Progressive

OTC MARKETS GROUP

16 November 2026

Expanding access to US investors

This paper seeks to examine and quantify the result of having stock trading on one of OTC Markets Group's four US equity markets: OTCQX, OTCQB, OTCID and Pink Limited. We consider non-US companies specifically and look at the impact on two key metrics: levels of US share ownership, and liquidity.

Additionally, in the context of the creation of the OTCID Market which launched in July 2025, we explore the impact of higher reporting and disclosure requirements on US ownership and liquidity, to determine whether the company engagement brings tangible benefit.

This consideration is then focused on to ADRs to examine, in a similar way, whether the higher engagement associated with ADRs trading on the OTCQX Market vs the Pink Limited Market is reflected in levels of US ownership and liquidity.

In summary, we find:

- **US ownership of overseas equities is significant and growing, with the average US ownership of both leading European stocks and UK large and mid-caps rising by over a third from the start of 2016 to the end of 2025.**
- **Trading on one of the "engaged" OTC Markets (OTCQX, OTCQB or OTCID) is reflected in greater and faster-growing levels of US share ownership versus the Pink Limited market. US ownership of "engaged" companies is up by 4 percentage points in the last four years.**
- **The higher levels of US share ownership and higher liquidity seen with "engaged" markets are also seen with ADRs. Average US ownership of sponsored ADRs on OTCQX is 23% higher than ADRs traded on Pink Limited.**
- **Trading on any OTC Market is associated with greater-than-average increases in home-market stock liquidity for the period June 2025 to June 2026, with companies traded on the OTC Markets seeing c.40% average increases Q2 26 on Q2 25 in value traded.**
- **Increased trading activity in stocks' home markets is more marked for those trading on one of the OTC Markets' "engaged" markets. OTCQX companies saw average increases of 67.5% Q2 26 on Q2 25.**

ANALYST

Gareth Evans

+44 (0) 20 7781 5300

gevans@progressive-research.com

This publication should not be seen as an inducement under MiFID II regulations.
Please refer to important disclosures at the end of the document.

Introduction

OTCQX® Best Market:
Investor-focused US and international companies, high financial standards, best practice corporate governance, and transparent disclosure

OTCQB® Venture Market:
Entrepreneurial and growth stage companies , current information and strong disclosure standards

OTCID™ Basic Market:
Baseline standard of disclosure and management certification, providing greater transparency

Pink Limited Market:
Enables broker-dealers to publicly quote securities with limited to no company involvement. No certification of compliance on reporting standards, and limited disclosure or financial information

The costs and burdens of a US listing on NYSE or NASDAQ, along with those associated with US SEC reporting requirements, are substantial. This makes a full US listing impractical for many companies that already maintain a listing in their home market.

However, international companies that are already listed on eligible exchanges, i.e. meeting certain principles-based criteria, can utilise the 12g3-2(b) Foreign Private Issuer (FPI) exemption that allows stocks to be traded in the US, in US dollars. Many companies leverage this exemption and have chosen to have their shares trading on one of the OTC Markets.

There are four markets operated by OTC Markets Group, where securities are traded according to the reporting, governance and financial standards that they meet. This paper compares the impact of trading on an "engaged" market (OTCQX, OTCQB, and OTCID), where companies proactively deliver information to U.S. investors, with that of the Pink Limited Market. This consideration is then in large part re-applied to ADRs within the dataset to explore how the sponsored ADRs traded on the OTCQX Market can be reflected in the levels of US ownership and liquidity.

The document is divided into five sections :

- **Methodology**
- **Impact on share ownership by US investors over time, and across geography, sector and market capitalisation**
- **Impact on liquidity / values traded**
- **Impact upon sponsored ADRs in terms of ownership and trading of trading on "engaged" OTC Markets vs. Pink Limited Market**
- **Explanation of the four OTC Markets US equities markets**

Methodology

Data selection and preparation

We considered only ordinary shares, common stock and ADRs of non-US companies…

There are 12,000 U.S. and international securities traded on the four OTC Markets Group equity markets. This study examines securities that are cross-traded on a foreign exchange and on the OTC Markets through an ordinary share, ADR or common stock. We limited our pool of companies to those with a market capitalization of at least $50 million as of 30th June 2026.

…excluding outliers at each stage to ensure our findings are representative of market norms

The analysis was conducted excluding companies listed in Canada, which account for c.2,000 securities on the OTC Markets, to better understand the trends in other regions. As a result, the population examined was more than 3,700 companies.

All figures are calculated as averages of individual security figures with equal weight for each security. Market capitalization weightings are not used. Outliers that may distort the data were removed by considering only values between the 90th and 10th percentiles.

Traded values and volumes data was obtained from OTC Markets, and this alongside other data and ownership information garnered from reliable and reputable sources, notably Refinitiv.

Share ownership analysis

We examined data relating to stock ownership by US investors, and levels of trading activity (liquidity)

Share ownership data is considered first; examining the wider backdrop for US ownerships of international stocks before looking at how this varies across the OTC Markets. The analysis of the shareholder data is then extended to identify whether home market geography, industry sector or market capitalisation have an impact on the ability of international companies to develop a US investor base via the OTC Markets. Consideration is given to whether the higher level of disclosure and engagement required to qualify for an "engaged" market is reflected in greater US investor participation.

Share trading analysis

Share trading data is then examined, looking at how trading on the various markets differs.

In July 2025 with the introduction of the new "engaged" OTCID Market, some companies elected to adhere to its higher requirements, while others chose not to take this step. As a result, by comparing share trading data before and after this watershed for those that chose the engaged path and those that did not, we can identify the potential impact of the different levels of reporting and disclosure required.

ADR ownership and trading analysis

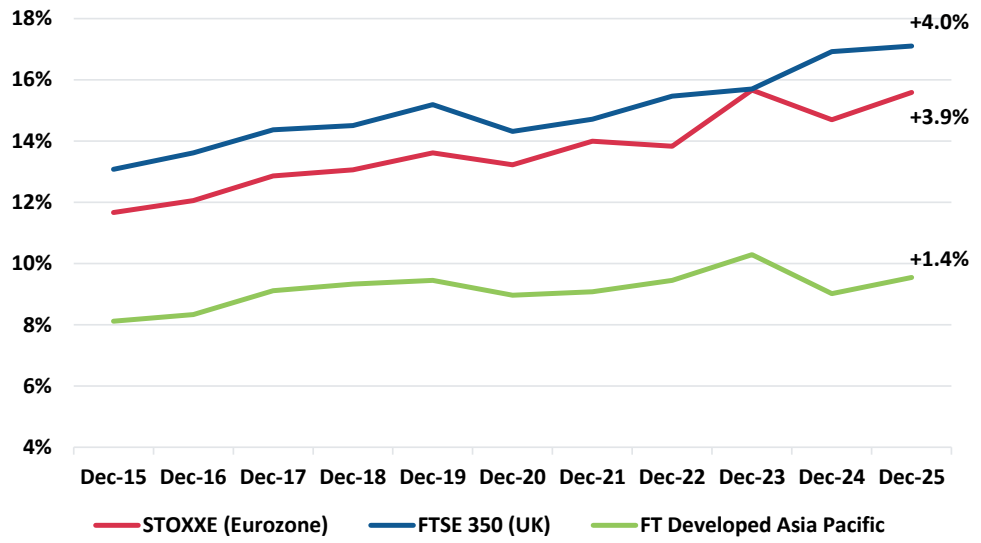
The examination of the impact of sponsored ADRs trading on OTCQX vs. Pink Limited was undertaken using the same approach as above looking at ownership and trading. The small number of ADRs that did not trade, mostly from emerging markets, were removed from the dataset. There was no removal of outliers via percentile filters.

Share ownership – trends over time

The chart below shows a clear trend for greater US ownership of international equities over time, with the average US ownership of both leading European stocks and UK large and mid-caps rising by over a third from the start of 2016 to the end of 2025.

US ownership of international equities is material and growing

Average % US shareholdings in international indices – growing over time

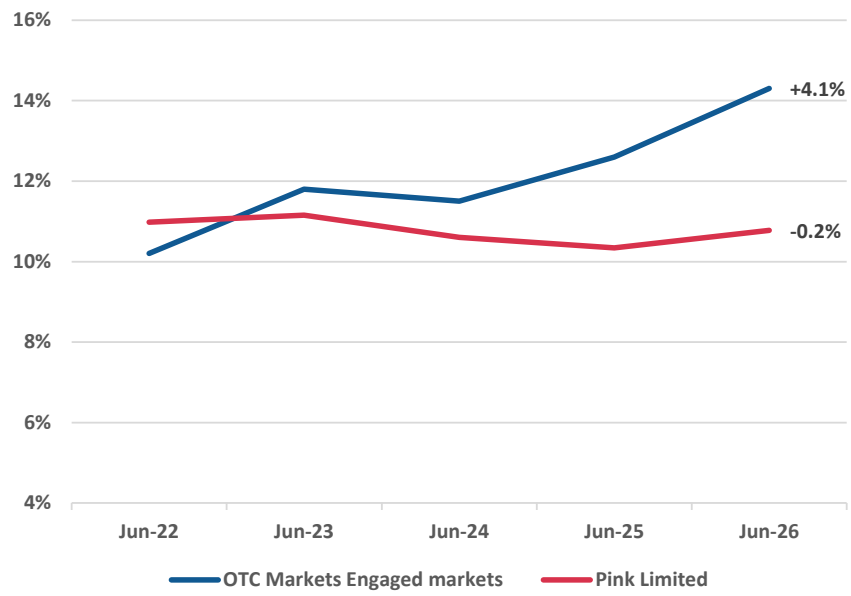


Source: Refinitiv, Progressive Equity Research

Whilst US ownership of developed Asia Pacific (including Japan and Australia) is on average lower, the trajectory is still upwards.

The chart below sets out the US ownership of OTC Markets' US equity markets stocks over time. **US ownership of those companies trading on OTC Markets' "engaged" markets have a greater average level of US ownership than those trading on Pink Limited**, with average US ownership increasing by 4 percentage points over the period June 2022 to June 2026. US ownership of Pink Limited companies has remained flat over that period.

Average US share ownership across OTC Markets' US equities markets over time



Source: OTC Markets, Refinitiv, Progressive Equity Research

Share ownership – trends by geography, sector or size

To gain more insight into US investors' appetites for international stocks, we look in turn at geography, industry and market capitalisation.

We find that US investors are open to investing in stocks on OTC Markets' US equities markets across all geographies, industries and market capitalisation ranges.

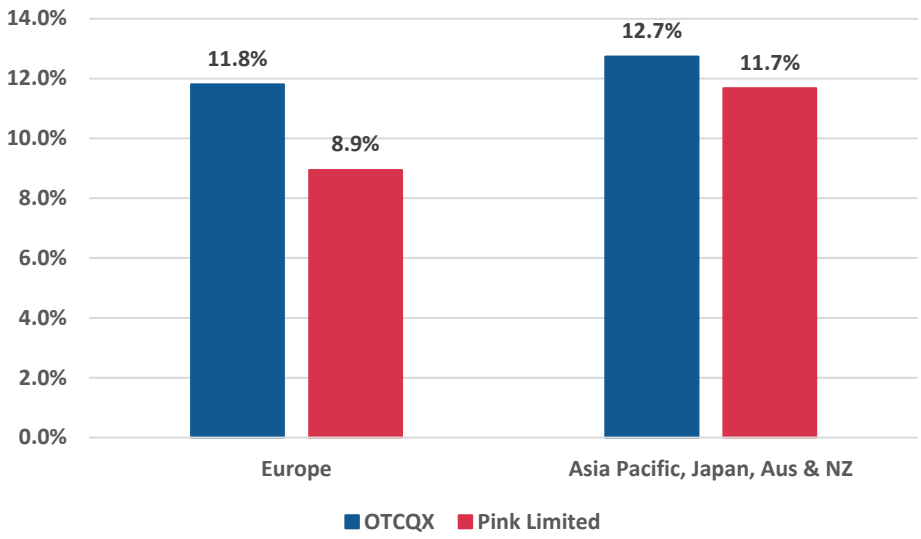
US ownership by company geography

As the data in the table below shows, there is an appetite amongst US investors for OTCQX traded companies from around the globe.

The message from the OTCQX data is clear, with higher levels of engagement reflected in a 33% higher level of US ownership of European stocks compared to Pink Limited.

US investors are willing to invest across the globe and engaged markets fare better than Pink Limited

OTCQX stocks average US shareholding by region



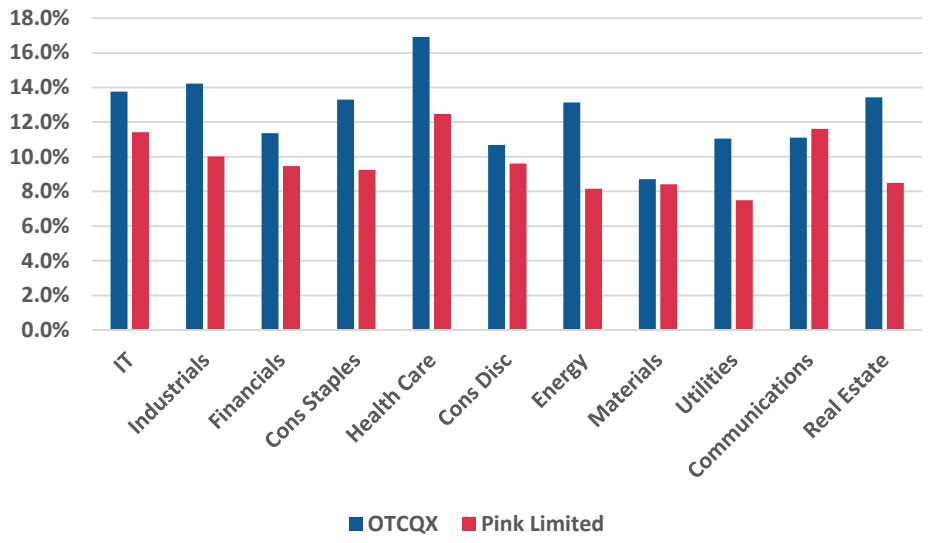
Source: OTC Markets, Refinitiv, Progressive Equity Research

US ownership by company industry

The fact that investors are willing to invest across geographies begs the question as to whether US investors' appetites for international companies traded in the US differ across sectors. We examined US share ownership of overseas stocks on the OTC Markets, split by industry sector.

OTC Markets investors are active across all sectors with engaged markets showing higher US ownership than Pink Limited

OTCQX stocks average US shareholding by industry



Source: OTC Markets, Refinitiv, Progressive Equity Research, sector definition GICS

The data in the chart above suggests that US investors are open to investing in stocks traded on the OTC Markets regardless of sectors, although there may be some sectors for which they might have some preferences.

It is evident that even sectors that are generally "local" in their investment appeal, notably utilities and real estate, can attract US investors.

Across these sectors the OTCQX average US shareholding is greater than for Pink Limited. This is supportive of the proposition that higher disclosure and engagement is reflected in higher levels of US ownership. The extent to which this is the case does appear to vary by sector. In Industrials and Healthcare, for example, the OTCQX companies see much higher levels of US ownership. However, in Consumer Discretionary and Materials, the effect is less marked.

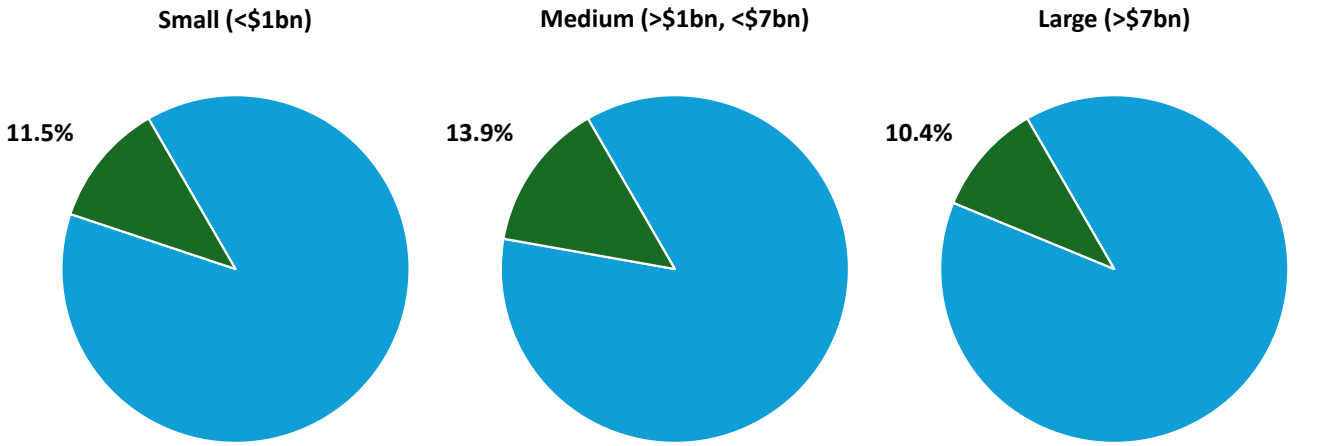
US ownership by company market capitalisation

As shown in the chart below, whilst the level does vary, it is evident that as with sectors, **there is an appetite for international stocks in the US across the market capitalisation range.**

US investors are willing and able to invest across market cap ranges

Importantly even when the 'small' criteria is lowered to sub-$250m, from sub-$1bn, the US investor base for OTCQX International stocks increases to 12.5%, from 11.5%, suggesting that US investors' appetites for smaller international stocks are healthy where companies have demonstrated their willingness to engage with US investors.

OTCQX – Share ownership across market capitalisation ranges. US ownership in green



Source: OTC Markets, Refinitiv, Progressive Equity Research

US ownership of overseas equities traded on the OTC Markets - conclusions

Having examined the levels of US ownership of the stocks traded on the various OTC Markets for trading equities in the US, the data appears to show:

- **US ownership of equities traded on the OTC Markets is significant and growing over time**
- **US investors appear to take stakes in international businesses based in all major geographies, across all main market sectors, and of all sizes**
- **On each metric, the level of US ownership appears to be greater for the "engaged" markets (OTCQX, OTCQB and OTCID) than for the lower-disclosure Pink Limited market**

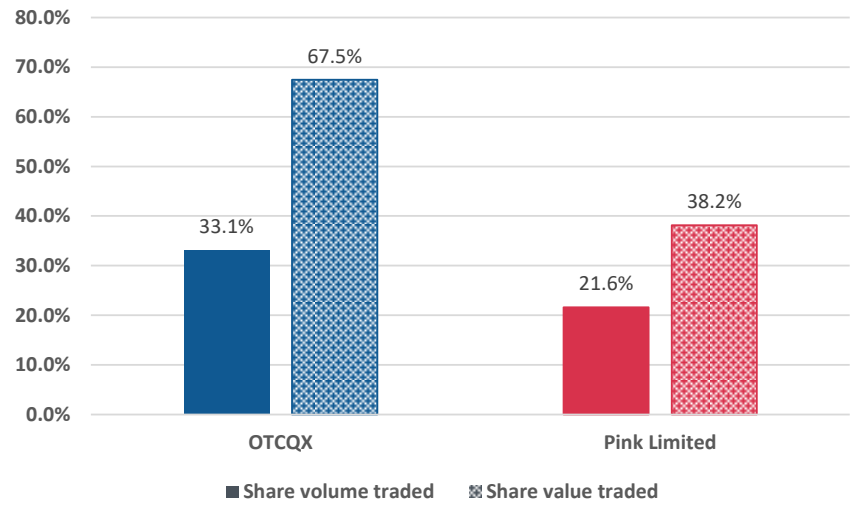
Impact on liquidity / share trading

Stocks traded on OTC Markets platforms in the US clearly benefit from the "new" volumes traded on these markets. However, there is a reasonable question as to how much of this traded value is incremental, and how much simply replaces liquidity that would have been expected in the home market in any case.

To consider the impact of OTC Markets activity on overall stock liquidity, the ideal would be to look at all liquidity in both the home and other markets, including OTC Markets. Where home market volumes are comprehensive and can be ascertained reliably, we have examined the change in traded values between Q2 2025 and Q2 2026 – the timeframe during which the new OTCID market has been active.

Average volumes for the stocks on ALL of OTC Markets have increased in those stocks' home markets – but the increase, see chart below, is more dramatic for the more-engaged OTCQX Market compared with the Pink Limited Market.

Q2 26 vs Q2 25 Change in average traded values in home markets



Source: OTC Markets, Refinitiv, Progressive Equity Research

The evidence shows that international stocks traded on OTC Markets' US based equity markets saw substantial increases in home trading levels Q2 26 on Q2 25. This is encouraging, and the data shows that the more engaged OTCQX market saw a greater increase in volumes than the Pink Limited market, by a factor of over 50%.

However, the past year has been very active on equity markets globally, with volumes on almost all markets rising significantly. To provide a comparison, it is necessary to examine the changes in traded values of OTC Markets equities against the "base" change in volumes on their domestic or home markets. This would represent the volume change that those stocks could have expected to achieve without the OTC Markets trading activity.

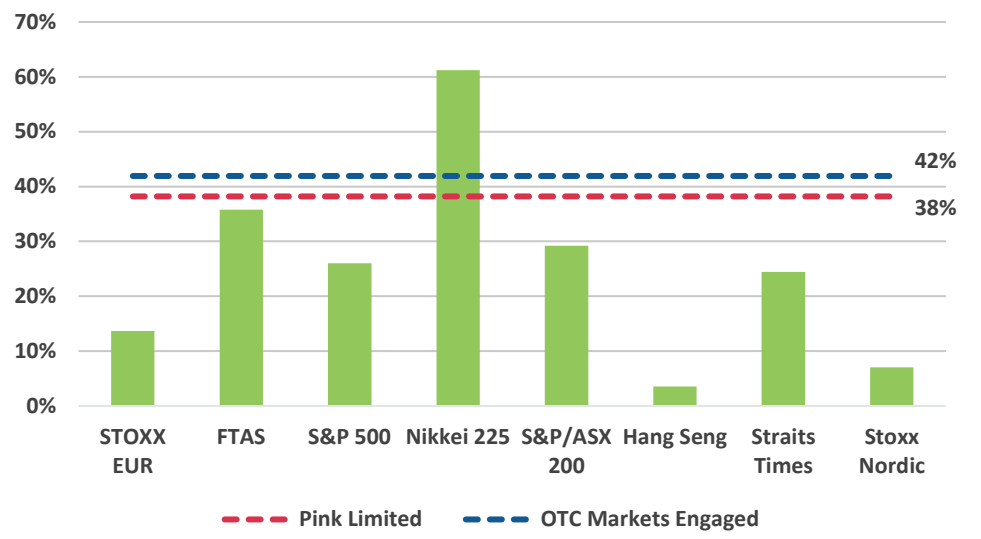
Stocks traded on the OTC Markets saw larger increases in volumes traded than other stocks in their home markets

The chart below shows year-on-year changes in overall volumes in the main home markets of the international companies trading on OTC Markets' US based equity markets. We overlay the OTC Markets averages for "engaged" markets and Pink Limited, to show the volume changes experienced by stocks traded on these OTC markets.

With gains in average values traded of around 40%, stocks traded on the OTC Markets outperformed their local peers in terms of volume increases in almost all markets. The exception is Japan, where the market saw a dramatic increase in global interest in the Q2 26 principally because of AI interest in its technology stocks and the market overall coming back into favour.

Stocks traded on OTC Markets' engaged markets saw average increases in trading in their home markets of 42% in value between Q2 2025 and Q2 2026

Q2 26 vs Q2 25 Average change in value traded



Source: OTC Markets, Refinitiv, Progressive Equity Research

Note: Data from 10th to 90th percentiles

Home market traded values - conclusions

Global equities have seen increases in traded values over the past twelve months. However, our analysis shows:

- **OTC Markets traded stocks, on average, saw greater increases in home-market traded values than they would have expected simply based on their domestic listings**

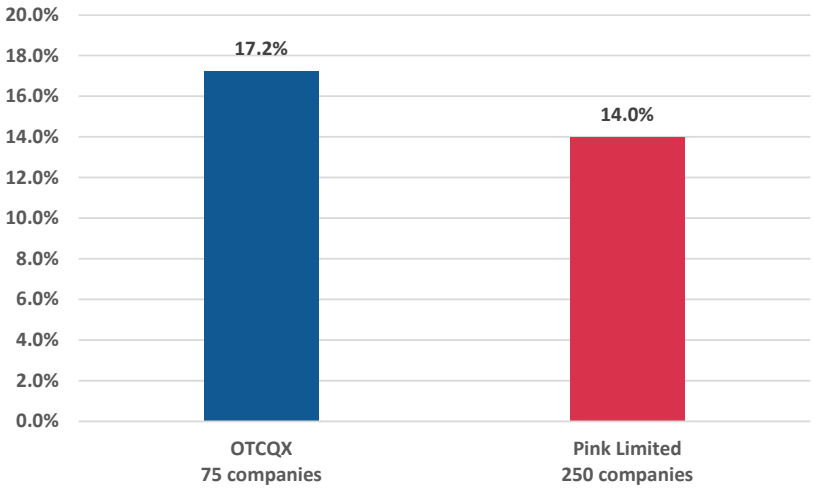
- **As with US share ownership, the increase in liquidity appears to be stronger for the "engaged" markets (OTCQX, OTCQB and OTCID) than for the lower-disclosure Pink Limited market**

ADRs impact of greater engagement

Having considered the impact of trading on an "engaged" market vs Pink Limited for ordinary shares, common stock and ADRs, we take the analysis further to understand what the impact is at the ADR level, following a similar approach - examining the differences in US shareholding and traded $ volumes.

As shown in the chart below, the average US shareholding in OTCQX companies is materially above that for Pink Limited companies, by a factor of around 1.2x. This is supportive of the proposition that the **higher levels of engagement associated with OTCQX are reflected in a greater US investor appetite**. Looking back to both the charts on page 5 and 6, that US ownership of companies with ADRs is materially above that of the wider universe of ordinary shares, common stock and ADRs.

US ownership of companies with OTCQX and Pink Limited sponsored ADRs



Source: OTC Markets, Refinitiv, Progressive Equity Research

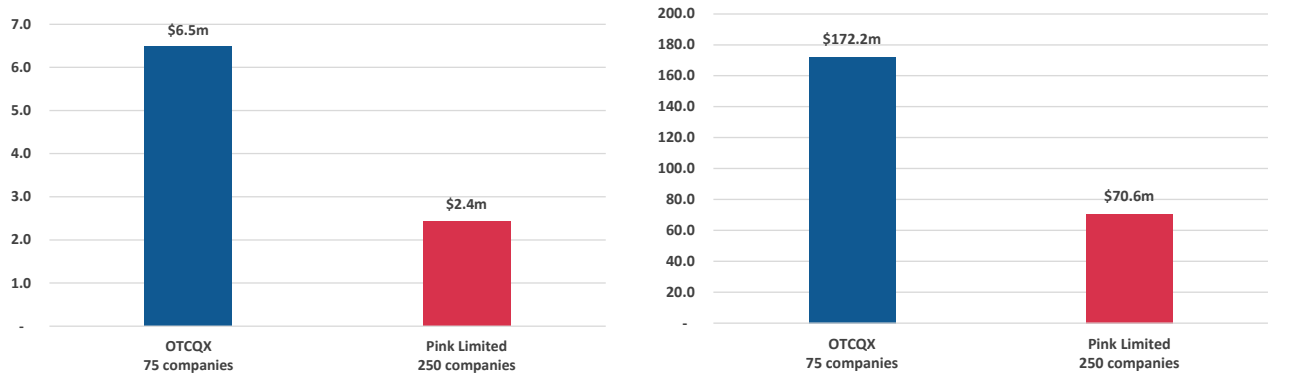
Holdings as at 30 June 2026

Moving to a consideration of stock trading, the chart below on the left-hand side shows how the average daily value traded for OTCQX companies is significantly greater than for companies on Pink Limited, 2.7 times as high.

This difference is also seen in the value of stock traded in the home markets, in the chart on the right-hand side, with those companies with OTCQX traded ADRs seeing more than twice the average level of trading as the companies with Pink Limited traded ADRs.

Combined these two relative trading value metrics are supportive of the argument that **having ADRs trading on OTCQX, with its higher level of engagement, is reflected in significantly higher levels of value traded**.

Average daily value traded of individual companies H1 26
OTCQX and Pink Limited ADRs, for ADRs (LHS) and for home markets (RHS)



Source: OTC Markets, Refinitiv, Progressive Equity Research

ADRs OTCQX vs Pink Limited - conclusions

The analysis is supportive of a similar set of conclusions for the trading of ADRs on OTC Markets as for the wider universe of shares, that is:

- **Higher levels of engagement are consistent with higher levels of US ownership**
- **Higher levels of engagement associated with OTCQX are reflected in greater liquidity for the ADRs in the OTC Market US equity markets and for stock in the home market**

Structure of the OTC Markets

OTC Markets Group operates regulated equity markets for trading U.S. and international securities. Through its SEC-registered Alternative Trading System (ATS), OTC Markets provides broker-dealers with quotation, trading, and issuer information that supports secondary market trading in U.S. dollars, during U.S. market hours.

For an international company, trading on the OTC Market makes its shares accessible to U.S. investors while the company maintains its primary listing on its home exchange.

OTC Markets Group organizes securities into four public markets: OTCQX, OTCQB, OTCID and Pink Limited, each designed for companies with different disclosure characteristics and investor information profiles. These market designations help investors understand the level of current information available about an issuer and how engaged they are with U.S. investors.

- **OTCQX® Best Market:** For established, investor-focused US and international companies that meet high financial standards, follow best practice corporate governance, and provide current, transparent disclosure.

- **OTCQB® Venture Market:** For growth and development stage companies committed to providing current information and maintaining strong disclosure standards for investors.

- **OTCID™ Basic Market:** For companies that meet a baseline standard of disclosure and management certification to provide investors with greater transparency.

- **Pink® Limited Market:** For securities quoted by broker-dealers with limited to no company involvement. These companies do not certify their compliance with established reporting standards, have limited availability of disclosure or financial information and may not support their U.S. market.

An international company in good standing on its home exchange and compliant with its home market disclosure obligations can generally rely on that disclosure for U.S. trading purposes. The process to trade on the OTC Markets is straightforward and efficient.

Disclaimers and Disclosure

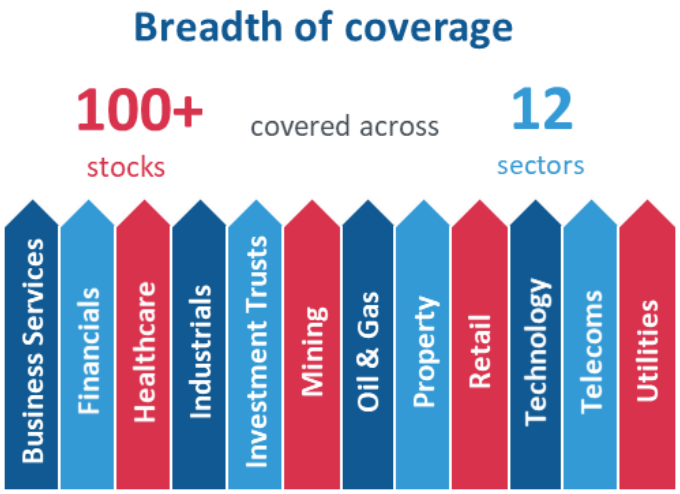
Copyright 2026 Progressive Equity Research Limited ("PERL"). All rights reserved. Progressive's research is commissioned under contract and is freely available to the public and all institutional investors. Progressive does not offer investors the ability to trade securities. Our publications should not, therefore, be considered an inducement under MiFID II regulations. PERL provides professional equity research services, and the companies researched pay a fee in order for this research to be made available. This report has been commissioned by OTC Markets, and prepared and issued by PERL for publication in the United Kingdom only. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable; however, PERL does not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of PERL at the time of publication, and any estimates are those of PERL and not of any companies concerned or OCT Markets unless specifically sourced otherwise. PERL is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom (registration number 697355).

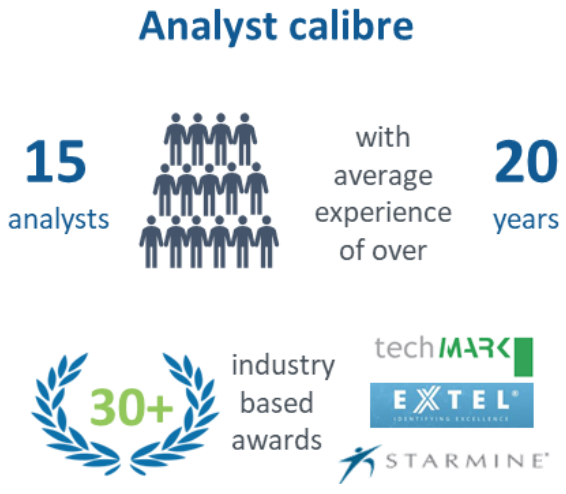
This document is provided for information purposes only, and is not a solicitation or inducement to buy, sell, subscribe, or underwrite securities or units. Investors should seek advice from an Independent Financial Adviser or regulated stockbroker before making any investment decisions. PERL does not make investment recommendations. Any valuation given in a research note is the theoretical result of a study of a range of possible outcomes, and not a forecast of a likely share price. PERL does not undertake to provide updates to any opinions or views expressed in this document.

This document has not been approved for the purposes of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. It is not subject to any prohibition on dealing ahead of the dissemination of investment research.

PERL does not hold any positions in any securities mentioned in this report. However, PERL's directors, officers, employees and contractors may have a position in any or related securities mentioned in this report. PERL or its affiliates may perform services or solicit business from any companies mentioned in this report.

The value of any securities mentioned in this report can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of the shares mentioned in this report may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. It may be difficult to obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance.





For further information about Progressive, please contact us at:
+44 (0) 20 7781 5300
info@progressive-research.com