

MORGAN GROUP HOLDING CO.

A Delaware Corporation

401 Theodore Fremd Avenue, Rye, NY 10580

Telephone: (914) 921-5150

Website: <https://www.morgangroupholdingco.com>

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Federal EIN: 13-4196940

SIC code: 6211

Issuer's Quarterly Report

For the quarter ended March 31, 2025

Indicate the number of shares outstanding of each of the Issuer's classes of Common Stock, as of the end of the previous reporting period and the latest practical date.

Class	Outstanding at December 31, 2024	Outstanding at April 30, 2025
Common Stock, \$0.01 par value (OTC Pink: MGHL)	600,090	600,090

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes ☐ No ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes ☐ No ☒

Indicate by check mark whether a change in control of the company has occurred over this reporting period:

Yes ☐ No ☒

Morgan Group Holding Co. is responsible for the content of this Quarterly 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.

MORGAN GROUP HOLDING CO. AND SUBSIDIARY

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Item 1: GENERAL COMPANY INFORMATION

The name of the issuer is Morgan Group Holding Co.

Unless indicated otherwise, or the context otherwise requires, references in this report to “Morgan Group Holding Co.,” “MORGAN” “the Company,” “the Firm,” and “MGHL” or similar terms are to Morgan Group Holding Co, its predecessors, and its subsidiaries.

Company Description

(OTC Pink: MGHL), a company incorporated under the laws of Delaware.

It’s subsidiary, G.research generates revenues via direct fees and commissions on securities transactions executed on an agency basis on behalf of clients. Clients include institutional investors (e.g., hedge funds and asset managers) as well as affiliated mutual funds and managed accounts.

The principal executive office and principal place of business is located at 401 Theodore Fremd Avenue, Rye, NY 10580.

Telephone: (914) 921-5150

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Email: vamabile@gabelli.com

Jurisdiction: Delaware (active), incorporated November 2001

ITEM 2: SHARES OUTSTANDING

There are two classes of MORGAN stock: Common stock and preferred stock (“Preferred”), each class with par value of \$0.01. Common Stock trades on the OTC Pink market under the symbol MGHL (CUSIP: 61735R203) and has 600,090 issued and outstanding. No preferred stock has been issued.

Item 3: Unaudited Interim Condensed Consolidated Financial Statements**MORGAN GROUP HOLDING CO. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

	March 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 1,266,874	\$ 1,364,871
Receivables from brokers and clearing organizations	131,384	113,358
Receivables from affiliates	17,403	20,937
Securities owned, at market value	-	3,371
Deposits with clearing organizations	350,000	350,000
Income taxes receivable (including deferred tax asset of \$0 and \$0, respectively)	14,273	18,494
Fixed assets, net of accumulated depreciation of \$75,949 and \$75,345 respectively	3,529	4,133
Other assets	83,614	99,587
Total assets	<u>\$ 1,867,077</u>	<u>\$ 1,974,751</u>
LIABILITIES AND EQUITY		
Compensation payable	\$ 6,972	\$ 14,061
Payable to affiliates	736	654
Income tax payable	14,602	14,602
Loans payable	225,000	225,000
Accrued expenses and other liabilities	359,460	334,325
Total liabilities	<u>606,770</u>	<u>588,642</u>
Commitments and contingencies (Note 10)		
Equity		
Common stock, \$0.01 par value; 10,000,000 and 10,000,000 authorized, respectively, and 600,090 issued and outstanding, respectively	6,001	6,001
Additional paid-in capital	53,886,180	53,886,180
Accumulated deficit	(52,631,874)	(52,506,072)
Total equity	<u>1,260,307</u>	<u>1,386,109</u>
Total liabilities and equity	<u>\$ 1,867,077</u>	<u>\$ 1,974,751</u>

See notes to consolidated financial statements.

MORGAN GROUP HOLDING CO. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended March 31,	
	2025	2024
Revenues		
Commissions	\$ 404,425	\$ 489,377
Principal transactions	236	678
Dividends and interest	20,936	25,508
Sales manager fees	-	1,434
Other revenues	-	475
Total revenues	425,597	517,472
Expenses		
Compensation and related costs	284,829	311,155
Clearing charges	125,483	189,258
General and administrative	107,796	131,272
Occupancy and equipment	33,291	35,208
Total expenses	551,399	666,893
Loss before income tax benefit	(125,802)	(149,421)
Income tax benefit	-	-
Net loss	\$ (125,802)	\$ (149,421)
Net loss per share		
Basic and diluted	\$ (0.21)	\$ (0.25)
Weighted average shares outstanding:		
Basic and diluted	600,090	600,090

See notes to consolidated financial statements.

MORGAN GROUP HOLDING CO. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR-TO-DATE MARCH 31st

	Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at December 31, 2024	600,090	\$ 6,001	\$ 53,886,180	\$ (52,506,072)	\$ 1,386,109
Net loss	-	-	-	(125,802)	(125,802)
Balance at March 31, 2025	<u>600,090</u>	<u>6,001</u>	<u>53,886,180</u>	<u>(52,631,874)</u>	<u>1,260,307</u>

	Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at December 31, 2023	600,090	\$ 6,001	\$ 53,886,180	\$ (52,652,956)	\$ 1,239,225
Net loss	-	-	-	(149,421)	(149,421)
Balance at March 31, 2024	<u>600,090</u>	<u>6,001</u>	<u>53,886,180</u>	<u>(52,802,377)</u>	<u>1,089,804</u>

See notes to consolidated financial statements.

MORGAN GROUP HOLDING CO. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (125,802)	\$ (149,421)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	604	1,113
(Increase)/decrease in assets:		
Receivables from brokers and clearing organizations	(18,026)	(148,378)
Securities owned, net	3,371	
Receivables from affiliates	3,534	5,931
Income taxes receivable	4,221	-
Other assets	15,973	45,431
Increase/(decrease) in liabilities:		
Payable to affiliates	82	51
Compensation payable	(7,089)	(11,342)
Accrued expenses and other liabilities	25,135	60,976
Total adjustments	27,805	(46,218)
Net cash provided by (used in) operating activities	(97,997)	(195,639)
Net increase (decrease) in cash and cash equivalents and restricted cash	(97,997)	(195,639)
Cash, cash equivalents, and restricted cash at beginning of period	1,714,871	1,938,746
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 1,616,874</u>	<u>\$ 1,743,107</u>
Reconciliation to cash, cash equivalents, and restricted cash		
Cash and cash equivalents	\$ 1,266,874	\$ 1,393,107
Restricted cash: deposits from clearing organizations	350,000	350,000
Cash, cash equivalents, and restricted cash	<u>\$ 1,616,874</u>	<u>\$ 1,743,107</u>

See notes to consolidated financial statements.

MORGAN GROUP HOLDING CO. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2025
(Unaudited)

Organization and Business Description

Morgan Group Holding Co. (the “Company,” “Morgan Group,” or “Morgan”) was incorporated in November 2001 as a Delaware corporation to serve as a holding company which seeks acquisitions as part of its strategic alternatives. Prior to the October 31, 2019 merger with G.research, LLC (“G.research”), discussed below, Morgan Group had no operating companies.

The Company acquired G.research from Associated Capital Group, Inc. (“AC”), an affiliate of the Company, on October 31, 2019, in exchange for issuing 500,000 shares of the Company’s common stock to AC (the “Merger”). Accordingly, G.research became a wholly owned subsidiary of the Company. Prior to the transaction, G.research was a wholly-owned subsidiary of Institutional Services holdings, LLC, which, in turn, was a wholly-owned subsidiary of AC. After the transaction, AC had an 83.3% ownership interest in the Company. As a result of this common ownership, the transaction was treated as a combination between entities under common control that led to a change in the reporting entity. The recognized assets and liabilities were transferred at their carrying amounts at the date of the transaction.

On March 16, 2020, AC’s Board of Directors approved the spin-off of the Company to AC’s shareholders. Upon execution of the spin-off on August 5, 2020, AC distributed to its shareholders on a pro rata basis the 500,000 shares of Morgan that AC owned.

On May 5, 2020, the Morgan Group board approved a reverse stock split of the issued and outstanding shares of their common stock, par value \$0.01 per share, in a ratio of 1-for-100 that was effective on June 10, 2020.

G.research is a broker-dealer registered with the Securities and Exchange Commission (the “SEC”) and is regulated by the Financial Industry Regulatory Authority (“FINRA”).

The Company generates brokerage commission revenues from securities transactions executed on an agency basis on behalf of institutional clients and mutual funds, private wealth management clients, and retail customers of affiliated companies. The Company may generate revenue from syndicated underwriting activities. It primarily participates in the offerings of certain closed-end funds advised by Gabelli Funds, LLC, a wholly-owned subsidiary of GAMCO Investors, Inc. (“GAMI”), an affiliate. The Company also earns investment income generated from its proprietary trading activities.

The Company acts as an introducing broker, and all securities transactions for the Company and its customers are cleared through and carried by three New York Stock Exchange (“NYSE”) member firms on a fully disclosed basis. The Company has Proprietary Accounts of Introducing Brokers (“PAIB”) agreements with these firms. Accordingly, open customer transactions are not reflected in the accompanying Condensed Consolidated Statement of Financial Condition. The Company is exposed to credit losses on these open transactions in the event of nonperformance by its customers, pursuant to conditions of its clearing agreements with its clearing brokers. This exposure is mitigated by the clearing brokers’ policy of monitoring the collateral and credit of the counterparties until the transaction is completed.

The Company’s principal market is in the United States (“U.S”).

1. Significant Accounting Policies

Basis of Presentation

The unaudited interim condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) for interim financial information. Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for the fair presentation of financial position, results of operations, and cash flows of Morgan for the interim periods presented and are not necessarily indicative of a full year’s results.

The interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, G.research. Intercompany accounts and transactions have been eliminated.

These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in our annual report for the year ended December 31, 2024.

Use of Estimates

The Company's consolidated financial statements are prepared in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during that reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*. This ASU requires greater disaggregation of income tax disclosures related to a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating the impact of this guidance on the financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280)*, which improves reportable segment disclosure requirements. The new standard will require enhanced disclosures about a public company's significant segment expenses and more timely and detailed segment information reporting throughout the fiscal period, including for companies with a single reportable segment. The standard was effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024, and early adoption is permitted. See Note 8.

2. Revenue from Contracts with Customers

Revenue from contracts with customers includes commissions and fees earned from affiliated entities pursuant to research services agreements. Significant judgments that affect the amounts and timing of revenue recognition:

The Company's analysis of the timing of revenue recognition of each revenue stream is based on the provisions of each respective contract. Performance obligations could, however, change from time to time if and when existing contracts are modified or new contracts are entered into. These changes could potentially affect the timing of satisfaction of performance obligations, the determination of the transaction price, and the allocation of the price to performance obligations. In the case of the revenue streams discussed below, the performance obligation is satisfied either at a point in time or over time. The judgments outlined below, where the determination as to these factors is discussed in detail, are continually reviewed and monitored by the Company when new contracts or contract modifications occur. Transaction price is in all instances formulaic and not subject to significant (or any) judgment at the current time.

The Company's assessment of the recognition of these revenues is as follows:

Revenue from contracts with customers includes commissions, fees earned from affiliated entities pursuant to research services agreements, underwriting fees, and sales manager fees.

Commissions

Brokerage commissions: Acting as agent, the Company buys and sells securities on behalf of its customers. Commissions are charged on the execution of these securities transactions made on behalf of client accounts and are negotiated. The Company recognizes commission revenue when the related securities transactions are executed on trade date. The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer. Commissions earned are typically collected from the clearing brokers utilized by the Company on a daily or weekly basis.

Hard dollar payments: The Company provides research services to unrelated parties, for which direct payment is received. The company may, or may not, have contracts for such services. Where a contract for such services is in place, the contractual fee for the period is recognized ratably over the contract period, which is considered the period over which the Company satisfies its performance obligation. For payments where no research contract exists, revenue is not recognized until agreement is reached with the client at which time the performance obligation is considered to have been met and revenue is recognized.

Commission revenues are impacted by the perceived value of the research service provided to clients, the volume of securities

transactions, and the acquisition or loss of new client relationships.

Total revenues from contracts with customers by type were as follows for the three months ended March 31, 2025 and 2024:

	Three months ended March 31,	
	2025	2024
Commissions	\$ 396,489	\$ 478,671
Hard dollar payments	7,936	10,706
Total	<u>\$ 404,425</u>	<u>\$ 489,377</u>

3. Related Party Transactions

At March 31, 2025 and December 31, 2024, the Company had an investment of \$1,253,893 and \$1,347,515, respectively, in The Gabelli U.S. Treasury Money Market Fund advised by Gabelli Funds, LLC, which is an affiliate of the Company. The amount is recorded in cash and cash equivalents in the Condensed Consolidated Statements of Financial Condition. Income earned from this investment totaled \$13,474 and \$18,412 for the three months ended March 31, 2025 and 2024, respectively, and is included in dividends and interest revenues in the Condensed Consolidated Statements of Operations.

For the three months ended March 31, 2025 and 2024, the Company earned \$277,916 and \$334,082, or approximately 69% and 68%, respectively, of its commission revenue from transactions executed on behalf of funds advised by Gabelli Funds, LLC. ("Gabelli Funds") and private wealth management clients advised by GAMCO Asset Management Inc., ("GAMCO Asset"), each affiliates of the Company.

The Company's rent is currently being accounted for on a month-to-month basis. GAMI allocates this expense to the Company based on the percentage of square footage occupied by the Company's employees (including pro rata allocation of common space). Pursuant to the arrangement, GAMI and its affiliates shall pay a monthly fixed lease amount for the twelve month period. For the three months ended March 31, 2025 and 2024, the Company paid \$19,349 and \$19,491, respectively, under the rent arrangement. These amounts are included within occupancy and equipment expenses on the consolidated statements of operations.

GAMCO provides the Company with shared office space, human resources and payroll services, information technology support, the cost and expense of which are determined pursuant to an allocation schedule that is periodically reviewed.

MGHL is dependent on the operations of G.research for its day-to-day funding needs. MGHL's ability to continue as a going concern is dependent on its ability to satisfy its obligations under the Related Party Loan (collectively, "the Loans"). Absent a further extension of the maturity date of the Loan or a capital infusion, MGHL will rely on the operations of G.research to provide the funds needed to repay the Loan when it matures. While G.research expects to have sufficient funds to meet operating obligations, there is uncertainty as to MGHL's ability to repay the Loan at their stated maturity date.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the recovery of the Company's assets and the satisfaction of liabilities in the normal course of business.

4. Fair Value

The following tables present information about the Company's assets and liabilities by major category measured at fair value on a recurring basis as of March 31, 2025 and December 31, 2024 and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value:

Assets Measured at Fair Value on a Recurring Basis as of March 31, 2025:

	March 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash equivalents	\$ 1,253,893	\$ -	\$ -	\$ 1,253,893
Total assets at fair value	\$ 1,253,893	\$ -	\$ -	\$ 1,253,893

There were no transfers between any levels during the quarter ended March 31, 2025.

Assets Measured at Fair Value on a Recurring Basis as of December 31, 2024:

	December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash equivalents	\$ 1,347,515	\$ -	\$ -	\$ 1,347,515
Total assets at fair value	\$ 1,347,515	\$ -	\$ -	\$ 1,347,515

There were no transfers between any levels during the year ended December 31, 2024.

Cash equivalents primarily consist of an affiliated money market mutual fund which is invested solely in U.S. Treasuries and valued based on the net asset value of the fund.

Financial assets disclosed but not carried at fair value.

The carrying value of other financial assets and liabilities approximates their fair value based on the short term nature of these items.

5. Retirement Plan

The Company maintains its own incentive savings plan (the “Plan”) covering substantially all employees. Company contributions to the Plan are determined annually by Company Board of Directors but may not exceed the amount permitted as a deductible expense under the Internal Revenue Code. During the three months ended March 31, 2025 and March 31, 2024, respectively, no amounts were expensed.

6. Income Taxes

The effective tax rate for the three months ended March 31, 2025 and 2024 was 0.0% and 0.00% respectively. For the three months ended March 31, 2025 the impact to the effective tax rate was related to current state taxes and the change in the deferred income taxes offset by an increase in the federal and state valuation allowances.

7. Earnings per Share

Basic earnings per share is computed by dividing net income / (loss) attributable to shareholders by the weighted average number of shares outstanding during the period. There were no dilutive shares outstanding during the periods.

The computations of basic and diluted net loss per share are as follows:

	Three Months Ended March 31,	
	2025	2024
Basic and diluted:		
Net loss attributable to shareholders	\$ (125,802)	\$ (149,421)
Weighted average shares outstanding	600,090	600,090
Basic and diluted net loss per share	<u>\$ (0.21)</u>	<u>\$ (0.25)</u>

8. Segment Reporting

The Company operates in one business segment which generates brokerage commission revenues from securities transactions executed on an agency basis on behalf of institutional clients and mutual funds, private wealth management clients, and retail customers of affiliated companies. The Company generates realized and unrealized gains and losses from its customer facilitation proprietary trading activities. The Company participates as sales manager of at-the-market offerings of certain affiliated closed-end funds and receives a tiered percentage of proceeds as stipulated in agreements between the Company, the funds and the funds' investment adviser. The Company has identified the Chief Executive Officer as the chief operating decision maker CODM, who uses net income (loss) in the Consolidated Statement of Operations to evaluate the results of the business to manage the Company. Additionally, the CODM uses excess net capital (see Note 11, Net Capital Requirements), which is not a measure of profit and loss, to make operational decisions while maintaining capital adequacy. The Company's operations constitute a single operating segment and, therefore, a single reportable segment, because the CODM manages the business activities using information of the Company as a whole. The accounting policies used to measure the profit and loss of the segment are the same as those described in Note 1, Significant Accounting Policies. The measure of segment assets is reported on the consolidated Statement of Financial Condition as total assets. The segment revenue and significant expenses are included in the Company's consolidated Statement of Operations. Revenues from external customers were \$18,419 and \$42,559 for the three months ended March 31, 2025 and 2024, respectively.

9. Equity

In conjunction with the Merger on October 31, 2019, the Company issued 50,000,000 shares of common stock to AC. The common stock, additional paid in capital, earnings per share, and accumulated deficit amounts in these consolidated financial statements for the period prior to the Merger have been restated to reflect the recapitalization in accordance with the shares issued as a result of the Merger.

See the Organization and Business Description Note above for detail.

10. Guarantees, Contingencies, and Commitments

The Company has agreed to indemnify its clearing brokers for losses they may sustain from the customer accounts that trade on margin introduced by the Company. At March 31, 2025 and December 31, 2024, the total amount of customer balances subject to indemnification (i.e., unsecured margin debits) was immaterial. The Company also has entered into arrangements with various other third parties, many of which provide for indemnification of the third parties against losses, costs, claims, and liabilities arising from the performance of the Company's obligations under the agreements. The Company has had no claims or payments pursuant to these or prior agreements, and management believes the likelihood of a claim being made is remote, and therefore, an accrual has not been made in the consolidated financial statements.

From time to time, the Company is named in legal actions and proceedings. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. The Company is also subject to governmental or regulatory examinations or investigations. The examinations or investigations could result in adverse judgments, settlements, fines, injunctions, restitutions, or

other relief. The Company cannot predict the ultimate outcome of such matters. The consolidated financial statements include the necessary provisions for losses that the Company believes are probable and estimable, if any. Furthermore, the Company evaluates whether losses exist which may be reasonably possible and, if material, makes the necessary disclosures. Such amounts, both those that are probable and those that are reasonably possible, are not considered material to the Company's financial condition, operations, or cash flows.

11. Net Capital Requirements

As a registered broker-dealer, G.research is subject to the SEC Uniform Net Capital Rule 15c3-1 (the "Rule"), which specifies, among other requirements, minimum net capital requirements for registered broker-dealers. G.research computes its net capital under the alternative method as permitted by the Rule, which requires that minimum net capital be the greater of \$250,000 or 2% of the aggregate debit items in the reserve formula for those broker-dealers subject to Rule 15c3-3. G.research is exempt from Rule 15c3-3 pursuant to paragraph (k)(2)(ii) of that rule which exempts all customer transactions cleared through another broker-dealer on a fully disclosed basis. In addition, our assets at the clearing broker-dealer are treated as allowable assets for net capital purposes as we have in place PAIB agreements pursuant to Rule 15c3-3. These requirements also provide that equity capital may not be withdrawn, advances to affiliates not be made, or cash dividends paid if certain minimum net capital requirements are not met. G.research had net capital, as defined, of \$1,111,981 and \$1,201,925 exceeding the required amount of \$250,000 by \$861,981 and \$951,925 at March 31, 2025 and December 31, 2024, respectively.

12. Subsequent Events

The Company has evaluated subsequent events for adjustment to or disclosure through May 23, 2025, the date of this report and the Company has not identified any subsequent events not otherwise reported in these financial statements or the notes thereto, that required recognition or additional disclosures in the financial statements.

On April 15, 2025, The LGL Group, Inc. (NYSE American: LGL) entered into an amended and restated Subscription Agreement with the Company, pursuant to which, subject to the satisfaction or waiver of certain conditions set forth therein, LGL Group, via a private placement, subscribed to 1,000,000 newly issued shares of the Company's common stock, par value \$0.01 per share (the "Securities"). As consideration for the Securities, on the closing date, LGL Group will pay to the Company aggregate consideration of \$2.0 million, or \$2.00 per share consisting of all cash.

ITEM 4: MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and the notes thereto included in "Financial Statements and Supplementary Data." This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to those described in Part C of this Annual Report "Risk Factors." Our actual results could differ materially from those anticipated by such forward-looking statements due to factors discussed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" appearing elsewhere in this Annual Report.

Overview

Through G.research, we provide institutional research services. Institutional research services revenues consist of brokerage commissions derived from securities transactions executed on an agency basis or direct payments from institutional clients and may from time to time include underwriting profits, selling concessions, and management fees associated with underwriting activities. Commission revenues vary directly with the perceived value of the services provided, as well as account activity and new account generation.

Operating Results for the Three Months Ended March 31, 2025 as Compared to the Three Months Ended March 31, 2024

Revenues

Institutional research service revenues were \$425.6 thousand for the three months ended March 31, 2025, a \$91.9 thousand, or 17.8%, lower than total revenues of \$517.5 thousand for the three months ended March 31, 2024. Institutional research services revenues by revenue component, excluding principal transactions, were as follows (dollars in thousands):

	Three Months Ended March 31,		Increase (Decrease)	
	2025	2024	\$	%
Commissions	396.5	478.7	(82.2)	-17.2%
Hard dollar payments	7.9	10.7	(2.8)	-25.9%
Total	404.4	489.4	(85.0)	-17.4%

Commissions and hard dollar payments for the three months March 31, 2025 were \$404.4 thousand a \$85.0 thousand, or 17.4%, decrease from \$489.4 million in 2024. The decrease was primarily due to lower brokerage commissions from securities transactions executed on an agency basis. For each of the three months ended March 31, 2025 and 2024, G.research earned \$277.9 thousand and \$334.1 thousand, respectively or approximately 69% and 68%, respectively, of its commission revenue from transactions executed on behalf of funds advised by Gabelli Funds, LLC and clients advised by GAMCO Asset Management Inc.

Principal Transactions

For the three months ended March 31, 2025, net gains from principal transactions were \$0.24 thousand, versus net gains from principal transactions of \$0.7 thousand for the three months ended March 31, 2024.

Interest and dividend income decreased to \$20.9 thousand for the three months ended March 31, 2025 from \$ 25.5 thousand for the three months ended March 31, 2024, primarily due to a drop in cash balances.

Expenses

Total expenses were \$551.4 thousand and \$666.9 thousand for the three months ended March 31, 2025 and March 31, 2024, respectively. Clearing costs decreased due to reductions in execution and clearing costs from renegotiated clearing and execution agreements. Expenses decreased across all categories as a result of cost reduction efforts in 2024.

Compensation costs, which includes salaries, bonuses, and benefits, were \$ 284.8 thousand and \$311.1 thousand for the three months ended March 31, 2025 and March 31, 2024, respectively. Salaries decreased due to a decrease in headcount and a decrease in commission expense in line with the decrease in commission revenue.

Income Tax Expense

For the three months ended March 31, 2025 and 2024, we recorded income tax expense of \$0.0 and \$0.0 thousand, respectively, for an effective tax rate of 0.0% and 00.0%, respectively.

Net Loss

Net loss for the three months ended March 31, 2025 was \$125.8 thousand versus \$149.4 thousand for the three months ended March 31, 2024.

Liquidity and Capital Resources

Summary cash flow data is as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Cash flows used in:		
Operating activities	\$ (98)	\$ (196)
Net decrease in cash and cash equivalents	(98)	(196)
Cash and cash equivalents at beginning of period	1,714	1,939
Cash and cash equivalents at end of period	<u>\$ 1,616</u>	<u>\$ 1,743</u>

Net cash used by operating activities was \$98.0 thousand for the three months ended March 31, 2025, resulting from a net loss of \$125.8 thousand offset by a net increase in operating liabilities of \$18.1 thousand and by a decrease in operating assets of \$9.1 thousand.

Net cash used by operating activities was \$ 195.6 thousand for the three months ended March 31, 2024, resulting from a net loss of \$149.4 thousand and net increase in operating liabilities of \$49.7 thousand and an increase in operating assets of \$97.0 thousand.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies

The preparation of the interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ significantly from those estimates. See Part D, Management Discussion and Analysis in Morgan's Annual Report for the year ended December 31, 2024, for details on Critical Accounting Policies.

ITEM 5: LEGAL PROCEEDINGS

We are currently not aware of any pending legal proceedings to which we are a party, nor are we aware of any such proceedings that are contemplated by any governmental authority. From time to time, we may be named in legal actions and proceedings. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. We are also subject to governmental or regulatory examinations or investigations. Examinations or investigations can result in adverse judgments, settlements, fines, injunctions, restitutions or other relief. For any such matters, the Company's financial statements include the necessary provisions for losses that we believe are probable and estimable. Furthermore, we evaluate whether there exist losses which may be reasonably possible and, if material, make the necessary disclosures. There are currently no such matters pending that the Company believes could have a material adverse effect on its consolidated financial condition, results of operations, or its cash flows at March 31, 2025.

ITEM 6. OTHER INFORMATION

Not applicable.

ITEM 7. EXHIBITS

No exhibits.

ITEM 8. CERTIFICATIONS

Certification by the principal executive officer

I, Vincent Amabile, Jr. certify that:

1. I have reviewed this quarterly disclosure statement of Morgan Group Holding Co.;
2. Based on our knowledge, this disclosure statement 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 disclosure statement; and
3. Based on our knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, 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 disclosure statement.

Date: May 23, 2025

/s/ Vincent Amabile, Jr.

Name: Vincent Amabile, Jr.

Title: Chief Executive Officer (Principal Executive Officer)

Certification by the principal financial officer

I, Joseph L Fernandez, certify that:

1. I have reviewed this quarterly disclosure statement of Morgan Group Holding Co.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, 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 disclosure statement.

Date: May 23 2025

/s/ Joseph L Fernandez

Name: Joseph L Fernandez

Title: Executive Vice President – Finance (Principal Financial Officer)