OTC MARKETS GROUP INC.

A Delaware Corporation

300 Vesey Street
New York, NY 10282

Telephone: (212) 896-4400
Corporate website: www.otcmarkets.com
Email: ir@otcmarkets.com

Federal EIN: 13-3941069
NAICS: 523210
SIC Code: 6289

2024 Annual Report

For the period ended December 31, 2024

ISSUER'S EQUITY SECURITIES

COMMON STOCK

Class A Common Stock
$0.01 Par Value Per Share
17,000,000 Shares Authorized
12,012,535 Shares Outstanding as of February 28, 2025
OTCQX: OTCM

OTC Markets Group Inc. is responsible for the content of this Annual Report. The securities described in this document are not registered with, and the information contained in this report has not been filed with, or approved by, the U.S. Securities and Exchange Commission.

Dear Fellow Shareholders,

First and foremost, I would like to thank you for your continued investment in OTC Markets Group and for your support throughout the years.

2024 was a year of transition. We completed much of the work required to integrate our teams and platforms following our recent acquisitions and put the building blocks in place for renewed growth.

Two key initiatives sit at the heart of our go-forward strategy. First, developing the critical systems and processes required to launch overnight trading in exchange-listed NMS securities and OTC securities, and second, creating a new market – OTCID.

With respect to overnight trading, we have done the important work of completing the necessary SEC filings and approvals, building out the trading infrastructure and engaging key subscribers to be first movers. We are taking a methodical approach to this launch, beginning with the most active securities and adding more as we expand our network. Overnight trading will allow us to demonstrate to clients that we can go beyond just OTC equity trading, share savings from our scale of operations and deepen our market data offering. We enter the overnight market with key competitive advantages, including the ability to give our subscribers access to both NMS and OTC names and our track record of offering mission critical trading systems.

We also announced that in July 2025, we will launch OTCID™ – a Basic Reporting Market for companies that meet a minimum current information standard and provide a management certification. We believe this fills an important gap in the market. It will create a better offering for SEC reporting companies that do not qualify for OTCQX or OTCQB, help increase our market share with Canadian-listed companies and serve as an efficient entry point for EMEA and APAC issuers that are interested in taking a first step towards engagement with the U.S. Market.

Importantly, this new market structure will clarify whether a company is actively engaged in supplying ongoing information. Pink Limited will serve to warn brokers and investors that securities are trading with limited to no involvement from the issuer. Investors will need to dig deeper for information, and shares may be appropriately discounted to account for this.

We believe these two critical projects will help us "Grow Usage and Users," a core theme which will fuel our future growth. We must deliver increased client value across every customer relationship by constantly improving our products, platforms and processes.

On the regulatory front, we are encouraged by the renewed focus on capital formation initiatives in Washington, D.C.

We will continue to advocate for streamlined securities regulations, market efficiency, reducing costs for public companies, enhancing competitiveness among broker-dealers, and broadening direct access to public capital.

We also remain committed to building a winning team of strong players with ever greater capabilities. We empower our people to own projects that foster the growth of our company. Each team member is focused on activities that will have positive economic impact, as measured by their ability to grow and retain revenues, produce a return on resources, or reduce risks.

It is important that as we grow, we foster a culture of excellence that sets high standards for our colleagues, ensures the success of clients, improves our platforms and grows our capital.

In summary, by growing both usage and users, continually refining our offerings, and investing deeply in our people and processes, we lay a strong foundation for sustainable economic success.

I encourage you to review the OTC Markets Group 2024 Annual Report, which provides a detailed look at our performance and a barometer for our operating strategy.

We thank you for your continued support and I look forward to discussing our progress on these core strategic initiatives throughout the year.

Sincerely,

Cromwell

R. Cromwell Coulson
President, CEO and Director
OTC Markets Group

TABLE OF CONTENTS

OTC MARKETS GROUP INC.

A Delaware Corporation

ANNUAL REPORT

Cautionary Note Regarding Forward-Looking Statements

Information set forth in this 2024 Annual Report (the "Annual Report") contains forward-looking statements, which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by use of the words "expect," "project," "may," "might," "potential," and similar terms. OTC Markets Group Inc. and its subsidiaries ("OTC Markets Group," "we," or the "Company") caution readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties, or other factors beyond OTC Markets Group's control. These factors include but are not limited to: our ability to implement our strategic initiatives; economic, political, and market conditions and price fluctuations; government and industry regulation; U.S. and global competition; changes to trading behavior broadly in the market; and other risk factors discussed under the *"Risk Factors"* section in this Annual Report. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Part A. General Company Information

The name of the issuer is OTC Markets Group Inc.

There have been no changes in control of the Company since 1997. OTC Markets Group is currently conducting operations, and it is not now, nor has it at any time been, a "shell company" as that term is defined in the OTCQX® U.S. Disclosure Guidelines and the federal securities laws.

The Company is an active Delaware Corporation and has three wholly owned subsidiaries: OTC Link® LLC, a Delaware limited liability company formed in 2010; OTC Markets Group International Ltd, incorporated with the Registrar of Companies for England and Wales and formed in 2018; and Edgar Online LLC, a Delaware limited liability company formed in 2022. The Company does not have any other parents, subsidiaries, or affiliated companies. Neither we nor any of our predecessors have been in bankruptcy, receivership, or any similar proceeding.

OTC Link LLC ("OTC Link") is a broker-dealer member of the Financial Industry Regulatory Authority, Inc. ("FINRA") that operates four Securities and Exchange Commission ("SEC") regulated Alternative Trading Systems ("ATSs"): OTC Link ATS, OTC Link ECN, OTC Link NQB, and MOON ATS™, launched in November 2024.

Our fiscal year ends on December 31.

The address of the issuer: **300 Vesey Street, 12th Floor**
New York, NY 10282

The issuer's telephone:	**(212) 896-4400**
The issuer's website:	**OTC Markets Group's corporate website, www.otcmarkets.com, contains general information about us and our products and services. As of December 31, 2024, we also maintained www.otciq.com, www.otcdealer.com, canari.otcmarkets.com, www.garavan.com, www.virtualinvestorconferences.com, www.edgar-online.com, and www.edgarexplorer.com. The information contained on such websites shall not be deemed incorporated by reference herein.**
Investor relations contact:	**Antonia Georgieva, Chief Financial Officer 300 Vesey Street, 12th Floor New York, NY 10282 Telephone: (212) 220-2215 ir@otcmarkets.com**
The name and address of the transfer agent:	**Continental Stock Transfer & Trust Company 1 State Street, 30th Floor New York, NY 10004 (212) 509-4000**

Continental Stock Transfer & Trust Company is registered under the Securities Exchange Act of 1934 (the "Exchange Act") and regulated by the SEC.

Part B. Share Structure

The Exact Title and Class of Securities Outstanding

As of December 31, 2024, OTC Markets Group had one class of securities outstanding, Class A Common Stock. None of OTC Markets Group's Class A Common Stock has been registered under the Securities Act of 1933 (the "Securities Act"), or qualified under any state securities laws, and we have no current plans to register or qualify any of our securities. There were no preferred shares authorized or outstanding as of December 31, 2024.

The trading symbol for OTC Markets Group's Class A Common Stock assigned by FINRA is "OTCM."

The CUSIP number for our Class A Common Stock is 67106F108.

Our Class A Common Stock has traded on the OTCQX U.S.® market since March 11, 2010. Our securities are not, and have never been, listed on a national securities exchange, and have been quoted solely on OTC Link ATS and its predecessor system since the commencement of their public trading.

Par or Stated Value and Description of the Security

OTC Markets Group's Class A Common Stock has a par value of $0.01 per share.

Each holder of shares of Class A Common Stock, including unvested restricted stock, is entitled to one vote for each share of Class A Common Stock held on all matters submitted to a vote of stockholders of OTC Markets Group. The holders of Class A Common Stock vote together as a single class. Holders of Class A Common Stock are not entitled to any preemptive rights.

Holders of our Class A Common Stock, including unvested restricted stock, are entitled to receive such dividends and other distributions as may be authorized and declared by the Board of Directors from time to time ("Dividend Rights"). Upon the voluntary or involuntary liquidation, dissolution, or winding up of OTC Markets Group, holders of Class A Common Stock are entitled to a *pro rata* share of the net assets of OTC Markets Group available for distribution in proportion to the number of shares of Class A Common Stock held by each stockholder.

In our Amended and Restated Certificate of Incorporation, we elect the application of Section 203 of the Delaware General Corporation Law ("DGCL"). Section 203 of the DGCL prohibits persons deemed "interested stockholders" from engaging in a "business combination" with a Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved by the Board of Directors, or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The application of this provision may have an anti-takeover effect with respect to transactions not approved in advance by our Board of Directors.

Our Amended and Restated Certificate of Incorporation also provides that the Board of Directors may not authorize any "business combination" with a "related person" unless it (i) meets the "Fair Price" provision, which seeks to ensure that stockholders receive the highest possible price in the event of a business combination, as that provision is described in Article 10 of our Amended and Restated Certificate of Incorporation or (ii) is approved by a majority of the outstanding shares of stock entitled to vote.

The Number of Shares or Total Amount of the Securities Outstanding for Each Class of Securities Authorized

As of December 31, 2024, the Company is authorized to issue 17,000,000 shares of Class A Common Stock of $0.01 par value.

The following table shows the amount of the securities outstanding for our Class A Common Stock as of December 31, 2024 and December 31, 2023:

	December 31,	
	2024	**2023**
Number of shares authorized	17,000,000	17,000,000
Number of shares outstanding	11,979,165	11,931,366
Number of shares freely tradable (public float)(1)(2)	7,875,672	7,766,846
Total number of holders of record	212	211

(1) The number of shares freely tradable may include shares held by stockholders owning 10% or more of our Class A Common Stock. These stockholders may be considered "affiliates" within the meaning of Securities Act Rule 144, and their shares may be "control shares" subject to the volume and manner of sale restrictions under Securities Act Rule 144.

(2) Our officers and directors hold approximately 4.1 million shares of our Class A Common Stock, which may be "control shares" subject to the volume and manner of sale restrictions under Securities Act Rule 144. These shares are excluded from the number of shares freely tradable.

As of December 31, 2024 and 2023, there were 1,385 and 1,322 non-objecting beneficial stockholders owning at least 100 shares of the Company's Class A Common Stock, respectively.

Issuer Purchases of Equity Securities

The Company is authorized to purchase shares from time to time on the open market, from employees and consultants, and through block trades, in accordance with the safe harbor provision of Rule 10b-18 under the Exchange Act. We offer a stock repurchase program to employees and consultants in connection with their tax obligations arising from restricted stock award vesting, with the purchase price set at the closing price on the day prior to the vesting date. Repurchases also have an anti-dilutive impact on our shares outstanding.

The following table shows purchases by the Company of our Class A Common Stock during the years ended December 31, 2024 and 2023, all of which were in connection with our stock repurchase program to employees and consultants, and the number of shares remaining to be purchased under the Company's stock repurchase program:

Date	Number of Shares Purchased	Average Price Paid Per Share	Number of Shares Purchased as Part of Announced Repurchase Plan	Total Amount (in thousands)	Number of Shares Remaining To Be Purchased Under Announced Plan
2023					
Feb 2023	58,262	$ 58.00	58,262	$ 3,379	241,738
Mar 2023(1)	-	-	-	-	300,000
Total	58,262		58,262	$ 3,379	
2024					
Feb 2024	51,141	$ 57.56	51,141	$ 2,944	248,859
Mar 2024(1)	-	-	-	-	300,000
Total	51,141		51,141	$ 2,944	

(1) In March 2025, 2024, and 2023, the Board of Directors refreshed the Company's stock repurchase program, giving the Company authorization to repurchase up to 300,000 shares of the Company's Class A Common Stock.

Summary of Stock Option Activity

The Company grants stock options to employees and certain consultants as of the last date of their first month of employment or engagement with the Company, with the strike price set at the closing price on the day prior to the grant date. Stock options granted vest in equal installments, annually, over five years.

The following table contains a summary of all stock option activity during 2024 and 2023:

(in thousands, except W/A exercise price)	Stock Options	Weighted-average exercise price
Outstanding, January 1, 2023	790	$ 43.95
Granted	127	56.48
Exercised	(87)	25.88
Forfeited	(34)	56.66
Outstanding, January 1, 2024	796	$ 47.38
Granted	201	50.99
Exercised	(71)	29.15
Forfeited	(84)	53.12
Expired	(17)	14.00
Outstanding, December 31, 2024	825	$ 49.93

Summary of Restricted Stock Award Activity

The Company grants to certain employees and consultants, as well as directors, shares of its Class A Common Stock subject to the terms of Restricted Stock Agreements ("RS Agreements") between the Company and each recipient. Stock granted subject to RS Agreements is included in our calculation of shares outstanding, and holders of such stock have voting and Dividend Rights and are included in our calculation of holders of record.

The following table contains a summary of all activity relating to stock granted subject to RS Agreements during 2024 and 2023:

(in thousands, except W/A exercise price)	Restricted Stock	Weighted-average fair value
Outstanding, January 1, 2023	265	$ 41.95
Granted	93	58.01
Vested	(90)	37.94
Forfeited	(5)	47.60
Outstanding, January 1, 2024	263	$ 48.88
Granted	89	57.11
Vested	(93)	44.13
Forfeited	(10)	55.01
Outstanding, December 31, 2024	249	$ 53.33

Public Trading of Class A Common Stock

The following table sets forth for the periods indicated the high and low reported closing prices per share for our Class A Common Stock:

	High	Low
2023		
First Quarter	$ 61.00	$ 54.00
Second Quarter	62.00	55.06
Third Quarter	61.40	50.35
Fourth Quarter	60.00	50.12
2024		
First Quarter	$ 60.00	$ 52.29
Second Quarter	55.25	48.62
Third Quarter	49.75	45.00
Fourth Quarter	54.00	47.15

Dividends

During 2024 and 2023, our Board of Directors authorized and approved the following cash dividends:

Declaration Date	Dividend Per Common Share	Record Date	Total Amount (in thousands)	Payment Date
2023				
March 6, 2023	$ 0.18	March 23, 2023	$ 2,145	March 30, 2023
May 5, 2023	0.18	June 8, 2023	2,145	June 22, 2023
July 31, 2023	0.18	September 7, 2023	2,147	September 21, 2023
November 6, 2023	1.50	November 21, 2023	17,897	December 7, 2023
November 6, 2023	0.18	December 7, 2023	2,148	December 21, 2023
Total	$ 2.22		$ 26,482	
2024				
March 4, 2024	$ 0.18	March 22, 2024	$ 2,154	March 29, 2024
May 7, 2024	0.18	June 6, 2024	2,155	June 20, 2024
August 6, 2024	0.18	September 5, 2024	2,155	September 19, 2024
November 4, 2024	1.50	November 21, 2024	17,966	December 5, 2024
November 4, 2024	0.18	December 5, 2024	2,155	December 19, 2024
	$ 2.22		$ 26,585	

The declaration of dividends by OTC Markets Group is subject to the discretion of our Board of Directors. Our Board of Directors will consider such matters as general business conditions, financial results, capital requirements, contractual, legal, and regulatory restrictions on the payment of dividends, and other factors as our Board of Directors may deem relevant.

Part C. Business Information

Overview

Our mission is to create better informed and more efficient financial markets.

We operate three business lines:

- OTC Link LLC is a FINRA member broker-dealer that operates four SEC regulated ATSs.
- Market Data Licensing distributes market data and financial information.
- Corporate Services operates the OTCQX and OTCQB® markets and offers issuers disclosure and regulatory compliance products.

We provide critical infrastructure to the U.S. financial markets: connecting brokers, organizing markets, and incentivizing disclosure. Our market data provides price transparency, assists regulated entities in meeting their compliance obligations, and enables better informed investment decisions. Our platform empowers companies to be public and provides a global gateway to access U.S. investors. OTCQX and OTCQB offer companies a choice of premium markets to demonstrate their compliance with securities laws, corporate governance, and commitment to transparency.

Products and Services

Each of our three business lines is described in detail below.

OTC Link

Our wholly owned subsidiary, OTC Link LLC, a FINRA member broker-dealer, operates OTC Link ATS, OTC Link ECN, OTC Link NQB, and MOON ATS, each an SEC-regulated ATS. OTC Link LLC provides regulated quotation, messaging, trade execution, and reporting services to broker-dealers. By offering multiple market models, control of trades, and choice of counterparties, OTC Link allows broker-dealer subscribers to efficiently provide best execution, attract order flow, and comply with FINRA and SEC regulations.

OTC Link ATS offers a fully attributable, network-based model for quoting and facilitating transactions in over-the-counter ("OTC") equity securities and serves a diverse community of FINRA member broker-dealers that operate as market makers, agency brokers, and ATSs, including Electronic Communication Networks ("ECNs"). OTC Link ATS consolidates broker-dealer quotations, delivers trade messages, and allows subscribers to execute or negotiate trades with known counterparties.

OTC Link ATS operates as a Qualified Interdealer Quotation System ("Qualified IDQS") as defined in Exchange Act Rule 15c2-11 ("Rule 15c2-11"). In this capacity, OTC Link ATS determines whether a security is eligible to be the subject of quotations under Rule 15c2-11 and makes those determinations publicly available on our website and via our market data feeds. Broker-dealers can rely on our determinations in submitting quotations in securities on our OTC Link ATS.

OTC Link ECN operates as an ECN and functions as a centralized matching engine and router for certain OTC equity securities by providing subscribers with anonymous order matching functionality.

OTC Link NQB operates as a fully attributable IDQS and a centralized matching engine, allowing distribution of depth-of-book market data. OTC Link NQB also offers the OTC Overnight™ trading and reporting functionality allowing broker-dealer subscribers to trade a select group of active OTC equity securities in overnight sessions, from 8 PM to 4 AM Eastern Time, Sunday to Thursday, in U.S. dollars.

When orders do not match internally on OTC Link ECN or OTC Link NQB, they are routed to other market destinations.

MOON ATS, which launched in November 2024, operates as a fully attributable ATS, with an option for anonymity, and a centralized matching engine, offering access to National Market System ("NMS") securities listed on major exchanges during overnight sessions. Eligible NMS securities will be available for trading from 8 PM to 4 AM Eastern Time, Sunday to Thursday.

All transactions executed on OTC Link ECN, OTC Link NQB, and MOON ATS are cleared and settled pursuant to a clearing agreement with Apex Clearing Corporation.

As of December 31, 2024, 141 unique subscribers connected to OTC Link's trading platforms, 82 broker-dealers subscribed to OTC Link ATS, and 114 broker-dealers connected to OTC Link ECN, compared to 136, 86, and 108 subscribers, respectively, as of December 31, 2023. Our OTC Link business comprised approximately 20% and 18% of our gross revenues in the years ended December 31, 2024 and 2023, respectively.

Market Data Licensing

Due to the role OTC Link plays in supporting the broker-dealer trading process and our interaction with issuers, we generate a significant amount of market data and information. Our Market Data Licensing business provides our subscribers with access to extensive market data and financial information, including real-time, delayed, and end-of-day quotation and trading data, as well as a security master with issuer-level data. Our market data licenses are priced per enterprise or per user and available through direct connectivity, extranet providers, third-party market data redistributors, and Order Management Systems ("OMS"). Depending on the license type, subscribers may distribute our market data on an internal-only basis, redistribute to clients, or redistribute to the public. We generate our Market Data Licensing revenues from direct sales to subscribers and from sales through market data redistributors, some of whom are entitled to redistribution fees and rebates. As of December 31, 2024, 67 market data redistributors disseminated our market data to subscribers, compared to 64 as of December 31, 2023.

In addition, our Market Data Licensing business offers a number of data and compliance solutions, including our Compliance Data and Compliance Analytics products, our Blue Sky data product, which provides state securities law compliance data for a wide spectrum of equity and fixed-income securities, and EDGAR Online, which provides structured data sets containing company disclosure and financial information from public company filings. Our data and compliance solutions are available through market data feeds, on our Canari® platform, and through certain of the Company's websites.

We also charge for the display of advertisements on www.otcmarkets.com.

Our Market Data Licensing business comprised approximately 39% of our gross revenues in each of the years ended December 31, 2024 and 2023.

Corporate Services

Our Corporate Services business includes the OTCQX Best Market, the OTCQB Venture Market, the Pink® Open Market, and our suite of additional services. These services include the OTC Disclosure & News Service® ("DNS") and OTCIQ Basic, which allow issuers to publish disclosure, news, and company information to our website and other distribution channels, and the Virtual Investor Conferences® ("VIC") product that allows issuers to communicate and engage with stockholders and potential investors through an interactive, online platform and events.

The OTCQX Best Market provides efficient public trading without the complexity and cost of a national securities exchange listing. To join OTCQX, companies must meet minimum financial, disclosure, and qualitative standards set out in our OTCQX Rules.

The OTCQX market is divided into OTCQX U.S. and OTCQX International. OTCQX for Banks, an expansion of the OTCQX market for U.S. companies, is specifically aimed at meeting the needs of community and regional banks. The OTCQX International market is targeted towards (i) large global companies that meet the listing standards of a qualified non-U.S. stock exchange in their primary market and do not see value in meeting multiple regulatory, compliance, disclosure, and accounting standards associated with a U.S. exchange listing, and (ii) emerging growth companies that are listed on a qualified non-U.S. stock exchange and may be working towards a U.S. exchange listing but are not yet ready to deploy the management resources necessary to handle the related operational complexity and cost burdens.

As of December 31, 2024, 567 companies were traded on the OTCQX market, comprised of 191 U.S. companies and 376 international companies, compared to 600 companies as of December 31, 2023, comprised of 182 U.S. companies and 418 international companies.

The OTCQB Venture Market provides public trading for entrepreneurial and development-stage companies and applies standards that promote price transparency and facilitate public disclosure. OTCQB is open to international and domestic companies that meet the OTCQB Standards.

There were 1,050 companies traded on the OTCQB market as of December 31, 2024, of which over 750 were international companies, compared to 1,140 companies as of December 31, 2023, of which over 800 were international companies.

Companies that do not meet the standards of, or choose not to apply for, the OTCQX Best Market or the OTCQB Venture Market may have their securities traded on the Pink Open Market. OTC Markets Group categorizes companies on the Pink market as “Pink Current Information” or “Pink Limited Information” based on the sufficiency and timeliness of the information provided to investors. Companies on the Pink market may publish disclosure via DNS, to the SEC, or to certain other regulatory authorities.

We publish issuer and security-level compliance flags to help investors identify opportunities and quantify risk. For example, companies whose stock is the subject of a public interest concern are flagged as “Caveat Emptor,” or buyer beware.

We also operate an Expert Market® tier with restricted quote distribution. The Expert Market allows broker-dealers to publish unsolicited quotes and meet their best execution responsibilities while serving the needs of sophisticated investors.

Our Corporate Services business comprised approximately 41% and 43% of our gross revenues in the years ended December 31, 2024 and 2023, respectively.

Key Metrics

The table below presents key metrics for our OTC Link, Corporate Services, and Market Data Licensing business lines for the years ended December 31, 2024, 2023, and 2022.

	December 31,		
	2024	2023	2022
OTC Link			
Number of active ATS subscribers [1]	82	86	87
Number of active ECN subscribers [1]	114	108	102
Number of unique active OTC Link subscribers [1]	141	136	133
New Form 211 filings [4]	230	236	250
Number of securities quoted: [1]			
OTCQX	633	664	669
OTCQB	1,103	1,187	1,286
Pink	10,668	10,494	10,634
Total	12,404	12,345	12,589
Dollar volume traded (in thousands): [3]			
OTCQX	$ 90,117,744	$ 78,654,292	$ 106,348,708
OTCQB	13,504,595	5,212,644	9,453,177
Pink	388,332,996	302,553,711	391,245,585
Total	$ 491,955,335	$ 386,420,647	$ 507,047,469
Dollar volume per security (in thousands):			
OTCQX	$ 142,366	$ 118,455	$ 158,967
OTCQB	12,244	4,391	7,351
Pink	36,402	28,831	36,792
Corporate Services			
Graduates to a national securities exchange	43	38	74
Number of corporate clients [1]/[2]			
OTCQX	567	600	615
OTCQB	1,050	1,140	1,239
Pink	1,338	1,461	1,546
Total	2,955	3,201	3,400
Market Data Licensing			
Market data professional users [1]	27,558	28,297	26,807
Market data non-professional users [1]	12,314	10,978	13,700
Market data compliance file users[1]	55	56	53

(1) Figures presented are at period end.

(2) Figures presented represent the number of companies subscribing to our services.

(3) Figures presented are based on actual daily volume accumulation.

(4) Starting in September 2021, OTC Link ATS began conducting initial reviews under Rule 15c2-11 for certain companies seeking to join the OTCQX and OTCQB markets. In the event that OTC Link ATS approves the initial review, it subsequently files a modified Form 211 with FINRA. Figures presented include 110, 42, and 82 Form 211s filed by OTC Link ATS during the years ended December 31, 2024, 2023, and 2022, respectively.

Recent Business Developments

Introducing OTCID™

OTC Markets Group announced that in July 2025, it will launch OTCID – a Basic Reporting Market for companies that meet a minimal current information standard and provide management certification. The Pink Current market will cease to exist. As we have increased the qualitative and quantitative standards of our OTCQX and OTCQB markets, we have identified a need to differentiate companies that actively provide ongoing disclosure and demonstrate compliance with securities laws but cannot qualify for OTCQX or OTCQB. Issuers that do not provide updated information, ongoing reporting, and the required management certifications will see their securities transition to the Pink Limited market or the Expert Market. This will make it clear that the issuer has limited to no ongoing relationship with OTC Markets Group, while still allowing broker-dealers to serve clients willing to trade these securities. We expect that this ongoing evolution of our markets will improve the overall quality of our markets for broker-dealers and investors and be favorable to our business; however, it is not yet possible to estimate the impact OTCID will have on our financial results.

Overnight Trading in NMS Equity Securities

In November 2024, OTC Markets Group announced the official launch of MOON ATS, following the completion of the SEC filing process. MOON ATS will offer access to NMS securities listed on major exchanges during overnight sessions, making OTC Markets Group one of the first ATS operators offering broker-dealer subscribers the ability to trade both OTC equity and exchange-listed NMS securities overnight. Overnight trading in NMS securities expands OTC Link's offerings to broker-dealer subscribers; however, MOON ATS did not have any revenue impact on our financial results during 2024, and is not yet possible to predict how successful we will be in launching the new ATS or in attracting subscriber activity to the overnight trading of NMS securities, or to estimate the impact this offering will have on our financial results in the future.

Overnight Trading in OTC Equity Securities

In September 2024, OTC Markets Group announced the official launch of OTC Overnight. A select group of active securities are available for trading Sunday through Thursday between 8 PM and 4 AM eastern time. The Company plans to expand the offering to additional securities over time. OTC Overnight, operated on OTC Link NQB, provides trading capabilities that will significantly expand market accessibility, transparency, and comprehensive data coverage for the OTC markets; however, OTC Overnight did not have any revenue impact on our financial results during 2024, and it is not yet possible to predict how successful we will be in attracting subscriber activity to the overnight trading offering, or to estimate the impact it will have on our financial results in the future.

Recent Regulatory Developments Impacting our Business

Blue Sky Secondary Trading Exemptions for OTCQX and OTCQB

As of March 1, 2025, our OTCQX and OTCQB markets are exempt from state Blue Sky laws regarding secondary trading in 40 states and one U.S territory: Alaska, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho (OTCQX only), Indiana, Iowa, Kansas (OTCQX only), Kentucky, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont (OTCQX only), Virginia (OTCQX only), Washington, West Virginia, Wisconsin, and Wyoming. State Blue Sky laws generally help investors make informed decisions by mandating that companies disclose accurate and current information when offering or marketing securities. We believe recognition of our markets by state regulators and the resulting Blue Sky exemptions make OTCQX and OTCQB more attractive to current and prospective companies. However, the impact of this initiative on our financial results is indirect and therefore difficult to determine.

Other Business and Regulatory Information

Technology

Our IT infrastructure is the foundation of our internal and customer facing applications and focuses on their reliability, high-availability, and scalability.

We roll out new business functionality while simultaneously focusing on improving the scalability and stability of our systems. Capital expenditures during the past several years have been concentrated on the enhancement of our primary and secondary data centers and increased network resiliency and security. We will continue to invest in building out our systems in order to meet the functionality and reliability needs of our subscribers and our regulatory obligations, as well as to integrate acquired systems.

The Nature and Extent of the Issuer's Facilities

OTC Markets Group's corporate headquarters is located on the 12th floor at 300 Vesey Street, New York, NY 10282, and is composed of approximately 33,000 square feet of leased office, conference, meeting, and reception space. The Company's sublease agreement was entered into effective October 19, 2018. The term of the sublease is through December 30, 2031. The annual rental expense under the lease is approximately $1.8 million.

We maintain an office in Washington, D.C., consisting of approximately 4,000 square feet of general office space, located at 100 M Street SE, Washington, D.C. 20003. The lease was amended in April 2021 and expires on January 31, 2028. The annual rent expense under the lease is approximately $212 thousand.

We rent a single office located at Berkeley Square House, Berkeley Square, London, W1J 6BD, United Kingdom. The lease agreement was entered into effective July 1, 2023, for an initial two-year term. We rent a single office located at 17/F, 12 Marina Boulevard, Singapore 018982, on a month-to-month basis.

We also contract with 11:11 Systems Inc. in Carlstadt, NJ, and with Netrality Properties, LP in Philadelphia, PA, for hosting and networking services in respect of our primary and secondary data centers, including production, back-up and disaster recovery sites, and internet and telecommunication services.

We believe that our properties are in good operating condition and adequately serve our current business operations.

Legal Proceedings

There are no current, past, pending, or threatened legal proceedings or administrative actions either by or against OTC Markets Group that could have a material effect on our business, financial condition, or operations. We are not a party to any past or pending trading suspensions by a securities regulator.

In the ordinary course of business, the nature of the Company's business subjects it to claims, lawsuits, regulatory examinations or investigations, and other proceedings. OTC Link is regularly the subject of various regulatory reviews, inquiries, investigations, and subpoenas or requests for information by FINRA and the SEC. In 2022, we entered into discussions with the SEC's Division of Enforcement regarding certain OTC Link policies and procedures related to the filing of Suspicious Activity Reports (SARs). On August 12, 2024, the SEC announced it accepted OTC Link's settlement offer in connection with the SEC's findings. Without admitting or denying the findings, OTC Link agreed to cease and desist from committing or causing any violations of Section 17(a) of the Exchange Act and Rule 17a-8 thereunder and pay a civil penalty of $1.19 million to the SEC, an amount that OTC Markets Group had accrued in 2023 and that it paid in full on August 20, 2024. During 2024, we also responded to an information request from the SEC's Division of Enforcement regarding certain OTC Link policies and procedures related to Regulation Systems Compliance and Integrity ("Regulation SCI"). We have not received any further communication from the SEC's Division of Enforcement, and we cannot anticipate the timing, outcome, or possible impact of this inquiry, financial or otherwise.

Contracts

Exhibits 3 and 4 to this Annual Report provide a list of contracts important to our business, divided into two categories: material contracts and customer contracts. Negotiated material contracts include R. Cromwell Coulson's employment agreement, Change in Control agreements with certain senior executive officers, and real estate leases on commercial office space used in our business. We use standardized customer contracts in each of our three business lines.

Regulation

Our wholly owned subsidiary, OTC Link LLC, is an SEC-registered, FINRA member broker-dealer, subject to all applicable FINRA and SEC rules. OTC Link LLC operates four SEC-regulated ATSs: OTC Link ATS, OTC Link ECN, OTC Link NQB, and MOON ATS. OTC Link LLC and each of our ATSs are subject to regulation and periodic examinations by the SEC and FINRA.

OTC Link ATS operates as a Qualified IDQS as defined in Rule 15c2-11. OTC Link ECN operates as an ECN. OTC Link NQB operates as a fully attributable IDQS. MOON ATS operates as a fully attributable ATS, with an option for anonymity.

All subscribers to OTC Link ATS are FINRA member broker-dealers, subject to all applicable FINRA rules. Unlike traditional exchanges and matching engines, OTC Link ATS is not a party to any trade reports with respect to any trade executions that may result from trade messages.

OTC Link ECN, OTC Link NQB, and MOON ATS act as the executing party on an agency basis in relation to all transactions executed on these platforms. Pursuant to applicable FINRA rules, OTC Link ECN and OTC Link NQB submit trade reports to FINRA's OTC Reporting Facility, and MOON ATS submits trade reports to the FINRA/Nasdaq Trade Reporting Facility.

OTC Link ATS meets the definition of an SCI Entity under Regulation SCI. Regulation SCI is a set of rules designed to strengthen the technology infrastructure of the U.S. securities markets and applies to national securities exchanges and certain ATSs, market data information providers, and clearing agencies, subjecting these SCI entities to comprehensive compliance obligations. OTC Link ATS and OTC Link ECN are also each required to comply with the applicable regulatory obligations under Regulation ATS and have had Consolidated Audit Trail ("CAT") reporting responsibilities since June 2020. OTC Link NQB and MOON ATS have similar CAT and Regulation ATS obligations.

OTC Markets Group and our markets are not national securities exchanges. Our markets provide an alternative to a national securities exchange listing for companies that either choose not to be listed on a U.S. national securities exchange or do not meet the relevant listing requirements. Our non-exchange status enables us to offer certain financial information, technology, and market services that are competitive with the services offered by national securities exchanges with less complexity and lower costs, but it also inhibits our ability to provide certain other benefits that exchanges may offer.

Rule 15c2-11 permits OTC Link ATS, as a Qualified IDQS, to perform the required information review to determine whether a security is eligible to be publicly quoted. Our broker-dealer subscribers rely on these public determinations.

OTC Markets Group does not have regulatory enforcement authority over companies whose securities trade on our markets. However, securities on our market are subject to federal and state securities laws. For example, under Rule 15c2-11, companies may be required to publish financial information and other disclosure in order for their securities to be publicly quoted by broker-dealers on our markets. It is our policy to respond to regulatory requests and proactively share information with our regulators about our markets and the companies that trade on our markets.

Competition

OTC Link

The market for trading services in the U.S. is intensely competitive. Changes in the regulatory landscape over the past several years have contributed to an increase in the number of trading platforms in the equities markets, including numerous national securities exchanges, regional markets, ATSs, and ECNs. A continued increase in new entrants and products to the market or in price competition could result in a decline in our trading activity, thereby adversely affecting our operating results.

Current law prevents national securities exchanges from listing or facilitating trading in non-SEC registered securities. OTC Link would face increased competition from national securities exchanges if those laws were to change. OTC Link may also face competition if national securities exchanges or other venues are permitted to operate specialized markets for venture companies or thinly traded securities.

OTC Link competes with Global OTC, an ATS and an IDQS operated by a subsidiary of NYSE Group Inc., which offers an automated execution venue for certain OTC equity securities. OTC Link competes with Blue Ocean ATS, operated by Blue Ocean Technologies, LLC, in offering overnight trading in NMS securities.

Market Data Licensing

A decline in trading on OTC Link caused by competition or otherwise, as well as other economic conditions adversely affecting OTC Link or our subscribers, may result in a reduction in demand for our market data products. If competition in the OTC trading market results in fragmentation of the existing market for quoting and trading OTC equity securities, the value of our market data products and corresponding demand for those products may be reduced. The Market Data Licensing business is highly dependent on rapidly changing technology and is characterized by intense price competition. Many of our competitors have greater financial and other resources than we do. These market data providers may offer more competitive pricing and deploy new products to our detriment. Competition for our market data products may arise from, among other things, market data generated by a regulator or competing trading platform. We may also see competition for our data and compliance solutions, such as EDGAR Online or Blue Sky data offerings, if existing data providers choose to develop competing products or new entrants emerge.

Corporate Services

Our Corporate Services business competes with national securities exchanges such as Nasdaq and NYSE and with global exchanges such as the London Stock Exchange's AIM and Canada's

TSX Venture Exchange. We face competition because certain companies that join our OTCQX or OTCQB markets may also qualify for a national securities exchange listing. Similar to OTC Link, our Corporate Services business benefits from current law that prevents a national securities exchange from listing the securities of non-SEC registered companies.

It is possible that the national securities exchanges or competing ATSs could alter their business models to attempt to compete with our Corporate Services business. New entrants may, among other things, respond more quickly to competitive pressures, develop and deploy products and services more efficiently, or adapt more successfully to changes in technologies and customer requirements. If we are unable to compete successfully in terms of our product offerings or pricing, our business, financial condition, and results of operations could be materially adversely affected.

Dependence on One or a Few Major Customers

OTC Markets Group's three business lines provide diverse products and services. The varied nature of our revenue streams generally prevents us from having material reliance on a small number of major customers. However, our Market Data Licensing business utilizes third-party data redistributors to bring our data to end users, and these end users are somewhat concentrated with certain major redistribution partners. To illustrate, our three largest redistributors accounted for 11% of our gross revenues in each of the years ended December 31, 2024 and 2023.

A majority of our OTC Link and Market Data Licensing gross revenues are generated by customers that are financial institutions. We are subject to reliance on a decreasing number of these types of customers as financial institutions are acquired, merge, restructure, and dissolve. If relationships with our largest redistribution partners or a substantial number of our financial institution customers, including our OTC Link broker-dealer subscribers, are terminated, not renewed, or renegotiated on terms less favorable to us, our business could be adversely affected.

Employees

OTC Markets Group fosters an open culture that emphasizes autonomy, responsibility, innovation, and self-discipline. We continually strive to create a stimulating and inclusive atmosphere that encourages personal and professional growth, fulfillment, and hard work. OTC Markets Group provides employees opportunities to become equity owners of our company and share in its success.

As of December 31, 2024 and 2023, OTC Markets Group had a total of 133 and 134 full-time employees, respectively. Employees support one of our three business lines, or our Information Technology, Marketing, or Finance/Corporate Administration support units. None of our employees are covered by a collective bargaining agreement.

We attract the best and brightest people by offering inspiring leadership, competitive compensation, equity participation, and a stimulating work environment. Our culture promotes initiative, rewards merit, and creates opportunity. Our enterprise is fueled and driven by a team effort of empowered individuals. We treat our colleagues with respect that is earned through collaborative contribution to our collective success. We make each other stronger by sharing our knowledge and experience. We are committed to diversity and emphasize a community of learning, inclusiveness, and interaction.

We have designed our compensation and benefits programs to promote the retention and growth of our employees along with their health, well-being, and financial security. Our employees are eligible for a comprehensive package of benefits and perquisites, including medical, dental and vision insurance, a 401(k) plan, and life and disability insurance, among others. Our short- and long-term incentive programs are designed to reward high performers with competitive compensation benchmarked against our peers, and we review the competitiveness of our compensation and benefits periodically. As an equal opportunity employer, we give consideration to all qualified applicants without regard to race, national origin, gender, gender identity, sexual orientation, protected veteran status, disability, age, or any other protected class as called for by applicable laws and Executive Orders.

Career development and training opportunities are available throughout the organization, including targeted courses and self-directed instruction from a number of available resources. Our open, transparent, and connected core values are incorporated into each aspect of our company. We encourage professional, passionate discussions of opposing viewpoints and creativity.

We maintain a flexible, hybrid schedule, with personnel working from our offices or remotely. We maintain offices in New York City and Washington, D.C., as well as sales offices in London, United Kingdom, and Singapore.

For additional information about our culture, core values, and benefits package, please refer to the careers section of our website at www.otcmarkets.com/careers, which is not incorporated in this Annual Report.

Trademarks, Licenses, Franchises, Concessions, Royalty Agreements, or Labor Contracts

To protect our intellectual property rights, we rely on a combination of trademark and copyright laws, trade secret protections, confidentiality agreements, and other contractual arrangements with our clients, strategic partners, and others.

We own or have licensed rights to trade names, trademarks, domain names, and service marks that we use in conjunction with our operations and services. We have registered many of our most important trademarks. Our primary trademarks and trade names include “OTCQX,” “OTCQB,” “OTCID,” “OTC Link,” “MOON ATS,” and “Pink.” As of December 31, 2024, we had 29 trademarks registered in the U.S., 7 of which are also registered in the U.K. with one additional trademark pending, and 7 of which are also registered in the European Union, with one additional trademark pending. In connection with the acquisition of EDGAR Online, we entered into a non-transferable, non-exclusive trademark license agreement with the SEC concerning the EDGAR® trademark. We maintain copyright protection in our branded materials.

Risk Factors

You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report. OTC Markets Group evaluates the key enterprise risks it faces on an ongoing basis. The list of key enterprise risks and uncertainties that follows is not exhaustive. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may adversely affect our business now or in the future. Some risks affect more than one category, and the risks are not in order of significance or probability of occurrence because they have been grouped by categories. The market price of our Class A Common Stock could decline, and investors could lose part or all of their investment due to any of these risks.

Business and Operational Risks

- **Challenging global and national economic conditions may impact our business, financial condition, and operating results.**
- **Our operating results may fluctuate as a result of factors outside of our control, which makes our results difficult to predict and could cause our results to fall short of expectations.**
- **System limitations and failures, including failures elsewhere in the financial services industry, could expose us to material financial and reputational harm.**
- **Cyber attacks or other security incidents could harm our business.**
- **We rely on third-party vendors that may cease to provide services or products that we use to run our business.**
- **The use of artificial intelligence in certain of our internal business operations, by certain of our third-party vendors, or by certain of our broker-dealer subscribers, may introduce risks that could adversely affect our business, reputation, or operating results.**
- **The economic impact of pandemics and other public health emergencies could adversely affect our financial condition and results of operations.**
- **We are exposed to credit risk from third parties.**
- **We may need additional funds to maintain and grow our business, which may not be readily available.**
- **We are not subject to SEC reporting requirements, which may negatively impact our ability to raise capital.**

Industry and Competitive Risks

- **We operate in a highly competitive industry.**
- **Our failure to attract and retain key personnel may adversely affect our ability to conduct our business.**
- **The success of our business depends on our ability to keep up with the significant and rapid technological and other changes that affect our industry.**
- **The adoption of new technologies may impact our business model.**
- **We may not be successful in executing on our strategies to support our growth organically or through acquisitions, other investments, or strategic alliances.**

- **We are subject to reliance on a decreasing number of current and prospective customers as financial institutions are acquired, merge, restructure, and dissolve.**
- **The OTCQX, OTCQB, and Pink markets are not national securities exchanges, and this may limit the pool of investors for securities traded on those markets.**
- **Many OTCQX and OTCQB companies operate in Canada, are concentrated in specific industries in Canada, and may be subject to economic and geopolitical factors in Canada that may cause them to no longer meet the OTCQX Rules or the OTCQB Standards, or choose to withdraw from OTCQX or OTCQB.**

Legal and Regulatory Risks

- **Regulatory changes or scrutiny, including enforcement actions by our regulators, could have a material adverse effect on our business.**
- **The regulatory framework under which we operate, and new regulatory requirements or new interpretations of existing requirements, could require substantial time and resources for compliance, which could make it difficult and costly for us to operate our business.**
- **Our compliance and risk management methods, as well as our fulfillment of our regulatory obligations, might not be effective, which could lead and have led to enforcement actions by our regulators.**
- **OTC Link subscribers are highly regulated, and the regulatory framework under which they operate, and new regulatory requirements or new interpretations of existing requirements, could require substantial time and resources for compliance, which could make it difficult and costly for them to operate.**
- **Laws and regulations regarding the handling of personal data and information may affect our services or result in increased costs, legal claims, or fines against us.**
- **We may face liability for content contained in our data products and services.**
- **Changes in tax regulations and policies could have a material adverse impact on our financial results.**

Intellectual Property and Brand Reputation Risks

- **If we are not able to maintain and further enhance OTC Markets Group's reputation and brand, our ability to expand our business will be impaired and our business and operating results will be harmed.**
- **Our intellectual property rights are valuable and any failure to protect our intellectual property rights, or allegations that we have infringed the intellectual**

property rights of others, could adversely affect our business, financial condition, and operating results.

- **Any infringement by us on intellectual property rights of others could result in litigation and could have a material adverse effect on our operations.**

Investment Risks

- **If an active, liquid trading market for our Class A Common Stock does not develop, stockholders may be unable to sell their shares quickly or at all.**
- **The market price and trading volume of OTC Markets Group's Class A Common Stock may be volatile, and stockholders could lose some or all of their investment.**
- **Decisions to declare future dividends on our Class A Common Stock or repurchase Class A Common Stock will be at the discretion of our Board of Directors based upon a review of relevant considerations. Accordingly, there can be no guarantee that we will pay future dividends or repurchase our Class A Common Stock.**
- **Our financial results could be adversely affected as a result of acquisitions, which in turn may adversely affect the market value of our Class A Common Stock.**
- **Our President and Chief Executive Officer holds approximately 27% of our issued and outstanding Class A Common Stock.**
- **Certain provisions in our Amended and Restated Certificate of Incorporation and by-laws, agreements with management, and provisions of Delaware law could delay or prevent a change in control of the Company and entrench current management.**

Business and Operational Risks

Challenging global and national economic conditions may impact our business, financial condition, and operating results.

Our business performance is impacted by a number of factors, including general economic conditions, financial market activity and other factors that are generally out of our control. A weakening of global or national economic conditions would likely negatively impact the ability of our customers and other counterparties to meet their obligations to us. Poor or uncertain economic conditions could result in, among other things, declines in trading activity, or a reduction in demand for our Market Data Licensing and Corporate Services products.

Reduced levels of trading activity in our markets, and in equity markets generally, may affect customer demand for our OTC Link business, Corporate Services, and Market Data Licensing products and may adversely impact OTC Link's transaction-based revenues. It is likely that a general decline in trading volumes would adversely affect our broker-dealer subscribers, which may adversely affect our business, financial condition, and operating results. Changes in our broker-dealer subscribers' trading behavior, either in response to regulatory changes or in response to market conditions, could also adversely impact transaction-based revenues and transaction-based expenses. In addition, revenues from our OTC Link and Market Data Licensing businesses may decline due to continued business consolidation and further declines in headcount within the financial services industry.

Our operating results may fluctuate as a result of factors outside of our control, which makes our results difficult to predict and could cause our results to fall short of expectations.

Our operating results may fluctuate as a result of a number of factors, many of which are outside of our control, including economic and political market conditions, climate change, natural disasters, pandemics, terrorism, war or other catastrophes, broad macro-economic trends, including volatility or distress within certain industries, seasonal fluctuations, price performance and volatility in the stock market, the level and volatility of interest rates, inflation, global, national or local government sanctions, changes in government monetary or tax policy, or other legislative and regulatory changes. Any of these factors, and others outside our control, including, for example, a prolonged international conflict, or a recession, could result in a general decline in trading volumes in the equity markets, which could negatively impact our revenues. For these reasons, comparing our operating results on a period-to-period basis may not be meaningful, and our past results should not be relied on as an indication of future performance.

System limitations and failures, including failures elsewhere in the financial services industry, could expose us to material financial and reputational harm.

Our business depends on the continuing operation of our information technology and communications systems. If these systems cannot accommodate user demand or otherwise fail to perform, we could experience disruptions in service, slower response times, and delays in the introduction of new or updated products and services. Interruptions in service and delays could reduce revenues and profits, lead to regulatory action, including fines, and result in damage to our business and reputation. We have experienced systems failures in the past, and systems failures may occur in the future. Failures could be caused by, among other things, failures at third-party vendors on which we rely, hardware or software malfunctions or defects, unusually heavy use of our systems, insufficient capacity or network bandwidth, power or telecommunications failures, natural disasters, human error, targeted attacks, and computer viruses. Any interruption in the third-party services on which we rely could be disruptive to our business and to our ability to continue to operate.

We currently maintain and expect to continue to maintain multiple computer facilities and systems that are designed to provide redundancy and backup. However, such systems and facilities may prove inadequate. The steps we have taken to increase the reliability and redundancy of our systems are expensive, reduce our operating margin, and may not be successful in reducing the frequency or duration of unscheduled downtime.

We have programs in place to identify, monitor and minimize our exposure to vulnerabilities that could contribute to system failures. However, we cannot guarantee that those programs will be adequate or that such failures will not occur in the future.

In recent years, technology-related failures have impacted several prominent securities industry participants. OTC Link relies on systems to meet its trade reporting and similar obligations, and a disruption in those systems may have an adverse effect on our OTC Link business. A disruption in OTC Link ECN's, OTC Link NQB's, or MOON ATS' systems that results in incorrect transaction reporting to its subscribers or its third-party clearing firm, or omissions in such reporting or any disruption in routing functionality, may obligate OTC Link ECN, OTC Link NQB, or MOON ATS to trade out of an error account position at its clearing broker, which could result in our incurring trading losses. If OTC Link broker-dealer subscribers undergo significant systems failures, they may cease to operate or cease to use our services. Further, systemic failures, or financial instability in a particular region could have a contagion effect, and may erode investor confidence in the securities trading industry, which could adversely affect our business, financial condition, and operating results.

Cyber attacks or other security incidents could harm our business.

The fast and secure transmission of information over public and other networks is a critical element of our operations and is the subject of significant regulatory scrutiny. Our computer systems and networks, those of our third-party service providers, or open source technology may be vulnerable to security breaches, hacking, human error, denial-of-service attacks, sabotage, terrorism, computer viruses, and other security incidents. Some of these threats include attacks from foreign agents or insiders, and those threats may be exacerbated by global geopolitical and similar events. Bad actors could wrongfully access, publish, delete, modify, and use our information or our subscribers' or users' information, including personally identifiable information and material nonpublic information, or cause interruptions or malfunctions in our operations. Although we have implemented security measures, our security and the security of our third-party providers may prove to be inadequate. Any system breach may go undetected for an extended period of time. Maintaining and enhancing these measures also represents additional cost, which reduces our operating margin. If our systems fail to perform or if there are security breaches, any such failures or breaches could, among other things, damage our reputation and/or cause a loss of business, trading volume, revenues, and lead to lawsuits and regulatory actions including fines, any of which could adversely affect our business, financial condition, and operating results.

As cyber security threats continue to evolve and increase in sophistication and frequency, and as the regulatory environment related to information security, data collection and use, and privacy becomes increasingly rigorous, we may be required to devote significant additional resources to modify and enhance our security controls and to identify and remediate security vulnerabilities, which could adversely impact our business. In particular, the regulatory status of OTC Link ATS as an SCI Entity under Regulation SCI requires significant time and resources reviewing, guarding against, and monitoring for cybersecurity risks, threats and incidents, including risks involving our third-party vendors, which, if they were to occur, could adversely impact our business.

We rely on third-party vendors that may cease to provide services or products that we use to run our business.

We rely on third-party service providers to operate our business and have incorporated third-party hardware, software, and services into certain of our systems and offerings. For example, our OTC Link ECN, OTC Link NQB, and MOON ATS platforms primarily rely on a third-party technology vendor for maintenance and enhancements.

We also rely on certain third-party vendors to provide data that we use in our products, including our Market Data Licensing compliance data products and processes related to our Rule 15c2-11 obligations. If such data or other content or information that we distribute is no longer available, has errors, is delayed, or has design defects, our business could be adversely impacted.

Our operations and financial position could be negatively impacted in the event that our third-party vendors fail to perform as expected or otherwise cease providing products or services on which we rely. We may also be subject to additional costs or regulatory inquiries or fines and become exposed to new risks in the event that we have to transition to new vendors or enhance our technology.

The use of artificial intelligence ("AI") in certain of our internal business operations, by certain of our third-party vendors, or by certain of our broker-dealer subscribers, may introduce risks that could adversely affect our business, reputation, or operating results.

We may utilize generative AI in certain of our internal business operations, and we rely on third-party vendors, who may also use generative AI in connection with the provision of their services, to support various aspects of our operations, including data processing, analytics, and compliance. Some of our broker-dealer subscribers may also use generative AI or other machine learning tools as part of their trading activities.

The increasing adoption of generative AI by us and by these third parties presents evolving risks, including concerns related to the quality, reliability and interpretability of AI-generated outputs, as well as potential biases, errors or inaccuracies, ethical concerns, data privacy issues, cybersecurity vulnerabilities, and increased risk of intellectual property disputes. Consequently, reliance on generative AI by us and by our third-party vendors could result in operational disruptions, compliance failures, or security breaches that may adversely impact our ability to provide our services and negatively affect our business or operating results.

Similarly, our subscribers' use of generative AI in trading and decision-making may lead to unintended market distortions, increased volatility, or reliance on flawed or opaque models, which could undermine confidence in our market platform and lead to increased compliance burdens and deeper regulatory scrutiny of our marketplace, which could in turn negatively affect our business or operating results.

The economic impact of pandemics and other public health emergencies could adversely affect our financial condition and results of operations.

Pandemics and other public health emergencies could have an adverse macroeconomic impact, which may have a negative impact on our business.

We could be subject to various risks related to pandemics and other public heath emergencies, as well as additional risks not presently known to us, or that we currently deem immaterial, any one of which could have a material, adverse effect on our business, financial condition, liquidity, and results of operations. For example, existing clients and subscribers negatively impacted by a pandemic or public health concerns may choose to cancel or reduce the services they purchase from us and potential clients could choose to delay or defer purchasing decisions.

Temporary closures and subsequent reopening of our offices may create operational challenges and risks that may require us to make additional investments related to workplace health and safety protocols. Pandemics and other public health emergencies could also impact the productivity of our employees and third-party vendors, both as a result of the challenges of working from a remote environment or as a result of illness, impacting the effectiveness of our operations and hampering our ability to deliver on strategic initiatives. Our hybrid in-office / remote work model may also introduce heightened cybersecurity and operational risks that could adversely impact our business operations.

The extent to which pandemics and other public health emergencies could materially adversely affect our business and results of operations will depend on numerous factors and future developments that we are not able to predict.

We are exposed to credit risk from third parties.

We are exposed to credit risk from third parties, including subscribers and clearing providers. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, or other reasons. Many of our subscribers are financial institutions whose ability to satisfy their contractual obligations may be negatively impacted by, among other things, slow or stagnant financial growth. Credit losses could adversely affect our financial position and results of operations.

We may need additional funds to maintain and grow our business, which may not be readily available.

We depend on the availability of adequate capital to maintain and develop our business. Although we believe that we can meet our current capital requirements from internally generated funds, cash on hand and available borrowings, there are no assurances that additional capital will not be required in the future. If we do not achieve our expected operating results, we may need to reallocate our cash resources. Our failure to fund our capital or credit requirements could have an adverse effect on our business, financial condition, and operating results.

We have no outstanding borrowings under our $3.0 million line of credit with JPMorgan Chase Bank, N.A. ("JPMorgan Chase") (see *Liquidity and Capital Resources*, below). In the event that we draw funds on our line of credit, or choose to enter into and draw from additional credit agreements for the purpose of making acquisitions or otherwise, we would be subject to restrictive covenants that could, among other things, restrict our ability to grant liens, incur additional indebtedness, pay dividends, sell assets, and make certain payments. Our failure to meet any of the covenants could result in an event of default. If an event of default were to occur, and we were unable to receive a waiver of default, our lenders could increase our borrowing costs, restrict our ability to obtain additional borrowings, accelerate all amounts outstanding, or enforce their interest against all collateral pledged.

If the capital and credit markets experience volatility, access to additional capital or credit may not be available on terms acceptable to us or at all.

We are not subject to SEC reporting requirements, which may negatively impact our ability to raise capital.

None of our Class A Common Stock has been registered with the SEC under the Securities Act or the Exchange Act or qualified under any state securities laws. This limits our ability to raise capital under certain circumstances. For example, certain investors will not invest in unregistered securities, including in private offerings of securities issued by public companies that do not provide investors with registration rights.

We avail ourselves of Blue Sky secondary trading exemptions through our inclusion on the OTCQX market, and other applicable exemptions and filings; however, not all states recognize these exemptions and there are states in which we have not qualified for an exemption or filing.

If we were to decide to issue securities in a registered public offering, we would be required to register our securities under the Securities Act and, among other things, comply with SEC reporting requirements, which would increase our ongoing costs of operations.

Industry and Competitive Risks

We operate in a highly competitive industry.

We face formidable competition in every aspect of our business. We compete in a variety of ways with other market participants, including national securities exchanges, other SEC registered ATSs, and other financial technology firms providing market data and data analytics products. There is the possibility that new national securities exchanges, ATSs, Qualified IDQSs, other trading platforms or market data providers could emerge that would further increase competition in our industry. If we fail to retain existing subscribers or add new ones, or if our subscribers decrease their level of engagement with our products, services and platform, our business, operating results, and financial condition may be significantly harmed.

The leading global stock exchanges have highly developed and successful listing products and premium fee structures that can fund substantial advertising, marketing, and sales efforts. There is the possibility that national securities exchanges or competing ATSs, and regulated markets outside of the U.S., could create listing venues, such as specialized venture exchanges, that compete directly with our OTCQX and OTCQB markets. If we fail to compete successfully with existing or new market participants, our business, financial condition, and operating results may be adversely affected. For additional information on the competitive environment in which we operate see *Competition*, above.

Our failure to attract and retain key personnel may adversely affect our ability to conduct our business.

Our success depends, in large part, upon our ability to attract and retain highly qualified personnel, which is and will be dependent on a number of factors, including market conditions, changes in laws or regulations domestically and internationally, and compensation and benefits offered by our competitors. For example, we may not be able to attract or retain personnel due to remote working preferences, competitive compensation and benefits programs, and broader employment trends.

Moreover, there can be no assurance that we will be able to retain our current employees. There is substantial competition for qualified and capable technologists and financial services professionals, which may make it difficult for us to retain qualified employees. We may have to incur costs to retain or replace senior executive officers or other key employees, and our ability to execute our business strategy could be impaired if we are unable to replace such persons in a timely manner. We have entered into Change in Control Agreements with certain senior executive officers, but that may not be sufficient to retain those employees.

We are highly dependent on the continued services of R. Cromwell Coulson, our President and Chief Executive Officer, and other executive officers and key employees who possess extensive knowledge and technology skills. We maintain a “key person” life insurance policy on Mr. Coulson in the amount of $5.0 million, but the loss of the services of Mr. Coulson or other key employees could have a material adverse effect on our business, financial condition, and operating results.

The success of our business depends on our ability to keep up with the significant and rapid technological and other changes that affect our industry.

Our future success will depend on our ability to adapt to changing and emerging technologies, to conform our products and services to evolving industry and regulatory standards, and to improve the performance and reliability of our services. Although our investments in technology are carefully scrutinized for value to the enterprise, there can be no assurance that we will generate an acceptable or any return on such investments. Our business would also be negatively affected by the failure of new products or upgrades to function as expected or at all, or by the failure of new products or upgrades with significant associated cost to generate an appropriate risk adjusted return.

Keeping pace with increasing technological developments, including artificial intelligence and machine learning tools, involves significant use of resources, and we cannot be sure that we will succeed in making these improvements in a timely manner or at all. If we are unable to anticipate and respond to the demand for new services and products, including new asset classes, in a cost-effective way, we may be unable to compete effectively, which could adversely affect our business, financial condition, and operating results.

The adoption of new technologies may impact our business model.

The development of new technology, such as blockchain-based trading systems, machine learning, or artificial intelligence enabled products and services, and technologies supporting new asset classes, such as digital assets and private securities, is expected to continue. Our revenue growth may depend on our ability to innovate in line with new technologies, to introduce new services, and to offer the ability to trade new asset classes, which may not be successful.

We have invested significant amounts in the adoption of new technologies and the enhancement of our platforms, including cloud-based infrastructure for certain of our offerings. Although these investments are carefully planned, there can be no assurance that the demand for such platforms or technologies will justify the related investments.

We may not be successful in executing on our strategies to support our growth organically or through acquisitions, other investments, or strategic alliances.

Our growth is highly dependent on subscriber demand for our core products and services, favorable economic conditions, and our ability to invest in our personnel, facilities, infrastructure, and financial and management systems and controls. Adverse economic conditions could reduce subscriber demand for our products and services, which may place a significant strain on our management and resources and could force us to defer existing or future opportunities. From time to time we launch, and intend in the future to launch, new products and services and continue to explore and pursue other opportunities to strengthen our business and grow our company. We have spent and may continue to spend substantial time and resources developing new product or service offerings or improving current product or service offerings. If these offerings are not successful, we may miss a potential market opportunity and may not be able to recover the costs of such initiatives. For example, our long-term success depends, in part, on our ability to expand our business to subscribers outside the United States. We have sales offices in the U.K. and Singapore, and we may expand these offices or open additional locations. Our business may be susceptible to risks associated with international markets.

As we continue to seek strategic growth opportunities, there can be no assurance that we will be able to identify suitable investments or candidates for acquisition at acceptable prices. There may be integration risks or other risks resulting from acquired businesses.

Our ability to achieve the expected returns from acquisitions and alliances depends on many factors, including our ability to effectively integrate the technology, sales, administrative functions, and personnel into our core business lines and the ability to cross-sell new products and services to our existing customers. We cannot guarantee that businesses we acquire will perform at the levels anticipated. Further, many of the other potential acquirers of assets in our industry have far greater financial resources than we have, and we cannot be sure that we will be able to complete any future transactions on terms favorable to us or at all.

Additionally, past and future acquisitions may subject us to unanticipated risks or liabilities, may require significant resources such as the time and attention of our management team and other key employees, or may otherwise disrupt our existing operations. Growth, such as the addition of new clients, technology, and personnel, puts demands on our resources, including our internal systems and infrastructure. These needs may result in increased costs that could negatively impact our results of operations.

We are subject to reliance on a decreasing number of current and prospective customers as financial institutions are acquired, merge, restructure, and dissolve.

A majority of our OTC Link and Market Data Licensing gross revenues are generated by subscribers that are financial institutions. Over time, the number of financial institutions that operate businesses related to OTC equity securities has declined. If this trend continues, it could cause our subscriber base to contract and could adversely affect our operating results and financial position. Our relationships with our largest distribution partners or a substantial number of our financial institution customers may terminate, not renew, or be renegotiated on terms less favorable to us, resulting in adverse effects on our business.

The OTCQX, OTCQB, and Pink markets are not national securities exchanges, and this may limit the pool of investors for securities traded on those markets.

Some investors may only invest in securities listed on a national securities exchange. Our OTCQX market offers many services comparable to a national securities exchange, however, under current regulations, national securities exchanges have the ability to offer certain advantages to listed securities. For example, securities listed on a national securities exchange are exempt from state Blue Sky laws covering the offer or sale of securities within each state. National securities exchange listing status also confers margin eligibility to certain securities and potentially allows for their inclusion in certain exchange-traded funds and indices, which are not available to OTC-traded securities. Regulatory scrutiny has impacted investors' ability to deposit and clear certain low-priced securities. Restrictions such as these may discourage participation in the OTC market. While we have made significant progress in achieving regulatory recognition for our OTCQX and OTCQB markets, remaining differences between our markets and the national securities exchanges, perceived or actual, may act as a barrier to certain companies electing to have their securities traded on the OTCQX, OTCQB, or Pink markets.

Many OTCQX and OTCQB companies operate in Canada, are concentrated in specific industries in Canada, and may be subject to economic and geopolitical factors in Canada that may cause them to no longer meet the OTCQX Rules or the OTCQB Standards, or choose to withdraw from OTCQX or OTCQB.

A significant number of our OTCQX and OTCQB companies are based in Canada and many of those companies are engaged in the mining and cannabis sectors. A downturn in these sectors, including supply chain issues, labor shortages, or imposition of tariffs or in the general Canadian economy, including inflation, recessions, or interest rate changes, may adversely affect the operating results of those companies, causing them to no longer meet the OTCQX Rules and OTCQB Standards or to choose to withdraw in order to reduce costs. In prior years, downturns in certain industries have adversely affected our OTCQX and OTCQB markets. The voluntary or involuntary withdrawal from OTCQX or OTCQB by these companies could adversely affect our OTCQX and OTCQB brands as well as our financial position and results of operations.

Canada, and certain U.S. states and jurisdictions have passed laws permitting the sale and distribution of cannabis-based products and services, however the U.S. federal government has not passed any such laws. Any regulatory or criminal action brought by the U.S. federal government or any U.S. state, or the repeal of any current cannabis legalization in Canada or any U.S. state, could have an adverse effect on our OTCQX and OTCQB markets and our business, financial condition, and operating results.

Legal and Regulatory Risks

Regulatory changes or scrutiny, including enforcement actions by our regulators, could have a material adverse effect on our business.

The securities markets have faced increasing governmental and public scrutiny and significant regulatory changes over the past several years. It is difficult to predict the exact nature of potential changes in the regulatory environment or to predict the resulting impact on our business. The SEC regulates us directly, and exercises regulatory authority over issuers, broker-dealers, and other participants in our markets. Our ability to comply with applicable rules and regulations depends on, among other things, our ability to establish and maintain appropriate systems and procedures, as well as our ability to attract and retain qualified personnel. Failure to comply with these rules could result in regulatory actions or fines.

We offer certain services that are competitive with the services offered by national securities exchanges (see *Competition*, above). Any regulatory change favorable to national securities exchanges that would encourage or require more companies to list on an exchange may reduce the demand for our OTCQX and OTCQB markets. For example, if Nasdaq or other national securities exchanges are permitted to organize specialized venture exchanges for thinly traded securities or other exchange-based small company markets, companies could seek to list their securities on those markets and broker-dealers could seek to quote on those markets, rather than on our OTCQX and OTCQB markets.

Under Rule 15c2-11, companies with securities traded on our markets must make ongoing disclosure publicly available, among other requirements. These requirements for trading on our markets may reduce the number of securities eligible to be traded on our markets, which may negatively impact our revenue and could cause some broker-dealers to cease quoting on our markets altogether.

If the SEC or other federal, state, or international regulatory agencies impose additional reporting obligations on public companies, there may be a decrease in demand for our OTCQX and OTCQB markets.

The regulatory framework under which we operate, and new regulatory requirements or new interpretations of existing requirements, could require substantial time and resources for compliance, which could make it difficult and costly for us to operate our business.

Our wholly owned subsidiary, OTC Link LLC, is a FINRA member broker-dealer that operates four SEC registered ATSs: OTC Link ATS, OTC Link ECN, OTC Link NQB, and MOON ATS. OTC Link LLC and each of our ATSs are subject to regulation and periodic examinations by the SEC and FINRA. The regulatory status of OTC Link ATS as an SCI Entity under Regulation SCI and as a Qualified IDQS under Rule 15c2-11, increases the amount of regulatory scrutiny to which we are subjected, and the related costs. Regulation SCI requires certain critical market participants, including OTC Link ATS, to maintain comprehensive policies and procedures in relation to their systems and technology. OTC Link ECN, OTC Link NQB, and MOON ATS are subject to FINRA and SEC oversight and may be subject to Regulation SCI at some point in the future. OTC Link LLC and our broker-dealer subscribers are also required to report to the CAT.

As the operator of a Qualified IDQS subject to Rule 15c2-11, OTC Link LLC makes “publicly available determinations” as to whether a security meets the requirements for public quoting under Rule 15c2-11 on an initial and ongoing basis. Our broker-dealer subscribers rely on these determinations to quote securities on our markets. OTC Link LLC and OTC Link ATS could be subject to regulatory examinations, fines, and civil litigation risk related to our "publicly available determinations" made pursuant to Rule 15c2-11 and our decisions to make certain securities available for public quoting on our market. We use data from third parties in making such determinations, and such data may be unavailable or contain errors, which could subject us to regulatory scrutiny or liability.

Crypto currencies and digital assets are the subject of significant regulatory scrutiny. A number of securities related to crypto currencies and digital assets are traded on our markets, which could expose us to additional regulatory scrutiny, including our role in conducting initial reviews under Rule 15c2-11 for such securities.

The ongoing burdens associated with Regulation SCI, CAT, and Rule 15c2-11 compliance could negatively impact our business by increasing our operational expenses and our regulatory risk.

OTC Link LLC is also subject to periodic examinations by the SEC and FINRA, which may result in monetary or other penalties, including possible revocation of its ATS licenses. New regulatory requirements or shifts in regulatory agenda or enforcement practices may also subject us to additional regulatory oversight by FINRA and the SEC, which could further increase our operating costs and the possibility of other penalties and may make the development and introduction of new products and services more costly and time-consuming, possibly limiting or prohibiting such initiatives altogether. Further, the SEC and/or FINRA could impose, and have from time to time imposed, additional transactional or other fees which could increase our operating costs or otherwise negatively impact our business.

OTC Link ATS relies on certain trade reporting exemptions under the FINRA Rules. Limitations to the nature or extent of this exemptive relief, including with respect to our CAT reporting obligations, may have a negative impact on our business.

OTC Link LLC is subject to regulatory requirements intended to ensure its general financial soundness and liquidity, including certain minimum capital requirements. An increase in our minimum capital requirements may increase our operating and compliance costs.

Our compliance and risk management methods, as well as our fulfillment of our regulatory obligations, might not be effective, which could lead and have led to enforcement actions by our regulators.

Regulatory compliance requires substantial time and resources, which make it costlier to operate our OTC Link business. Our ability to comply with complex and changing laws and regulations is largely dependent on our establishing and maintaining compliance and reporting systems that can quickly adapt and respond, as well as our ability to attract and retain qualified compliance and other risk management personnel. While we have policies and procedures to identify, monitor, and manage our risks and regulatory obligations, if these policies and procedures are deemed inadequate, or if we fail, or have failed, to comply with any applicable regulations or specific regulatory requests, regulators have in the past and may in the future take a variety of actions, including imposing fines, issuing cease and desist orders, or prohibiting us from engaging in certain aspects of our businesses, that could impair our ability to conduct our business and have adverse consequences for our business, financial condition, and operating results. In addition, from time to time, we may be required to establish accruals, in consultation with legal counsel, for those matters when a loss contingency is probable and estimable in a given matter.

OTC Link subscribers are highly regulated, and the regulatory framework under which they operate, and new regulatory requirements or new interpretations of existing

requirements, could require substantial time and resources for compliance, which could make it difficult and costly for them to operate.

Our broker-dealer subscribers operate in a highly regulated environment. The SEC, FINRA, or other regulatory authorities could extend the scope of Regulation SCI to include our broker-dealer subscribers or could impose more onerous CAT reporting requirements with respect to OTC equity securities that could adversely affect the ability of our subscribers to use our services or result in reduced demand for our services. Regulatory scrutiny has led clearing firms and other third-party service providers on which certain subscribers rely to develop policies limiting those subscribers' ability to interact with low-priced OTC securities, including restrictions on clearing, depositing, or facilitating customer transactions in such securities. Continued regulatory focus on low-priced securities could adversely affect the ability of our subscribers to use our services, result in reduced demand for our services, or cause certain market participants to cease operating in our markets.

Laws and regulations regarding the handling of personal data and information may affect our services or result in increased costs, legal claims, or fines against us.

In the course of our business, we receive, process, transmit, and store certain personal data and information related to individuals in many different countries. Our treatment of such information is subject to legal and regulatory restrictions, such as those contained in the European Union's General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and the New York Stop Hacks and Improve Electronic Data Security Act (SHIELD Act). Compliance with these increasing and evolving data privacy laws and regulations may require changes to the way we collect, process, and protect personal information, which may cause us to incur additional costs. While we take measures to handle applicable data and information in compliance with these laws, these measures may prove inadequate. Our failure to adequately protect, process, and transmit confidential and personal data may subject us to contractual liability and damages, regulatory actions including fines, loss of business, and harm to our reputation.

We may face liability for content contained in our data products and services.

We may be subject to claims for breach of contract, defamation, libel, copyright or trademark infringement, fraud or negligence or based on other theories of liability, in each case relating to the data, articles, commentary, information or other content we make available on our website and distribute in our Market Data Licensing products. If such data or other content or information that we distribute has errors, is delayed or has design defects, we could be subject to claims of liability, or our reputation could suffer. Use of our products and services as part of trading, compliance, investor relations, and other processes creates a risk that our subscribers or third parties may pursue claims against us. Any such claim, even if the outcome were ultimately favorable to us, could involve a significant commitment of our management, personnel, financial, and other resources. Such claims and lawsuits could have a material adverse effect on our business, financial condition, and operating results and a negative impact on our reputation.

Changes in tax regulations and policies could have a material adverse impact on our financial results.

We are subject to taxes at the federal, state, and local levels, as well as in non-U.S. jurisdictions where we operate. Changes in tax laws, regulations, or policies could result in us having to pay higher taxes, which may reduce our net income, or could adversely affect our ability to continue our capital allocation program or effect strategic transactions in a tax-favorable manner.

In addition, in computing our tax obligation in jurisdictions where we operate, we take various tax positions. We cannot ensure that upon review of these positions, the applicable authorities will agree with our positions. A successful challenge by a tax authority could result in additional taxes, which could have a negative impact on our operating results.

Intellectual Property and Brand Reputation Risks

If we are not able to maintain and further enhance OTC Markets Group's reputation and brand, our ability to expand our business will be impaired and our business and operating results will be harmed.

We believe that our brand identity has significantly contributed to the success of our business. We also believe that maintaining and enhancing our brand as an innovative provider of financial information and technology services is critical to expanding our business, and therefore may require us to make substantial investments and these investments may not be successful. If we fail to promote and maintain our brand, including brands we have acquired, or if we incur excessive expenses in this effort, our business, operating results, and financial condition will be materially and adversely affected.

Our reputation could be harmed by, among other things, issues related to technology-related failures, misconduct or fraudulent activity by current or past employees, companies traded on our OTCQX and OTCQB markets, inaccuracy of the data that we distribute, inaccuracy of our financial statements or other public disclosure, or failure to comply with regulatory requirements or negative public statements by regulators, including further regulatory scrutiny of OTC, low-priced, or thinly traded securities. The occurrence of these events, or the mere perception of a breach of confidence on our part, could have an adverse effect on our business.

Negative publicity related to our business or our management team, including adverse media coverage, social media events, and regulatory actions or findings, or failure to identify potential conflicts of interest, could give rise to reputational risk. Damage to our reputation could harm our business in many ways, including reducing investor demand for OTC securities, causing broker-dealers to discontinue their use of OTC Link products and services, causing companies not to choose to trade their securities on, or to remove their securities from, OTCQX or OTCQB, causing current or potential customers to refrain from purchasing market data and causing regulators to scrutinize or impose additional regulations on our operations. Any of these events could adversely affect our business, financial condition, and operating results.

Our intellectual property rights are valuable and any failure to protect our intellectual property rights, or allegations that we have infringed the intellectual property rights of others, could adversely affect our business, financial condition, and operating results.

Our trademarks, trade secrets, copyrights, pending patents, and all of our other intellectual property rights are important assets. Our intellectual property rights are subject to a combination of trademark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements, and other contractual arrangements with our affiliates, subscribers, vendors, and others. We use certain open source software to run our business and there is a risk that such open source licenses could impose unanticipated conditions or restrictions on our ability to commercialize or continue offering our products and services. We also make certain of our proprietary market data publicly available on our website, making it vulnerable to unauthorized scraping and redistribution.

Failure to protect our intellectual property adequately could harm our reputation and affect our ability to compete effectively. Further, defending our intellectual property rights, or third-party intellectual property claims against us, may require significant financial and other resources, limit our ability to use certain intellectual property, or require us to purchase licenses from third parties.

We vigorously defend our rights to own and license the use of market data. However, any change in existing law that would place in question our intellectual property rights in our commercialized data products would have a material adverse effect on this aspect of our business.

Any infringement by us on intellectual property rights of others could result in litigation and could have a material adverse effect on our operations.

Our competitors, as well as others, have obtained, or may obtain, trademarks, copyright, patents or may otherwise hold intellectual property rights that are related to our technology or the types of products and services we offer or plan to offer. We may not be aware of all intellectual property that may pose a risk of infringement by our products, services, or technologies. In addition, some patent applications in the U.S. are confidential until a patent is issued, and therefore we cannot evaluate the extent to which our products and services may be covered or asserted to be covered in pending patent applications. Thus, we cannot be sure that our products and services do not infringe on the rights of others or that others will not make claims of infringement against us. We may also face liability for third-party content contained in our data products and services.

Claims of infringement are sometimes made in our industry, and even if we believe that such claims are without merit, they can be time-consuming and costly to defend and divert management resources and attention. If one or more of our products, services or technologies were determined to infringe a patent or other intellectual property right held by another party, we may be required to pay damages, stop using, developing, or marketing those products, services, or technologies, obtain a license from the holders of the intellectual property right or redesign those products, services, or technologies to avoid infringing the patent or intellectual property right. If we were required to stop using, developing, or marketing certain products, our business, financial condition, and operating results could be materially harmed. Moreover, if we were unable to obtain required licenses, we may not be able to redesign our products, services, or technologies to avoid infringement, which could materially adversely affect our business, financial condition, and operating results.

Investment Risks

If an active, liquid trading market for our Class A Common Stock does not develop, stockholders may be unable to sell their shares quickly or at all.

Historically, our shares have been thinly traded. Prices of thinly traded securities tend to be more volatile than those traded more actively because even a small number of trades may significantly affect the market price due to a lack of liquidity. Stockholders may not be able to sell their shares quickly or at all, or obtain an expected price, and it may be especially difficult to sell shares during a slow period in the financial markets.

The market price and trading volume of OTC Markets Group's Class A Common Stock may be volatile, and stockholders could lose some or all of their investment.

A variety of market and industry factors may affect the market price of our Class A Common Stock, regardless of our actual operating performance. This market volatility, as well as other factors including, but not limited to, quarterly variations in our financial results, results that fail to meet investor or analyst expectations, departures of key personnel, liquidation by significant stockholders, our inability to continue to pay quarterly dividends or year-end special dividends, changes to the regulatory environment in which we operate or regulatory actions against us, developments in the competitive landscape, technology failures or changes in the macroeconomic environment more generally, could adversely affect the market price of our Class A Common Stock.

Decisions to declare future dividends on our Class A Common Stock or repurchase Class A Common Stock will be at the discretion of our Board of Directors based upon a review of relevant considerations. Accordingly, there can be no guarantee that we will pay future dividends or repurchase our Class A Common Stock.

The declaration of dividends by OTC Markets Group is subject to the discretion of our Board of Directors. Our Board of Directors will consider such matters as general business conditions, our financial results, capital requirements, contractual, legal, and regulatory restrictions on the payment of dividends and such other factors as our Board of Directors may deem relevant. Based on an evaluation of these factors, the Board of Directors may determine not to declare future dividends at all or to declare future dividends at a reduced amount. Similarly, our decision to repurchase shares is subject to the discretion of our Board of Directors and there can be no assurances that we will repurchase shares in the future. The decision to engage in repurchases may impact the market price and liquidity of our Class A Common Stock. Accordingly, there can be no assurance that we will pay future dividends to our stockholders or conduct share repurchases.

Our financial results could be adversely affected as a result of acquisitions, which in turn may adversely affect the market value of our Class A Common Stock.

Our financial results could be adversely affected by the amount of additional amortization or depreciation expense incurred over the useful economic life of assets acquired and by the amount of any additional costs from integrating or restructuring the operations of any businesses acquired. Our goodwill and other intangible assets resulting from our acquisitions could be impaired as a result of a number of factors, including changes in fair market valuations and our operating performance; our failure to achieve anticipated operating efficiencies associated with acquisitions; or changes in business conditions, in general. We may be required to record write-downs of goodwill or intangible assets that would reduce our operating income. We evaluate the carrying amounts of both goodwill and indefinite-lived intangible assets annually, and more frequently, whenever events or changes in circumstances indicate that the carrying amount may be impaired. These impairment tests are based on several factors requiring management's judgment. Any adverse effect on our financial results as a result of our acquisitions could, in turn, adversely affect the market price of our Class A Common Stock.

Our President and Chief Executive Officer holds approximately 27% of our issued and outstanding Class A Common Stock.

As of December 31, 2024, our President and Chief Executive Officer, R. Cromwell Coulson, owned approximately 27% of the voting power of our outstanding Class A Common Stock. This gives Mr. Coulson significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of the Company or our assets, and he will have such influence for the foreseeable future. This concentrated control may limit the ability of other stockholders to influence corporate matters, and as a result we may take actions that our other stockholders do not view as beneficial. Consequently, the market price of our Class A Common Stock could be adversely affected.

Certain provisions in our Amended and Restated Certificate of Incorporation and by-laws, agreements with management, and provisions of Delaware law could delay or prevent a change in control of the Company and entrench current management.

Our organizational documents contain provisions that may be deemed to have an anti-takeover effect and may delay, deter, or prevent a change of control, such as a takeover proposal that might result in a premium over the market price for our Class A Common Stock. Additionally, certain of these provisions make it more difficult to bring about a change in the composition of our Board of Directors, which could result in entrenchment of current management.

Our Amended and Restated Certificate of Incorporation and by-laws:

- authorize our Board of Directors to elect directors to fill a vacancy created by the expansion of the Board of Directors or the resignation, death, or removal of a director, which prevents stockholders from being able to fill vacancies on our Board of Directors;
- require supermajority stockholder approval to remove directors;
- do not permit stockholders to act by written consent or to call special meetings; and
- authorize the Board of Directors, in the event of a tender or other offer for our shares, to advise stockholders not to accept the offer, and to obtain a more favorable offer from another individual or entity.

Our Amended and Restated Certificate of Incorporation elects the application of DGCL Section 203, under which a corporation may not engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the Board of Directors has approved the transaction. Accordingly, our Board of Directors could rely on Delaware law to prevent or delay an acquisition of the Company (see *Share Structure*, above).

We have entered into Change in Control agreements with certain senior executive officers, which may have the effect of discouraging potential acquirers of our business or reduce the price they are willing to pay common stockholders in connection with an acquisition.

2025 Outlook

*This section is comprised primarily of forward-looking statements (*see *Cautionary Note Regarding Forward-Looking Statements, above).*

During 2025, the Company expects to focus on the following strategic priorities:

(1) **One team, one platform driving results to build the value of one share** – continue to integrate our teams and consolidate our technology platforms to drive operational efficiencies, client value, and revenue growth;

(2) **Increase the number of securities on our markets: Overnight** – continue to grow the size of our markets by adding securities, new asset classes, and trading functionality for our broker-dealer subscribers, and expand market accessibility, transparency, and data coverage for investors around the globe;

(3) **Transform the client connection and improve the quality of information: OTCID Market** – increase issuer engagement to improve data availability and market quality;

(4) **Mitigate operational risk and strengthen regulatory compliance:** invest in our core trading infrastructure, operational processes, and risk management systems to strengthen our resilience and improve our regulatory procedures to enhance their reliability and compliance with securities laws and regulations; and

(5) **Increase users and usage to grow revenue across product lines and align resources with long-term value creation:** continue to deliver long-term, meaningful shareholder value.

During 2025, we will continue to optimize our platforms and cloud infrastructure to remove complexity and improve efficiency, further integrate our trove of data into our extensive Market Data Licensing offerings to increase client value, and invest in the development of our product suite to drive revenue growth. We plan to devote development, marketing, and sales efforts with a view towards growing users and usage of our products. In connection with these efforts, we will continue to incur various operational costs during 2025, which could be material to our financial results.

In 2025, we intend to further our efforts to grow the size of our markets by adding issuers and securities, new asset classes, and trading platform functionality.

In our OTC Link business, during 2025, we expect to focus on driving subscriber connectivity to and usage of our MOON ATS and OTC Overnight trading functionality. Further, we plan to continue investing in our core trading infrastructure to build out solutions and tools that increase the value of our ATSs, attract additional subscribers, and generate more order flow. As we strive to increase OTC Link's market share, we may choose to compete on pricing. We also expect to further our efforts to increase connectivity and monetize the market data for OTC Link NQB, OTC Overnight, and MOON ATS and to grow the number of subscribers to our entire suite of Market Data Licensing products. We plan to devote marketing and sales resources to add subscribers to our data and compliance solutions, including fixed income 15c2-11 data product, Blue Sky and EDGAR Online offerings, and our Canari compliance tool.

In our Corporate Services business, we plan to focus on driving greater issuer engagement for improved market quality, price efficiency, and trading volumes. These initiatives include growing the number of issuers on our premium market tiers, OTCQX and OTCQB, and the launch of the OTCID Basic Reporting Market in July 2025. OTCID will differentiate engaged, transparent, and compliant companies that actively provide ongoing disclosure and demonstrate compliance with securities laws using our DNS product and disclosure tools but cannot qualify for OTCQX or OTCQB. Issuers that do not provide updated information, ongoing reporting, and the required management certifications will see their securities transition to the Pink Limited Market or the Expert Market.

We plan to intensify our sales efforts across our regions, and in particular, focus on growing the number of international issuers on our premium markets, as well as the number of companies meeting the new market eligibility standards for the OTCID market. Our Corporate Services business added 83 issuers to our OTCQX market and 190 issuers to our OTCQB market during 2024, including 47 international issuers on OTCQX and 121 international issuers on OTCQB. We plan to devote marketing, PR, and sales resources to further support our domestic and international business development initiatives, and drive engagement from investor-focused companies that take ownership of their symbols and strive to access a wider range of brokers and investors. Additionally, we plan to continue to build on our status as a Qualified IDQS under Rule 15c2-11 and further streamline the onboarding of securities onto our markets and ease the process of being public for issuers.

Among our key initiatives for 2025 is an ongoing effort to improve the customer experience through enhanced interfaces and applications and enriched data. We plan to continue investing time and resources into streamlining the initial onboarding and ongoing interactions with our Corporate Services customers, consolidating various processes and systems, and enhancing the informational content and usefulness of data delivered to our subscribers.

During 2025, we will continue to invest in our platform, infrastructure, and people in order to further enhance our role as a regulated market operator, mitigate operational risks, and ensure we have reliable, resilient, and compliant processes and systems. We expect that ongoing investments with respect to our regulatory processes and procedures and compliance with laws and regulations, including compliance with Regulation SCI and CAT reporting obligations, will be material to our financial results (see *Regulation,* above). We also intend to continue our efforts to gain additional regulatory recognition for our OTCQX and OTCQB markets under state and federal laws and regulations.

We remain focused on our organic growth initiatives, including growing users and usage of our products and retaining our existing subscribers, developing and enhancing our products, increasing the visible client value of our offerings, and aligning our resources with long-term, per share, value creation. We also expect to continue exploring strategic capital allocation opportunities, including targeted acquisitions and other transactions, with a view to expanding our technology-enabled product suite and providing additional utility and value to our customers.

It is not yet possible to predict how successful we will be with our initiatives across our business lines or with our regulatory efforts, or the impact each of these will have on our financial results.

PART D. Management Structure and Financial Information

The Name of the Chief Executive Officer, Members of the Board of Directors, as well as Control Persons

A. Officers and Directors

R. Cromwell Coulson, President and Chief Executive Officer; Director

R. Cromwell Coulson has been President, CEO, and a Director of OTC Markets Group since 1997. Mr. Coulson is responsible for the Company's overall growth and strategic direction and has led the transformation of the Company into an operator of regulated financial markets for U.S. and global companies. Prior to OTC Markets Group, he was a trader and portfolio manager at Carr Securities Corporation, an institutional broker-dealer and market maker. He received his BBA from Southern Methodist University in 1989 and holds an OPM from Harvard Business School. Mr. Coulson is 58 years of age.

Matthew Fuchs, Executive Vice President, Market Data Licensing

Matthew Fuchs leads the product development, distribution, and sales of market data at OTC Markets Group. He is responsible for overseeing the launch of new products and enhancements to existing market data tools that help financial institutions and other subscribers more efficiently trade and analyze a broad array of securities. Prior to joining OTC Markets Group, he served in a number of financial technology roles at the National Research Exchange, Bearing Point, and Arthur Andersen. Mr. Fuchs received a BA from Columbia University. Mr. Fuchs is 49 years of age.

Antonia Georgieva, Chief Financial Officer

Antonia Georgieva joined OTC Markets Group in January 2021 as Chief Financial Officer. Ms. Georgieva has more than 17 years of M&A and capital markets experience in fintech and financial services. Prior to joining OTC Markets Group, Ms. Georgieva was a Partner at Drake Star Partners, a global investment banking firm. Previously, Ms. Georgieva was a Managing Director at BMO Capital Markets Corp. Ms. Georgieva holds a bachelor's degree in Finance from the University of National and World Economy in Bulgaria and received her MBA from The Wharton School at the University of Pennsylvania. She holds FINRA Series 7, Series 27, and Series 63 licenses. Ms. Georgieva is 50 years of age.

Lisabeth Heese, Executive Vice President, Issuer Services

Lisabeth (Liz) Heese joined OTC Markets Group in 2004 as the Director of Issuer and Information Services. Since then, she has built a team responsible for analyzing disclosure and market activity for over 12,000 securities; development, sales, and support of company-related products and services; and monitoring company compliance with OTC Markets Group's policies and procedures. Prior to joining OTC Markets Group, Ms. Heese spent 11 years at Nasdaq, serving as a Product Manager in the Trading and Market Services Division for over-the-counter securities. Ms. Heese received a BA from American University. Ms. Heese is 55 years of age.

Michael Modeski, President, OTC Link LLC

Michael Modeski joined OTC Markets Group in 2011. Mr. Modeski has over 20 years of experience in the financial markets, with a focus on the OTC markets. Previously, Mr. Modeski served as the Director of Broker-Dealer Execution Services and Sales at Citigroup and the Director of Execution Services at Lava Technology, a division of Citigroup. Before working at Citigroup, he was the Director of OTC Equities at FINRA, and held several management positions at Pershing. Mr. Modeski was President of the Security Traders Association of New York (STANY) from 2016 to 2017. He received a BS in Finance from Lehigh University. He holds various FINRA securities licenses, including the Series 24. Mr. Modeski is 53 years of age.

Bruce Ostrover, Chief Technology Officer

Bruce Ostrover joined OTC Markets Group in 2017 as Chief Technology Officer. Mr. Ostrover has over thirty years of experience in the financial services industry with a focus on software development and project management. Prior to joining OTC Markets Group, he served as Managing Director at Convergex Group, overseeing strategic project and product development. Before joining Convergex, he was a founding partner in a consulting firm that provided front, middle, and back-office solutions for the financial industry which was acquired by Convergex. Mr. Ostrover has held senior management and professional roles in software development, IT operations, and systems administration with industry leaders in the financial services space including Brown Brothers Harriman, Dreyfus Corporation, and Swiss Bank Corporation Investment Banking. He received a BS in Mathematics and Computer Science from Binghamton University. Mr. Ostrover is 62 years of age.

Jason Paltrowitz, Director, OTC Markets Group International Ltd; Executive Vice President, Corporate Services

In his dual role, as Director, OTC Markets Group International Ltd and EVP, Corporate Services, Jason Paltrowitz manages the Company's international and domestic Corporate Services business. Prior to joining OTC Markets Group in October 2013, he was Managing Director and Segment Head at JPMorgan Chase responsible for the custody, clearing and collateral management business in the Corporate and Investment Bank division. Mr. Paltrowitz also held multiple senior management positions at BNY Mellon, most notably, as Head of M&A for the Financial Markets and Treasury Services Sector and 11 years as the Head of the Global Capital Markets Group in the Depositary Receipt Division. He served as a member of the Board of Directors at OTC Markets Group from 2008 to 2011. He received his bachelor's degree in International Relations from Boston University and his MBA from the NYU Stern School of Business. Mr. Paltrowitz is 52 years of age.

Daniel Zinn, General Counsel & Chief of Staff

Daniel (Dan) Zinn is General Counsel, Chief of Staff, and Corporate Secretary of OTC Markets Group. He leads the Company's regulatory and policy making efforts and is a frequent speaker on over-the-counter equity markets. As Chief of Staff, Mr. Zinn also oversees the Company's Human Resources and Administrative functions. Prior to joining OTC Markets Group in 2010, he served as outside counsel to OTC Markets Group beginning in 2007, as a partner at The Nelson Law Firm LLC, and previously worked in the corporate office of AIG. Mr. Zinn earned his JD from the Benjamin N. Cardozo School of Law, where he served as Associate Editor of the Cardozo Law Review. He received his BS from Pennsylvania State University and is a member of the American Bar Association. In 2024, Mr. Zinn was named a Notable General Counsel by Crain's New York, and currently sits on the FINRA Market Regulation Committee. Mr. Zinn is 47 years of age.

Gary Baddeley, Director

Gary Baddeley holds an executive position with Ginjan Bros, Inc., a food and soft beverage business. Previously, Mr. Baddeley was CEO of TDC Entertainment, an independent film and video producer and distributor, and served for two years as Vice President and General Manager of Robbins Entertainment. From 1990 to 1996, Mr. Baddeley was an attorney at Phillips Nizer LLP in New York City, specializing in representation of clients in the music and television industries. Mr. Baddeley received his JD from New York University School of Law and a BS from Kingston University. Mr. Baddeley is 59 years of age.

Louisa Serene Schneider, Director

Louisa Serene Schneider currently serves as founder and CEO of Rowan Inc., a consumer products and services company operating approximately 50 locations across 22 states. Ms. Serene Schneider oversees all aspects of the business including operations, capital raising, and financial reporting and accounting matters at Rowan. Ms. Serene Schneider served as the Chief Administrative Officer and Head of Investor Relations at Alder Hill Management LP from 2015 through 2017. Prior to Alder Hill, Ms. Serene Schneider was the Senior Director for the Heilbrunn Center for Graham & Dodd Investing at Columbia Business School, responsible for all operational aspects of the school's value investing activities including maintaining and developing new programs and initiatives surrounding the Graham & Dodd tradition at Columbia. She also served as an Industry Advisor to the Heilbrunn Center and taught a Columbia Executive Education course on Value Investing from 2010 through 2019. Prior to her work at Columbia, from 2000 to 2008, Ms. Serene Schneider was employed by Morgan Stanley and JPMorgan in several departments, including Mergers & Acquisitions, Fixed Income Research, and Trading. Ms. Serene Schneider received a BS from Dartmouth College in Political Science and French and an MBA in Finance and Entrepreneurship from Columbia Business School. She also serves on the board of NextGenFace, a non-profit organization led by some of New York City's leading physicians. Ms. Serene Schneider is 48 years of age.

Julia Sears, Director

Julia Sears has been a digital leader throughout her two decades of experience in the technology industry. Today, as the Chief Digital Officer at Altus Power, she is responsible for the company's digital products, AI, tech investments and transformation supporting energy growth. Ms. Sears spent 15 years of her career at the Nasdaq Stock Market creating industry-first products from trading platforms, global market data products, issuer and market participant solutions with Apple, Amazon, Google, Microsoft, and others resulting in multiple patents that are still in use today across the globe. After Nasdaq, Ms. Sears was the Head of B2B technology products for TIAA for seven years managing software that managed and invested billions of dollars. Ms. Sears attended the University of Massachusetts where she later held a multi-year board seat with the Social and Behavioral Sciences division. An award-winning digital thought leader, she is a frequent speaker at technology conferences. Ms. Sears is 47 years of age.

Andrew Wimpfheimer, Director

Andrew Wimpfheimer has been a private investor since 2005. Mr. Wimpfheimer served as Director of AM Capital LLC from 2002 to 2005. From 1995 to 2001, Mr. Wimpfheimer was Managing Director responsible for OTC-Non-Nasdaq Trading at Knight Securities, L.P. From 1988 to 1995 he was an equity trader for Troster Singer Inc., a division of Spear, Leeds & Kellogg, Inc. From 1985 to 1988, Mr. Wimpfheimer was employed by Spear, Leeds & Kellogg Inc., where his duties included work on the NYSE, AMEX, Futures Market and Arbitrage Department, as well as general back-office work. From 1980 to 1985, Mr. Wimpfheimer was a New York Stock Exchange floor clerk, trading desk employee, and back-office trainee for Herzfeld & Stern LLP. Mr. Wimpfheimer received his BA from Macalester College in St. Paul, Minnesota. Mr. Wimpfheimer is 68 years of age.

Neal Wolkoff, Chairman of the Board of Directors

Neal Wolkoff is the Chairman of OTC Markets Group's Board of Directors. Mr. Wolkoff is a former executive of three exchanges. He is also a consultant and attorney focusing on futures and securities markets, exchanges, market regulation, operations, and clearinghouses. From 2008 to February 2012, Mr. Wolkoff was the Chief Executive Officer of ELX Futures, L.P. From 2005 to 2008, he served as Chairman and Chief Executive Officer of the American Stock Exchange (AMEX). Prior to the AMEX, Mr. Wolkoff was an executive officer at the New York Mercantile Exchange (NYMEX) from 1981 to 2003, over time serving as Acting President, Chief Operating Officer, and Senior Vice President for Regulation and Clearing. From 1980 to 1981, Mr. Wolkoff was employed as an Honors Program Trial Attorney in the Division of Enforcement of the Commodity Futures Trading Commission. From 2013 to December 2022, Mr. Wolkoff served as a non-executive director of World Gold Trust Services, the sponsor of the Exchange Traded Fund "GLD," and from 2017 to December 2022, he served as a non-executive director of WGC USA Asset Management Company, LLC, the sponsor of the Exchange Traded Fund "GLDM." Mr. Wolkoff received a BA from Columbia University and a JD from Boston University School of Law and is a member of the Bar of the State of New York. Mr. Wolkoff is 68 years of age.

Board Memberships and Other Affiliations

Mr. Baddeley is an officer and director of a New York cooperative corporation and Downtown United Soccer Club, Inc., a New York not-for-profit corporation.

Mr. Coulson is an officer of a small New York cooperative corporation.

Compensation of Officers and Directors

Beneficial share ownership of Officers and Directors as of March 1, 2025:

Name and Business Address*	Position	Shares Beneficially Owned**		Options Outstanding	Vested Options Outstanding	Note
R. Cromwell Coulson	President, Chief Executive Officer, and Director	3,260,800	Class A	-	-	(1)
Matthew Fuchs	Executive Vice President, Market Data Licensing	104,360	Class A	-	-	
Antonia Georgieva	Chief Financial Officer	26,260	Class A	6,100	-	(2)
Lisabeth Heese	Executive Vice President, Issuer Services	67,245	Class A	-	-	
Michael Modeski	President, OTC Link LLC	131,881	Class A	-	-	
Bruce Ostrover	Chief Technology Officer	22,624	Class A	-	-	
Jason Paltrowitz	Executive Vice President, Corporate Services	32,513	Class A	-	-	
Dan Zinn	General Counsel & Chief of Staff	76,088	Class A	-	-	
Gary Baddeley	Director and Audit Committee Member	146,722	Class A	-	-	
Louisa Serene Schneider	Director and Audit Committee Member	34,012	Class A	-	-	
Julia Sears	Director	1,315	Class A	-	-	
Andrew Wimpfheimer	Director and Audit Committee Chairman	226,834	Class A	-	-	(3)
Neal Wolkoff	Director and Chairman of the Board	34,012	Class A	-	-	
Officers and Directors as a Group		4,164,666	Class A	6,100	-	

* All officers and directors may be contacted at OTC Markets Group's address.

** Beneficial share ownership includes vested options, options scheduled to vest within 60 days of March 1, 2025, and stock owned subject to an RS Agreement.

(1) Includes 370,000 Class A shares held by Mr. Coulson's wife and 24,800 total Class A shares held equally by two trusts for the benefit of Mr. Coulson's children. Mr. Coulson disclaims beneficial ownership of these securities, and this Annual Report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose. Mr. Coulson's wife and children are beneficiaries of the Cromwell Coulson Family 2012 DE Trust, which owns 884,000 Class A shares of the Company. These shares are not included in the number of shares Mr. Coulson beneficially owns, and Mr. Coulson disclaims beneficial ownership of these securities. This Annual Report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose. Mr. Coulson has a power of attorney with respect to 17,565 Class A shares held by his mother. These shares are not included in the number of shares Mr. Coulson beneficially owns, and Mr. Coulson disclaims beneficial ownership of these securities. This Annual Report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose.

(2) Ms. Georgieva's outstanding options consist of 6,100 awarded in January 2021, at an exercise price of $33.99, none of which are vested.

(3) Includes 221,498 Class A shares held by the Melinda Wimpfheimer 2012 Irrevocable Trust, of which Mr. Wimpfheimer is a beneficiary.

OFFICERS

The following table sets forth the aggregate compensation paid by OTC Markets Group for services rendered by its Officers during the periods indicated:

Name and Position	Year Ended	Salary	Cash Bonus	Restricted Stock Awards(1)(2)	Option Awards	Restricted Stock Dollar Value	Option Dollar Value
R. Cromwell Coulson President, Chief Executive Officer, and Director	2024	$ 593,500	$ 140,000	-		$ -	
	2023	$ 593,500	$ 140,000	-		$ -	
Matthew Fuchs Executive Vice President, Market Data Licensing	2024	$ 338,400	$ 300,000	5,675		$ 299,966	
	2023	$ 328,500	$ 300,000	5,211		$ 299,945	
Antonia Georgieva Chief Financial Officer	2024	$ 339,800	$ 323,000	4,888		$ 258,367	
	2023	$ 329,900	$ 323,000	4,489		$ 258,387	
Lisabeth Heese Executive Vice President, Issuer Services	2024	$ 332,700	$ 250,800	3,795		$ 200,594	
	2023	$ 323,000	$ 250,800	3,485		$ 200,597	
Michael Modeski President, OTC Link LLC	2024	$ 511,800	$ 391,000	5,675		$ 299,966	
	2023	$ 496,900	$ 366,000	5,211		$ 299,945	
Bruce Ostrover Chief Technology Officer	2024	$ 300,000	$ 212,800	3,219		$ 170,148	
	2023	$ 289,600	$ 212,800	2,956		$ 170,147	
Jason Paltrowitz Executive Vice President, Corporate Services	2024	$ 391,900	$ 360,000	5,108		$ 269,996	
	2023	$ 380,500	$ 360,000	5,211		$ 299,945	
Dan Zinn General Counsel & Chief of Staff	2024	$ 390,700	$ 365,000	5,524		$ 291,985	
	2023	$ 379,300	$ 365,000	5,072		$ 291,944	

(1) All restricted stock awards are Class A Common Stock. The 2024 and 2023 restricted stock awards consisted of shares of unvested stock, which vest equally over five years.

(2) The fair market value of the Class A Common Stock was $52.8575 at grant date for shares awarded related to the year 2024, and $57.56 at grant date for shares awarded related to the year 2023.

DIRECTORS

Our Board of Directors consisted of five independent directors and one employee director during 2024 and four independent directors and one employee director during 2023.

The compensation paid to the Board of Directors is composed of cash and awards of restricted Class A Common Stock that vests in equal quarterly installments over the 12 months immediately subsequent to the date of grant. Cash fees include a base fee of $40,000 per year for serving on the Board and the share award is valued at approximately $45,000. Additional annual fees are paid to members of the Board that sit on committees or serve as the chair: $7,500 to members of the Audit Committee; $15,000 to the chairman of the Audit Committee; and $40,000 to the chairman of the Board.

The Board of Directors held six meetings of the Board and four meetings of the Audit Committee in 2024 and seven meetings of the Board and five Audit Committee meetings in 2023.

Additional information about the Board of Directors can be found in the Company's Proxy Statements.

The following table sets forth the aggregate compensation paid by OTC Markets Group for services rendered by its independent directors during the periods indicated:

Name	Year Ended	Director's Fees	Share Awards	Share Value[1]
Gary Baddeley Audit Committee Member	2024	$ 47,527	918	$ 44,973
	2023	$ 47,532	770	$ 44,968
Louisa Serene Schneider Audit Committee Member	2024	$ 47,527	918	$ 44,973
	2023	$ 47,532	770	$ 44,968
Julia Sears	2024	$ 40,027	1,315	$ 67,443
	2023	$ -	-	$ -
Andrew Wimpfheimer Chairman of the Audit Committee	2024	$ 55,027	918	$ 44,973
	2023	$ 55,032	770	$ 44,968
Neal Wolkoff Chairman of the Board of Directors	2024	$ 80,027	918	$ 44,973
	2023	$ 80,032	770	$ 44,968

(1) The fair market value of the Class A Common Stock was $48.99 per share for the 2024 share award and $58.40 per share for the 2023 share award. Upon joining the Board of Directors on March 4, 2024, Julia Sears was awarded an additional 397 shares of Class A Common Stock at a fair market value of $56.60.

B. Legal/Disciplinary History

None of the officers, directors, promoters, or control persons of OTC Markets Group has, in the past five years, been the subject of any of the following:

- A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
- Any bankruptcy petition filed by or against any business of which such person was a general partner, or executive officer either at the time of the bankruptcy or within two years prior to that time;
- The entry of an order, judgment or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended, or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
- A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

- The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

C. Disclosure of Family Relationships

None.

D. Disclosure of Related Party Transactions

None.

E. Disclosure of Conflicts of Interest

None.

Other Control Persons

As of December 31, 2024, the following shareholders beneficially owned 5% or more of OTC Markets Group's Class A Common Stock:

Name and Address of Shareholder	Membership Class	Shares Beneficially Owned	Ownership Percentage of Class Outstanding	Note
R. Cromwell Coulson 300 Vesey, 12th Floor, New York, NY 10282	Class A	3,260,800	27.2%	(1)
Cromwell Coulson Family 2012 DE Trust	Class A	884,000	7.4%	

(1) Includes 370,000 Class A shares held by Mr. Coulson's wife and 24,800 total Class A shares held equally by two trusts for the benefit of Mr. Coulson's children. Mr. Coulson disclaims beneficial ownership of these securities, and this Annual Report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose. Mr. Coulson's wife and children are beneficiaries of the Cromwell Coulson Family 2012 DE Trust, which owns 884,000 Class A shares of the Company. These shares are not included in the number of shares Mr. Coulson beneficially owns, and Mr. Coulson disclaims beneficial ownership of these securities. This Annual Report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose. Mr. Coulson has a power of attorney with respect to 17,565 Class A shares held by his mother. These shares are not included in the number of shares Mr. Coulson beneficially owns, and Mr. Coulson disclaims beneficial ownership of these securities. This Annual Report shall not be deemed an admission that Mr. Coulson is the beneficial owner of these securities for any purpose.

OTC Markets Group is not aware of any additional beneficial stockholders owning 5% or more of our Class A Common Stock. It is possible that there are one or more additional beneficial holders of a significant percentage of our Class A Common Stock, however the federal securities laws do not require a beneficial stockholder of 5% or more of our Class A Common Stock to disclose that information publicly or to the Company. The table above is based on the best information available to the Company.

The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure

1. Investment Banker: None
2. Promoters: None

3.	Securities Disclosure Counsel:	The Nelson Law Firm, LLC 525 Edgewood Avenue, New Haven, CT 06511 Tel: (914) 220-1910 www.thenelsonlawfirm.com Email: sjnelson@nelsonlf.com
4.	Auditor:	Deloitte & Touche LLP 30 Rockefeller Plaza New York, NY 10112 Tel: (212) 492-4000 Fax: (212) 489-1687 www.deloitte.com

Preparation of OTC Markets Group's consolidated financial statements is the responsibility of OTC Markets Group management. Deloitte & Touche LLP is responsible for expressing an opinion on the consolidated financial statements for the year ended December 31, 2024, based on their audit. During 2024 and 2023, we incurred audit fees from Deloitte & Touche LLP of $406 thousand and $333 thousand, respectively, related to the audits of the financial statements of OTC Markets Group Inc. and OTC Link LLC. During 2024 and 2023, we did not incur any other audit-related or other fees from Deloitte & Touche LLP.

Deloitte & Touche LLP has confirmed to us that the firm is licensed to practice public accounting in the states in which we conduct our business. Deloitte & Touche LLP is registered with the PCAOB.

5.	Public Relations Consultant:	FTI Consulting 555 12th Street NW, Suite 700 Washington, D.C. 20004 Tel: (202) 312-9100 www.fticonsulting.com
6.	Investor Relations Consultant:	None
7.	Corporate Secretary:	Daniel Zinn, General Counsel & Chief of Staff
8.	Any Other Advisor:	None

Selected Financial Data

The selected financial data set forth below should be read in conjunction with our consolidated financial statements, the notes to consolidated financial statements, and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," included in this Annual Report.

The statement of income data for the years ended December 31, 2024, 2023, 2022, 2021 and 2020 as well as the balance sheet data as of December 31, 2024, 2023, 2022, 2021 and 2020 are derived from our audited consolidated financial statements.

	Year Ended December 31,				
(in thousands, except per share data)	2024	2023	2022	2021	2020
OTC Link	$ 22,409	$ 19,599	$ 20,937	$ 29,665	$ 15,890
Market data licensing	43,626	43,368	36,407	33,751	28,133
Corporate services	45,029	46,928	47,805	39,516	27,206
Gross revenues	111,064	109,895	105,149	102,932	71,229
Net revenues	107,882	106,658	102,048	99,911	68,419
Revenues less transaction-based expenses	101,233	101,134	96,201	90,638	65,397
Total operating expenses	69,021	68,540	59,380	52,622	43,963
Income from operations	32,212	32,594	36,821	38,016	21,434
Net income	$ 27,360	$ 27,661	$ 30,814	$ 30,476	$ 18,274
Earnings per share					
Basic	$ 2.29	$ 2.32	$ 2.60	$ 2.59	$ 1.56
Diluted	$ 2.26	$ 2.28	$ 2.53	$ 2.52	$ 1.53
Weighted-average shares outstanding					
Basic	11,721,215	11,658,694	11,600,122	11,506,294	11,402,703
Diluted	11,840,819	11,863,180	11,887,868	11,811,320	11,630,685

	December 31,				
(in thousands)	2024	2023	2022	2021	2020
Cash and cash equivalents	$ 34,522	$ 34,101	$ 37,368	$ 50,394	$ 33,733
Working capital	5,875	2,967	2,533	18,187	12,108
Total long-term liabilities	11,287	12,673	13,966	15,537	15,267
Total stockholders' equity	$ 35,717	$ 32,227	$ 29,804	$ 24,954	$ 19,546

Management's Discussion and Analysis of Financial Condition and Results of Operations

Trends in Our Business

The 2025 *Outlook* section, above, outlines our key areas of focus for 2025. Information related to trends in these areas, and other trends we saw during 2024, are discussed below.

The economic environment in which we operated during 2024, was characterized by modest global economic growth and persistent, albeit moderating, inflation, still elevated interest rates, changes in trading volumes and trading behavior, and continuing geopolitical developments. The scope and extent of the potential impact of these macro trends on our business in the future depend on several factors that are highly uncertain and cannot be predicted. These factors adversely affected certain business drivers and operating metrics, particularly, our Corporate Services subscribers, as discussed below. Our overall gross revenues for the year ended December 31, 2024, increased slightly. A meaningful increase in OTC Link revenues and a slight increase in Market Data Licensing revenues were largely offset by a decline in Corporate Services revenues. Additional information regarding the potential risks impacting our business is included in *Risk Factors*, above.

OTC Link benefited from increased trading activity on our markets during 2024 compared to 2023, while Market Data Licensing experienced growth in direct sold licenses and data and compliance solutions, largely offset by a decline in redistributor-based revenues. Our Corporate Services business saw a lower average and period-end number of companies subscribing to our premium OTCQX and OTCQB markets and DNS product in 2024 compared to the prior year (see *Financial Results*, below).

For the year ended December 31, 2024, 83% of our gross revenues were derived from subscription-based arrangements that are recurring in nature and 17% were transaction-based revenues, compared to 85% and 15%, respectively, for the prior year. The subscription-based component of our revenues decreased 1%, while the transaction-based component increased 12% as a result of the increased trading activity on OTC Link, compared to the year ended December 31, 2023.

OTC Link

Our OTC Link business executed a higher volume of trades on OTC Link ECN and OTC Link NQB, but saw a lower number of trade messages on OTC Link ATS during the year ended December 31, 2024, compared to the prior year. The total dollar volume traded in OTCQX, OTCQB, and Pink securities increased by 27% from $386 billion in the prior year to $492 billion in the year ended December 31, 2024. The total number of securities quoted by broker-dealers on OTC Link ATS increased to 12,404 securities as of December 31, 2024, compared to 12,345 securities as of December 31, 2023.

We executed an average of approximately 38,000 transactions per day on OTC Link ECN and OTC Link NQB during 2024, compared to an average of approximately 32,000 transactions per day during the prior year. As a result, gross revenues from OTC Link ECN and OTC Link NQB increased 21%, compared to the prior year.

OTC Link ECN and OTC Link NQB generated $10.7 million in transaction-based revenues during the year ended December 31, 2024, and paid $6.6 million in transaction-based expenses in the form of rebates for posted liquidity and pass-through regulatory fees, compared to $8.9 million in transaction-based revenues and $5.5 million in transaction-based expenses in the prior year. The transaction-based revenues and transaction-based expenses that OTC Link generates, as well as OTC Link's regulatory and clearing costs, which are included in professional and consulting fees, are positively correlated with the volume of trading activity on our markets. However, future trading volumes are highly uncertain and cannot be predicted. OTC Link's regulatory costs in 2023 were impacted by a one-time accrual of approximately $1.2 million related to the SEC matter (see *Legal Proceedings*, above).

The number of unique subscribers to OTC Link's trading platforms was 141 as of December 31, 2024, up from 136 as of the prior year end. The number of broker-dealer subscribers to OTC Link ECN was 114 as of December 31, 2024, compared to 108 subscribers as of the prior year end. OTC Link ATS had 82 subscribers as of December 31, 2024, compared to 86 subscribers as of the prior year end.

Effective January 1, 2024, we increased certain OTC Link fees.

Market Data Licensing

In our Market Data Licensing business, during 2024, we saw significant variability in the number of users subscribing to our market data products through redistributors. The number of professional users as of December 31, 2024 was 27,558, 3% lower compared to 28,297 as of December 31, 2023, while the average number of professional users during 2024 remained relatively unchanged, resulting in a modest 1% year-over-year decrease in revenues derived from professional users.

The number of non-professional users of our market data as of December 31, 2024 was 12,314, up 12% from 10,978 users as of December 31, 2023, due to the addition of a new redistributor relationship at the end of the third quarter of 2024, while the average number of non-professional users during 2024 was lower, compared to the prior year. As a result, revenues from non-professional users declined 10% year over year. The number of non-professional users of our market data generally correlates to the level of retail participation in the U.S. equity markets. Non-professional users' interest in our data tends to fluctuate significantly in response to volatility in the markets and changes in retail trading activity, and we may experience a decline in the number of users in the future.

In our suite of data and compliance solutions, we had 55 subscriptions to our Compliance Data or Compliance Analytics products, 27 subscriptions to our Blue Sky data product, and 466 subscribers to our EDGAR Online offerings as of December 31, 2024, compared to 56, 27, and 526, respectively, as of December 31, 2023.

Effective January 1, 2024, we increased certain Market Data Licensing fees. We have also increased certain Market Data Licensing fees effective January 1, 2025.

Corporate Services

During the year ended December 31, 2024, our Corporate Services business saw a lower average and period-end number of companies on our premium OTCQX and OTCQB markets, and a reduced number of DNS subscribers, compared to the prior year. The year-over-year variability in subscriber numbers is driven by new sales, offset by voluntary non-renewals, and the impact of compliance downgrades, which occur when companies are removed from OTCQX or OTCQB for noncompliance with the OTCQX Rules or the OTCQB Standards, or corporate events such as mergers, acquisitions, or other change of control events.

The OTCQX Best Market had 567 companies as of December 31, 2024, compared to 600 companies as of December 31, 2023. The decline stems from slower sales and a lower retention rate during 2024, as our OTCQX companies and prospects continued to navigate an uncertain global macroeconomic environment. Companies on our OTCQX market choose to renew their services at the end of each calendar year. The retention rate for the annual OTCQX subscription period beginning January 1, 2024, was 93%, compared to a 95% retention rate achieved for the annual subscription period beginning January 1, 2023. The retention rate for the annual OTCQX subscription period beginning January 1, 2025, was 96%.

As of December 31, 2024, there were 1,050 companies on the OTCQB Venture Market, compared to 1,140 companies as of December 31, 2023. During the year ended December 31, 2024, a slightly higher pace of new sales was offset by higher rates of non-renewals, which, combined with compliance downgrades, drove down the number of companies on our OTCQB market, compared to the prior year. OTCQB companies renew on an annual or semi-annual basis, based on the date they joined the market. During the year ended December 31, 2024, 90% or more of OTCQB companies that remained in compliance with our OTCQB Standards chose to renew their services at the end of their service terms, similar to our historical renewal experience.

International issuers remain a significant component of companies on our OTCQX and OTCQB markets, with 47 international companies joining OTCQX and 121 international companies joining OTCQB during 2024, compared to 59 and 143 international companies joining OTCQX and OTCQB during 2023, respectively.

Effective January 1, 2024, we increased certain Corporate Services fees, including applying annual, incremental pricing adjustments to our OTCQX, OTCQB, and DNS fees. We have also increased certain Corporate Services fees effective January 1, 2025.

General Business Matters

We continue to evaluate both the current and future period impact of increasing costs related to our personnel, IT infrastructure, and expense base more generally. Consistent with other companies in the financial technology sector, compensation and information technology costs comprise a significant proportion of our overall expenses, representing approximately 79% and 77% of our total operating expenses in the years ended December 31, 2024 and 2023, respectively.

We recognize the importance of attracting and retaining the talent required to develop our service offerings and manage our infrastructure. We have added headcount where we believe those additional resources can drive future earnings growth, help integrate acquired businesses or provide reliable services to our clients. Adding headcount also allows us to comply with our regulatory obligations, including those under Regulation SCI, Rule 15c2-11, and our CAT reporting responsibilities. We expect that future investments related to our regulatory compliance obligations will be material to our financial results. Our headcount as of December 31, 2024, was 133, a decrease of one versus our headcount of 134 employees as of December 31, 2023.

How OTC Markets Group Generates Revenues

OTC Markets Group generates a significant proportion of our revenues pursuant to subscription arrangements that are recurring in nature. Each of our three business lines offers a distinct fee structure designed to serve its subscribers. OTC Link operates OTC Link ATS, with a subscription model and usage-based fees, and OTC Link ECN, OTC Link NQB, and MOON ATS, with transaction-based fees. Corporate Services charges application fees and subscription fees on an annual and semi-annual basis. Market Data Licensing charges licensing and subscription fees. The revenue model for each of our business lines is described in detail below.

OTC Link

OTC Link generates revenues through subscription arrangements and transaction-based fees to broker-dealer subscribers.

Broker-dealers pay monthly subscription and connectivity fees to access OTC Link ATS, including our OTC Dealer® application, which provides broker-dealers a user interface into OTC Link ATS. Fees for such access are based on the number of authorized OTC Dealer users per subscriber, which are discounted in graduated amounts in relation to total users per subscriber, or the number and type of services per connection.

OTC Link ATS's FINRA member broker-dealer subscribers pay per security usage fees to (i) publish quotes and (ii) communicate and negotiate with counterparties on OTC Link ATS. Monthly OTC Link ATS quote position fees are based on the daily number of securities on OTC Link ATS for which quotes are published, with tiered pricing arrangements based on volume. Monthly OTC Link ATS message fees are based on the daily number of securities on OTC Link ATS for which trade messages are sent or received, with tiered pricing arrangements based on volume. The daily quoting and messaging fees allow subscribers to make unlimited quote updates in a single security and to send and receive an unlimited number of trade messages in a security on a given day. OTC Link ATS also generates revenues from the Quote Access Payment ("QAP®") One Statement service as well as from our CAT reporting service.

OTC Link ECN generates transactional revenues based on share volume executed. Broker-dealer subscribers pay a fixed fee per share executed where their orders remove posted liquidity on OTC Link ECN, while receiving a rebate on shares executed against their own posted liquidity. To the extent that OTC Link ECN routes orders to OTC Link ATS, OTC Link ECN may earn fees for orders that provide liquidity, while paying a fee for those orders that remove liquidity. OTC Link NQB and MOON ATS generate transactional revenues and incur transaction-based expenses in a manner similar to OTC Link ECN. Fees earned are recognized as transaction-based revenues, while fees paid are recognized as transaction-based expenses.

Market Data Licensing

Market Data Licensing generates revenues by licensing, on a subscription basis, our extensive market data, compliance data, Blue Sky data, and issuer data and security information, including SEC filings.

Market Data Licensing subscribers include broker-dealers, investors, traders, institutions, companies, accountants, and regulators, among others, which pay monthly, quarterly, or annual license fees to access this information. We offer a suite of market data licenses, priced at per enterprise or per user rates, through direct connectivity, extranet connectivity, third-party market data redistributors, OMS providers, and certain of our websites. Depending on the license type, subscribers may distribute our market data on an internal-only basis, to clients, or to the public. We generate Market Data Licensing revenues from sales through market data redistributors and from direct sales to subscribers.

Certain of our Market Data Licensing agreements include redistribution fees and rebates, which represented 7% of Market Data Licensing gross revenues in each of the years ended December 31, 2024 and 2023, respectively.

Market Data Licensing pricing information is publicly available on our website.

We also charge for the right to display advertisements on www.otcmarkets.com. Website advertising revenue is included in our Market Data Licensing business line.

Corporate Services

We generate revenue from the OTCQX Best Market and the OTCQB Venture Market, as well as a suite of Corporate Services products, including DNS; OTCIQ Basic; Real-Time Level 2 Quote Display, a service that companies sponsor to provide their investors with access to free real-time level 2 quotes on www.otcmarkets.com and the issuer's website; the Blue Sky Monitoring Service for issuers; and our Virtual Investor Conferences (VIC) product, which allows issuers to communicate and engage with their stockholders and potential investors.

Companies that choose to have their securities designated as OTCQX securities do so annually, on a calendar year basis, while companies on the OTCQB market renew their services annually or semi-annually on the anniversary of the date on which they joined the market. All companies traded on the OTCQX or OTCQB markets pay a one-time application fee and annual or semi-annual fees. These fees are fixed and do not vary based on outstanding shares, market capitalization, market segment, or otherwise. Companies on both markets also receive access to DNS, Real-Time Level 2 Quote Display, and the Blue Sky Monitoring Service.

Pink companies may subscribe separately to these services and pay one-time application fees and annual or semi-annual subscription fees, as applicable.

Each of these services may be accessed through www.otciq.com.

Our VIC product is available on a per event basis to companies that choose to participate.

Financial Highlights

For the year ended December 31, 2024, OTC Markets Group reported gross revenues and income from operations of $111.1 million and $32.2 million, respectively. This compares to gross revenues and income from operations of $109.9 million and $32.6 million, respectively, for the year ended December 31, 2023.

Gross revenues increased $1.2 million, or 1%, driven by a 14% increase in revenues from OTC Link and a 1% increase in revenues from Market Data Licensing, partially offset by a 4% decrease in revenues from Corporate Services.

Income from operations decreased $382 thousand, or 1%, and operating profit margin contracted to 29.9% from 30.6%.

Financial Results

Consolidated Results From Operations

Year Ended December 31, 2024 Versus Year Ended December 31, 2023

The table below presents comparative information from the Company's consolidated income statements for the years ended December 31, 2024 and 2023.

	Year Ended December 31,		
(in thousands, except shares and per share data)	2024	2023	% change
Gross Revenues	$ 111,064	$ 109,895	1%
Net revenues	107,882	106,658	1%
Revenues less transaction-based expenses	101,233	101,134	-
Operating expenses	69,021	68,540	1%
Income from operations	32,212	32,594	(1%)
Operating profit margin	*29.9%*	*30.6%*	
Income before provision for income taxes	33,142	33,497	(1%)
Net income	$ 27,360	$ 27,661	(1%)
Diluted earnings per share	$ 2.26	$ 2.28	(1%)
Weighted-average shares outstanding, diluted	11,840,819	11,863,180	-

Revenues and Transaction-Based Expenses

The following table presents OTC Markets Group's gross revenues by business line and consolidated revenues less transaction-based expenses for the years ended December 31, 2024 and 2023.

(in thousands)	Year Ended December 31, 2024	Year Ended December 31, 2023	% change
OTC Link	$ 22,409	$ 19,599	14%
Market data licensing	43,626	43,368	1%
Corporate services	45,029	46,928	(4%)
Gross revenues	111,064	109,895	1%
Redistribution fees and rebates	(3,182)	(3,237)	(2%)
Net revenues	107,882	106,658	1%
Transaction-based expenses	(6,649)	(5,524)	20%
Revenues less transaction-based expenses	$ 101,233	$ 101,134	-

Gross revenues increased $1.2 million, or 1%, to $111.1 million during 2024, compared to the prior year, while revenues less transaction-based expenses increased $99 thousand, essentially flat to the prior year.

- OTC Link revenues increased $2.8 million, or 14%, to $22.4 million. The overall increase primarily resulted from a $1.9 million, or 21%, increase in revenues from OTC Link ECN and OTC Link NQB due to a higher volume of shares traded on those platforms. Contributing to the overall increase in OTC Link revenues was a $597 thousand, or 147%, increase in certain connectivity revenue due to the introduction of additional fees at the beginning of 2024. Additionally, revenue from OTC Link ATS messages increased $494 thousand, or 16%, due to fee increases offsetting a lower number of messages during the year.
- Market Data Licensing revenues increased $258 thousand, or 1%, to $43.6 million. The increase in Market Data Licensing revenues was the result of a $514 thousand, or 4%, increase in revenues from direct sold licenses and a $150 thousand, or 2%, increase in revenues from data and compliance solutions, offsetting a $406 thousand, or 2%, decline in redistributor-based revenues. The growth in revenues from direct sold licenses was primarily driven by a $238 thousand, or 6%, increase in revenue from broker-dealer enterprise licenses due to growth in subscribers. The increase in revenues from data and compliance solutions was due to a $650 thousand, or 22%, increase in revenues from data services, and a $539 thousand, or 24%, increase in revenues from our Blue Sky data product, primarily due to price increases for certain licenses and the introduction of additional fees, partially offset by a $1.0 million, or 22%, reduction in revenues from EDGAR Online, due to subscriber cancellations and the impact of certain non-recurring revenue in the prior year. Redistributor-based revenues declined due to a $142 thousand, or 1%, decrease in revenue from professional user licenses, as a result of lower pro-user counts, and a $167 thousand, or 10%, reduction in revenue from non-professional users, the number of which remained lower throughout most of 2024 before increasing in the fourth quarter due to the addition of a new redistributor relationship (see *Trends in Our Business*, above).
- Corporate Services revenues decreased $1.9 million, or 4%, to $45.0 million. OTCQB revenues decreased $1.1 million, or 5%, while DNS revenues decreased $623 thousand, or 7%, in 2024, due to a lower number of companies subscribing to OTCQB and DNS,

which more than offset the impact of pricing adjustments. OTCQX revenues were relatively flat, with incremental pricing adjustments offsetting the lower number of companies on the OTCQX market. Corporate Services achieved a 93% renewal rate for the annual OTCQX subscription period beginning January 1, 2024, compared to 95% for the prior year. OTCQB maintained 90% or more renewal rate (see *Trends in Our Business*, above). Lower revenues from VIC, due to fewer events held during 2024 and a lower number of participants per event, also contributed to the overall decline in Corporate Services revenues.

- Transaction-based expenses, representing rebates paid to OTC Link subscribers providing liquidity and certain CAT-related regulatory pass-through fees, increased $1.1 million, or 20%, consistent with the higher trading volumes on OTC Link ECN and OTC Link NQB, offsetting the impact of certain fee changes.

Operating Expenses

The following table presents OTC Markets Group's consolidated operating expenses for 2024 and 2023.

(in thousands)	Year Ended December 31, 2024	Year Ended December 31, 2023	% change
Compensation and benefits	$ 44,123	$ 42,467	4%
IT Infrastructure and information services	10,574	10,311	3%
Professional and consulting fees	6,294	8,048	(22%)
Marketing and advertising	1,368	1,194	15%
Occupancy costs	2,369	2,360	-
Depreciation and amortization	2,681	2,398	12%
General, administrative and other	1,612	1,762	(9%)
Total operating expenses	$ 69,021	$ 68,540	1%

Operating expenses increased $481 thousand, or 1%, to $69.0 million during 2024, compared to the prior year.

- Compensation and benefits expenses increased $1.7 million, or 4%, to $44.1 million, primarily due to stock-based compensation expense, which increased $478 thousand, or 8%, as a result of the cumulative effect of prior year increases in annual awards, base salaries, which increased $402 thousand, or 2%, as a result of annual base salary increases in effect from January 1, 2024, and employee benefits, which increased $254 thousand, or 10%. These increases were partially offset by lower cash-based incentive compensation and commissions. As a percentage of gross revenues, compensation and benefits costs represented 40% and 39% for the years ended December 31, 2024 and 2023, respectively. Compensation and benefits expenses in 2024 also reflected certain one-time expenses, while compensation and benefits expenses in 2023 included certain non-recurring accruals related to the EDGAR Online acquisition.

- IT Infrastructure and information services costs increased $263 thousand, or 3%, to $10.6 million. The overall increase resulted from higher spending on information services, software licenses, and software maintenance, partially offset by lower data center costs, network communication expenses, and hardware maintenance. Data center costs in 2024 declined due to the elimination of one-time integration costs related to EDGAR Online that were unique to the prior year, and a restructuring of certain of our cloud services contracts.

- Professional and consulting fees decreased $1.8 million, or 22%, to $6.3 million. The decrease was primarily attributable to the non-recurring regulatory costs of $1.2 million related to the SEC matter (see *Legal Proceedings*, above), which we accrued in 2023, and certain non-recurring professional and consulting expenses for the integration of EDGAR Online incurred in 2023, as well as lower legal fees.
- Marketing and advertising expenses increased $174 thousand, or 15%, to $1.4 million during 2024, primarily due to higher spending on marketing events and third-party professional services.
- Occupancy costs remained unchanged and amounted to $2.4 million during 2024.
- Depreciation and amortization expense increased $283 thousand, or 12%, and amounted to $2.7 million during 2024, primarily due to timing of amortization charges for software placed in service in 2023 related to EDGAR Online, partially offset by lower depreciation of computer equipment.
- General, administrative and other costs decreased $150 thousand, or 9%, to $1.6 million during 2024, primarily due to lower bad debt, partially offset by higher internal travel and entertainment expenses and bank fees. The elevated provision for bad debt in 2023 was primarily associated with accounts receivable acquired as part of the EDGAR Online acquisition and did not recur during 2024.

Income from Operations and Operating Profit Margin

	Year Ended December 31,		
(in thousands)	2024	2023	% change
Income from operations	$ 32,212	$ 32,594	(1%)
Operating profit margin	*29.9%*	*30.6%*	*(2%)*

Income from operations decreased $382 thousand, or 1%, to $32.2 million during 2024, and operating profit margin contracted to 29.9%. Income from operations decreased due to operating expenses slightly outpacing the increase in revenues less transaction-based expenses. Operating profit margin in 2023 was impacted by approximately $1.1 million in one-time integration expenses related to EDGAR Online and approximately $1.4 million in costs related to the SEC matter (see *Legal Proceedings*, above).

Net Income

	Year Ended December 31,		
(in thousands)	2024	2023	% change
Income before provision for income taxes	$ 33,142	$ 33,497	(1%)
Provision for income taxes	5,782	5,836	(1%)
Effective income tax rate	*17.4%*	*17.4%*	-
Net income	$ 27,360	$ 27,661	(1%)

Net income decreased $301 thousand to $27.4 million during 2024, a decrease of 1%, compared to the prior year. The decrease in net income during 2024 was primarily due to the 1% reduction in income from operations. The effective tax rate for 2024 was essentially unchanged from the prior year (see *Notes to Consolidated Financial Statements, Note 15, Income Taxes*).

Liquidity and Capital Resources

Our liquidity is primarily derived from our working capital and cash flows from operations. We require cash to support our current operating levels, fund strategic growth initiatives, including acquisitions, develop new services and enhance existing services, make capital expenditures, fund dividends and stock repurchases, and pay federal, state, and local corporate taxes. We expect that our operations will provide sufficient cash to fund our strategic initiatives. We have no outstanding debt and, as described further below, $3.0 million available for business operations under our line of credit, which gives us additional flexibility in managing our cash flows (see *Line of Credit*, below).

Cash Available for Operations

The following table presents cash available for operations, which consists of cash and cash equivalents and short-term investments, as of December 31, 2024 and 2023.

	December 31,		
(in thousands)	2024	2023	% change
Cash available for operations	$ 39,035	$ 37,723	3%

Cash available for operations increased by $1.3 million, or 3%, to $39.0 million as of December 31, 2024. During 2024, the Company generated $32.9 million of cash from operations and utilized operating cash flows and cash on hand to fund $1.3 million investment in IT infrastructure enhancements, $26.6 million in quarterly dividends and a special dividend, and $2.9 million in respect of repurchases of our Class A Common Stock.

Cash Flow

The following table presents sources and uses of cash flows during 2024 and 2023.

	Year Ended December 31,		
(in thousands)	2024	2023	% change
Net Cash provided by operating activities	$ 32,873	$ 33,036	-
Net Cash used in investing activities	(2,192)	(5,189)	(58%)
Net Cash used in financing activities	(30,240)	(31,096)	(3%)
Net Increase (decrease) in cash and restricted cash	$ 441	$ (3,249)	(114%)

Operating Activities

Net cash provided by operating activities during 2024 was $32.9 million, compared to $33.0 million during 2023. Net cash provided by operating activities for 2024 consisted of net income of $27.4 million, which was adjusted for non-cash items of $6.2 million and changes in assets and liabilities of $692 thousand. Adjustments for non-cash items to net income primarily consisted of depreciation and amortization expense of $2.7 million and stock-based compensation of $6.4 million. The slightly lower net cash provided by operating activities during 2024, as compared to the prior year, was primarily due to lower net income. The remaining variance was primarily related to other fluctuations in working capital.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2024 was $2.2 million, compared to $5.2 million for the year ended December 31, 2023. The net cash used in investing activities during 2024 was primarily related to investments in IT infrastructure enhancements and $7.7 million of treasury bill purchases, partially offset by $6.8 million in treasury bill maturities.

Financing Activities

Net cash used in financing activities during 2024 was $30.2 million, compared to $31.1 million during 2023. The net cash used in both fiscal years was primarily related to dividends paid to our stockholders, repurchases of our Class A Common Stock, and federal and state withholding taxes paid related to cashless exercises of stock options by employees. Cash used for dividends increased $103 thousand. Repurchases of our Class A Common Stock amounted to $2.9 million and decreased $435 thousand from $3.4 million in 2023 primarily due to a lower number of Class A Common Stock repurchased. Cash used in respect of withholding taxes related to cashless exercises amounted to $798 thousand, a reduction of $438 thousand from 2023.

Capital Resources and Working Capital

OTC Markets Group's working capital as of December 31, 2024 was $5.9 million, an increase of $2.9 million, or 98%, from $3.0 million as of December 31, 2023. Working capital includes certain non-operating assets and liabilities, such as prepaid income taxes and income taxes payable. The improvement in working capital during the year ended December 31, 2024 was primarily attributable to higher cash available for operations as well as lower accounts payable and accrued expenses.

Line of Credit

On July 7, 2012, the Company entered into a line of credit agreement with JPMorgan Chase (the "Line of Credit") that initially provided up to $1.5 million of available borrowing capacity to fund business operations. The Line of Credit has been increased to $3.0 million and has been extended through June 21, 2025. The effective interest rate of the Line of Credit is benchmarked to the Prime Rate. We have not drawn funds on the Line of Credit. Under the terms of the Line of Credit, we agreed to fulfill certain affirmative and negative covenants and other specified terms. As of December 31, 2024, the Company was in compliance with all of the covenants and other terms of the Line of Credit.

Operating Leases

We have entered into operating lease agreements for our offices and recognize rent expense on a straight-line basis over the terms of the leases (see *The Nature and Extent of the Issuer's Facilities*, above).

Off-Balance Sheet Arrangements

None.

Part E. Issuance History and Financial Information

List of the Securities Offerings and Shares Issued for Services in the Past Two Years

The following tables set forth information concerning Class A Common Stock and options issued during the fiscal years 2023 and 2024:

Month of Issuance	Issuance Type	Shares Issued	Price at Issuance	Issuance Class
2023				
January	Restricted Stock	89,990	$58.00	Employee
January	Option Grant	17,000	$58.00	Employee
March	Option Grant	13,000	$56.02	Employee
April	Option Grant	13,500	$58.75	Employee
May	Option Grant	25,000	$56.00	Employee
June	Option Grant	6,500	$57.50	Employee
July	Option Grant	5,500	$58.75	Employee
August	Restricted Stock	3,080	$58.40	Director
October	Option Grant	10,000	$52.85	Employee
December	Option Grant	36,500	$55.90	Employee
2024				
January	Restricted Stock	83,352	$57.56	Employee
January	Option Grant	9,500	$58.00	Employee
March	Restricted Stock	397	$56.60	Director
March	Option Grant	6,000	$55.25	Employee
April	Option Grant	35,150	$52.30	Employee
May	Option Grant	43,500	$51.57	Employee
June	Option Grant	9,000	$48.90	Employee
July	Option Grant	12,500	$49.10	Employee
August	Restricted Stock	4,590	$48.99	Director
August	Option Grant	11,500	$47.30	Employee
September	Option Grant	25,300	$47.20	Employee
October	Option Grant	49,000	$51.35	Employee

(1) All awards are of Class A Common Stock.

(2) All option grants are issued pursuant to the Company's 2019 Equity Incentive Plan, as applicable. Grants vest 20% each year the employee remains employed with OTC Markets Group.

(3) Shares issued pursuant to RS Agreements contain a legend stating that the shares have not been registered under the Securities Act or any state securities laws and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

(4) Shares issued to Directors are part of each Director's annual compensation.

Financial Information for the Issuer's Most Recent Fiscal Period and for Such Part of the Two Preceding Fiscal Years as the Issuer or its Predecessor has been in Existence

Copies of the audited Consolidated Financial Statements of OTC Markets Group as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, including the Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated

Statements of Changes in Stockholders' Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements, are attached hereto as Exhibit 1.1. The attached Consolidated Financial Statements and the notes thereto are hereby incorporated by reference into this Annual Report.

Part F. Exhibits

1 Consolidated Financial Statements

1.1 Financial information for the years ended December 31, 2024, December 31, 2023, and December 31, 2022

2 Issuer's Certifications

2.1 Certification of principal executive officer

2.2 Certification of principal financial officer

3 Material Contracts

3.4 Employment Agreement dated November 5, 2021, by and between OTC Markets Group Inc. and R. Cromwell Coulson (Chief Executive Officer) (incorporated herein by reference to Exhibit 3.4 to the Annual Report filed on March 9, 2022)

3.5 "Key Man" Life Insurance Policy for R. Cromwell Coulson (incorporated herein by reference to Exhibit 3.5 to the Initial Disclosure Statement filed on September 15, 2009)

3.9 Sublease Agreement for offices at 300 Vesey Street, New York, NY (incorporated herein by reference to Exhibit 3.9 to the Quarterly Report filed on November 11, 2018)

3.10 Form of Senior Management Employment and Change in Control Agreement, by and between OTC Markets Group Inc. and each of Matthew Fuchs, Antonia Georgieva, Kristie Harkins, Lisabeth Heese, Michael Modeski, Bruce Ostrover, Jason Paltrowitz, and Dan Zinn (incorporated herein by reference to Exhibit 3.10 to the Annual Report filed on March 6, 2019)

3.12 Lease Agreement by and between OTC Markets Group Inc. and LHREV Washington M Street, LLC (incorporated herein by reference to Exhibit 3.12 to the Quarterly Report filed on May 5, 2021)

3.13 Form of Performance Unit Agreement between the Company and certain senior executives (incorporated herein by reference to Exhibit 3.13 to the Quarterly Report filed on May 11, 2022)

3.14 Asset Purchase Agreement dated March 15, 2022 (incorporated herein by reference to Exhibit 3.14 to the Quarterly Report filed on May 11, 2022)

3.15 Asset Purchase Agreement dated November 9, 2022 (incorporated herein by reference to Exhibit 3.15 to the Annual Report filed on March 8, 2023)

4 Customer Contracts

The following documents may be found on our website at www.otcmarkets.com:

4.1 OTC Link ATS Subscription Agreement

4.2 OTC Link ECN Subscription Agreement

4.3 OTC Link NQB IDQS Subscription Agreement

4.4 MOON Subscription Agreement

4.5 Market Data Distribution Agreement

4.6 Market Data File Subscription Agreement

4.7 OTCQX Company Agreement

4.8 OTCQB Company Agreement

4.9 OTCIQ Basic Order Form

4.10 OTCIQ Agreement

4.11 Virtual Investor Conferences Agreement

5 Certificate of Incorporation and By-laws

5.1 Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 5.1 to the Annual Report filed on March 8, 2023)

5.2 By-laws (incorporated herein by reference to Exhibit 5.1 to the Initial Disclosure Statement filed on September 15, 2009)

6 Equity Incentive Plans

6.1 2019 Equity Incentive Plan, adopted by the Board of Directors on May 7, 2019, and approved by stockholder vote on December 19, 2019 (incorporated herein by reference to Exhibit 6.1 to the Annual Report filed March 4, 2020)

Deloitte.

Deloitte & Touche LLP
30 Rockefeller Plaza
New York, NY 10112-0015
USA

Tel: +1 212 492 4000
Fax: +1 212 489 1687

www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of OTC Markets Group Inc.

Opinion

We have audited the consolidated financial statements of OTC Markets Group Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the three years in the period ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte & Touche LLP

March 12, 2025

EXHIBIT 1.1

OTC MARKETS GROUP INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share information)

	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 34,522	$ 34,101
Short-term investments	4,513	3,622
Accounts receivable, net of allowance for credit losses of $326 and $451	8,097	7,680
Prepaid income taxes	244	1,324
Prepaid expenses and other current assets	2,237	1,865
Total current assets	49,613	48,592
Property and equipment, net	7,096	8,429
Operating lease right-of-use assets	10,951	12,324
Deferred tax assets, net	10,120	7,691
Goodwill	3,984	3,984
Intangible assets, net	6,829	7,411
Long-term restricted cash	1,606	1,586
Other assets	543	508
Total Assets	$ 90,742	$ 90,525
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 1,175	$ 2,152
Income taxes payable	54	141
Accrued expenses and other current liabilities	13,425	14,065
Deferred revenue	29,084	29,267
Total current liabilities	43,738	45,625
Income tax reserve	927	778
Operating lease liabilities	10,360	11,895
Total Liabilities	55,025	58,298
Commitments and contingencies		
Stockholders' equity		
Common stock - par value $0.01 per share		
Class A - 17,000,000 authorized, 12,815,075 issued, 11,979,165 outstanding at December 31, 2024; 12,716,135 issued, 11,931,366 outstanding at December 31, 2023	128	127
Additional paid-in capital	35,127	29,469
Retained earnings	23,200	22,425
Treasury stock - 835,910 shares at December 31, 2024 and 784,769 shares at December 31, 2023	(22,738)	(19,794)
Total Stockholders' Equity	35,717	32,227
Total Liabilities and Stockholders' Equity	$ 90,742	$ 90,525

See accompanying notes to consolidated financial statements

OTC MARKETS GROUP INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except earnings per share)

	Year Ended December 31,		
	2024	2023	2022
Gross Revenues	$ 111,064	$ 109,895	$ 105,149
Redistribution fees and rebates	(3,182)	(3,237)	(3,101)
Net revenues	107,882	106,658	102,048
Transaction-based expenses	(6,649)	(5,524)	(5,847)
Revenues less transaction-based expenses	101,233	101,134	96,201
Operating expenses			
Compensation and benefits	44,123	42,467	37,585
IT Infrastructure and information services	10,574	10,311	8,091
Professional and consulting fees	6,294	8,048	6,464
Marketing and advertising	1,368	1,194	1,303
Occupancy costs	2,369	2,360	2,257
Depreciation and amortization	2,681	2,398	2,092
General, administrative and other	1,612	1,762	1,588
Total operating expenses	69,021	68,540	59,380
Income from operations	32,212	32,594	36,821
Other income (expense)			
Interest income	944	844	155
Other (expense) income	(14)	59	(10)
Income before provision for income taxes	33,142	33,497	36,966
Provision for income taxes	5,782	5,836	6,152
Net Income	$ 27,360	$ 27,661	$ 30,814
Earnings per share			
Basic	$ 2.29	$ 2.32	$ 2.60
Diluted	$ 2.26	$ 2.28	$ 2.53

See accompanying notes to consolidated financial statements

OTC MARKETS GROUP INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands)

	Total	Par Value - $0.01 Class A	Par Value - $0.01 Class C	Additional paid-in capital	Retained Earnings	Treasury Stock
Balance, January 1, 2022	$ 24,954	$ 125	$ -	$ 21,681	$ 16,787	$ (13,639)
Comprehensive income:						
Net income	30,814	-	-	-	30,814	-
Total comprehensive income	30,814					
Stock-based compensation	4,345	-	-	4,345	-	-
Issuance of restricted and common shares, net of withholding taxes paid related to cashless exercise of stock options	(1,178)	1	-	(1,179)	-	-
Dividends	(26,355)	-	-	-	(26,355)	-
Repurchase of common stock for treasury stock	(2,776)	-	-	-	-	(2,776)
Balance, December 31, 2022	29,804	126	-	24,847	21,246	(16,415)
Comprehensive income:						
Net income	27,661	-	-	-	27,661	-
Total comprehensive income	27,661					
Stock-based compensation	5,858	-	-	5,858	-	-
Issuance of restricted and common shares, net of withholding taxes paid related to cashless exercise of stock options	(1,235)	1	-	(1,236)	-	-
Dividends	(26,482)	-	-	-	(26,482)	-
Repurchase of common stock for treasury stock	(3,379)	-	-	-	-	(3,379)
Balance, December 31, 2023	32,227	127	-	29,469	22,425	(19,794)
Comprehensive income:						
Net income	27,360	-	-	-	27,360	-
Total comprehensive income	27,360					
Stock-based compensation	6,370	-	-	6,370	-	-
Issuance of restricted and common shares, net of withholding taxes paid related to cashless exercise of stock options	(711)	1	-	(712)	-	-
Dividends	(26,585)	-	-	-	(26,585)	-
Repurchase of common stock for treasury stock	(2,944)	-	-	-	-	(2,944)
Balance, December 31, 2024	$ 35,717	$ 128	$ -	$ 35,127	$ 23,200	$ (22,738)

See accompanying notes to consolidated financial statements

OTC MARKETS GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from operating activities			
Net income	$ 27,360	$ 27,661	$ 30,814
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	2,681	2,398	2,092
Provision for credit losses	(13)	367	260
Stock-based compensation	6,370	5,858	4,345
Excess tax benefits related to stock-based compensation	(417)	(815)	(1,089)
Deferred income taxes	(2,429)	(2,838)	(4,466)
Loss (Gain) on disposal of fixed assets	13	31	-
Changes in assets and liabilities:			
Accounts receivable	(404)	1,438	(1,273)
Prepaid expenses and other current assets	(372)	(396)	(40)
Prepaid income taxes	1,080	(1,265)	731
Accounts payable	(455)	219	320
Accrued expenses and other current liabilities	(695)	983	692
Income tax payable	330	389	1,643
Income tax reserve	149	121	(332)
Deferred revenue	(183)	(1,189)	388
Net change in other assets and liabilities	(142)	74	(405)
Net Cash provided by operating activities	32,873	33,036	33,680
Cash flows from investing activities			
Purchases of property and equipment	(1,301)	(1,567)	(1,443)
Acquisition of EDGAR Online Assets	-	-	(3,333)
Acquisition of Blue Sky Data Corp	-	-	(11,617)
Purchases of short-term investments	(7,691)	(5,122)	-
Maturities of short-term investments	6,800	1,500	-
Net Cash used in investing activities	(2,192)	(5,189)	(16,393)
Cash flows from financing activities			
Dividends paid	(26,585)	(26,482)	(26,355)
Proceeds from the exercise of stock options	86	-	60
Issuance of restricted stock	1	1	1
Withholding taxes paid related to cashless exercise of stock options	(798)	(1,236)	(1,239)
Purchase of treasury stock	(2,944)	(3,379)	(2,776)
Net Cash used in financing activities	(30,240)	(31,096)	(30,309)
Net (decrease) increase in cash, cash equivalents and restricted cash	441	(3,249)	(13,022)
Cash, cash equivalents and restricted cash at beginning of year	35,687	38,936	51,958
Cash, cash equivalents and restricted cash at end of year	$ 36,128	$ 35,687	$ 38,936
Reconciliation of cash and restricted cash:			
Cash and cash equivalents	$ 34,522	$ 34,101	$ 37,368
Long-term restricted cash	1,606	1,586	1,568
Total cash, cash equivalents and restricted cash	$ 36,128	$ 35,687	$ 38,936
Supplemental Disclosure of Cash Flow Information:			
Income taxes, net of refunds	$ 7,068	$ 10,238	$ 9,667
Non-cash investing and financing activities:			
Property and equipment included in accounts payable and accrued expenses	-	522	450

See accompanying notes to consolidated financial statements

Note 1. Description of Business

Overview

OTC Markets Group Inc. (“OTC Markets Group” or the “Company”) (OTCQX: OTCM) operates regulated markets for trading 12,000 U.S. and international securities. The Company’s data-driven disclosure standards form the foundation of its three public markets: OTCQX® Best Market, OTCQB® Venture Market, and Pink® Open Market.

The Company’s OTC Link® Alternative Trading Systems (“ATSs”) provide critical market infrastructure that broker-dealers rely on to facilitate trading. OTC Markets Group’s innovative model offers companies more efficient access to the U.S. financial markets.

OTC Link ATS, OTC Link ECN, OTC Link NQB, and MOON ATS™ are each a Securities and Exchange Commission (“SEC”) regulated ATS, operated by the Company’s wholly owned subsidiary, OTC Link LLC (“OTC Link”), a Financial Industry Regulatory Authority, Inc. (“FINRA”) and SEC registered broker-dealer, member SIPC.

The Company has three business lines: OTC Link, Market Data Licensing, and Corporate Services.

- OTC Link – OTC Link LLC operates four ATSs, OTC Link ATS, OTC Link ECN, OTC Link NQB, and MOON ATS that provide trading services to FINRA member broker-dealer subscribers.
- Market Data Licensing – OTC Markets Group provides market data and compliance data, including SEC filings, for a wide spectrum of securities and issuers. The Market Data Licensing business provides broker-dealers, investors, traders, institutions, companies, accountants, and regulators, among others, with a suite of enterprise and user market data licenses, offered via direct or extranet connectivity, through third-party market data redistributors or Order Management Systems (“OMS”) as well as through certain of the Company’s websites.
- Corporate Services – OTC Markets Group operates the OTCQX Best Market and the OTCQB Venture Market and offers companies access to a suite of services that are designed to facilitate public disclosure and communication with investors, promote greater transparency, and allow companies to demonstrate regulatory compliance and mitigate market risk. These services include the OTC Disclosure & News Service® (“DNS”), OTCIQ Basic, Real-Time Level 2 Quote Display, Blue Sky Monitoring Service for issuers, and the Virtual Investor Conferences® (“VIC”) product.

Corporate Form

OTC Markets Group is a Delaware corporation. The Company is a “C” Corporation for federal, state, and local income tax purposes.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and include the accounts of the Company and its wholly owned subsidiaries, OTC Link LLC, OTC Markets Group International Ltd, and Edgar Online LLC. All intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of these consolidated financial statements 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Estimates included in the consolidated financial statements include allowance for credit losses, certain accrued expenses, stock-based compensation expense, the incremental borrowing rate used to calculate the present value of the operating lease liabilities, fair values of intangible assets and goodwill, useful lives of intangible assets, income tax reserve and provision for income taxes. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenues when it transfers control of promised goods or services to its customers in an amount that reflects the consideration to which it expects to be entitled to in exchange for those goods or services (see Note 3, *Revenue Recognition)*.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents, the carrying amount of which approximates fair value. The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company manages this risk by selecting financial institutions that it deems highly creditworthy.

Short-term investments

The Company's short-term investments are comprised of commercial paper, treasury bills, and corporate bonds, and are available for current operations.

Short-Term and Long-Term Restricted Cash

The Company considers all cash deposits that are held for a specific purpose and therefore not available for general business use as restricted cash. Restricted cash is comprised of cash set aside as security deposits on the Company's office leases and cash held at clearing organizations as collateral against obligations of the Company arising from clearing agreements in place to support the Company's OTC Link business.

Allowance for Credit Losses

The allowance for credit losses is maintained at a level that management believes to be sufficient to absorb expected losses among all subscribers across all business lines. The allowance is based on several factors, including management's continuous assessment of the collectability of subscriber accounts using an aging schedule. Management applies loss rates based on historical loss information, adjusted for differences in the nature of the receivables and estimates of current and future economic conditions. When it is known that a specific customer will not meet its financial obligations, management will reduce the receivable balance to the amount that is expected to be collected.

Property and Equipment, net

Property and equipment are stated at cost and depreciated over the estimated useful lives of the assets (generally ranging from two to eleven years) utilizing the straight-line method. Leasehold improvements are amortized using the straight-line method over the term of the lease or the estimated useful lives of the assets, whichever is shorter. The Company capitalizes costs incurred to purchase or to develop software for internal use. Internal-use software development costs are capitalized during the application development stage. These capitalized costs are reflected in property and equipment, net on the Consolidated Balance Sheets and are depreciated over the estimated useful life of the software. Internal-use software development costs consist primarily of external vendor costs.

Expenditures for maintenance, repairs, and renewals are expensed as incurred, unless they add to the value of the property or appreciably extend its useful life. Gains or losses are recorded from a sale or retirement of property and equipment at the time of disposal.

Long-lived Asset Impairments

The Company reviews long-lived assets, including property, plant and equipment and amortizable intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the asset may not be fully recoverable. An impairment loss is recognized when the estimated discounted future cash flows expected to be generated from the use of the asset, including disposition, is less than the carrying amount of the asset.

Goodwill and Indefinite-Lived Intangible Asset Impairment

The Company reviews the carrying amounts of both goodwill and indefinite-lived intangible assets for impairment annually and more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. When evaluating goodwill for impairment, the Company may decide to first perform a qualitative assessment, or “Step Zero” impairment test, to determine whether it is more likely than not that impairment has occurred. The qualitative assessment includes a review of macroeconomic conditions, industry and market considerations, internal cost factors, and the Company’s own overall financial and share price performance, among other factors. If the Company does not perform a qualitative assessment, or if it determines that it is more likely than not that the carrying amounts of its reporting units exceed their fair value, the Company performs a quantitative assessment and calculates the estimated fair value of the respective reporting unit. If the carrying amount of a reporting unit’s goodwill exceeds the fair value of that goodwill, an impairment loss is recognized.

For indefinite-lived intangible assets an impairment is recorded for any excess of carrying amount over the estimated fair value.

The Company performed its annual goodwill and intangible assets impairment test on December 31, 2024 and concluded that it was more likely than not the fair value of the reporting unit was greater than its carrying value. The Company determined that no impairment existed. There are inherent uncertainties related to the impairment test, which requires management’s judgment in applying it, including the evaluation of qualitative factors and estimates of future business results. Actual results could differ materially, and changes in assumptions concerning future results, including lower than expected growth or profitability, unfavorable market and regulatory developments, or other assumptions could have a significant impact on the estimated fair value.

Leases

The Company determines if an arrangement is a lease at inception, and records operating lease right-of-use ("ROU") assets and liabilities on the commencement date based on the present value of future lease payments over the lease term. The Company has operating leases in respect of its office space. ROU assets include an adjustment for any prepaid rent and lease incentives. When the rate implicit in the operating lease is not readily determinable, the Company uses its incremental borrowing rate as the discount rate to determine its lease assets and the present value of its lease liabilities. The incremental borrowing rate approximates the rate the Company would pay to borrow on a collateralized basis for the weighted-average life of the lease. ROU assets and liabilities are included on the Consolidated Balance Sheets beginning January 1, 2019. The current portion of the operating lease liabilities is included in accrued expenses and other current liabilities and the long-term portion is included in operating lease liabilities.

The Company's lease agreements generally contain lease and non-lease components. Payments under lease arrangements are primarily fixed. Non-lease components are primarily comprised of payments due for maintenance and utilities. The Company has elected to account for fixed lease payments and non-lease components as a single lease component that increases the amount of its operating lease assets and liabilities. Any changes in payments due to changes in inflation rates are recognized as variable lease expenses as they are incurred.

Operating lease expense is recognized on a straight-line basis over the lease term (see Note 10, *Leases*).

Stock-based Compensation

The Company measures share-based awards given to employees, consultants, and directors at the grant-day fair value of the equity award and records stock-based compensation expense over the related service period. OTC Markets Group estimates an expected forfeiture rate while recognizing the expense associated with these awards (see Note 8, *Stock-based Compensation*).

Segment information

The Company has a single operating and reportable segment, which operates regulated markets for trading over 12,000 U.S. and international securities. The Company's chief operating decision maker ("CODM") is its President and CEO. The primary financial measure used by the CODM to evaluate performance and allocate resources is Net Income.

The measure of segment assets is reflected as Total Assets on the Company's Consolidated Balance Sheets. As of December 31, 2024 and 2023, all of the Company's long-lived assets, including property and equipment, net, and operating right-of-use assets, were located in the United States.

Fair Value Measurement

The Company accounts for certain financial instruments at fair value, in accordance with the provisions of the standard for fair value measurement, which utilizes a three-tier hierarchy to determine the fair value of financial assets and liabilities based on the quality of observable inputs and enhances disclosure requirements for fair value measurement. The three tiers are:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in an active market;
- Level 2 – Other inputs that are directly or indirectly observable in the market; and
- Level 3 – Unobservable inputs that are supported by little or no market activity.

The fair value of a financial instrument is the amount that would be received to sell the asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

Assets and liabilities on the Consolidated Balance Sheets that are measured at carrying value, which approximates fair value due to the short-term nature of these balances, include prepaid expenses, accrued expenses and other current liabilities, and deferred revenue. These balances are classified as Level 1 and Level 2 in the fair value hierarchy.

Income Taxes

The Company accounts for income taxes under the provisions of Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, which generally requires the recognition of deferred tax assets and liabilities for the expected future tax benefits or consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting carrying values and the tax basis of assets and liabilities and are measured by applying enacted tax rates and laws for the taxable years in which those differences are expected to reverse.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon settlement with the relevant tax authority, and is net of a valuation allowance to the extent that the Company determines that it is more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods.

Recently Adopted Accounting Standards

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures*, which updates the reportable segment disclosure requirement, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company adopted this guidance effective for the annual reporting period beginning January 1, 2024, and has applied the guidance retrospectively. The adoption of this guidance did not have a material impact on the Company's financial statements and related disclosure.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* which requires that an entity discloses consistent categories and greater disaggregation of information in the income tax rate reconciliation, and income taxes paid disaggregated by jurisdiction, among other amendments that expand income tax disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. The

Company is currently evaluating the impact of the adoption of this ASU but does not expect it would have a material impact on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation,* which requires an entity to provide additional disaggregated information disclosures about certain income statement expense items. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026. The Company is currently evaluating the impact of the adoption of this ASU but does not expect it would have a material impact on its consolidated financial statements and related disclosures.

Note 3. Revenue Recognition

Substantially all of OTC Markets Group's revenues are derived from contracts with customers. Revenues are recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. In accordance with ASC Topic 606, the Company evaluates its contracts with customers based on a five-step methodology. The Company: (1) identifies the contract with the customer; (2) identifies the performance obligations under the contract; (3) determines the transaction price; (4) allocates the transaction price to the separate performance obligations; and (5) recognizes revenue when each performance obligation is satisfied. Certain of the Company's ancillary Market Data Licensing and Corporate Services offerings, including VIC, news release and advertising services, are usage-based and are delivered at a point in time. Accordingly, the Company recognizes revenue upon delivery of the service in line with the contractual agreement.

OTC Link

OTC Link LLC operates four ATSs: OTC Link ATS, OTC Link ECN, OTC Link NQB, and MOON ATS. Broker-dealers pay monthly subscription and connectivity fees that permit access to the trading system, including the OTC Dealer® application and related support and updates, if applicable, during the contract term. Fees for such access are based on the number of authorized OTC Dealer users per subscriber, which are calculated based on a tiered pricing arrangement, or the number and type of services per connection. These fees are invoiced monthly and in advance of the monthly service period. The Company satisfies its performance obligations over the contract term and records revenue from these fees ratably over the month, with the unrealized portion recorded as deferred revenue on the Company's Consolidated Balance Sheets.

In addition to the aforementioned monthly access fees, broker-dealer subscribers to OTC Link ATS pay usage-based fees to publish quotes and deliver trade messages electronically to counterparties. Those fees are recognized at the point in time when the performance obligation, the publication of the quote or delivery of the message, is satisfied. OTC Link ECN generates revenues based on share volume executed on the ECN matching platform. Broker-dealer counterparties pay a fixed fee per share executed where their orders remove posted liquidity on the ECN, while receiving a rebate on shares executed against their own posted liquidity. To the extent that OTC Link ECN routes orders to OTC Link ATS, OTC Link ECN may earn fees for orders that provide liquidity, while paying a fee for orders that remove liquidity. OTC Link NQB generates revenues in a manner similar to OTC Link ECN. Fees earned are recognized as transaction-based revenues, while fees paid are recognized as transaction-based expenses. These fees are invoiced monthly, in arrears, and are due upon receipt. The Company recognizes transaction-based revenue earned upon the execution of a trade when the Company's obligations are substantially met. Similarly, payments made to subscribers providing liquidity are recognized upon execution and are recorded as transaction-based expenses within the Consolidated Statements of Income.

Market Data Licensing

Market Data Licensing generates revenues by providing subscribers with continuous access to market data, compliance data, Blue Sky data, company data and security information, including SEC filings. Subscribers pay monthly, quarterly, or annual fees to access this information priced at per enterprise or per user rates. Market Data Licensing revenues are recognized ratably over the term of the contract period, beginning on the date on which the data is made available to the customer, as the Company's continuing performance obligations are met.

A significant portion of Market Data Licensing revenues result from sales through redistributors, some of whom earn redistribution fees based on a contractual fixed rate. These fees are invoiced monthly based on the contractual period and are recognized as a reduction of gross revenues. Substantially all of the Company's redistribution fees and rebates are related to these arrangements with market data redistributors.

Corporate Services

Corporate Services generates revenues from the OTCQX Best Market and OTCQB Venture Market and from a suite of other services. Issuers pay annual or semi-annual subscription fees upfront to have their securities traded on the OTCQX or OTCQB markets and to subscribe to OTC Markets Group's various other services. The Company recognizes these revenues ratably over time based on the subscription period as the performance obligations are met and the transfer of services occurs. Issuers pay one-time non-refundable application fees. These fees are not related to distinct performance obligations and are recognized ratably over the contractual service period, which is one year or shorter. For declined applications, the Company recognizes revenue when the application review is completed. The Company also charges for the right to host webcast presentations and online events on the VIC platform. VIC presentation fees are recognized at the point in time when the services are rendered, which corresponds to the date of the webcast or event and the point in time that the performance obligation is satisfied.

(in thousands, except shares and per share information)

The following tables present the Company's revenues disaggregated by timing of revenue recognition:

	Year Ended December 31, 2024		
	Point in Time	Over Time	Total
OTC Link	$ 17,158	$ 5,251	$ 22,409
Market data licensing	48	43,578	43,626
Corporate services	1,708	43,321	45,029
Gross revenues	18,914	92,150	111,064
Redistribution fees and rebates	(19)	(3,163)	(3,182)
Net revenues	18,895	88,987	107,882
Transaction-based expenses	(6,649)	-	(6,649)
Revenues less transaction-based expenses	$ 12,246	$ 88,987	$ 101,233

	Year Ended December 31, 2023		
	Point in Time	Over Time	Total
OTC Link	$ 14,881	$ 4,718	$ 19,599
Market data licensing	126	43,242	43,368
Corporate services	1,875	45,053	46,928
Gross revenues	16,882	93,013	109,895
Redistribution fees and rebates	(36)	(3,201)	(3,237)
Net revenues	16,846	89,812	106,658
Transaction-based expenses	(5,524)	-	(5,524)
Revenues less transaction-based expenses	$ 11,322	$ 89,812	$ 101,134

	Year Ended December 31, 2022		
	Point in Time	Over Time	Total
OTC Link	$ 16,202	$ 4,735	$ 20,937
Market data licensing	438	35,969	36,407
Corporate services	2,352	45,453	47,805
Gross revenues	18,992	86,157	105,149
Redistribution fees and rebates	(89)	(3,012)	(3,101)
Net revenues	18,903	83,145	102,048
Transaction-based expenses	(5,847)	-	(5,847)
Revenues less transaction-based expenses	$ 13,056	$ 83,145	$ 96,201

(in thousands, except shares and per share information)

The following tables present the Company's revenues disaggregated by geography:

	Year Ended December 31, 2024		
	U.S	International	Total
OTC Link	$ 22,409	$ -	$ 22,409
Market data licensing	35,121	8,505	43,626
Corporate services	19,984	25,045	45,029
Gross revenues	77,514	33,550	111,064
Redistribution fees and rebates	(2,818)	(364)	(3,182)
Net revenues	74,696	33,186	107,882
Transaction-based expenses	(6,649)	-	(6,649)
Revenues less transaction-based expenses	$ 68,047	$ 33,186	$ 101,233

	Year Ended December 31, 2023		
	U.S	International	Total
OTC Link	$ 19,599	$ -	$ 19,599
Market data licensing	34,923	8,445	43,368
Corporate services	20,450	26,478	46,928
Gross revenues	74,972	34,923	109,895
Redistribution fees and rebates	(2,893)	(344)	(3,237)
Net revenues	72,079	34,579	106,658
Transaction-based expenses	(5,524)	-	(5,524)
Revenues less transaction-based expenses	$ 66,555	$ 34,579	$ 101,134

	Year Ended December 31, 2022		
	U.S	International	Total
OTC Link	$ 20,937	$ -	$ 20,937
Market data licensing	29,410	6,997	36,407
Corporate services	21,475	26,330	47,805
Gross revenues	71,822	33,327	105,149
Redistribution fees and rebates	(2,835)	(266)	(3,101)
Net revenues	68,987	33,061	102,048
Transaction-based expenses	(5,847)	-	(5,847)
Revenues less transaction-based expenses	$ 63,140	$ 33,061	$ 96,201

Accounts Receivable, net

As of December 31, 2024 and 2023, accounts receivable, net of allowance for credit losses, were $8,097 and $7,680, respectively. The allowance for credit losses reflects the Company's best estimate of expected losses inherent in the accounts receivable balances. The Company determines the allowance based on historical experience, the age of the accounts receivable balances, specific account information, and estimates of current and future economic conditions that may affect customers' ability to pay.

Deferred Revenue

Deferred revenue primarily represents the Company's contractual performance obligations related to annual and semi-annual Corporate Services subscription fees; monthly, quarterly, and annual Market Data Licensing fees; as well as monthly OTC Link subscription fees. The following table presents the changes in deferred revenue during the years ended December 31, 2024 and 2023:

	Year Ended December 31,	
	2024	2023
Balance at beginning of year	$ 29,267	$ 30,456
Net changes	(183)	(1,189)
Balance at end of year	$ 29,084	$ 29,267

During the years ended December 31, 2024 and 2023, the Company recognized $29,208 and $30,372 of revenues, respectively, that were included in the deferred revenue balance at the beginning of each year.

Payment Terms

The Company's payment terms vary by business line and the products or services offered and range from due upon receipt to net 45 days. For certain products, OTC Markets Group requires payment before services are rendered.

Note 4. Concentrations and Uncertainties

During the years ended December 31, 2024, 2023 and 2022, Market Data Licensing revenues earned through one market data redistributor amounted to approximately 8%, 8%, and 7% of the Company's gross revenues, respectively. Additionally, as of December 31, 2024 and 2023, accounts receivable from that same redistributor amounted to 22% and 24% of the Company's accounts receivable, respectively.

Note 5. Property and Equipment, net

Property and equipment, net consisted of the following:

	December 31,		Estimated useful life
(in thousands)	2024	2023	(years)
Computer software	$ 7,609	$ 7,695	3 - 10
Computer equipment	7,115	7,155	1 - 4
Furniture and fixtures	691	691	5 - 7
Leasehold improvements	2,917	2,917	Term of lease
Total property and equipment	18,332	18,458	
Accumulated depreciation and amortization	(11,236)	(10,029)	
Total property and equipment, net	**$ 7,096**	**$ 8,429**	

Depreciation and amortization on property and equipment, including computer software acquired as part of the EDGAR Online acquisition, included in the Consolidated Statements of

Income amounted to $2,099, $1,816 and $1,705 for the years ended December 31, 2024, 2023 and 2022, respectively.

Note 6. Goodwill and Intangible Assets

The following table presents goodwill activity for the period:

	December 31, 2022	Goodwill Acquired	Other Adjustments	December 31, 2023
Goodwill	$ 3,984	$ -	$ -	$ 3,984

	December 31, 2023	Goodwill Acquired	Other Adjustments	December 31, 2024
Goodwill	$ 3,984	$ -	$ -	$ 3,984

Intangible assets consisted of the following:

	December 31,		Estimated useful life
(in thousands)	2024	2023	(years)
Website	$ 100	$ 100	2
Subscription services	150	150	8-15
Customer Relationships	8,200	8,200	15
Data Asset	140	140	4
Distributor relations	27	27	15
Intellectual property	40	40	Indefinite
Total intangible assets	8,657	8,657	
Accumulated amortization	(1,828)	(1,246)	
Intangible assets, net	**$ 6,829**	**$ 7,411**	

Amortization expense for finite-lived intangible assets was $582, $582 and $387 for the years ended December 31, 2024, 2023 and 2022, respectively. The increase in amortization expense in 2023 compared to 2022 was due to full year amortization of acquired intangible assets in connection with the Blue Sky Data Corp acquisition, which closed in May 2022. No impairment charges were recorded to goodwill or intangible assets for the years ended December 31, 2024, 2023 and 2022.

Note 7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31,	
(in thousands)	2024	2023
Payroll and employee withholdings	$ 9,896	$ 9,765
Accrued operating expenses	1,422	2,248
Current operating lease liabilities	2,107	2,052
Total accrued expenses and other	**$ 13,425**	**$ 14,065**

Payroll and employee withholdings primarily consisted of accrued discretionary bonus, discretionary employer 401(k) contribution, vacation, and sales commissions. The balance of payroll and employee withholdings as of December 31, 2024 represents a full year of accrual, which was paid out in January and February 2025.

Note 8. Stock-Based Compensation

OTC Markets Group grants stock options to employees and certain consultants and restricted stock awards (“RSAs”) to certain employees and consultants, as well as directors. The grant date fair value of each stock option is estimated using the Black-Scholes option pricing model and is then amortized into compensation and benefits expense on a straight-line basis over the requisite service period, which is generally the vesting period. The grant date fair value of each RSA is based on the closing stock price on the day prior to the grant date. These charges are included in compensation and benefits expense and, in respect of compensation for the Company's Board of Directors, professional and consulting fees on the Consolidated Statements of Income.

Stock Options

A summary of the Company's stock option activity for the year ended December 31, 2024 is as follows:

(in thousands, except W/A exercise price)	Stock Options	Weighted-average exercise price	Aggregate Intrinsic value	Remaining contractual term (years)
Outstanding, January 1, 2024	796	$ 47.38	$ 7,547	7.50
Granted	201	50.99	73	
Exercised	(71)	29.15	1,866	
Forfeited	(84)	53.12	297	
Expired	(17)	14.00	632	
Outstanding, December 31, 2024	825	$ 49.93	$ 3,700	7.52
Exercisable, December 31, 2024	312	$ 44.39	$ 3,021	5.98

The Company recognized compensation expense related to stock options, net of estimated forfeitures, of $2,026, $1,959 and $987 for the years ended December 31, 2024, 2023 and 2022, respectively. During 2024, management estimated forfeiture rates of 5% for stock options granted to management and 21% for stock options granted to other employees. Such charges are included in compensation and benefits expenses on the Consolidated Statements of Income.

As of December 31, 2024, unrecognized compensation cost related to non-vested stock option awards totaled $6,067, which will be recognized over approximately 3.6 years.

The weighted-average assumptions used in the Black-Scholes option pricing model for 2024, 2023 and 2022 are as follows:

	Year Ended December 31,		
	2024	2023	2022
Risk free interest rate	4.20%	3.79%	3.19%
Expected life in years	6.50	6.50	6.50
Expected volatility	30%	30%	29%
Expected annual dividend per share	1.41%	1.27%	1.26%
Weighted average fair value of options granted	$ 16.99	$ 18.56	$ 17.72

A summary of the Company’s non-vested stock option activity for the year ended December 31, 2024 is as follows:

(in thousands, except W/A exercise price)	Number of Options	Weighted-average fair value
Non-vested options at January 1, 2024	526	$ 15.87
Granted	201	16.99
Vested	(138)	13.97
Forfeited	(75)	15.64
Non-vested options at December 31, 2024	514	$ 16.85

Restricted Stock Awards

A summary of the Company’s RSA activity for the year ended December 31, 2024 is as follows:

(in thousands, except W/A exercise price)	Restricted Stock	Weighted-average fair value	Aggregate Intrinsic value
Outstanding, January 1, 2024	263	$ 48.88	$ 14,722
Granted	89	57.11	5,082
Vested	(93)	44.13	5,329
Forfeited	(10)	55.01	525
Outstanding, December 31, 2024	249	$ 53.33	$ 12,732

The Company recognized compensation expense related to RSAs, net of estimated forfeitures, of $4,126, $3,714 and $3,182 for the years ended December 31, 2024, 2023 and 2022, respectively. During 2024, management estimated forfeiture rates of 6% for RSAs granted to management and 10% for RSAs granted to other employees. In addition, the Company also recognized professional fees of $218, $184 and $176 for the years ended December 31, 2024, 2023 and 2022, respectively, related to the issuance of RSAs to the Board of Directors.

A summary of the Company’s non-vested RSA activity for the year ended December 31, 2024 is as follows:

(in thousands, except W/A exercise price)	Number of Restricted Stock	Weighted-average fair value
Non-vested RSAs at January 1, 2024	263	$ 48.88
Granted	89	57.11
Vested	(93)	44.13
Forfeited	(10)	55.01
Non-vested RSAs at December 31, 2024	249	$ 53.33

As of December 31, 2024, unrecognized compensation cost related to non-vested RSAs totaled $8,704, which will be recognized over approximately 3.0 years.

Performance Unit Awards

In March 2022, OTC Markets Group's Board of Directors approved and authorized the award of Performance Units to certain employees under the Company’s 2019 Equity Incentive Plan (the “Plan”). Under the Performance Unit Award agreements, the Company is obligated to deliver a variable number of Performance Units on a fixed monetary amount to certain eligible employees if the Company achieves defined Gross Revenue and Diluted Earnings Per Share targets within the defined performance periods. Each Performance Unit represents the right to receive the value of one share of Class A Common Stock of the Company and will be settled 50% in Class A Common Stock and 50% in cash upon vesting, subject to continued employment vesting requirements set forth in the Performance Unit Award agreements.

The liability-classified Performance Unit Awards are considered unearned until the issuance requirements are met and would be included in accrued expenses and other current liabilities in the Company's Consolidated Balance Sheets. As of December 31, 2024 and 2023, there was no accrued unrecognized compensation expense related to this obligation in accrued expenses and other current liabilities in the Company's Consolidated Balance Sheets because the Company determined, based on its financial results for the years ended December 31, 2024 and 2023, that the performance objectives set forth in the Performance Unit Award agreements have not been met.

The maximum total compensation expense to be recognized under the Performance Unit Awards is $2,508 if the performance objectives are met each performance year, which would result in the issuance of approximately 48,975 Performance Units, payable in 24,487 shares of Class A Common Stock and $1,254 in cash, based on the closing share price of the Company's Class A Common Stock of $51.21 on December 31, 2024. However, the actual number of Performance Units issued may fluctuate based on the share price at the date of settlement.

Note 9. Debt

OTC Markets Group maintains a commercial banking relationship with JPMorgan Chase. On July 7, 2012, the Company entered into a line of credit agreement with JPMorgan Chase (the "Line of Credit"). Pursuant to various extensions, the Line of Credit provides up to $3,000 of available borrowing capacity to fund business operations through June 21, 2025. Since inception, the Company has not drawn funds on the Line of Credit. Under the terms of the Line of Credit, the Company agreed to fulfill certain affirmative and negative covenants and other specified terms.

Note 10. Leases

The Company has two non-cancelable operating leases. One is for office space at 300 Vesey Street, New York, NY that was executed in October 2018 and expires on December 30, 2031. The other is for office space at 100 M Street SE, Washington, D.C. that was amended in April 2021 and expires on January 31, 2028. These operating leases are recorded as operating lease right-of-use assets on the Company's Consolidated Balance Sheets as of December 31, 2024 and 2023, and represent the Company's right to use the underlying asset during the lease term. The Company's obligation in respect of future payments due under the leases is included in accrued expenses and other current liabilities and in the operating lease liabilities section on the Company's Consolidated Balance Sheets as of December 31, 2024 and 2023.

The Company recognized right-of-use assets and lease liabilities, based on the present value of lease payments over the lease terms at commencement date. When the rate implicit in the operating lease is not readily determinable, the Company uses its incremental borrowing rate as the discount rate to determine its right-of-use assets and the present value of its lease liabilities. The incremental borrowing rates approximate the rate the Company would pay to borrow on a collateralized basis for the weighted-average life of the lease. Operating right-of-use assets include prepaid lease payments and lease incentives. The Company elected not to record short-term operating leases with an initial term of twelve months or less on its Consolidated Balance Sheets. The Company also elected to account for the fixed payments for the lease and non-lease components (such as common-area maintenance and utility charges) as a single lease component that increases the amount of the Company's lease assets and liabilities.

All operating lease expense is recognized on a straight-line basis over the lease term. Any change in payments due to changes in inflation rates are recognized as variable lease expenses as they are incurred.

The components of lease expenses were as follows:

(in thousands)	December 31, 2024	December 31, 2023
Opearting Lease cost	$ 1,997	$ 1,997
Short-term Lease cost	67	60
Total lease cost	$ 2,064	$ 2,057

Supplemental cash flow information related to leases was as follows:

(in thousands)	December 31, 2024	December 31, 2023
Cash Paid for operating lease liabilities	$ 2,104	$ 1,982
Right-of-use assets obtained in exchange for operating lease obligations	-	-

Supplemental balance sheet information related to leases was as follows:

(in thousands)	December 31, 2024	December 31, 2023
Operating lease right-of use assets	$ 10,951	$ 12,324
Other current liabilities	2,107	2,052
Operating lease liabilities	10,360	11,895
Total operating lease liabilities	12,467	13,947
Weighted-average remaining lease term	7 Years	8 Years
Weighted-average discount rate	4.7%	4.7%

Maturities of lease liabilities were as follows:

2025	$ 2,160
2026	2,165
2027	2,171
2028	1,945
2029	2,041
Thereafter	4,182
Total lease payments	14,664
Less imputed interest	(2,197)
Total	$ 12,467

Occupancy expense included in the Consolidated Statements of Income was $2,369, $2,360 and $2,257 for the years ended December 31, 2024, 2023 and 2022, respectively.

Note 11. Commitments and Contingencies

Legal Matters

There are no current, past, pending, or threatened legal proceedings or administrative actions either by or against OTC Markets Group that could have a material effect on its business, financial condition, or operations. OTC Markets Group is not a party to any past or pending trading suspensions by a securities regulator.

(in thousands, except shares and per share information)

In the ordinary course of business, the nature of the Company's business subjects it to claims, lawsuits, regulatory examinations or investigations, and other proceedings. OTC Link is regularly the subject of various regulatory reviews, inquiries, investigations, and subpoenas or requests for information by FINRA and the SEC. Where it is determined, in consultation with legal counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, the Company establishes an accrual.

In 2022, OTC Markets Group entered into discussions with the SEC's Division of Enforcement regarding certain OTC Link policies and procedures related to the filing of Suspicious Activity Reports (SARs). On August 12, 2024, the SEC announced it accepted OTC Link's settlement offer in connection with the SEC's findings. Without admitting or denying the findings, OTC Link agreed to cease and desist from committing or causing any violations of Section 17(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 17a-8 thereunder and pay a civil penalty of $1,190 to the SEC, an amount that OTC Markets Group previously accrued and included in accrued expenses and other current liabilities in the Consolidated Balance Sheet as of December 31, 2023, and that it paid in full on August 20, 2024. During 2024, the Company also responded to an information request from the SEC's Division of Enforcement regarding certain OTC Link policies and procedures related to Regulation Systems Compliance and Integrity (SCI). The Company has not received any further communication from the SEC's Division of Enforcement, and it cannot anticipate the timing, outcome, or possible impact of this inquiry, financial or otherwise.

Letters of Credit

As of December 31, 2024, the Company had two open letters of credit of approximately $1,059 which secure its lease obligations in connection with its New York City and Washington, D.C. office space operating leases. The letters of credit are collateralized by a money market balance.

Note 12. Acquisitions

Blue Sky Data Corp

On May 2, 2022, the Company completed the acquisition of Blue Sky Data Corp, a provider of compliance data regarding state Blue Sky securities rules and regulations, for approximately $11,600 in cash, subject to certain adjustments. This acquisition allowed OTC Markets Group to enhance its existing Blue Sky data offering, improve its value proposition, and expand its subscriber base. The Blue Sky Data Corp subscribers and revenue are included in the Company's Market Data Licensing business for the years ended December 31, 2024, 2023 and 2022.

During 2023, the Company finalized the valuation of the assets acquired and liabilities assumed, with no changes in the amounts and related disclosures compared to December 31, 2022.

Customer Relationships	$ 8,200
Data Asset	140
Goodwill	3,733
Property and equipment	7
Prepaid expenses and other current assets	66
Total assets acquired	12,146
Deferred revenue	(529)
Total liabilities assumed	(529)
Net cash purchase price	$ 11,617

Customer relationships and data asset intangible assets are being amortized over a fifteen-year life and a four-year life, respectively. The goodwill amount represents synergies expected to be realized from the business combination and assembled workforce. The associated goodwill and intangible assets from the Blue Sky Data Corp acquisition are deductible for tax purposes.

The financial results of the Blue Sky Data Corp acquisition are included in the Consolidated Financial Statements for the years ended December 31, 2024, 2023 and 2022. The acquisition was immaterial to the Company's Consolidated Statements of Income for the years ended December 31, 2024, 2023 and 2022, and therefore, supplemental information disclosure on an unaudited pro forma basis is not presented. The Company expensed $527 in acquisition-related costs during the year ended December 31, 2022, and recorded those charges as professional and consulting fees in the Consolidated Statements of Income. No acquisition-related costs were recorded in the years ended December 31, 2024 and 2023.

EDGAR Online

On November 9, 2022, OTC Markets Group completed the acquisition of EDGAR Online, a supplier of real-time SEC regulatory data and financial analytics, from Donnelley Financial, LLC for approximately $3,500 in cash, subject to certain adjustments. This acquisition included substantially all of the assets of the EDGAR Online business, including proprietary technology, custom code, customer contracts, and intellectual property. EDGAR Online, which includes the EDGAR Pro platform, provides company disclosure and financial information. Integrating the EDGAR Online data and domain expertise into the OTC Markets Group platform provides investors, traders, and compliance teams with a more comprehensive view of an issuer and its securities. The EDGAR Online subscribers and revenue are included in the Company's Market Data Licensing business for the years ended December 31, 2024, 2023 and 2022.

The Company determined that substantially all of the fair value of the gross assets acquired is concentrated in a group of similar, identifiable assets and based on the determination, and in accordance with ASC 805, accounted for the acquisition as an asset purchase. The purchase price of $3,500 and transaction-related expenses of $93 were allocated to Computer Software.

Note 13. Employee Benefit Plan

The Company has a 401(k) Plan for all eligible employees. Subject to federal contribution limits, the 401(k) Plan permits each participant to contribute up to 15% of the participant's annual compensation and allows the Company to make discretionary contributions. In 2008, the Company established an "Employer Non-Elective Discretionary Contribution" feature for its 401(k) Plan. The Company elected to contribute $631, $639 and $545 for the annual periods ended December 31, 2024, 2023 and 2022, respectively.

Note 14. Stockholders' Equity

Common Stock

The Company has one class of shares, Class A Common Stock, outstanding. Holders of Class A Common Stock, which include holders of unvested RSAs, are entitled to receive such dividends and other distributions in cash or stock of any corporation or property of the Company, as may be authorized and declared by the Board of Directors from time to time out of the assets or funds of the Company legally available for the payment of dividends. Upon the voluntary or involuntary liquidation, dissolution, or winding up of the Company, holders of Class A Common Stock are entitled to a pro rata share of the net assets of the Company available for distribution in proportion to the number of shares of Class A Common Stock held by each.

The Company is authorized to issue 17,000,000 shares of Class A Common Stock at $0.01 par value. As of December 31, 2024 there were a total of 12,815,075 shares issued and

11,979,165 shares outstanding. As of December 31, 2023 there were a total of 12,716,135 shares issued and 11,931,366 shares outstanding.

Treasury Stock

In August 2011, the Board of Directors authorized the Company to repurchase up to 300,000 shares of Class A Common Stock in compliance with Rule 10b-18 under the Securities Exchange Act of 1934 (the "Exchange Act"). In March 2024 and 2023, the Board of Directors refreshed the Company's stock repurchase program, authorizing the repurchase of up to 300,000 shares of Class A Common Stock.

During the year ended December 31, 2024, the Company repurchased 51,141 shares of Class A Common Stock at an average price of $57.56 per share, for a total of $2,944. During the year ended December 31, 2023, the Company repurchased 58,262 shares of Class A Common Stock at an average price of $58.00 per share, for a total of $3,379. All repurchased shares are held in treasury.

Dividends

The Company declared and paid quarterly cash dividends on its Class A Common Stock of $0.18 per share during each quarter of 2024 and 2023. The Company also paid special dividends of $1.50 per share of Class A Common Stock during each of the fourth quarters of 2024 and 2023.

Equity Incentive Plan

The Company's Plan, as adopted by the Board of Directors on May 7, 2019, and approved by a vote of the Company's stockholders on December 19, 2019, provides for the grant of incentive stock options, non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares, and governs options awarded (see Note 8, *Stock-Based Compensation*). In each of November 2024 and 2023, the Board of Directors authorized an increase in the number of shares available for issuance under the Plan by 200,000 shares.

Note 15. Income Taxes

The components of the provision for income taxes consist of the following:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Current:			
Federal	$ 5,637	$ 6,771	$ 6,799
State and local	2,588	1,890	3,814
Foreign	(14)	13	5
Total current	$ 8,211	$ 8,674	$ 10,618
Deferred:			
Federal	(1,852)	(2,750)	(2,969)
State and local	(557)	(82)	(1,494)
Foreign	(20)	(6)	(3)
Total deferred	$ (2,429)	$ (2,838)	$ (4,466)
Provision for income taxes	$ 5,782	$ 5,836	$ 6,152

The reconciliation of the federal statutory income tax rate to the Company's effective income tax rate is as follows:

	Year Ended December 31,		
	2024	2023	2022
Federal Statutory rate	21.0%	21.0%	21.0%
State and local income taxes, net	4.4%	4.1%	5.0%
R&D tax credits	(3.2%)	(2.6%)	(2.5%)
Stock-based compensation	(1.3%)	(1.5%)	(2.9%)
Foreign derived intangible income	(3.9%)	(4.0%)	(3.8%)
Other	0.4%	0.4%	(0.2%)
	17.4%	17.4%	16.6%

The Company's effective income tax rates for fiscal years 2024, 2023 and 2022 were 17.4%, 17.4% and 16.6%, respectively.

The Company's effective tax rate for 2024 remained unchanged. The increase in the Company's effective tax rate for 2023 resulted from a lower stock-based compensation windfall deduction, partially offset by lower state taxes and higher Foreign Derived Intangible Income tax deduction and R&D credit.

The significant components of the Company's deferred tax assets and liabilities are as follows:

	Year Ended December 31,	
(in thousands)	2024	2023
Deferred tax assets:		
Allowance for credit losses	$ 88	$ 119
Operating leases liability	3,240	3,599
Capitalized research and development	8,500	6,532
Share-based compensation	1,988	1,560
Deferred tax asset on income tax reserve	183	151
Net operating loss carryforward	68	40
Deferred tax assets	14,067	12,001
Deferred tax liabilities:		
Right-of-use assets	(2,847)	(3,181)
Property and equipment	(927)	(1,022)
Other reserves	(173)	(107)
Deferred tax liabilities	(3,947)	(4,310)
Net deferred tax assets	$ 10,120	$ 7,691

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon settlement with the relevant tax authority. In connection with the assessment of certain tax positions, a reconciliation of the gross unrecognized tax liabilities for the years ended December 31, 2024 and 2023 is as follows:

(in thousands)	Year Ended December 31, 2024	2023
Beginning balance	$ 568	$ 478
Increase for tax positions taken during the current period	90	101
Increase(Decrease) for tax positions taken during a prior period	-	(11)
Ending balance	$ 658	$ 568

It is not reasonably possible that any unrecognized tax benefits related to state nexus will reverse within the next twelve months due to expected settlements with taxing authorities. The total amount of uncertain tax positions that, if recognized, would impact the Company's effective tax rate as of December 31, 2024 and 2023, is $658 and $568, respectively.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of tax expense. The Company recorded an increase in the amount of interest and penalties due on income tax reserves of $59 and $31 during the years ended December 31, 2024 and 2023, respectively, and a reduction of $61 during the year ended December 31, 2022. As of December 31, 2024 and 2023, the Company had $269 and $210 of interest and penalties accrued, respectively.

The Company is subject to income taxes in the U.S. federal jurisdiction and various state jurisdictions. Tax regulations within each jurisdiction are subject to interpretation of the related tax laws and regulations and require significant judgment to apply. Tax years from 2018 through 2023 remain subject to examination by the U.S. federal and various state taxing authorities. The Company's federal income tax return for tax year 2021 is currently under audit by the Internal Revenue Service. The examination duration and outcome are uncertain at this time.

Note 16. Earnings Per Share

The Company calculates earnings per share pursuant to the two-class method, which is an earnings allocation formula that determines earnings per share for common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. RSAs granted to employees, consultants, and directors (see Note 8, *Stock-Based Compensation*) participate in dividends on the same basis as common shares and such dividends are nonforfeitable by the holder. As a result, these RSAs meet the definition of a participating security.

The tables below present the calculations of earnings per share using the two-class method:

Basic Earnings per common share

(in thousands, except shares and per share data)	Year Ended December 31, 2024	2023	2022
Net income available to common shareholders	$ 27,360	$ 27,661	$ 30,814
Less: Undistributed earnings allocated to unvested RSAs	(16)	(26)	(100)
Less: Dividend equivalents on unvested RSAs	(552)	(585)	(588)
Net Income allocated to common shareholders	$ 26,792	$ 27,050	$ 30,126
Shares of common stock and common stock equivalents			
Weighted-average common shares outstanding	11,721,215	11,658,694	11,600,122
Basic earnings per share	$ 2.29	$ 2.32	$ 2.60

Diluted Earnings per common share

	Year Ended December 31,		
(in thousands, except shares and per share data)	2024	2023	2022
Net income available to common shareholders	$ 27,360	$ 27,661	$ 30,814
Less: Undistributed earnings allocated to unvested RSAs	(16)	(26)	(97)
Less: Dividend equivalents on unvested RSAs	(552)	(585)	(588)
Net Income allocated to common shareholders	$ 26,792	$ 27,050	$ 30,129
Shares of common stock and common stock equivalents			
Weighted-average common shares outstanding	11,721,215	11,658,694	11,600,122
Dilutive effect of employee stock options and restricted stock awards	119,604	204,486	287,746
Weighted-average shares used in diluted computation	11,840,819	11,863,180	11,887,868
Diluted earnings per share	$ 2.26	$ 2.28	$ 2.53

As of December 31, 2024, 2023 and 2022, 249, 263 and 265 RSAs, respectively, and stock options to purchase 825, 796 and 790 shares of Class A Common Stock, respectively, were outstanding. For the years ended December 31, 2024, 2023 and 2022, 21, 25 and 19 awards, respectively, were excluded from the diluted earnings per share computation because their effect would have been anti-dilutive.

Note 17. Quarterly Financial Data (unaudited)

The following represents OTC Markets Group's unaudited quarterly results for the years ended December 31, 2024 and 2023. These quarterly results were prepared in accordance with U.S. GAAP and reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results. These adjustments are of a normal recurring nature.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2024				
Revenues less transaction-based expenses	$ 25,309	$ 25,222	$ 25,199	$ 25,503
Operating Income	6,699	8,140	8,624	8,750
Net Income	5,984	6,733	7,428	7,215
Basic earnings per share	$ 0.50	$ 0.56	$ 0.62	$ 0.61
Diluted earnings per share	$ 0.49	$ 0.56	$ 0.61	$ 0.60
2023				
Revenues less transaction-based expenses	$ 25,446	$ 25,169	$ 25,078	$ 25,442
Operating Income	6,923	8,295	8,573	8,791
Net Income	6,319	6,960	7,381	7,001
Basic earnings per share	$ 0.53	$ 0.58	$ 0.62	$ 0.59
Diluted earnings per share	$ 0.52	$ 0.57	$ 0.61	$ 0.58

Note 18. Segment Information

The Company has a single operating and reportable segment, which operates regulated markets for trading over 12,000 U.S. and international securities with three service offerings: OTC Link, Market Data Licensing, and Corporate Services. The Company's Chief Executive Officer and President is the CODM, who allocates resources and assesses performance primarily based on consolidated Net Income included in the accompanying Consolidated Statements of Income. The CODM reviews results by monitoring period-over-period trends and considering budget versus actual variances.

The measure of segment assets is reflected as Total Assets on the Company's Consolidated Balance Sheets. As of December 31, 2024 and 2023, all of the Company's long-lived assets, including property and equipment, net, and operating right-of-use assets, were located in the United States.

Revenue and significant expenses regularly provided to the CODM to arrive at segment Net Income are as follows:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
OTC Link	$ 22,409	$ 19,599	$ 20,937
Market data licensing	43,626	43,368	36,407
Corporate services	45,029	46,928	47,805
Gross Revenues	111,064	109,895	105,149
Redistribution fees and rebates	(3,182)	(3,237)	(3,101)
Net revenues	107,882	106,658	102,048
Transaction-based expenses	(6,649)	(5,524)	(5,847)
Revenues less transaction-based expenses	101,233	101,134	96,201
Compensation and benefits	44,123	42,467	37,585
IT Infrastructure and information services	10,574	10,311	8,091
Professional and consulting fees	4,853	5,451	4,914
Regulatory Reporting and Clearing Fees	1,441	2,597	1,550
Marketing and advertising	1,368	1,194	1,303
Occupancy costs	2,369	2,360	2,257
Depreciation and amortization	2,681	2,398	2,092
General, administrative and other	1,612	1,762	1,588
Total operating expenses	69,021	68,540	59,380
Income from operations	32,212	32,594	36,821
Other income (expense)	930	903	145
Provision for income taxes	5,782	5,836	6,152
Net Income	$ 27,360	$ 27,661	$ 30,814

Note 19. Regulatory Authorities

OTC Link LLC is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Exchange Act. Rule 15c3-1 requires the maintenance of net capital, as defined, which shall be the greater of $5 or 6 ⅔% of aggregate indebtedness, as defined. OTC Link LLC’s regulatory net capital as of December 31, 2024 and 2023 was $442 and $2,242, respectively, which exceeded the minimum net capital requirement by $189 and $1,919, respectively.

Note 20. Subsequent Events

For purposes of disclosure in the consolidated financial statements, the Company has evaluated subsequent events through March 12, 2025, the date the consolidated financial statements were available to be issued.

In January 2025, the Company granted approximately 87,717 RSAs and 3,160 Restricted Stock Units (“RSUs”) to certain employees subject to the terms of Restricted Stock Agreements between the Company and each employee.

In February 2025, the Company repurchased a total of 55,522 shares of Class A Common Stock at an average price of $52.8575 per share, which will be held in treasury.

On March 11, 2025, the Board of Directors authorized and approved a quarterly cash dividend of $0.18 per share of Class A Common Stock. The quarterly cash dividend is payable on March 31, 2025 to stockholders of record on March 24, 2025. The ex-dividend date is March 24, 2025.

On March 11, 2025, the Board of Directors refreshed the Company’s stock repurchase program, giving the Company authorization to repurchase up to 300,000 shares of the Company’s Class A Common Stock.

EXHIBIT 2.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, R. Cromwell Coulson, Chief Executive Officer of OTC Markets Group Inc., certify that:

1. I have reviewed this Annual Report of OTC Markets Group Inc.;

2. Based on my knowledge, this Annual 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 Annual Report; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Annual Report.

/s/ R. Cromwell Coulson
R. Cromwell Coulson
Chief Executive Officer

March 12, 2025
Date

EXHIBIT 2.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Antonia Georgieva, Chief Financial Officer of OTC Markets Group Inc., certify that:

1. I have reviewed this Annual Report of OTC Markets Group Inc.;

2. Based on my knowledge, this Annual 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 Annual Report; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Annual Report.

/s/ Antonia Georgieva
Antonia Georgieva
Chief Financial Officer

March 12, 2025
Date