



4Q & FY 2024

Earnings Presentation

March 13, 2025



Earnings Call Agenda

- I. Strategic Overview
- II. Financial Review: Q4 and FY 2024 Results
- III. Q&A



Cromwell Coulson
President,
Chief Executive Officer



Antonia Georgieva
Chief Financial Officer



Dan Zinn
General Counsel &
Chief of Staff

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This conference call and presentation materials may contain forward-looking statements about the Company's future plans, expectations, and objectives concerning, but not limited to, the Company's expected financial results for 2025. Words such as may, will, expect, intend, anticipate, plan, believe, could, estimate, and variations of these words and similar expressions are intended to identify as forward-looking statements. These forward-looking statements are not historical facts and are subject to risks and uncertainties that could cause the actual results to differ materially from those predicted in these forward-looking statements. These risks and uncertainties could include, but are not limited to, the risk factors described in the Risk Factors section of the Company's Annual Report for the year ended December 31, 2024. The Company does not intend and undertakes no obligation to update its forward-looking statements to reflect future events or circumstances.

In addition to disclosing results prepared in accordance with GAAP, the Company also discloses certain non-GAAP results of operations, including adjusted EBITDA and adjusted diluted earnings per share that either exclude or include amounts that are described in the reconciliation table of GAAP to non-GAAP information provided at the end of our fourth quarter 2024 earnings press release. The Non-GAAP financial measures do not replace and are not superior to the presentation of GAAP financial results but are provided to improve overall understanding of the Company's current financial performance. Management believes that this non-GAAP information is useful to both management and investors regarding certain additional financial and business trends related to the operating results. Management uses this non-GAAP information, along with GAAP information, in evaluating its historical operating performance.

Financial Trends and Highlights

OTC Markets

OTC Link

20%
vs 18% 2023

Market Data
Licensing

39%
vs 39% 2023

Corporate
Services

41%
vs 43% 2023

Gross Revenue
\$111.1M, ▲ 1%

Net Income
\$27.4M, ▼ 1%

Operating Margin
▼ 70 basis points

Our Strategic Priorities for 2025



**One Team,
One Platform
Driving
Results to
Build the Value
of One Share**



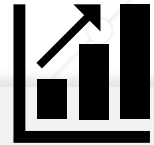
**Increase the
Number of
Securities on
our Markets:
Overnight**



**Transform the
Client
Connection
and Improve
the Quality of
Information:
OTCID Market**



**Mitigate
Operational
Risk and
Strengthen
Regulatory
Compliance**

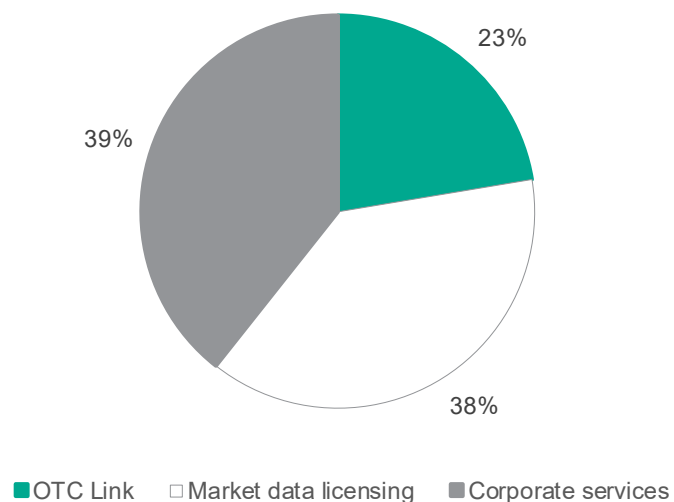
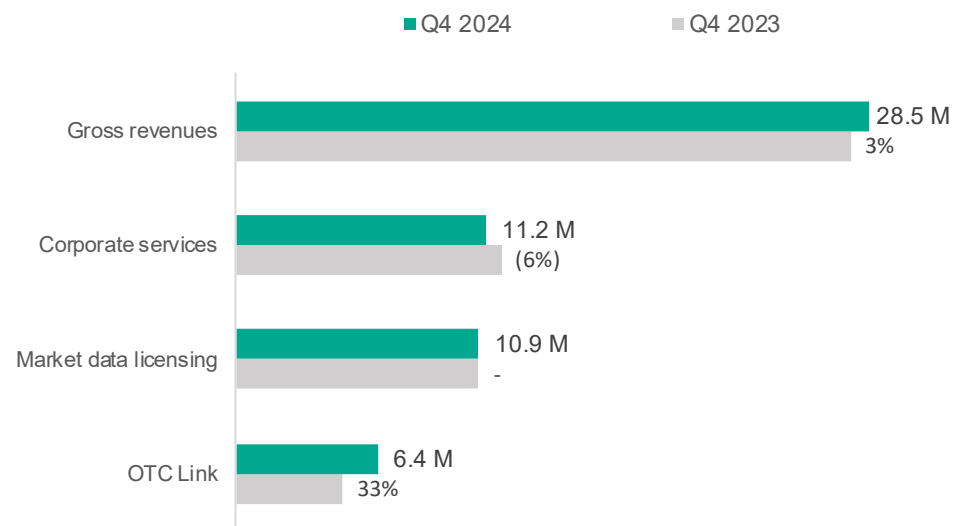


**Increase Users
and Usage to
Grow Revenue
across
Product Lines**

Financial Review

Q4 and FY 2024 Results

Q4 2024 Revenue



Individual amounts may not sum up to the total amounts due to rounding

Corporate Services

- 6%

- 4% OTCQX
- 4% OTCQB
- 6% DNS

Data Services

+ 21%

Pro Users Revenue
-5 %

ECN & NQB Revenue

+ 56%

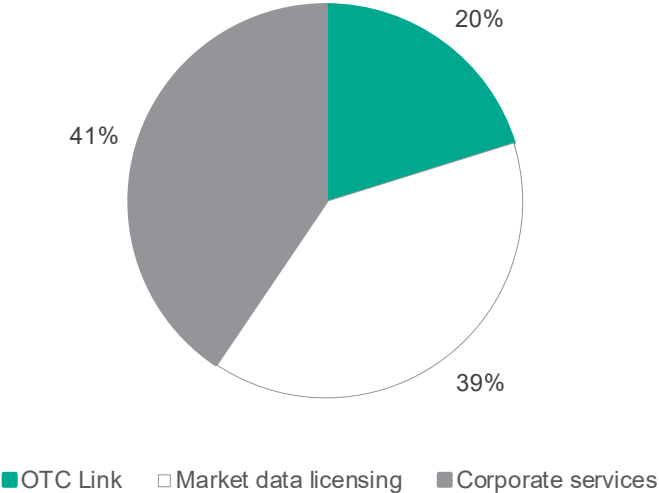
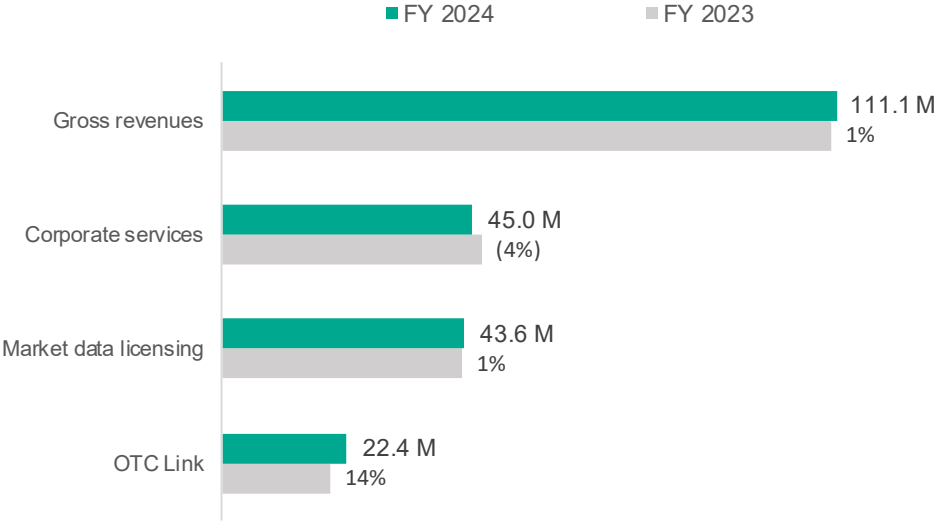
~45k Avg Daily Trades
+ 36% vs PYQ

Non-Pro Users Revenue

+ 1%

12,314 users
+ 12% vs PYQ

FY 2024 Revenue



Individual amounts may not sum up to the total amounts due to rounding

ECN & NQB Revenue

+ 21%

~38,000
Avg Daily ECN & NQB
Trades, +17%

Market Data Licensing

+ 1%

+ 22% Data Services
+ 24% Blue Sky Data
- 1% Pro Users Rev
- 10% Non-Pro Users Rev

OTCQX New Joins

+ 83

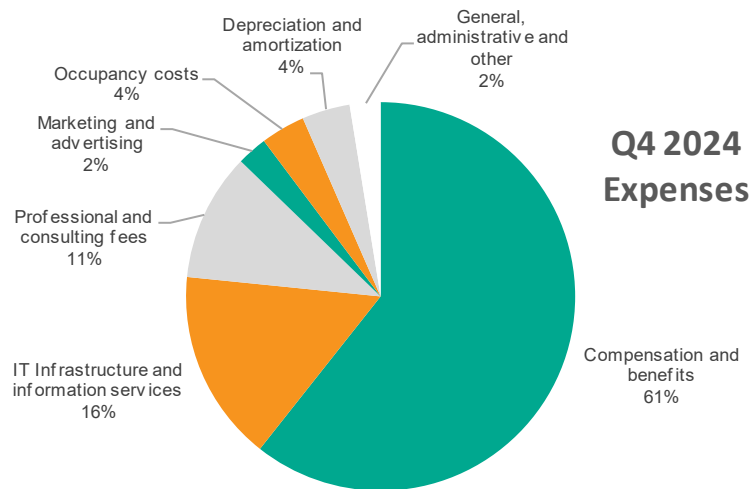
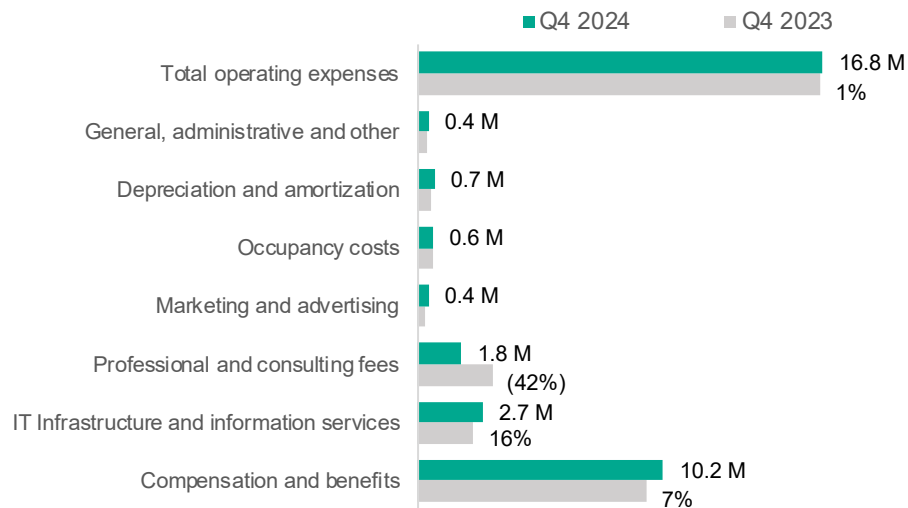
vs + 90 PY

OTCQB New Joins

+ 190

vs + 184 PY

Q4 2024 Expenses



Individual amounts may not sum up to the total amounts due to rounding

OpEx (ex DEPR) as
% of Gross Revenue

57%

vs 58%
for the PYQ

Operating Margin

31.6%

vs 32.8%
for the PYQ

Compensation as %
of OpEx

61%

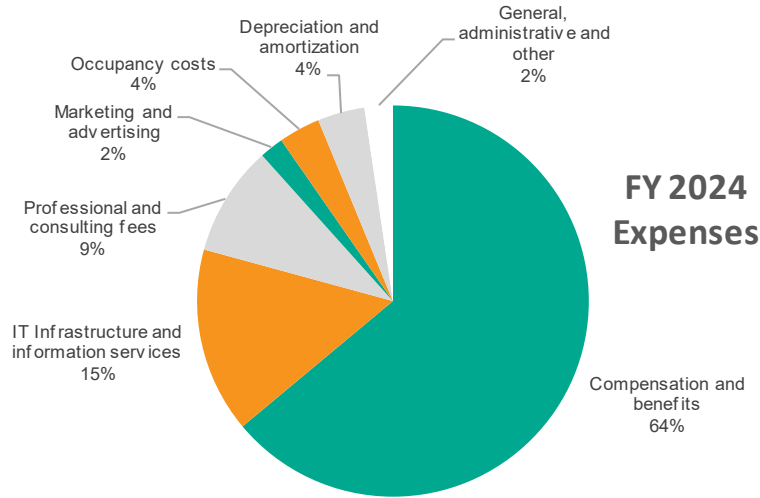
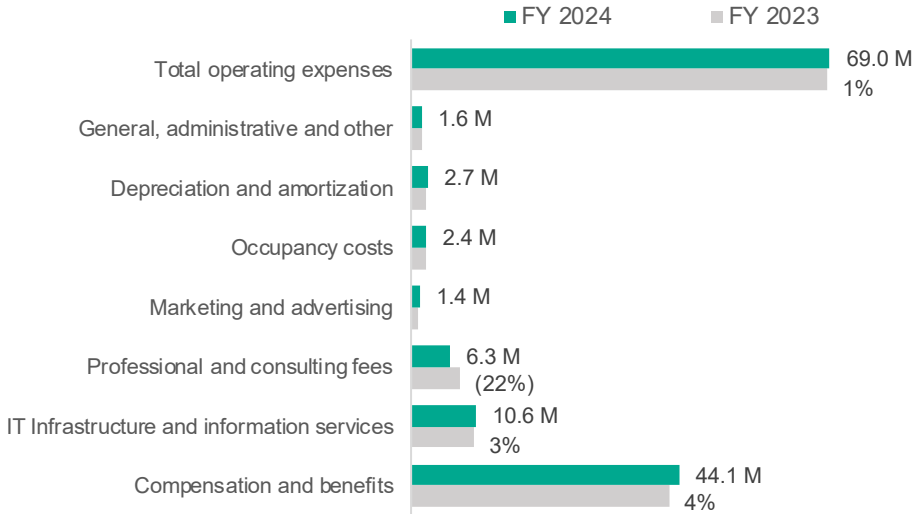
vs 57%
for the PYQ

Headcount

133

Down 1 vs 134 PYQ

FY 2024 Expenses



Individual amounts may not sum up to the total amounts due to rounding

OpEx (ex DEPR) as % of Gross Revenue

60%

unchanged from the PY

Operating Margin

29.9%

vs 30.6% for the PY

Compensation as % of OpEx

64%

vs 62% for the PY

Professional & Consulting

- 22%

FY 2023 non-recurring operating expenses of \$2.5M

FY 2024 Highlights

Gross Revenues

111.1M

+ 1%

Operating Expenses
69.0M, +1%

Revenues less
transaction-based
expenses

101.2M

flat

Effective Tax Rate

17.4%

unchanged from PY

Adjusted EBITDA

41.3M

\$3.41 per Diluted Share

Operating Income

32.2M

- 1%

Operating Margin
- 70 basis points

Net Income

27.4M

- 1%

Fully Diluted
GAAP EPS \$2.26

Cash Flow from
Operations

32.9M

vs 33.0M PY

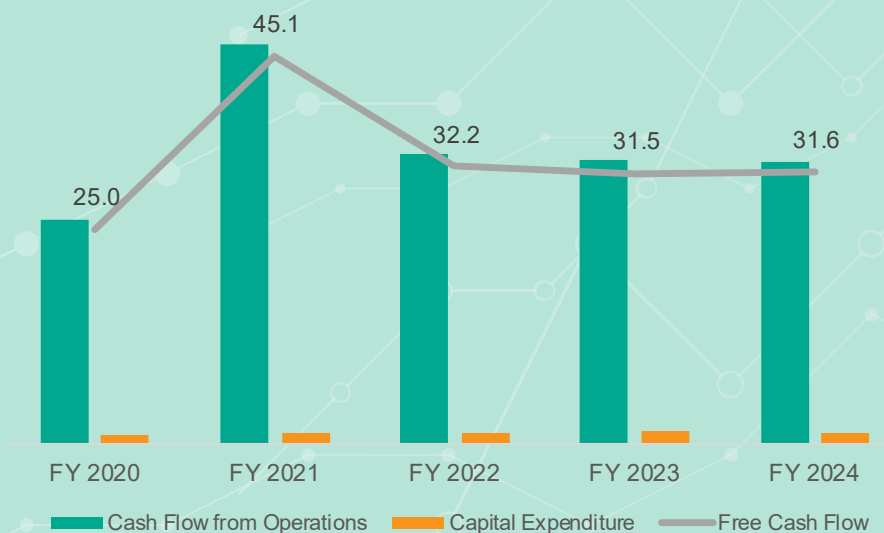
Cash Returned to
Shareholders

29.5M

- 1% vs PY

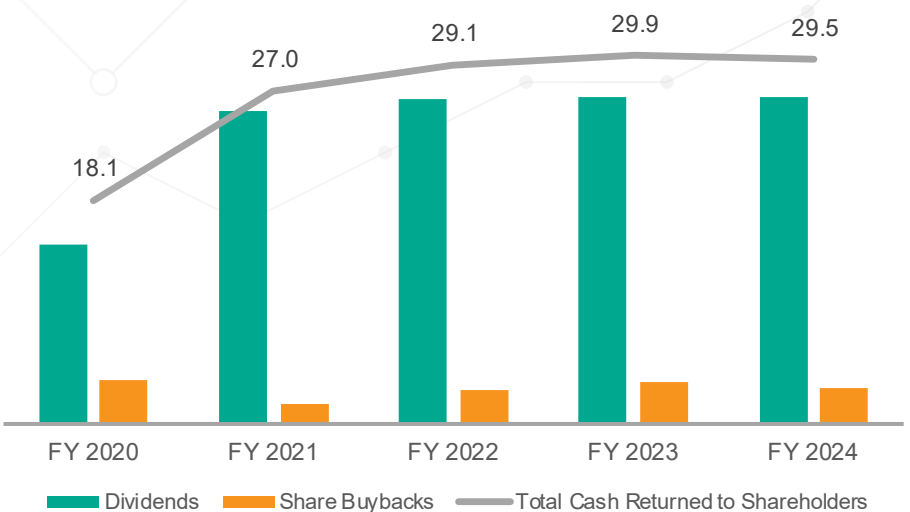
Cash Flows & Capital Allocation Strategy

Free Cash Flow*



Invest in our people and platform to deliver long term sustainable growth in earnings and free cash flow per share

Shareholder Returns



Grow shareholder returns and utilize buybacks to provide employee liquidity for our equity compensation program

* 2022 Capital Expenditure excludes \$15.0 million for the acquisitions of Blue Sky Data Corp and Edgar Online

Questions & Answers

Appendix

Balance Sheet Summary

(in thousands)

	December 31,		
	2024	2023	% change
Assets			
Cash and cash equivalents	\$ 34,522	\$ 34,101	1%
Short-term investments	4,513	3,622	25%
Accounts receivable, net of allowance for credit losses of \$326 and \$451	8,097	7,680	5%
Other Current Assets	2,481	3,189	(22%)
Total Current assets	49,613	48,592	2%
Property and equipment, net	7,096	8,429	(16%)
Other Assets	34,033	33,504	2%
Total Assets	\$ 90,742	\$ 90,525	-
Liabilities and stockholders' equity			
Current liabilities	\$ 43,738	\$ 45,625	(4%)
Other Liabilities	11,287	12,673	(11%)
Total Liabilities	55,025	58,298	(6%)
Total Stockholders' Equity	35,717	32,227	11%
Total Liabilities and Stockholders' Equity	\$ 90,742	\$ 90,525	-

Income Statement Summary

(in thousands, except share and per share information)	Three Months Ended December 31,			Year Ended December 31,		
	2024	2023	% change	2024	2023	% change
OTC Link	\$ 6,364	\$ 4,802	33%	\$ 22,409	\$ 19,599	14%
Market data licensing	10,893	10,881	-	43,626	43,368	1%
Corporate services	11,194	11,922	(6%)	45,029	46,928	(4%)
Gross revenues	28,451	27,605	3%	111,064	109,895	1%
Redistribution fees and rebates	(791)	(833)	(5%)	(3,182)	(3,237)	(2%)
Net revenues	27,660	26,772	3%	107,882	106,658	1%
Transaction-based expenses	(2,157)	(1,330)	62%	(6,649)	(5,524)	20%
Revenues less transaction-based expenses	25,503	25,442	-	101,233	101,134	-
Operating expenses						
Compensation and benefits	10,160	9,460	7%	44,123	42,467	4%
IT Infrastructure and information services	2,673	2,298	16%	10,574	10,311	3%
Professional and consulting fees	1,783	3,077	(42%)	6,294	8,048	(22%)
Marketing and advertising	422	315	34%	1,368	1,194	15%
Occupancy costs	619	591	5%	2,369	2,360	-
Depreciation and amortization	668	554	21%	2,681	2,398	12%
General, administrative and other	428	356	20%	1,612	1,762	(9%)
Total operating expenses	16,753	16,651	1%	69,021	68,540	1%
Income from operations	8,750	8,791	-	32,212	32,594	(1%)
Other income						
Other income	300	274	9%	930	903	3%
Income before provision for income taxes	9,050	9,065	-	33,142	33,497	(1%)
Provision for income taxes	1,835	2,064	(11%)	5,782	5,836	(1%)
Net Income	\$ 7,215	\$ 7,001	3%	\$ 27,360	\$ 27,661	(1%)
Earnings per share						
Basic	\$ 0.61	\$ 0.59	4%	\$ 2.29	\$ 2.32	(1%)
Diluted	\$ 0.60	\$ 0.58	3%	\$ 2.26	\$ 2.28	(1%)
Basic weighted average shares outstanding	11,729,845	11,669,376	1%	11,721,215	11,658,694	1%
Diluted weighted average shares outstanding	11,855,291	11,874,331	-	11,840,819	11,863,180	-

Reconciliation of GAAP to Non-GAAP Results

(in thousands, except per share information)	Three Months Ended December 31,			Year Ended December 31,		
	2024	2023	% change	2024	2023	% change
Net Income	\$ 7,215	\$ 7,001	3%	\$ 27,360	\$ 27,661	(1%)
Excluding:						
Interest expense (income)	(312)	(312)	-	(940)	(844)	11%
Provision for income taxes	1,835	2,064	(11%)	5,782	5,836	(1%)
Depreciation and amortization	668	554	21%	2,681	2,398	12%
Stock-based compensation expense	1,573	1,493	5%	6,370	5,858	9%
Adjusted EBITDA	<u>\$ 10,979</u>	<u>\$ 10,800</u>	<u>2%</u>	<u>\$ 41,253</u>	<u>\$ 40,909</u>	<u>1%</u>
Adjusted diluted earnings per share	\$ 0.91	\$ 0.89	2%	\$ 3.41	\$ 3.37	1%

Note: We use non-GAAP financial measures of operating performance. Non-GAAP measures do not replace and are not superior to the presentation of our GAAP financial results, but are provided to improve overall understanding of the Company's current financial performance.

Cash Flow Summary

	Year Ended December 31,				
(in thousands)	2024	2023	2022	2021	2020
Cash Flow from Operations	32,873	33,036	33,680	46,456	26,013
Capital Expenditure	(1,301)	(1,567)	(1,443)	(1,395)	(1,034)
Free Cash Flow	\$ 31,572	\$ 31,469	\$ 32,237	\$ 45,061	\$ 24,979
Dividends Paid	(26,585)	(26,482)	(26,355)	(25,459)	(14,610)
Share Buybacks	(2,944)	(3,379)	(2,776)	(1,522)	(3,520)
Other	(1,602)	(4,857)	(16,128)	(1,419)	(1,330)
Uses of free cash flow	\$ (31,131)	\$ (34,718)	\$ (45,259)	\$ (28,400)	\$ (19,460)
Net change in cash, cash equivalents, and restricted cash	441	(3,249)	(13,022)	16,661	5,519

* 2022 Capital Expenditure excludes \$15.0 million for the acquisitions of Blue Sky Data Corp and Edgar Online