Market Cap (M)	$ 323.4
Implied Enterprise Value (M)	$ 296.1
Class A Shares Outstanding (M)	2.7
Public Float (M)	1.7
Combined Shares Outstanding (M)	15.7

Financial Summary in USD	
Cash (M)	$ 27.4
Cash/Share	$ 9.91
Debt (M)	$ -
Equity (M)	$ (263.7)
Equity/Share	$ (12.47)

Valuation in USD	
Valuation Range	$22.67 - $27.18
2027E Price Target	$ 24.79

FYE: Dec	2025	2026E	2027E
(all figures in M, except per share information)			
Rev	$ 328.1	$ 324.8	$ 371.9
Chng%	-20%	-1%	14%
CFFO	$ 44.4	$ 49.7	$ 66.1
Net Income	$ 5.6	$ 2.8	$ 7.4
EPS	$ 2.41	$ 1.01	$ 2.57
FCF Yield	14.5%	15.9%	21.3%
EV/EBITDA	4.2x	7.5x	4.1x
P/E	6.2x	20.3x	8.0x
EBITDA	70.4	39.5	72.3



Company Description

MarketWise, Inc. is a direct-to-consumer financial research and software platform serving self-directed investors through a portfolio of differentiated editorial brands, premium subscription products, and analytical tools. The Company focuses on acquiring and monetizing investor audiences across a range of strategies, price points, and customer cohorts, and seeks to deepen lifetime value through renewals, cross-sells, premium offerings, and increasingly software-led monetization within a highly scalable digital distribution model.

Company Updates

We believe 3Q26 continues to support the Company's momentum heading into 2027. Higher-priced publications drove growth in both new sales and renewals even as the Company pulled back on customer acquisition. Billings rose 26.8% y/y to $80.7M and fell 11.5% q/q as fewer entry-level sales followed the spending cut. FY26 guidance implies lower full-year cash conversion than in FY25. We expect cash conversion to rebound seasonally in 4Q and improve on a full-year basis in 2027 as premium subscriptions contribute more to renewal billings. A larger renewal base should support growth while reducing acquisition reliance.

Quarterly Results - Lower sales and marketing expense was the largest contributor to the return to operating profitability, falling to $32.9M from $42.8M in 2Q. Operating income reached $15.9M versus a $4.3M loss in 2Q. Sales and marketing expense rose 5.5% y/y, partly because the annual Stansberry Conference took place in September this year versus October last year. Despite the sequential rebound, reported operating margin fell to 19.8% from 21.9% a year ago. We calculate a 16.1% margin excluding the $3.0M one-time legal fee reimbursement. The 16.1% margin provides a cleaner baseline for assessing operating leverage as prior billings flow into revenue. Net revenue fell 1.5% y/y to $80.1M as weaker prior-period membership billings flowed through. Diluted EPS was $0.53 versus $0.58 a year ago. Higher subscription receipts lifted CFFO to $7.8M from $2.2M a year ago, and FCF reached $7.4M. Adjusted CFFO margin rose to 9.7% from 3.4% a year ago and fell from 24.6% in seasonally stronger 2Q.

Momentum / KPIs - New Marketing Billings rose 29.9% y/y to $63.3M, accounting for $14.6M of the $17.0M increase in total billings. Net Renewal Billings rose 14.6% y/y to $16.2M, primarily from higher-priced publications. We expect those publications to contribute more to renewal billings in 2027. Sequentially, New Marketing Billings, which include new sales to existing subscribers, fell 14.0% as entry-level sales slowed. Fewer new subscribers drove the 2.7% q/q decline in paid subscribers to 389K, with nearly all churn among customers holding a single entry-level publication. Trailing ARPU rose 4.6% q/q to $860. The active free audience declined 4.6% q/q to 2.0M. Free-to-paid conversions have accounted for 42% to 52% of new paid subscribers since 2023. We expect the free audience to remain a meaningful source of new paid subscribers as the Company moderates acquisition spending.

Guidance - Management reaffirmed FY26 targets of $330M in billings and $50M in CFFO, implying $76.7M and $21.8M in 4Q. We calculate a 28.4% implied 4Q CFFO margin on billings versus 9.7% in 3Q and 30.7% in 4Q25. We expect cash conversion to rebound in seasonally stronger 4Q as MarketWise focuses on selling to existing subscribers and holds marketing investment near 3Q levels. At the FY26 targets, full-year CFFO would equal 15.2% of billings versus roughly 16.9% in FY25. For 2027, management expects billings growth, higher cash flow margins, and a return to net revenue growth as earlier billings are recognized.

Capital Allocation - Cash fell to $27.4M from $32.9M in 2Q as dividends and tax distributions outweighed operating cash generation. MKTW ended 3Q debt-free. Management expects no further FY26 tax distributions after $37.9M through 3Q versus roughly $40M anticipated at 2Q. It projects ~$12M less in FY27. We expect lower distributions to support cash retention. The board declared a $0.45 regular Class A dividend payable December 18, consistent with the $1.80 FY26 target.

Valuation - We rely on P/E, EV/EBITDA, FCF yield analyses, and DCF to guide our valuation. Using a simple average across these methodologies, our valuation range for MKTW is $22.67 to $27.18, with a price target of $24.79.

Exhibit 1: Estimates vs. Actuals

	3Q26 results		Notes
	Reported	Model	
Total revenues	**80.1**	**80.8**	Slight miss: lower prior-period billings weighed on GAAP revenue despite 26.8% year-over-year Billings growth.
Cost of sales	10.8	9.5	
Gross (loss) profit	**69.3**	**71.3**	Below model as the revenue shortfall and higher cost of sales reduced gross profit.
Gross margin	**86.5%**	**88.3%**	
Sales and Marketing	32.9	41.3	
General and Admin.	17.5	19.4	
Other	3.1	3.2	
Total opex	53.4	63.9	
Operating Profit	**15.9**	**7.4**	
Operating margin	**19.8%**	**9.2%**	
EBITDA - adjusted	**15.5**	**10.2**	
EBITDA margin	**19.4%**	**12.6%**	Adj. EBITDA beat on lower acquisition spending and favorable G&A items; margin reached 19.4% versus 12.6% modeled.
Net income (loss)	**$ 1.54**	**$ 0.83**	
EPS	**$ 0.53**	**$ 0.32**	

Source: Company Reports

Valuation

We rely on P/E, EV/EBITDA, and FCF yield analyses, along with a DCF model, to guide our valuation. Using a simple average across these methodologies, our valuation range for MKTW is $22.67 to $27.18, with a price target of $24.79.

Comp Analysis

MarketWise operates a differentiated business model in a niche category with few truly comparable public peers. As a result, our comp set draws primarily from publicly traded financial exchange/data businesses, along with select media and publishing companies that share elements of recurring content, subscription, and audience monetization models. We acknowledge that most of these peers are meaningfully larger than MKTW. To account for that mismatch, we apply conservative valuation ranges that reflect MKTW's smaller scale and lower liquidity. Given MKTW's complex capital structure and significant noncontrolling interest, we consider both equity-value and enterprise-value multiples. We apply conservative P/E, EV/EBITDA, and FCF yield ranges to reflect the Company's smaller scale, lower liquidity, structural complexity, and limited direct comparability.

Comparative Analysis
(all figures in M, except per share information)

Company Name	Symbol	Price [1]	Mrkt Cap	EV	Div Yield	EV/EBITDA [2, 3]			P/E [2, 3]			FCF Yield [2, 3]		
						2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
FactSet Research Systems	FDS	$316.10	$ 11,143.9	$ 12,421.0	1.5%	13.2x	13.8x	11.8x	18.3x	17.1x	15.7x	5.0%	5.5%	5.5%
News Corporation	NWS	$ 29.12	$ 14,640.1	$ 16,520.1	N/A	13.8x	9.6x	8.8x	14.5x	22.4x	19.6x	N/A	N/A	N/A
OTC Markets Group Inc.	OTCM	$ 51.60	$ 607.0	$ 559.6	5.7%	13.8x	11.2x	10.7x	19.8x	18.5x	17.8x	7.4%	6.3%	7.4%
Reddit, Inc.	RDDT	$ 94.48	$ 18,243.5	$ 15,241.5	N/A	90.3x	10.1x	7.6x	80.9x	17.2x	13.9x	4.5%	8.8%	11.4%
S&P Global Inc.	SPGI	$452.35	$ 131,136.3	$ 147,746.3	0.9%	22.6x	18.8x	17.5x	35.6x	25.2x	22.4x	3.7%	3.6%	4.1%
				Average	2.7%	30.7x	12.7x	11.3x	33.8x	20.1x	17.9x	5.2%	6.1%	7.1%
				Median	1.5%	13.8x	11.2x	10.7x	19.8x	18.5x	17.8x	4.7%	5.9%	6.5%
MarketWise, Inc.	MKTW	$ 20.59	$ 55.8	$ 296.1	8.5%	4.9x	9.0x	4.5x	6.2x	20.3x	8.0x	14.5%	15.9%	21.3%

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forw ard estimates as of calendar year
Source: Company reports, Capital IQ, Stonegate Capital Partners

The comp group trades at average and median 2027E P/E multiples of 17.9x and 17.8x, average and median EV/EBITDA multiples of 11.3x and 10.7x, and average and median FCF yields of 7.1% and 6.5%. This compares with MKTW at 8.0x P/E, 4.5x EV/EBITDA, and a 21.3% FCF yield. Given MKTW's smaller scale, lower liquidity, and limited direct comparability, we apply a P/E range of 8.0x to 10.0x, which implies a per-share valuation range of $20.55 to $25.69, with a midpoint of $23.12. Our EV/EBITDA range of 5.0x to 6.0x implies a per-share valuation range of $24.70 to $29.30, with a midpoint of $27.00. Our FCF yield range of 15.0% to 20.0% implies a per-share valuation range of $21.90 to $28.60, with a midpoint of $24.70.

EV/EBITDA			
2027E	**5.00x**	**5.50x**	**6.00x**
EBITDA	72.3	72.3	72.3
TEV	361.4	397.5	433.6
Cash	27.4	27.4	27.4
Debt	-	-	-
Mrkt Cap	388.8	424.9	461.0
S/O	15.7	15.7	15.7
Price	**$ 24.7**	**$ 27.0**	**$ 29.3**

P/E			
2027E	**8.00x**	**9.00x**	**10.00x**
EPS	2.57	2.57	2.57
Price	**$ 20.55**	**$ 23.12**	**$ 25.69**

DCF Analysis

Finally, we use a DCF framework given the Company's track record of setting and exceeding guidance, as well as the visibility provided by its subscription-based model and cash generation profile. We apply a discount rate range of 14.75% to 15.25% to reflect MKTW's smaller size and liquidity constraints. That said, should those constraints ease, we believe the stock could see meaningful rerating potential, particularly considering its debt-free balance sheet. Even under conservative assumptions, including a long-term topline CAGR of approximately 4.7%. Our DCF analysis arrives at a valuation range of $23.54 to $25.12 with a midpoint of $24.26.

FCF Yield			
2027E	**20%**	**18%**	**15%**
FCF	63.2	63.2	63.2
TEV	315.9	361.0	421.1
Cash	27.4	27.4	27.4
Debt	-	-	-
Mrkt Cap	343.3	388.4	448.5
S/O	15.7	15.7	15.7
Price	**$ 21.9**	**$ 24.7**	**$ 28.6**

Discounted Cash Flow

MarketWise, Inc.
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	408.7	328.1	324.8	371.9	396.4	416.7	434.6	447.8	461.3	474.4	487.9	501.1	514.6	
Operating Income	89.0	62.6	33.0	68.4	60.3	63.3	64.3	66.3	66.9	61.7	60.5	50.1	51.5	
Less: Taxes (benefit)	3.3	2.6	1.9	3.2	3.0	3.2	3.2	3.3	3.3	3.1	3.0	2.5	2.6	
NOPAT	85.7	60.0	31.1	65.2	57.2	60.2	61.1	63.0	63.5	58.6	57.5	47.6	48.9	
Plus: Depreciation & Amortization	7.2	2.6	2.2	2.2	2.0	2.1	2.2	2.2	2.3	2.4	2.4	2.5	2.6	
Plus: SBC and Other	22.3	14.2	6.8	7.0	8.9	9.4	9.8	9.9	10.1	10.4	9.8	10.0	10.3	
Plus: Changes in WC	(138.0)	(32.4)	9.7	(8.4)	(13.9)	(21.7)	(33.0)	(31.8)	(31.4)	(23.7)	(17.1)	(16.3)	(15.4)	
CFFO	(22.8)	44.4	49.7	66.1	54.3	50.0	40.0	43.3	44.6	47.7	52.6	43.8	46.3	
Less: Capex	(0.7)	(1.6)	(2.5)	(2.9)	(3.1)	(3.3)	(3.4)	(3.5)	(3.6)	(3.7)	(3.8)	(3.9)	(4.0)	
Free Cash Flow	(23.5)	42.8	47.2	63.2	51.2	46.7	36.6	39.8	41.0	44.0	48.8	39.9	42.3	331.9
Discount period - months			3	15	27	39	51	63	75	87	99	111	123	
Discount period - years			0.3	1.3	2.3	3.3	4.3	5.3	6.3	7.3	8.3	9.3	10.3	
Discount factor			0.97	0.84	0.73	0.63	0.55	0.48	0.42	0.36	0.32	0.27	0.24	
PV of FCF			45.6	53.0	37.4	29.7	20.2	19.1	17.1	16.0	15.4	11.0	10.1	79.2
Growth rate assumptions:														
Revenue		-19.7%	-1.0%	14.5%	6.6%	5.1%	4.3%	3.1%	3.0%	2.9%	2.9%	2.7%	2.7%	
Operating Income		-29.7%	-47.3%	107.5%	-11.9%	5.1%	1.6%	3.1%	0.9%	-7.8%	-1.9%	-17.2%	2.7%	
EBITDA		-32.3%	-46.1%	101.0%	-11.8%	5.1%	1.6%	3.1%	1.0%	-7.4%	-1.7%	-16.4%	2.7%	
Free Cash Flow		-282.1%	10.2%	33.9%	-19.0%	-8.7%	-21.6%	8.6%	3.2%	7.2%	10.9%	-18.1%	5.9%	
Margin assumptions:														
Operating Income	21.8%	19.1%	10.1%	18.4%	15.2%	15.2%	14.8%	14.8%	14.5%	13.0%	12.4%	10.0%	10.0%	
D&A as a % of sales	1.8%	0.8%	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
EBITDA	23.5%	19.9%	10.8%	19.0%	15.7%	15.7%	15.3%	15.3%	15.0%	13.5%	12.9%	10.5%	10.5%	
Taxes	3.7%	4.1%	5.8%	4.6%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Changes in WC	-33.8%	-9.9%	3.0%	-2.3%	-3.5%	-5.2%	-7.6%	-7.1%	-6.8%	-5.0%	-3.5%	-3.3%	-3.0%	
SBC and Other	5.5%	4.3%	2.1%	1.9%	2.3%	2.3%	2.3%	2.2%	2.2%	2.2%	2.0%	2.0%	2.0%	
Capex as a % of sales	-0.2%	-0.5%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	

Valuation:

Shares outstanding	15.7
PV of FCF	274.5
PV of Terminal Value	79.2
Enterprise Value	353.8
less: Net Debt	(27.4)
Estimated Total Value to Common:	381.1
Est Equity Value/share:	**$24.26**
Price	$20.59

Sensitivity Analysis:

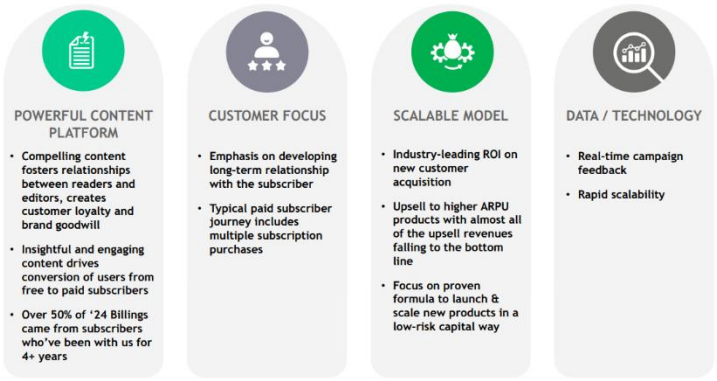
Discount rate	Terminal Growth Rates 0%	1%	2%	3%	4%
14.50%	$24.14	$24.53	$24.99	$25.52	$26.16
14.75%	$23.81	$24.19	$24.62	$25.12	$25.72
15.00%	$23.50	$23.86	$24.26	$24.74	$25.30
15.25%	$23.20	$23.54	$23.92	$24.37	$24.89
15.50%	$22.91	$23.23	$23.59	$24.01	$24.51

Source: Company Reports; Stonegate Capital Partners

Business Overview

MarketWise (MKTW) is a multi-brand, digital subscription platform providing premium financial research and investing tools to self-directed retail investors, founded in 1999 on the idea of publishing "the kind of research we would want to read" and making honest, independent analysis accessible to retail investors. What began as one publication has grown into a platform with customer-facing brands and more than 125 products. As of September 30, 2026, MarketWise served approximately 2.0M active free subscribers and 389K paid subscribers. The platform pairs plain-English research across sectors and asset classes with education and software tools designed to help members cut through the noise, think independently, and drive engagement and renewals through a cross-sell "flywheel" model.

Exhibit 2: Key Drivers of Success



Source: Company Reports

Company History

MarketWise traces its roots to 1999, when Porter Stansberry launched what became Stansberry Research around a simple premise: publish independent, accessible investment research that treats subscribers the way the firm itself would want to be treated. Over the next two decades, the Company expanded from a single newsletter into a multi-brand, fully digital direct-to-consumer financial publishing platform, growing both organically and through acquisitions into a broader suite of subscription research, software, education, and tools for self-directed investors. MarketWise went public in July 2021 through its combination with Ascendant Digital Acquisition Corp. and recorded peak annual billings of $729.9M in FY21.

The post-listing period has been far less linear. After benefiting from the COVID-era surge in retail-investor engagement, MarketWise spent 2022 and 2023 working through weaker conversion and retention from that unusually large subscriber cohort, resulting in a multiyear billings reset. Since then, management has framed MarketWise as a turnaround centered on returning to high-quality, trustworthy research, tightening operations, improving marketing efficiency, and rebuilding growth on a more durable base. Billings began to recover sequentially in 4Q24, rising to $55.4M from $48.9M in 3Q24. Reported billings returned to y/y growth in 2Q25.

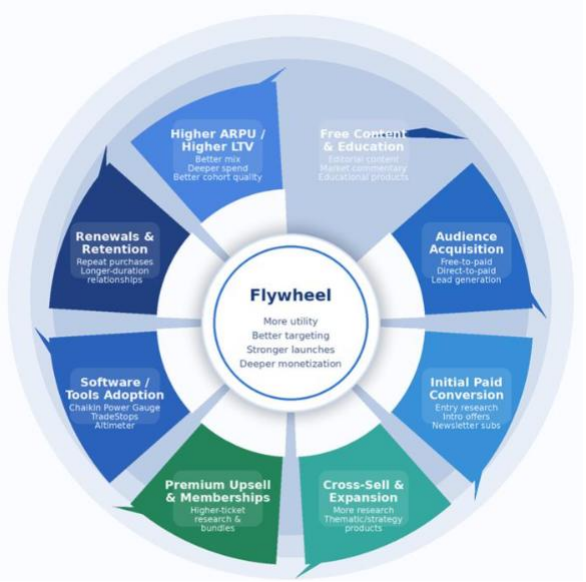
Monetization Framework

MarketWise's portfolio is best viewed as a multi-brand, digital research and software platform built to serve self-directed investors across a range of strategies, price points, and customer cohorts, with the model increasingly skewing toward higher Average Revenue Per User (ARPU) products, software-led monetization, and better customer quality. As of FY25, the Company operated 9 customer-facing brands with 100+ products, supported by editors and analysts spanning value, income, growth, commodities, crypto, biotech, mutual funds, options, and trading. Monetization is increasingly driven by premium products, greater depth of spend per subscriber, and longer-duration customer relationships, making lifetime value more important to the portfolio than raw subscriber scale.

Software and analytical tools such as Chaikin Power Gauge, TradeStops, and Altimeter broaden the portfolio beyond newsletters. Software recorded the fastest percentage growth among product categories in trailing four-quarter billings as of 3Q26. The core software brands are also the most clearly defined in the Company's materials: Chaikin Analytics offers stock-research and portfolio-management tools aimed at helping investors identify winners and avoid losers ahead of market shifts; TradeSmith provides algorithm-based portfolio-management software designed to improve decision-making and reduce emotion-driven errors; and Altimetry offers a database of uniform, accounting-based financial summaries covering more than 4,000 companies. By contrast, the major editorial legacy brands - including Stansberry Research, Brownstone Research, and InvestorPlace - are better understood as differentiated research franchises that broaden content breadth, support subscriber acquisition, and create cross-sell opportunities across investing styles and themes.

The architecture is tied together by a clear funnel model. MarketWise acquires users through free-to-paid and direct-to-paid marketing, using free editorial content and educational products to drive lead generation and conversion, then monetizes those customers over time through renewals, cross-sells, premium research, memberships, and software tools. Management describes this as a flywheel: more products increase utility for existing subscribers, improve targeting, generate more customer feedback and behavior data, and support new product launches. That framework also helps explain the Company's recent strategy shift. Since mid-2024, MarketWise has focused more heavily on higher-priced products and better customer quality, making paid subscriber count a less useful standalone metric. MarketWise ended FY25 with 374K paid subscribers, and 65% had spent more than $500 over their lifetime. At September 30, 2026, MarketWise had 389K paid subscribers. Using the thresholds disclosed for 3Q26, 61% had spent more than $600 over their lifetime and 29% had spent more than $5,000. The portfolio is best understood not as a loose collection of brands, but as a structured monetization system designed to compound lifetime value through higher ARPU products, software adoption, and deeper subscriber relationships.

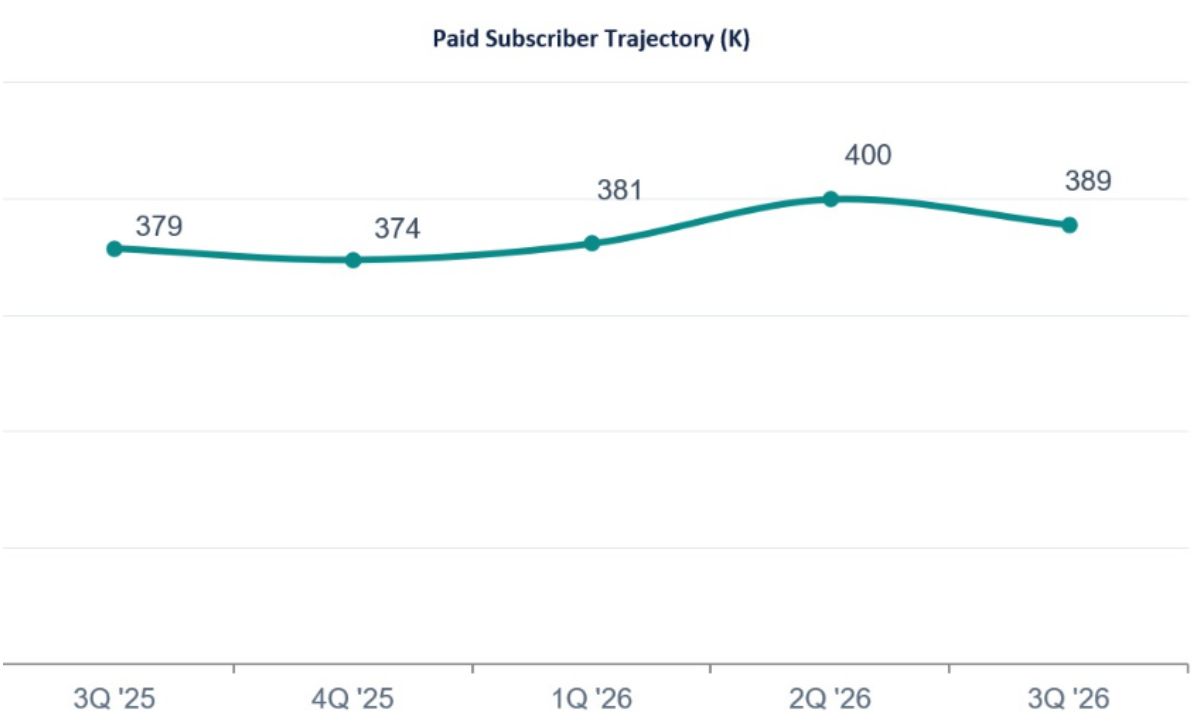
Exhibit 3: MarketWise Monetization Flywheel



Source: Stonegate Capital Partners

The target customer is a self-directed investor who is willing to pay for differentiated content, specialized market views, and tools that can improve decision-making. That audience spans a wide range of profiles, including income-oriented investors, active traders, thematic growth investors, and longer-term retail subscribers seeking independent research outside traditional wealth-management channels. What unifies the market is not a single strategy, but a common demand for clarity, actionable ideas, and portfolio support in an increasingly complex investing environment. This is what makes the addressable market broader than a traditional newsletter niche and helps explain why firms like MarketWise compete not just for subscriptions, but for ongoing wallet share across research, education, and investing tools.

Exhibit 4: Subscriber Mix Inflection



Source: Company Reports

Key Brands and Product Offerings

MarketWise's current brand portfolio reflects a broad but increasingly higher-value monetization strategy across the self-directed investor landscape. The Company's public brand lineup highlights nine primary customer-facing brands spanning traditional editorial research, thematic growth investing, dividend and value strategies, active trading, and software-led portfolio tools. Viewed together, the portfolio shows that MarketWise is not reliant on a single investing style, editor, or product category. Instead, the Company uses a diversified set of brands to attract different customer cohorts, segment users by interest and sophistication, and increase ARPU over time through cross-sell, upsell, and deeper engagement.

Exhibit 5: Customer Facing Brands



Source: Company Reports

Stansberry Research:

Stansberry Research is the Company's flagship brand and a foundational franchise within the broader platform. The brand is built around risk management, independent thinking, and accountability, and serves self-directed investors seeking broad premium research across multiple strategies, sectors, and market views. Its target audience includes engaged retail investors who want actionable investment ideas, portfolio guidance, and a differentiated perspective outside of traditional Wall Street research. Given its breadth and long-standing brand recognition, Stansberry appears to function as both an important customer acquisition engine and a core renewal platform within the ecosystem.

InvestorPlace:

InvestorPlace is a broad-based publishing platform designed to help retail investors identify major market trends, avoid common pitfalls, and uncover new investment opportunities. The brand is best suited for readers looking for accessible market commentary, idea generation, and educational investing content across a wide range of topics. Strategically, InvestorPlace appears to serve a top-of-funnel role by attracting a broad audience of self-directed investors and feeding that engagement into paid subscriptions and higher-value services across the MarketWise platform.

TradeSmith:

TradeSmith is a software-oriented brand focused on helping investors make more disciplined portfolio decisions through analytics, risk-management tools, and educational support. The offering is geared toward investors who want more than editorial content alone and are looking for tools that can improve trade execution, portfolio oversight, and decision-making consistency. Its target audience is likely to include more serious self-directed investors who value process, portfolio monitoring, and technology-enabled support. Strategically, TradeSmith is important because it deepens utility and supports a more recurring, embedded relationship than a purely content-driven product.

Chaikin Analytics:

Chaikin Analytics is positioned around technology-driven research, market recommendations, and portfolio tools designed to give investors a more quantitative edge. The brand appears tailored to self-directed investors who want data-backed insights, stock-rating systems, and systematic support in evaluating opportunities and managing portfolios.

Relative to more traditional newsletter products, Chaikin is aimed at users who place a higher value on process, analytics, and actionable signals, making it an important part of the Company's broader push toward higher ARPU software and analytical offerings.

Brownstone Research:

Brownstone Research is a premium editorial brand focused on major technology and innovation themes, including artificial intelligence, biotechnology, advanced computing, and digital finance. The brand is targeted toward growth-oriented investors who are looking for thematic exposure, forward-looking research, and differentiated views on emerging industries. Within the portfolio, Brownstone broadens MarketWise's appeal to subscribers interested in innovation-driven investing and likely supports stronger monetization among customers willing to pay for more specialized research.

Altimetry:

Altimetry is built around proprietary accounting analytics designed to help investors better evaluate a company's underlying financial performance. The offering appears best suited for fundamentally oriented investors who want deeper financial insight, cleaner earnings analysis, and tools that go beyond conventional accounting presentation. Strategically, Altimetry sits at the intersection of research and software, helping reinforce MarketWise's effort to pair investment ideas with analytical tools, screening functionality, and more decision-support-oriented products.

Wide Moat Research:

Wide Moat Research focuses on identifying high-quality businesses with durable competitive advantages, attractive valuations, and dependable dividend growth. The brand is geared toward more conservative, long-term investors who prioritize business quality, downside protection, and income generation over more aggressive trading or thematic strategies. Within the broader platform, it adds balance by serving a more quality- and income-oriented audience and expanding MarketWise's reach beyond higher-growth or more tactical investor segments.

The Opportunistic Trader:

The Opportunistic Trader is a specialized trading brand centered on more active strategies, particularly in areas such as options and forex. The offering is designed for investors seeking tactical guidance, shorter-duration opportunities, and a more trading-oriented approach than traditional long-term investment research. Its target audience is likely more active and experienced self-directed traders who are comfortable with a faster-paced, higher-engagement style of investing. Within the broader architecture, the brand expands MarketWise's reach into a more specialized and tactical corner of the retail-investor market.

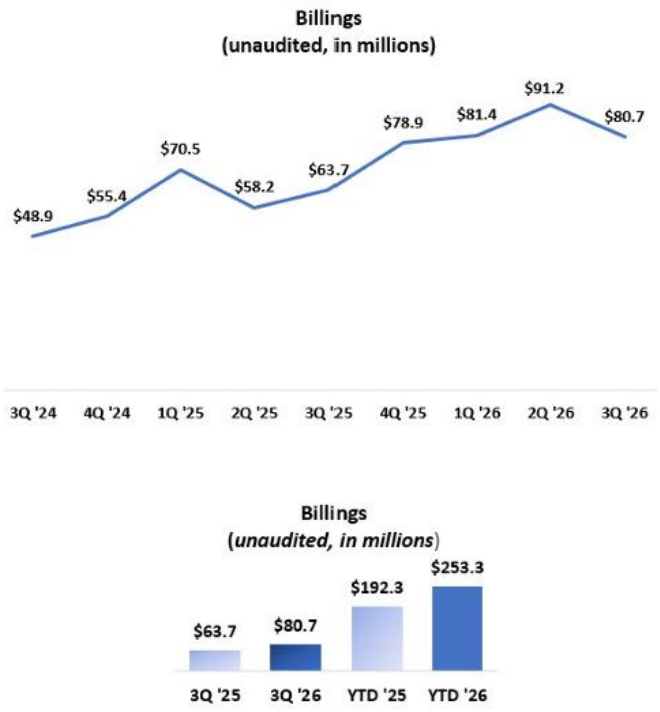
Jeff Clark Trader:

Jeff Clark Trader is another trading-oriented franchise within the MarketWise portfolio and is geared toward self-directed investors looking for more tactical market exposure and trade-focused idea generation. The brand likely appeals to subscribers who want a more active style of engagement, shorter-duration opportunities, and research tailored to market timing, momentum, and trading setups rather than longer-term fundamental investing alone. Strategically, Jeff Clark Trader strengthens the Company's presence in active trading and broadens its ability to serve investors seeking specialized, higher-engagement products alongside its more traditional research and software offerings.

Value Drivers

MarketWise's earnings power is increasingly tied to monetization quality rather than subscriber scale. The Company is deliberately shifting from lower-value volume toward a smaller, higher-spending customer base monetized through premium research, software, and repeat purchases. In that context, the key question is whether paid subscribers stabilize and whether MarketWise can drive a more durable revenue base through better mix, higher customer value, and greater contribution from premium and longer-tenured subscribers.

Exhibit 6: Billings Improvement

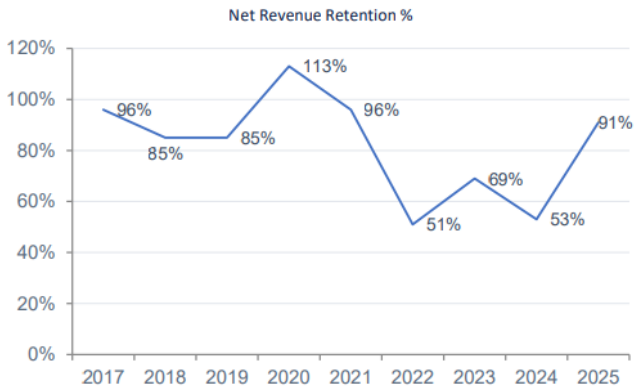


Source: Company Reports

For a representation of MarketWise's underlying demand, billings are more important than GAAP revenue. Billings reflect invoiced sales when products are purchased and cash is received, while GAAP revenue is recognized over the subscription term and therefore lags current sales activity. MarketWise breaks billings into New Marketing Billings, Net Renewal Billings, and Other Billings. Billings are the clearest indicator of underlying demand because they capture sales at the time of purchase, while reported revenue is recognized over the life of the subscription and therefore lags current-period activity. MarketWise's billings are driven primarily by New Marketing Billings, which reflect current selling momentum and product-market fit, and Net Renewal Billings, which reflect the durability and monetization potential of the installed subscriber base. In recent periods, growth in New Marketing Billings has been supported by stronger software-related and entry-level product sales, while Renewal Billings have remained pressured by the smaller paid subscriber base, despite improving renewal behavior within the retained cohort. As a result, billings provide a better read on underlying sales trends than reported revenue or subscriber count alone.

The most important drivers now are new billings, renewal durability, and product mix. A greater contribution from premium research and analytical tools could increase spend per subscriber and support repeat purchases even on a smaller paid base. Importantly, net revenue retention rose to 91% in FY25 from 53% in FY24. The measure tracks how much existing subscriber cohorts spend relative to total billings in the prior period.

Exhibit 7: Net Revenue Retention

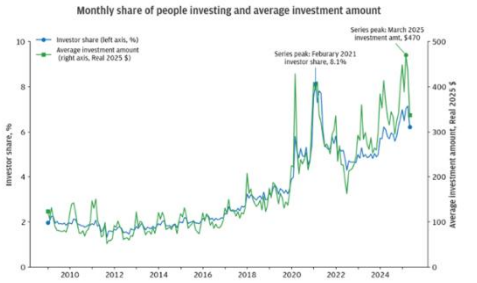


Source: Company Reports

Market Overview

MarketWise operates in the direct-to-consumer market for financial research, investor education, and software-enabled portfolio tools targeted at self-directed retail investors. The Company sits at the intersection of subscription-based financial publishing, digital investment research, and retail-focused decision support software, serving individuals who want actionable market insight, investing frameworks, and portfolio guidance without turning assets over to a traditional advisor. In that sense, MarketWise is not a broker, asset manager, or pure financial media company; rather, it is a digitally distributed platform designed to monetize investor attention and engagement through paid research, premium memberships, and increasingly analytical tools.

Exhibit 8: Rise in Retail Investing



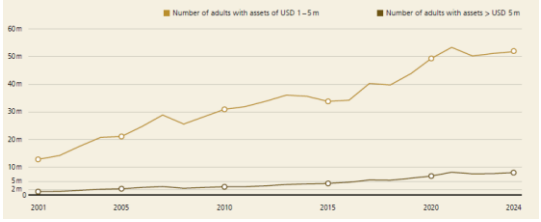
Source: JPMorgan Chase Institute

The direct-to-consumer financial research market is attractive because it is digital, scalable, and capital-light. Distribution costs are low, which support strong gross margins and operating leverage when customer acquisition is working. At the same time, the model is less predictable than traditional software. Revenue depends heavily on marketing efficiency, audience engagement, and product relevance. Retention is driven more by renewal behavior than by long-term contractual lock-in. The market is also highly brand and trust-driven. Subscribers pay for differentiated insight, editor credibility, and the usefulness of research or tools. That creates room for strong niche franchises, but it also keeps switching costs relatively low.

The industry is also closely tied to investor sentiment, market conditions, and the broader information environment. Demand tends to strengthen during periods of elevated market interest, volatility, or macro uncertainty, when self-directed investors are actively seeking guidance, new ideas, or portfolio tools. In quieter markets, weaker retail engagement and lower risk appetite can pressure both conversion and retention. Free content adds another structural challenge by raising the bar for paid offerings. As a result, the category tends to favor scaled platforms with diversified brands, broad product depth, and efficient customer-acquisition funnels.

Demand in the direct-to-consumer financial research market is supported first by the continued scale and activity of the self-directed investor base. According to the World Economic Forum, retail investors account for roughly 20%–35% of daily trading volume in the U.S., U.K., and South Korea. For MarketWise, the more relevant slice of that market is self-directed investors willing to pay for differentiated research and portfolio tools. UBS estimates the U.S. had more than 23.6M dollar millionaires at year-end 2025, including more than 440K added during the year. These figures provide context for the size of the affluent population. Escalent's 2025 affluent-investor work also suggests this cohort is becoming more digitally engaged, with three in ten affluent investors using AI to inform investment decisions.

Exhibit 9: U.S. Affluent Investor Growth



Source: UBS

Demand also tends to strengthen when markets are harder to navigate. Periods of volatility, macro uncertainty, and rapid sector rotation typically increase willingness to pay for research, risk management, and actionable ideas, particularly among investors making portfolio decisions themselves rather than outsourcing them. At the same time, the continued expansion of the independent research ecosystem is broadening consumer willingness to pay for nontraditional financial content. Substack has surpassed 5 million paid subscriptions, while Reddit reached 121.4 million daily active users in 4Q25, highlighting the scale of engagement around creator-led and community-driven content. In our view, that trend is not purely competitive for MarketWise. It also validates demand for independent viewpoints and makes platforms such as Substack and Reddit useful incubators for new product ideas, niche investing communities, and emerging voices.

Risks

As with any investment, there are certain risks associated with MarketWise's operations, business model, and corporate structure, as well as with the broader market for subscription-based financial research and software tools. Key risks we view as most relevant to the equity story include the following:

- MarketWise's business remains highly dependent on its ability to attract new subscribers, retain existing subscribers, and deepen monetization through renewals, cross-sells, and higher-priced products. If content quality, subscriber engagement, pricing, or conversion rates weaken, billings and revenue could come under pressure. This is particularly important given the Company's growing emphasis on a smaller, higher-value subscriber base rather than raw subscriber volume.

- The Company's model is also dependent on effective, compliant, and cost-efficient marketing execution across email, social media, direct mail, paid media, and other channels. Changes in consumer behavior, tighter restrictions from email providers or digital platforms, higher acquisition costs, or increased scrutiny from agencies such as the FTC and state consumer-protection authorities could reduce customer acquisition efficiency and pressure growth.

- MarketWise's brands are built around trust, editorial independence, and the reputations of its editors and analysts. Any real or perceived lapse in editorial integrity, conflicts of interest, compliance failures, or reputational damage involving key contributors could weaken subscriber loyalty, reduce renewals, and harm the Company's ability to sell premium products. The Company has experienced such issues in the past, including terminating content providers and closing businesses following policy violations.

- The Company faces meaningful technology, cybersecurity, data privacy, and AI-related risks. MarketWise relies on third-party technology providers, cloud infrastructure, payment systems, subscriber databases, and digital marketing systems to operate the platform. System disruptions, data breaches, privacy-law violations, payment-processing issues, or unsuccessful deployment of AI tools could create operational disruption, regulatory exposure, liability, and reputational harm.

- The market remains highly competitive and fragmented, with competition spanning free financial-content platforms, traditional publishers, premium subscription businesses, institutional data/software providers, low-cost newsletters, and online investing tools. Many of these competitors have larger customer bases, stronger brand recognition, or greater financial and technological resources, which could make it harder for MarketWise to acquire subscribers, sustain pricing, or defend share in key categories.

BALANCE SHEET

MarketWise, Inc.
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26
Cash and cash equivalents	139.1	125.7	151.2	147.2	158.6	158.6	161.5	167.0	194.0	155.2	155.2	131.2	109.3	94.1	97.9	97.5	79.2	69.1	50.5	70.1	70.1	52.7	32.9	27.4
Accounts receivable	7.8	16.4	3.3	4.6	4.0	4.0	3.1	3.1	6.0	4.5	4.5	3.4	4.5	2.2	1.9	1.9	8.8	4.1	4.1	5.7	5.7	4.6	3.1	3.1
Prepaid expenses and other	13.0	11.7	9.2	10.7	11.7	11.7	12.2	10.4	11.4	9.3	9.3	10.6	8.3	9.0	10.1	10.1	10.2	7.3	15.7	10.8	10.8	10.7	7.7	9.5
Related party receivables	0.5	0.2	0.3	0.9	1.5	1.5	0.6	1.0	1.0	5.2	5.2	2.0	1.3	0.9	0.5	0.5	1.6	0.8	0.5	0.8	0.8	0.3	0.6	0.2
Related party notes receivable, current	0.3	0.3	0.3	0.4	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred contract acquisition costs	82.7	88.4	94.1	97.3	100.0	100.0	100.6	99.9	97.5	91.5	91.5	83.4	73.3	64.8	57.2	57.2	52.2	47.9	44.9	43.4	43.4	42.8	42.0	41.8
Other current assets	2.5	1.5	3.3	3.5	3.4	3.4	3.0	2.9	3.1	2.2	2.2	2.0	1.8	1.5	1.3	1.3	1.0	0.9	1.3	0.8	0.8	0.8	0.9	0.9
Restricted Cash	0.5	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	**246.4**	**244.8**	**261.7**	**264.6**	**279.2**	**279.2**	**280.9**	**304.3**	**313.0**	**267.8**	**267.8**	**232.6**	**198.5**	**172.5**	**168.8**	**168.8**	**152.9**	**130.0**	**117.0**	**131.7**	**131.7**	**111.8**	**87.2**	**82.9**
Property and equipment, net	1.2	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.2	0.3	0.3	0.5	0.5	0.9	0.4	1.0
Operating lease ROU assets	10.9	10.3	10.4	10.0	9.5	9.5	9.0	8.5	7.9	7.3	7.3	6.8	6.3	5.8	3.2	3.2	2.8	2.4	6.9	6.7	6.7	6.3	6.1	5.9
Intangible assets, net	8.6	8.1	7.7	17.0	16.0	16.0	15.5	15.2	14.3	6.3	6.3	8.4	8.3	7.7	4.7	4.7	4.4	4.1	4.0	3.8	3.8	3.5	3.8	4.3
Goodwill	23.3	23.3	23.3	31.3	31.3	31.3	31.3	31.3	31.4	31.0	31.0	33.6	33.6	33.6	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Deferred contract acquisition costs, noncurren	120.4	118.3	114.6	105.3	97.7	97.7	87.2	77.8	76.5	73.4	73.4	67.7	58.7	49.7	42.1	42.1	39.0	34.6	34.2	34.7	34.7	38.6	47.0	51.1
Related party notes-receivable, noncurrent	0.9	0.9	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	9.0	7.4	6.5	5.3	7.3	7.3	6.4	7.3	7.8	9.7	9.7	9.4	9.2	8.5	10.1	10.1	10.3	10.3	9.2	11.0	11.0	10.8	11.3	10.2
Other Assets	1.0	2.2	0.8	0.7	0.6	0.6	0.5	0.5	0.4	0.3	0.3	0.2	0.1	0.0	-	-	-	-	-	-	-	-	-	-
Total Assets	**421.6**	**416.4**	**426.6**	**435.2**	**442.5**	**442.5**	**431.7**	**445.6**	**451.9**	**396.6**	**396.6**	**359.3**	**315.3**	**278.4**	**259.5**	**259.5**	**239.6**	**211.8**	**201.7**	**218.4**	**218.4**	**201.9**	**185.9**	**185.4**
LIABILITIES AND SHAREHOLDERS' EQUITY																								
Trade and other payables	4.8	2.4	1.8	3.2	0.7	0.7	2.2	3.1	2.0	0.6	0.6	2.9	3.6	2.3	4.0	4.0	3.3	2.6	3.6	3.9	3.9	5.9	7.0	9.7
Related party payables	1.0	0.5	0.3	0.3	1.0	1.0	0.2	0.4	1.3	1.1	1.1	0.3	0.4	1.1	0.3	0.3	0.5	0.4	0.7	0.5	0.5	1.4	1.9	0.5
Accrued expenses	46.5	41.0	43.9	39.3	46.0	46.0	29.7	38.4	42.7	55.0	55.0	22.0	25.7	22.4	23.3	23.3	18.5	23.1	25.0	33.2	33.2	23.0	31.5	26.9
Deferred revenue and other contract liabilities	317.1	317.9	318.9	318.8	315.2	315.2	279.3	288.4	293.5	287.8	287.8	280.3	252.3	229.7	218.0	218.0	213.0	201.1	188.7	183.8	183.8	184.8	191.8	187.0
Operating lease liabilities	1.3	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.5	1.6	1.6	1.6	1.6	1.1	0.9	0.8	0.9	0.9	0.7	0.7	0.8
Other current liabilities	24.9	22.6	19.5	20.7	21.1	21.1	20.8	22.8	21.4	28.0	28.0	26.8	29.1	26.8	13.0	13.0	11.8	11.3	10.5	11.9	11.9	13.4	14.7	14.8
Total Current Liabilities	**395.5**	**385.7**	**385.8**	**383.7**	**385.5**	**385.5**	**333.7**	**354.6**	**362.4**	**373.9**	**373.9**	**333.9**	**312.8**	**284.0**	**260.2**	**260.2**	**248.2**	**239.5**	**229.2**	**234.2**	**234.2**	**229.1**	**247.7**	**239.6**
Long-term liabilities-related party	-	-	-	-	-	-	-	-	-	-	-	0.7	0.5	0.3	-	-	-	-	-	-	-	-	-	-
Deferred revenue and other contract liabilities	393.0	393.8	382.1	371.9	348.3	348.3	354.9	340.0	325.7	304.3	304.3	285.2	257.3	233.1	209.0	209.0	202.1	192.3	186.2	185.8	185.8	189.0	195.0	199.6
Related party TRA liability, noncurrent	-	-	-	-	-	-	-	1.1	2.1	2.2	2.2	2.5	2.9	2.7	2.7	2.7	3.7	4.3	4.3	4.3	4.3	3.2	2.5	2.5
Other liabilities, noncurrent	2.0	1.6	1.2	1.3	1.3	1.3	2.3	2.0	3.6	0.7	0.7	2.4	2.3	2.3	2.8	2.8	2.6	2.1	2.5	2.6	2.6	2.5	3.1	2.3
Warrant liabilities	29.3	22.6	10.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating lease liabilities, noncurrent	6.9	6.7	6.6	6.3	5.8	5.8	5.5	5.1	4.7	4.4	4.4	4.0	3.5	3.1	2.7	2.7	0.7	0.6	5.4	5.2	5.2	5.0	4.8	5.1
Total Liabilities	**826.8**	**810.4**	**786.2**	**763.2**	**740.9**	**740.9**	**696.4**	**702.8**	**698.5**	**685.5**	**685.5**	**628.7**	**579.3**	**525.5**	**477.4**	**477.4**	**457.3**	**438.8**	**427.6**	**432.0**	**432.0**	**428.8**	**453.1**	**449.1**
Common Stock - Class A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-
Common Stock - Class B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional-paid-in-capital	97.5	88.6	90.0	104.8	106.9	106.9	109.9	112.1	113.1	115.2	115.2	115.3	99.4	101.9	106.7	106.7	102.5	101.3	101.1	101.9	101.9	102.0	81.4	78.8
Accumulated other comprehensive income	(0.0)	(0.0)	(0.1)	(0.1)	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated deficit	(146.1)	(140.3)	(128.4)	(132.4)	(128.1)	(128.1)	(126.7)	(126.6)	(126.5)	(126.3)	(126.3)	(124.7)	(123.1)	(121.4)	(119.3)	(119.3)	(118.4)	(117.1)	(115.6)	(113.7)	(113.7)	(114.2)	(114.9)	(113.3)
Total Parent Net Equity	**(48.5)**	**(51.6)**	**(38.4)**	**(27.7)**	**(21.2)**	**(21.2)**	**(16.6)**	**(14.4)**	**(13.3)**	**(11.1)**	**(11.1)**	**(9.4)**	**(23.7)**	**(19.5)**	**(12.5)**	**(12.5)**	**(15.8)**	**(15.8)**	**(14.5)**	**(11.7)**	**(11.7)**	**(12.2)**	**(33.5)**	**(34.5)**
Noncontrolling Interest	(356.7)	(342.4)	(321.2)	(300.4)	(277.2)	(277.2)	(248.0)	(242.8)	(233.3)	(277.9)	(277.9)	(260.0)	(240.3)	(227.6)	(205.4)	(205.4)	(201.9)	(211.3)	(211.4)	(201.9)	(201.9)	(214.7)	(233.8)	(229.2)
Total Consolidated Equity	**(405.3)**	**(394.0)**	**(359.6)**	**(328.0)**	**(298.4)**	**(298.4)**	**(264.7)**	**(257.3)**	**(246.6)**	**(288.9)**	**(288.9)**	**(269.4)**	**(264.0)**	**(247.1)**	**(217.9)**	**(217.9)**	**(217.7)**	**(227.0)**	**(226.0)**	**(213.6)**	**(213.6)**	**(226.9)**	**(267.3)**	**(263.7)**
Total Liabilities and Shareholders' Equity	**421.6**	**416.4**	**426.6**	**435.2**	**442.5**	**442.5**	**431.7**	**445.6**	**451.9**	**396.6**	**396.6**	**359.3**	**315.3**	**278.4**	**259.5**	**259.5**	**239.6**	**211.8**	**201.7**	**218.4**	**218.4**	**201.9**	**185.9**	**185.4**
Liquidity																								
Current Ratio	0.6x	0.6x	0.7x	0.7x	0.7x	0.7x	0.8x	0.9x	0.9x	0.7x	0.7x	0.7x	0.6x	0.6x	0.6x	0.6x	0.6x	0.5x	0.5x	0.6x	0.6x	0.5x	0.4x	0.3x
Quick Ratio	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x	0.5x	0.5x	0.6x	0.4x	0.4x	0.4x	0.4x	0.3x	0.4x	0.4x	0.4x	0.3x	0.2x	0.3x	0.3x	0.4x	0.3x	0.3x
Working Capital	(149.10)	(140.97)	(124.11)	(119.12)	(106.33)	(106.33)	(52.72)	(50.31)	(49.46)	(106.05)	(106.05)	(101.35)	(114.37)	(111.48)	(91.38)	(91.38)	(95.28)	(109.48)	(112.18)	(102.50)	(102.50)	(117.31)	(160.46)	(156.69)

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

MarketWise, Inc.
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Net Revenue	$ 510.0	$ 443.2	$ 405.4	$ 83.0	$ 79.3	$ 80.8	$ 82.6	$ 325.7	$ 76.4	$ 75.3	$ 79.8	$ 91.5	$ 323.0	$ 82.9	$ 92.5	$ 97.6	$ 97.0	$ 369.9
Related Party Revenue	2.4	4.9	3.3	0.5	0.6	0.4	0.8	2.4	0.7	0.5	0.2	0.4	1.8	0.7	0.6	0.3	0.4	2.0
Total Revenues	**512.4**	**448.2**	**408.7**	**83.5**	**80.0**	**81.3**	**83.4**	**328.1**	**77.0**	**75.8**	**80.1**	**91.9**	**324.8**	**83.6**	**93.1**	**97.8**	**97.4**	**371.9**
Operating Expenses:																		
Cost of Revenue	62.7	56.8	50.7	11.9	11.0	10.6	10.9	44.3	11.1	11.1	10.8	11.8	44.9	10.6	12.0	12.6	12.8	48.0
Gross Profit	**449.7**	**391.4**	**358.0**	**71.6**	**69.0**	**70.7**	**72.5**	**283.8**	**65.9**	**64.7**	**69.3**	**80.1**	**280.0**	**72.9**	**81.1**	**85.2**	**84.7**	**323.9**
Sales and Marketing	235.3	198.6	160.7	34.1	31.6	31.1	34.1	131.0	39.7	42.8	32.9	33.5	148.9	39.0	44.0	38.2	33.9	155.2
General and administrative	114.8	125.2	90.7	17.3	19.7	18.8	22.4	78.3	24.2	22.7	17.5	21.1	85.5	19.8	22.1	23.2	23.1	88.3
Research and development	8.8	8.8	9.9	2.3	2.1	2.1	2.2	8.8	2.3	2.7	2.4	2.3	9.8	2.3	2.3	2.3	2.3	9.2
Depreciation and amortization	3.1	3.8	2.8	0.5	0.5	0.7	0.5	2.2	0.5	0.6	0.5	0.6	2.2	0.6	0.6	0.6	0.6	2.2
Impairment of intangible asstes	-	2.6	4.4	0.4	-	-	-	0.4	-	-	-	-	-	-	-	-	-	-
Related party expense	0.4	0.6	0.5	0.1	0.2	0.1	0.1	0.6	0.3	0.2	0.1	0.2	0.7	0.2	0.2	0.2	0.2	0.6
Total Operating Expenses	362.4	339.6	269.1	54.8	54.2	52.9	59.4	221.2	67.0	69.0	53.4	57.6	247.0	61.8	69.1	64.5	60.1	255.5
Operating Income	**87.3**	**51.8**	**89.0**	**16.8**	**14.8**	**17.8**	**13.2**	**62.6**	**(1.1)**	**(4.3)**	**15.9**	**22.4**	**33.0**	**11.1**	**12.0**	**20.7**	**24.6**	**68.4**
Other income, net	15.7	(0.6)	2.1	0.2	0.3	0.5	0.1	1.0	0.1	1.2	(0.1)	0.3	1.4	0.3	0.3	0.3	0.3	1.0
Interest income, net	(0.3)	4.9	5.3	0.9	0.8	0.7	0.6	3.0	0.5	0.3	0.2	0.2	1.3	0.2	0.2	0.2	0.2	1.0
Profit Before Taxes	**102.7**	**56.1**	**96.4**	**17.9**	**15.9**	**19.0**	**13.8**	**66.6**	**(0.5)**	**(2.8)**	**16.0**	**22.9**	**35.7**	**11.6**	**12.5**	**21.2**	**25.1**	**70.4**
Income tax expense	1.5	1.8	3.3	1.0	0.6	1.1	(0.2)	2.6	0.1	(0.2)	1.0	1.0	1.9	0.5	0.6	1.0	1.1	3.2
Net Income	**101.2**	**54.3**	**93.1**	**16.8**	**15.3**	**17.9**	**14.0**	**64.0**	**(0.6)**	**(2.6)**	**15.1**	**21.9**	**33.8**	**11.1**	**11.9**	**20.3**	**24.0**	**67.2**
Non-Controlling Interest	83.2	52.5	86.0	16.0	14.0	16.4	12.0	58.4	0.0	(2.0)	13.5	19.5	31.0	9.9	10.6	18.1	21.3	59.8
Net Income To Common	**18.0**	**1.8**	**7.1**	**0.9**	**1.3**	**1.5**	**1.9**	**5.6**	**(0.6)**	**(0.6)**	**1.5**	**2.4**	**2.8**	**1.2**	**1.3**	**2.2**	**2.6**	**7.4**
Basic EPS	**$ 0.73**	**$ 1.12**	**$ 3.67**	**$ 0.43**	**$ 0.55**	**$ 0.60**	**$ 0.79**	**$ 2.41**	**$ (0.23)**	**$ (0.24)**	**$ 0.55**	**$ 0.82**	**$ 1.01**	**$ 0.42**	**$ 0.45**	**$ 0.78**	**$ 0.92**	**$ 2.57**
Diluted EPS	**$ 0.73**	**$ 1.07**	**$ 3.58**	**$ 0.41**	**$ 0.53**	**$ 0.58**	**$ 0.76**	**$ 2.43**	**$ (0.23)**	**$ (0.24)**	**$ 0.53**	**$ 0.82**	**$ 1.00**	**$ 0.42**	**$ 0.45**	**$ 0.78**	**$ 0.92**	**$ 2.57**
WTD Shares Out - Basic	24.6	1.6	1.9	2.1	2.4	2.5	2.4	2.3	2.5	2.6	2.8	2.9	2.7	2.9	2.9	2.9	2.9	2.9
WTD Shares Out - Diluted	24.7	1.7	2.0	2.2	2.4	2.6	2.5	2.3	2.5	2.6	2.9	2.9	2.8	2.9	2.9	2.9	2.9	2.9
EBITDA	**103.1**	**51.4**	**87.3**	**15.4**	**14.4**	**16.8**	**14.1**	**60.7**	**(0.6)**	**(2.2)**	**14.4**	**21.2**	**32.7**	**10.9**	**11.6**	**19.6**	**23.1**	**65.3**
Adjusted EBITDA	**$ 94.2**	**$ 72.8**	**$ 93.0**	**$ 18.0**	**$ 16.6**	**$ 19.1**	**$ 16.7**	**$ 70.4**	**$ 1.5**	**$ (0.5)**	**$ 15.5**	**$ 22.9**	**$ 39.5**	**$ 12.6**	**$ 13.4**	**$ 21.4**	**$ 24.9**	**$ 72.3**
Margin Analysis																		
Gross Margin	87.8%	87.3%	87.6%	85.7%	86.3%	87.0%	87.0%	86.5%	85.5%	85.3%	86.5%	87.1%	86.2%	87.3%	87.1%	87.1%	86.9%	87.1%
Operating Margin	17.0%	11.6%	21.8%	20.1%	18.5%	21.9%	15.8%	19.1%	-1.4%	-5.6%	19.8%	24.4%	10.1%	13.3%	12.9%	21.2%	25.2%	18.4%
EBITDA Margin	20.1%	11.5%	21.4%	18.4%	18.0%	20.7%	16.9%	18.5%	-0.8%	-2.9%	17.9%	23.0%	10.1%	13.0%	12.5%	20.1%	23.7%	17.6%
Pre-Tax Margin	20.0%	12.5%	23.6%	21.4%	19.9%	23.4%	16.6%	20.3%	-0.6%	-3.7%	20.0%	24.9%	11.0%	13.9%	13.4%	21.7%	25.7%	18.9%
Net Income Margin	3.5%	0.4%	1.7%	1.1%	1.6%	1.9%	2.3%	1.7%	-0.7%	-0.8%	1.9%	2.6%	0.8%	1.5%	1.4%	2.3%	2.7%	2.0%
Tax Rate	1.5%	3.2%	3.4%	5.8%	3.8%	5.6%	-1.2%	3.8%	-12.6%	5.6%	6.1%	4.5%	5.4%	4.5%	4.5%	4.5%	4.5%	4.5%
Growth Rate Y/Y																		
Total Revenue	-6.7%	-12.5%	-8.8%	-23.4%	-23.9%	-16.4%	-14.4%	-19.7%	-7.8%	-5.2%	-1.5%	10.2%	-1.0%	8.5%	22.8%	22.1%	6.0%	14.5%
Total cost of revenues	-71.6%	-6.3%	-20.8%	-26.0%	-23.0%	-15.3%	-4.7%	-17.8%	22.2%	27.2%	1.1%	-2.9%	11.7%	-7.7%	0.2%	20.6%	4.3%	3.4%
Operating Income	-109.0%	-40.6%	71.8%	-22.2%	-30.6%	-18.6%	-45.5%	-29.7%	-106.5%	-128.7%	-10.9%	70.1%	-47.3%	-1113.1%	-381.2%	30.6%	9.6%	107.5%
Pre-Tax Income	-110.8%	-45.4%	71.8%	-23.7%	-27.7%	-20.0%	-49.2%	-30.9%	-102.8%	-117.5%	-15.5%	66.0%	-46.4%	-2456.5%	-547.5%	32.4%	9.4%	97.2%
Net Income	-101.8%	-90.1%	296.1%	-46.3%	-16.0%	-12.5%	-9.8%	-20.4%	-164.4%	-148.5%	2.7%	24.8%	-51.1%	-312.5%	-308.0%	44.3%	9.4%	168.7%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

MarketWise, Inc.
Consolidated Cash Flow Statements ($M)
Fiscal Year End: December

CASH FLOW	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26
Operating Activities																
Net Income	(953.9)	101.2	54.3	22.7	21.2	22.7	26.4	93.1	16.8	15.3	17.9	14.0	64.0	(0.6)	(2.6)	15.1
Depreciation and amortization	2.7	3.1	3.8	0.7	0.7	0.6	0.8	2.8	0.5	0.5	0.7	0.5	2.2	0.5	0.6	0.5
Impairment of property and equipment, net	-	0.3	2.6	-	-	-	4.4	4.4	0.4	-	-	-	0.4	-	-	-
Stock-based compensation	210.9	9.0	23.4	3.8	1.7	3.2	3.5	12.2	3.1	2.6	2.8	2.7	11.1	2.2	2.9	1.1
Change in fair value of contingent consideration	728.1	-	-	-	0.8	(0.5)	0.2	0.5	(1.2)	(0.2)	0.2	0.1	(1.2)	(0.1)	0.0	0.0
Change in fair value of derivative liabilities - other	(18.0)	(15.7)	1.8	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred taxes	2.4	1.5	1.8	0.7	0.6	0.9	0.7	2.9	1.0	0.6	1.1	(1.8)	1.0	0.1	(0.0)	1.0
Unrealized gains on foreign currency	(0.0)	(0.1)	0.0	(0.1)	(0.0)	(0.1)	0.1	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.0
Other gains	(0.1)	-	-	-	-	-	-	-	(1.6)	(0.3)	(0.3)	-	(2.3)	-	(1.1)	-
Noncash lease expense	1.9	1.9	2.1	0.5	0.5	0.5	0.5	2.1	2.1	0.4	0.2	0.4	3.2	0.3	0.3	0.3
Gain/Loss on sale of business	-	-	1.6	-	-	-	(2.0)	(2.0)	-	-	-	-	-	-	0.6	(0.6)
Cash Flow from operating activities before working capital changes	**(26.1)**	**101.2**	**91.4**	**28.3**	**25.4**	**27.4**	**34.7**	**115.9**	**21.2**	**18.9**	**22.5**	**15.8**	**78.4**	**2.4**	**0.6**	**17.5**
Decrease/(Increase) in Accounts receivable	4.6	3.8	(0.5)	1.2	(1.1)	2.3	0.3	2.7	(6.9)	4.7	(0.0)	(1.6)	(3.8)	1.1	1.6	(0.1)
Increase/ (Decrease) Related party receivables	(1.2)	(1.0)	(2.3)	2.4	(0.2)	1.4	(1.0)	2.6	0.4	0.9	0.4	(0.6)	1.1	1.6	0.1	(1.0)
Decrease/(Increase) Prepaid expenses	(4.5)	1.3	2.4	(1.3)	2.3	(0.7)	(1.1)	(0.7)	(0.1)	2.9	(8.4)	4.9	(0.7)	0.1	3.0	(1.9)
Decrease/(Increase) Other current assets and other assets	(0.7)	(0.5)	1.5	0.2	0.3	0.4	0.2	1.2	0.3	0.2	(0.4)	0.5	0.5	0.0	(0.1)	(0.0)
Decrease/(Increase) Crypto currency intangible assets	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease/(Increase) Deferred contract acquisition costs	(95.8)	5.5	31.3	13.8	19.2	17.5	13.1	63.5	8.2	8.4	2.8	1.0	20.5	(3.3)	(8.5)	(3.9)
Decrease/(Increase) Trade and other payables	(7.3)	(4.0)	(0.2)	2.4	0.8	(1.0)	1.3	3.5	(0.7)	(0.6)	1.0	0.2	(0.1)	2.0	1.1	2.6
Decrease/(Increase) Accrued expenses	14.2	(0.5)	9.1	(33.0)	3.7	(3.4)	0.9	(31.8)	(4.8)	4.6	1.9	8.2	9.9	(10.3)	8.6	(4.6)
Decrease/(Increase) Deferred Revenue	175.6	(52.0)	(67.1)	(30.9)	(56.0)	(46.7)	(28.5)	(162.1)	(11.9)	(21.2)	(17.6)	(5.4)	(56.1)	4.2	14.8	(0.2)
Decrease/(Increase) Derivative liabilities	0.7	-	(3.1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease/(Increase) Operating lease liabilities	(1.2)	(1.7)	(1.5)	(0.4)	(0.4)	(0.4)	(0.4)	(1.4)	(2.7)	(0.3)	(0.2)	(0.2)	(3.3)	(0.3)	(0.3)	(0.3)
Decrease/(Increase) Other current and long-term liabilities	5.3	(3.8)	1.3	(1.3)	2.2	(2.6)	(13.7)	(15.4)	(1.2)	(0.7)	0.3	1.3	(0.3)	0.3	1.4	(0.3)
Cash flow generated/(absorbed) from operating Activities	**63.6**	**48.374**	**62.4**	**(18.5)**	**(3.8)**	**(5.8)**	**6.0**	**(22.2)**	**1.7**	**17.8**	**2.2**	**24.2**	**46.0**	**(2.1)**	**22.4**	**7.8**
Investing Activities																
Cash paid for acquisitions, net of cash acquired	(7.1)	(12.8)	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of property and equipment	(0.2)	(0.0)	(0.1)	-	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)	(0.1)	(0.0)	(0.2)	(0.4)	(0.5)	(0.2)	0.5
Capitalized software development costs	(0.1)	(0.1)	(1.7)	(0.3)	(0.5)	(0.0)	0.2	(0.5)	(0.2)	(0.2)	(0.5)	(0.3)	(1.2)	(0.1)	(0.9)	(1.0)
Acquisition of noncontrolling interests, including transaction costs	-	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	(0.9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated by Investing Activities	**(8.3)**	**(13.2)**	**(1.9)**	**(0.3)**	**(0.5)**	**(0.0)**	**0.1**	**(0.7)**	**(0.2)**	**(0.3)**	**(0.5)**	**(0.5)**	**(1.6)**	**(0.6)**	**(1.0)**	**(0.4)**
Financing Activities																
Proceeds from issuance of common stock	-	0.8	0.7	-	0.2	-	0.1	0.3	-	0.3	-	0.1	0.4	-	0.1	-
Repurchases of stock	(3.3)	(13.1)	-	-	(10.8)	-	-	(10.8)	-	(1.9)	(1.1)	(0.5)	(3.4)	(0.1)	(0.3)	(1.2)
Restricted stock units withheld to pay taxes	-	(0.5)	(6.0)	(1.2)	-	(0.2)	-	(1.4)	(0.6)	-	(1.6)	(0.2)	(2.4)	(0.9)	-	(1.6)
Dividends paid	(135.5)	-	(5.7)	(0.3)	(0.4)	(0.4)	(0.4)	(1.5)	(2.0)	(0.8)	(1.0)	(1.0)	(4.8)	(1.1)	(1.2)	(1.3)
Tax distributions to noncontrolling interest	-	-	(3.4)	-	(10.2)	(0.2)	0.9	(9.6)	-	(42.9)	(7.1)	0.2	(49.8)	(9.3)	(24.4)	(4.2)
Other distributions to noncontrolling interests	(5.5)	(4.6)	(49.5)	(3.7)	3.7	(8.6)	(2.9)	(11.5)	(17.6)	17.6	(9.4)	(2.7)	(12.2)	(3.4)	(3.3)	(4.8)
Net proceeds from the transactions	113.6	-	-	-	-	-	-	-	-	-	-	-	-	-	(12.2)	-
Issuance of related party notes receivable	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from related party notes receivable	-	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated/(absorbed) by financing Activities	**(30.7)**	**(16.2)**	**(64.0)**	**(5.2)**	**(17.5)**	**(9.4)**	**(2.3)**	**(34.5)**	**(20.2)**	**(27.6)**	**(20.2)**	**(4.1)**	**(72.1)**	**(14.8)**	**(41.2)**	**(13.0)**
Effect of exchange rate changes on cash	0.0	0.1	0.0	(0.0)	(0.0)	0.0	-	(0.0)	-	-	(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.0
Net Cash flow in the year	**24.7**	**19.0**	**(3.4)**	**(24.0)**	**(21.8)**	**(15.2)**	**3.8**	**(57.3)**	**(18.7)**	**(10.1)**	**(18.6)**	**19.6**	**(27.7)**	**(17.5)**	**(19.8)**	**(5.5)**
Cash and Cash Equivalents																
Beginning Cash balance	114.9	139.6	158.6	155.174	131.2	109.3	94.1	155.2	97.876	79.2	69.1	50.5	97.9	70.140	52.7	32.9
Ending Cash balance	139.6	158.6	155.2	131.2	109.3	94.1	97.9	97.9	79.2	69.1	50.5	70.1	70.1	52.7	32.9	27.4

Source: Company Reports, Stonegate Capital Partners

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