2019

OTC Markets

ANNUAL MARKET REVIEW

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*Data as of December 31, 2019

MESSAGE FROM OUR EVP OF CORPORATE SERVICES

2019 was an exciting year in which we expanded our global reach, enhanced our issuer service offerings and grew our capabilities.

The move to our new headquarters at 300 Vesey Street in New York's financial district has enhanced our suite of offerings that enable companies to better connect with their investors. We were pleased to host more investor conferences and industry events in our new state-of-the-art facilities, expand video and social media content for the companies that trade on our markets, and introduce a new 'bell ringing ceremony.' We invite you to visit us when you are in New York and encourage you to follow us on Instagram (@OTCMarkets) to view companies 'Open the Market' and see other exciting content we have created.

Marking another major milestone, the opening of our London office in 2019 reinforced OTC Markets Group's commitment to supporting European issuers looking to enhance their visibility in the United States. Leveraging this new transatlantic presence enables us to better connect with companies of all sizes and allows us to further support our ongoing initiatives with local exchanges looking for a more efficient U.S. capital markets solution for their companies.

We have worked hard to build an active dialogue with regulators and legislators and our markets continue to gain recognition whether through our ongoing discussions and comments with the SEC on their Rule 15c2-11 proposal or expanded Blue Sky recognition. Our goal is to provide a venue for companies to provide disclosure and tell their stories in a way that's meaningful and that helps investors make better informed decisions.

We also focused the year on building technology and tools for our issuers to increase visibility with investors and expand their reach. This includes the Virtual Investor Conference series which featured over 200 company presentations in 2019, an alliance with North Capital Investment Technologies to streamline the online capital raising process for companies, the introduction of new compliance data offering Canari to increase accessibility, and an enhanced bank analytics platform through our acquisition of Qaravan.

Last year was a great success in which we saw nearly 330 companies join our premium OTCQX and OTCQB Markets and made important investments that will allow us to continue to expand in 2020 and beyond.

As always, we appreciate your support and remain committed to delivering the best possible markets for your company and its investors.

Jason Paltrowitz
Executive Vice President

OUR MISSION

To create better informed and more efficient financial markets

WE OPERATE WORLD-LEADING SECURITIES MARKETS BY:

- Sharing information widely through open networks that foster greater transparency
- Connecting broker-dealers, organizing markets and informing investors
- Delivering elegant, reliable and cost-effective subscription-based solutions

10,755
U.S. & International Securities

332
OTCQX and OTCQB Securities Added in 2019

$329B
Annual Dollar Volume

OUR OFFICES

OTC Markets Group reached a significant milestone in 2019. On March 25th, we opened our new headquarters in the heart of New York City's Financial District. We are excited to host our clients, broker-dealer network and community of industry counterparts at our state-of-the- art facilities.

In 2019, we also expanded our global corporate footprint with the opening of a London office.

The OTC Market Center in New York serves as an elegant venue for companies to meet with their investors or for associations and industry groups to host meetings and conferences.

From casual breakfast forums to out-of-the-box cocktail parties, our marketing team will help customize your event in our beautifully-appointed space overlooking the Hudson River.

The Winds of Change: Evolving our markets through sustained public advocacy and regulatory recognition

Over the past 20 years, the driving force behind the positive transformation and recognition of our markets has come from the evolution of technology, both at OTC Markets Group and from the broker-dealer community and a steadfast commitment to working closely with lawmakers and regulators.

OTC MARKETS GROUP CONTINUES TO ADVOCATE FOR SMALLER PUBLIC COMPANIES

In September 2019, OTC Markets Group hosted its second visit to Capitol Hill with members of the OTCQX U.S. Advisory Council. Senior executives met with key staff and leaders in 23 offices from both parties in the House and the Senate to discuss issues impacting smaller U.S. based public companies and initiatives designed to improve the public markets and enhance capital formation.

Discussions continue to center around regulatory modernizations and targeted rulemaking surrounding important issues such as increasing access to capital for smaller, early-stage companies; margin eligibility and ESOP; improving secondary market liquidity; increasing disclosure obligations for paid stock promotion activities and Blue Sky Exemption.

NEW RULES ALLOW SEC REPORTING COMPANIES TO USE REGULATION A TO RAISE CAPITAL

In January 2019, the SEC adopted new rules to expand Regulation A to SEC-reporting companies, allowing them to benefit from 'testing the waters', general solicitation and reduced underwriting fees. This provides more flexibility for public companies to raise capital in a similar manner to a traditional IPO via an S-1 registration or an S-3 shelf registration.

BLUE SKY PROGRESS

Our markets are exempt under Blue Sky secondary trading laws in 36 states with the latest additions of Michigan, Kentucky and North Dakota. This milestone involved working closely with each of the states on a tailored approach to granting exemptions, under states' Manual Exemptions, no-action letters, administrative orders and formal rule changes.

OTC MARKETS GROUP COMMENTS ON THE SEC HARMONIZATION CONCEPT RELEASE

In June 2019, OTC Markets Group provided comments in response to the SEC Harmonization Concept Release to facilitate discussion and introduce specific, actionable regulatory changes that support the Commission's mission of protecting investors, maintaining fair, orderly and efficient markets, and facilitating capital formation.

SEC PROPOSAL 15c2-11

In December 2019, OTC Markets Group published comments to the SEC's recent Rule Proposal on the Publication or Submission of Quotations Without Specified Information (Rule 15c2-11).

The Rule Proposal would require that current information about a company be publicly available in order for a company to be quoted on our markets. The SEC's Proposal also recognizes OTC Markets Group's disclosure standards and would permit broker-dealers to rely on our current information designations, including OTCQX, OTCQB and Pink Current, to submit quotations in these securities and bring companies to the public markets.

DATA DISTRIBUTION

WIDER INFORMATION DISTRIBUTION

OTC Markets Group's website, otcmarkets.com, is a publicly available financial portal that provides company information, disclosure and real-time full depth of book to investors, broker-dealers and others researching securities on the OTCQX, OTCQB and Pink markets. Company quote pages also enable visitors to easily identify key compliance data points, including:

- Company Verified Profile
- Transfer Agent Verified Share Data
- Penny Stock Status
- Caveat Emptor Status
- Hot Sector Status
- Promotion
- Shell
- Shell Risk
- Two Independent Directors

TRANSFER AGENT VERIFIED SHARES PROGRAM

OTCQX Rules and OTCQB Standards require that U.S. companies provide verified share data to OTC Markets Group through a transfer agent who participates in the Transfer Agent Verified Shares Program. Effective April 1, 2020, the OTCQX Rules and OTCQB Standards will require the same information to be provided for Canadian companies.

Transfer Agent Verified

Share data provided by transfer agents is displayed alongside a "Verified" logo indicating that the information is up to date and has been verified by the transfer agent.

This information is also disseminated through OTC Markets Group's data products to interested parties that rely on our data for verified information on these securities.

CRITICAL DATA POINTS & ADVANCED ANALYTICS

Canari (canari.otcmarkets.com) enables compliance and risk professional to quickly view key data points across the market and drill down into security specific elements through a web-based interface.

Canari From OTCMarkets

The OTC Compliance Analytics Product provides broker-dealers and investment managers with a comprehensive, quantitative tool for evaluating and automating risk processes, offering quantitative values in 19 risk categories as well as an aggregate risk value for all OTC equity securities.

Our suite of Compliance Data Products also include the Small Cap Compliance, the Promotion Data File and the OTC Quote History File.

INNOVATIVE RISK AND PERFORMANCE ANALYTICS SOFTWARE COVERING MORE THAN 5,000 U.S. BANKS

Qaravan (Qaravan.com) offers intuitive online software and tools designed to give customers access to interactive versions of FDIC reports and regulatory data.

- Customized bank regulatory call reports
- Custom reports, queries and dashboards for bank executives, regulators and analysts
- More relevant, targeted peer groups
- CECL module provides banks with a turnkey approach in alignment with the latest FASB and regulator guidance

Qaravan℠ From OTCMarkets

Through Qaravan, quarterly Call Report and Corporate Structure data for the more than 550 U.S. community banks trading on the OTCQX, OTCQB, and Pink markets is available on otcmarkets.com.

PREMIUM PROVIDER DIRECTORY

Our Premium Provider Directory offers access to providers tailored to meet the specific needs of the U.S. and international companies that trade on our OTCQX and OTCQB Markets.

Our Premium Provider Directory categories continue to develop and now include:

- Accounting / Auditing Firm
- Audio / Visual
- Consulting
- Governance & Compliance
- Insurance
- Investment Bank
- Investor Relations
- Media & Communications
- News Dissemination
- Research Provider
- Securities Counsel
- Sustainability
- Transfer Agent

ONLINE CAPITAL RAISING SOLUTIONS

OTC Markets Group and North Capital Investment Technology launched a strategic alliance to offer companies a technology platform that provides an efficient, cost-effective way to raise capital online and gain visibility for their offering through their OTC Markets profile page.

DirectInvest Technology: The workflow behind the DirectInvest Button simplifies the process of raising capital. It allows companies to conduct an offering and attract investors through their company quote page on otcmarkets.com and to market it via their corporate website, social channels and email campaigns.

Benefits include:

- Technology Enabled Workflow
- Enhanced Distribution
- Compliant Processes
- Seamless Transaction Processing
- Real-Time Analytics

OTC MARKETS BLOG

Our blog provides news, analysis and perspectives on developments in the public markets.

To view the latest articles visit:

https://blog.otcmarkets.com

VIRTUAL INVESTOR CONFERENCES

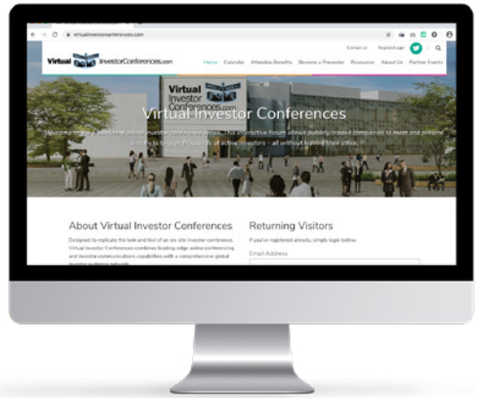
Virtual Investor Conferences is a leading online investor conference series, providing an interactive forum for publicly-traded companies to meet and present directly to investors. Present your company's story to a global investor audience and interact in real time with a live Q&A.

- 18 Virtual Investor Conferences with 212 presentations from OTCQX, OTCQB, Pink, NASDAQ, NYSE, and private companies
- 3 events with a physical audience and live stream
- Companies from 18 different countries

Looking ahead to 2020, maximize your IR communications by planning to participate in an upcoming event.

Find out more at:

www.virtualinvestorconferences.com



VIDEOS & PODCASTS

As part of our visibility initiatives, we host a video series featuring interviews with our OTCQX companies and a podcast series featuring our OTCQB companies.

Watch the latest OTCQX Videos:
https://www.youtube.com/user/OTCMarketsTV

Listen to latest OTCQB Podcast:
https://www.otcmarkets.com/podcast/otcqb

45
OTCQX Video Series in 2019

45
OTCQB Podcasts Series in 2019

GLOBAL JOURNEYS

In 2019, we hosted events and met with issuers, advisors, and other industry participants around the globe.

28
Cities

11
Countries

OXFORD METRICA STUDY

"Issuers whose shares are quoted on OTCQX often experience greater liquidity and increased market depth, thus allowing for more efficient and active trading in the U.S. As a leading U.S. market maker of approximately 3,000 non-U.S. issuers, many of which are quoted on the OTCQX, MCAP has observed consistent patterns of enhanced liquidity and investor engagement."

Stefan Spath, Managing Director, MCAP LLC

Member of FINRA | SIPC

THE OTCQX ADVANTAGE

BENEFITS FOR INTERNATIONAL COMPANIES

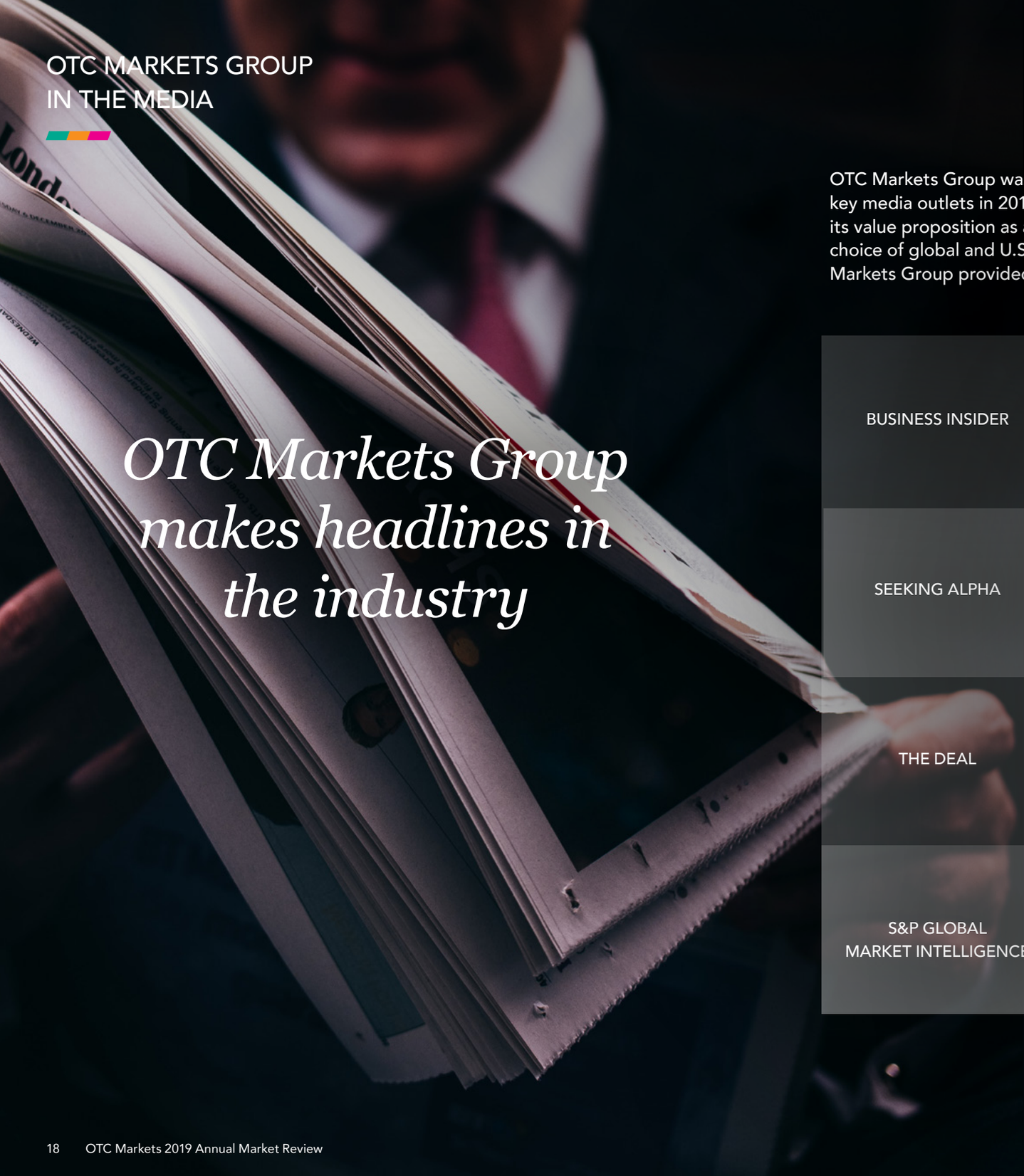
A study by Oxford Metrica showed an increase in market value, liquidity, and U.S. ownership for international companies that cross-trade on OTCQX.

26%
Liquidity increase in the home market

2x
US ownership increase in the first year

128
Basis points value created

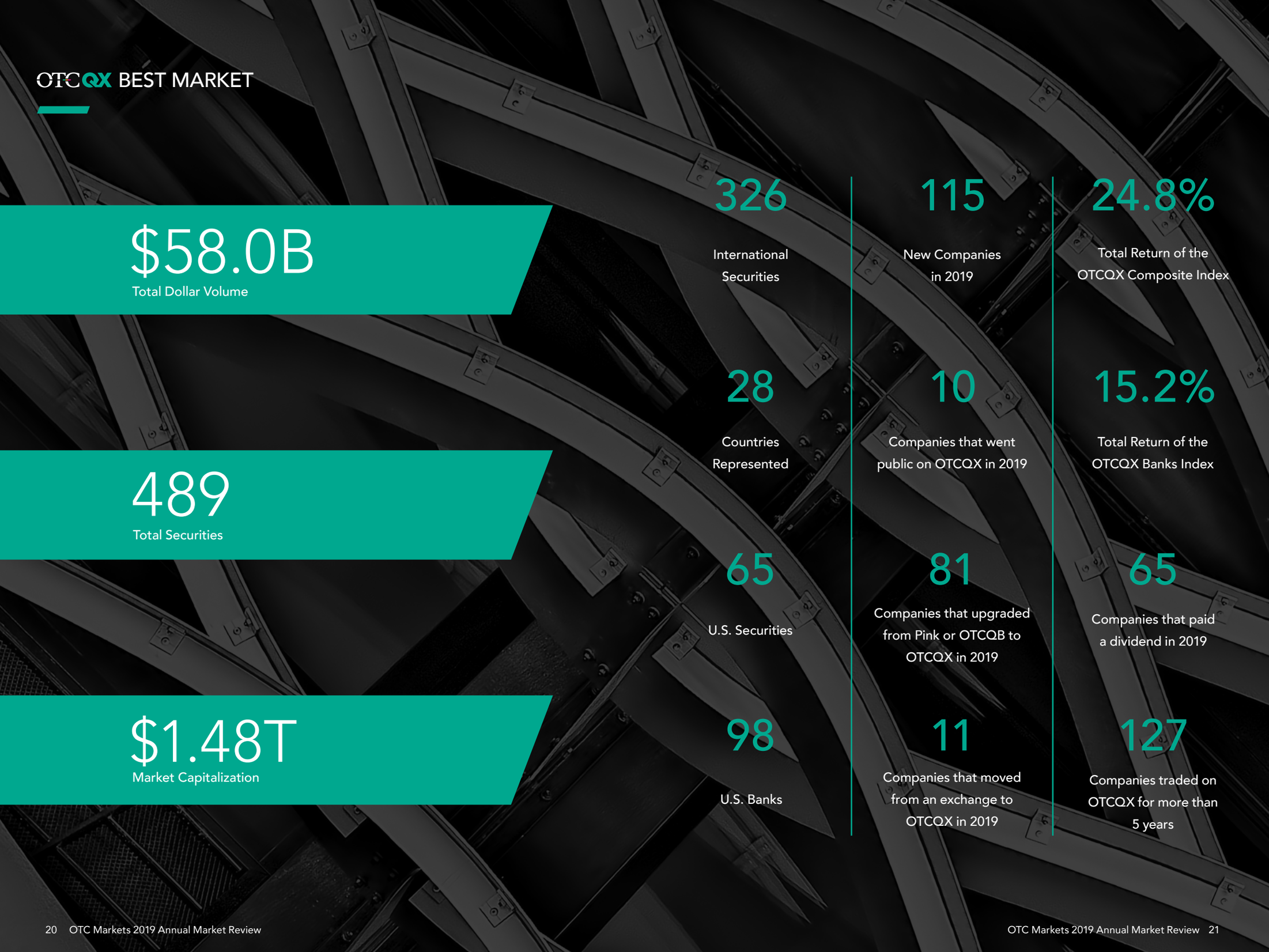
OTC MARKETS GROUP IN THE MEDIA



OTC Markets Group makes headlines in the industry

OTC Markets Group was featured in key media outlets in 2019, underscoring its value proposition as a market of choice of global and U.S. issuers. OTC Markets Group provided high-level executive perspectives, industry thought leadership and increased brand awareness as evidenced by the breadth of news-driven coverage in financial and trade press including:

BUSINESS INSIDER	FORTUNE	BLOOMBERG
SEEKING ALPHA	CROWDFUND INSIDER	CHEDDAR
THE DEAL	GLOBES	THE GLOBE AND MAIL
S&P GLOBAL MARKET INTELLIGENCE	TRADERS MAGAZINE	TABB FORUM



OTCQX BEST MARKET

$58.0B
Total Dollar Volume

489
Total Securities

$1.48T
Market Capitalization

326
International Securities

28
Countries Represented

65
U.S. Securities

98
U.S. Banks

115
New Companies in 2019

10
Companies that went public on OTCQX in 2019

81
Companies that upgraded from Pink or OTCQB to OTCQX in 2019

11
Companies that moved from an exchange to OTCQX in 2019

24.8%
Total Return of the OTCQX Composite Index

15.2%
Total Return of the OTCQX Banks Index

65
Companies that paid a dividend in 2019

127
Companies traded on OTCQX for more than 5 years

BEST 50 OTCQX 2020

RANK	SYMBOL	COMPANY
1	NUPMF	New Pacific Metals Corp
2	LOMLF	Lion One Metals Ltd.
3	KNTNF	K92 Mining Inc.
4	IMPUY	Impala Platinum Holdings Ltd.
5	CGOOF	Continental Gold Inc
6	TPRFF	Gran Colombia Gold Corp.
7	ALKEF	Alkane Resources Ltd.
8	ROSYY	PJSC Rostelecom
9	MDCL	Medicine Man Technologies Inc.
10	CTUY	Century Next Financial Corp.
11	MIMZF	Nighthawk Gold Corp.
12	BALMF	Balmoral Resources Ltd
13	CXDO	Crexendo, Inc.
14	FLYLF	Flyht Aerospace Solutions, Ltd.
15	FSUGY; FSUMF	Fortescue Metals Group Ltd
16	MGDPF	Marathon Gold Corp.
17	ASMIY	ASM International N.V.
18	HEOFF	H2O Innovation Inc.
19	LMCNF	Leagold Mining Corporation
20	JBSAY	JBS S.A.
21	DMKBA	Denmark Bancshares, Inc.
22	IRRZF	Integra Resources Corp.
23	CYSM	Community Bancorp of Santa Maria
24	SKREF	Skeena Resources Ltd.
25	ONVC	Online Vacation Center Holdings Corp.

RANK	SYMBOL	COMPANY
26	OLNCF	Omni-Lite Industries Canada Inc.
27	TIXC	Tix Corporation
28	ETCG	Grayscale Ethereum Classic Trust (ETC)
29	CHPGF	Chesapeake Gold Corp.
30	WPTIF	WPT Industrial Real Estate Invt Trust
31	RDSMY	Royal DSM NV
32	TGCDF	Teranga Gold Corp.
33	MISVF	Minco Silver Corp.
34	CLHRF	Coral Gold Resources Ltd.
35	GLDLF	GoldMining Inc.
36	MXCYY	Metso Corporation
37	ACDVF	Air Canada
38	GBTC	Grayscale Bitcoin Trust (BTC)
39	BNCC	BNCCORP, INC.
40	CCGGY	C&C Group Plc.
41	ISBA	Isabella Bank Corp.
42	TYCB	Calvin B. Taylor Bankshares, Inc.
43	CBKM	Consumers Bancorp, Inc.
44	GBOOY; GBOOF	Grupo Financiero Banorte, S.A.B. De C.V.
45	IVPAF	Ivanhoe Mines Ltd.
46	MNMB	Merchants & Marine Bancorp Inc.
47	FMCB	Farmers & Merchants Bancorp
48	KTHN	Katahdin Bankshares Corp
49	NGLOY; AAUKF	Anglo American plc
50	EXPGY; EXPGF	Experian plc

OTCQB VENTURE MARKET

$24.8B
Total Dollar Volume

958
Total Securities

$38.2B
Market Capitalization

464
International Securities

24
Countries Represented

474
U.S. Securities

20
U.S. Banks

214
New Companies in 2019

8
Companies that went public on OTCQB in 2019

176
Companies that upgraded from Pink to OTCQB in 2019

11
Companies that moved from an exchange to OTCQB in 2019

CORPORATE SERVICES TEAM

Jason Paltrowitz
EVP, Corporate Services

Chris King
SVP, International

Joseph Oltmanns
SVP, U.S.

Andy Kyzyk
SVP, Advisor Relations

Bob Power
SVP, Client Relations

John Viglotti
SVP, Investor Access

Joe Coveney
VP, International

Laura Hamilton
VP, U.S. Banks

Matt Liteplo
Associate, Advisor Relations

Cecilia Schoenbaum
AVP, Client Relations

Jonathan Dickson
VP, International

Rachel Nussbaum
VP, U.S.

Violet Pagan
VP, International

SOCIAL MEDIA

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