

# MERGENT® INDUSTRIAL, OTC and UNLISTED

UPDATED LISTING

May 14, 2024



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL OTC and UNLISTED Manuals and will be included in the bound May 2024 Monthly News Reports and is published on our Website.

## OTC MARKETS GROUP INC

Company Website: [www.otcmarkets.com](http://www.otcmarkets.com)

**History:** Formed in 1904 as National Quotation Bureau. Name changed to Pink Sheets LLC in July 2000. Converted to a Delaware corporation on Mar. 31, 2008 as Pink OTC Markets Inc. Present name adopted Jan. 19, 2011.

On Apr. 15, 2010, Co. formed a wholly owned subsidiary, Pink Link ATS LLC, to operate its interdealer quotation and messaging system. On Nov. 17, 2010, Pink Link ATS LLC changed its name to OTC Link LLC.

On May 30, 2017, Co. acquired theOTC.Today.com, an independent website that monitors and analyzes stock promotion campaigns. Terms of the transaction were not disclosed.

On Feb. 6, 2019, Co. announced the acquisition of Qaravan Inc.

On November 9, 2022, Co. completed the acquisition of EDGAR Online for approximately \$3,500 in cash, subject to certain adjustments.

On May 2, 2022, the Co. completed the acquisition of Blue Sky Data Corp for approximately \$11,600 in cash, subject to certain adjustments.

**Business Summary:** OTC Markets Group operates regulated markets for trading United States and international securities and has three public markets: OTCQX® Best Market, the OTCQB® Venture Market and the Pink® Open Market. Co.'s OTC Link® Alternative Trading Systems (ATS) provide market infrastructure that broker dealers rely on to facilitate trading. OTC Link ATS, OTC Link ECN and OTC Link NQB are each a Securities and Exchange Commission (SEC) regulated ATS, operated by Co.'s wholly-owned subsidiary, OTC Link LLC (OTC Link), a Financial Industry Regulatory Authority, Inc. and SEC registered broker-dealer. Co. has three business lines: OTC Link, Market Data Licensing and Corporate Services.

**Property:** Co. maintains its principal executive office in New York, NY, which is composed of approx. 33,000 sq. ft. of leased office, conference, meeting, and reception space.

Co. maintains an office in Washington, D.C., consisting of approx. 4,000 sq. ft. of general office space, located in Washington, D.C.

In connection with its London office, Co. leases a single WeWork office space located in London on a month-to-month basis.

Co. leases a single office in Singapore on a month-to-month basis.

Co. also contracts with SunGard Availability Services, in Carlstadt, NJ and Philadelphia, PA, for hosting and networking services in respect of its primary and secondary data centers, including production, back-up and disaster recovery sites, and internet and telecommunication services.

### Subsidiary

OTC Link LLC

### Officers

Neal L. Wolkoff, Chairman  
R. Cromwell Coulson, President; Chief Executive Officer  
Matthew Fuchs, Executive Vice President - Market Data Licensing  
Lisabeth Heese, Executive Vice President - Issuer; Executive Vice President - Information Services  
Antonia Georgieva, Chief Financial Officer  
Bruce Ostrover, Chief Technology Officer

Daniel Zinn, General Counsel; Corporate Secretary; Chief of Staff  
Michael Modeski, Subsidiary Officer  
Jason L. Paltrowitz, MBA, Division Officer

### Directors

Neal L. Wolkoff, Chairman  
Gary Baddeley, Director  
Louisa Serene Schneider, MBA, Director  
Andrew T. Wimpfheimer, Director  
R. Cromwell Coulson, Director

**Auditors:** DELOITTE & TOUCHE LLP

**Counsel:** The Nelson Law Firm, LLC

**Transfer Agent:** Continental Stock Transfer & Trust Company, New York, NY

**Shareholder Relations:** Bea Ordonez, Chief Financial Officer  
**Tel:** 212-220-2215

**No. of Stockholders:** Dec. 31, 2023, 211, class A record

**No. of Employees:** Dec. 31, 2023, 134

**Address:** 300 Vesey Street, New York, NY 10282

**Tel:** 212 896-4400

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**Web:** [www.otcmarkets.com](http://www.otcmarkets.com)

**Email:** [info@otcmarkets.com](mailto:info@otcmarkets.com)

### Consolidated Income Statement, Years Ended Dec. 31 (\$):

	2023	2022	2021
Gross revenues	109,895,000	105,149,000	102,932,000
Cost of revenues - redistribution fees & rebates	3,237,000	3,101,000	3,021,000
Net revenues	106,658,000	102,048,000	99,911,000
Transaction-based expenses	5,524,000	5,847,000	9,273,000
Revenues less transaction-based expenses	101,134,000	96,201,000	90,638,000
Compensation & benefits	42,467,000	37,585,000	34,049,000
IT Infrastructure & information services	10,311,000	8,091,000	7,633,000
Professional & consulting fees	8,048,000	6,464,000	4,495,000
Marketing & advertising	1,194,000	1,303,000	1,028,000
Occupancy costs	2,360,000	2,257,000	2,348,000
Depreciation & amortization	2,398,000	2,092,000	1,796,000
General, administrative & other expenses	1,762,000	1,588,000	1,273,000
Total operating expenses	68,540,000	59,380,000	52,622,000
Income from operations	32,594,000	36,821,000	38,016,000
Interest income	844,000	155,000	1,000

Other income (expense)	59,000	(10,000)	(52,000)
Income before provision for income taxes	33,497,000	36,966,000	37,965,000
Current federal income taxes	6,771,000	6,799,000	4,988,000
Current state & local income taxes	1,890,000	3,814,000	2,543,000
Current foreign income taxes	13,000	5,000	2,000
Total current income taxes	...	...	7,533,000
Deferred federal income taxes (benefit)	(2,750,000)	(2,969,000)	(74,000)
Deferred state & local income taxes (benefit)	(82,000)	(1,494,000)	33,000
Deferred foreign income taxes	(6,000)	(3,000)	(3,000)
Total deferred income taxes (benefit)	...	...	(44,000)
Total provision for income taxes	5,836,000	6,152,000	7,489,000
Net income (loss)	27,661,000	30,814,000	30,476,000
Less: undistributed earnings allocated to invested restricted stock awards ("RSAs")	26,000	100,000	117,000
Less: dividend equivalents on unvested RSAs	585,000	588,000	593,000
Net income (loss) to common shareholders	27,050,000	30,126,000	29,766,000
Weighted average shares outstanding - basic	11,658,694	11,600,122	11,506,294
Weighted average shares outstanding - diluted	11,863,180	11,887,868	11,811,320
Year end shares outstanding	11,931,366	11,874,763	11,801,761
Net income (loss) per share - basic	\$2.32	\$2.60	\$2.59
Net income (loss) per share - diluted	\$2.28	\$2.53	\$2.52
Dividends per Class A common share	\$2.22	\$2.22	\$2.16
Number of full time employees	134	131	107
Number of common stockholders	211	202	191
Number of beneficiary			

stockholders.....	1,322	1,301	1,390	Income taxes payable.....	141,000	567,000	<b>Capital Stock: 1. OTC Markets Group Inc class B common; par \$ 0.01.</b> AUTHORIZED—1,869,162 shs. OUTSTANDING—Dec. 31, 2009, 1,869,162 shs; par \$ 0.01.(Converted into class A common on February 10, 2010) OWNERSHIP—As of Dec. 31, 2009, R. Cromwell Coulson owned 100% of Co.'s outstanding class B common stock. VOTING RIGHTS—Entitled to one vote per share. <b>2. OTC Markets Group Inc class C common; par \$ 0.01.</b> AUTHORIZED—130,838 shs. OUTSTANDING—Dec. 31, 2016, 130,838 shs; par \$ 0.01.(Converted on January 1, 2017) VOTING RIGHTS—Entitled to one vote per share. <b>3. OTC Markets Group Inc class A common; par \$ 0.01.</b> AUTHORIZED—17,000,000 shs. OUTSTANDING—Dec. 31, 2023, 11,931,366 shs; par \$ 0.01. TREASURY—784,769 shs. OWNERSHIP—As of Dec. 31, 2017, Co.'s Chief Executive Officer, R. Cromwell Coulson owned 30.4% of Co.'s outstanding class A common stock. VOTING RIGHTS—Entitled to one vote per share. DIVIDENDS— 2009.....0.03 2010-2011 ... 0.16 2012.....0.49 2013.....0.24 2014.....0.37 2015.....1.08 2016-2017 ... 1.16 2018.....1.23 2019-2020 ... 1.25 2021.....2.16 2022-2023 ... 2.22 2024.....0.36 OPTIONS—Dec. 31, 2017, outstanding, 708,000; restricted, 289,000. TRANSFER AGENT—Continental Stock Transfer & Trust Company, New York, NY PRIMARY EXCHANGE—National Bulletin Board (NBB): OTCM.
<b>Consolidated Balance Sheet, Years Ended Dec. 31 (\$):</b>				Payroll & employee withholdings .....	9,765,000	9,508,000	
	2023	2022		Accrued operating expenses .....	2,248,000	1,699,000	
Assets:				Current operating lease liabilities .....	2,052,000	1,934,000	
Cash & cash equivalents .....	34,101,000	37,368,000		Deferred revenue .....	29,267,000	30,456,000	
Short-term investments .....	3,622,000	...		Total current liabilities .....	45,625,000	45,848,000	
Accounts receivable, gross .....	8,131,000	10,123,000		Income tax reserve .....	778,000	657,000	
Allowance for credit losses .....	451,000	638,000		Operating lease liabilities .....	11,895,000	13,309,000	
Accounts receivable, net .....	7,680,000	9,485,000		Total liabilities .....	58,298,000	59,814,000	
Prepaid income taxes .....	1,324,000	59,000		Class A common stock .....	127,000	126,000	
Prepaid expenses & other current assets .....	1,865,000	1,469,000		Additional paid in capital .....	29,469,000	24,847,000	
Total current assets .....	48,592,000	48,381,000		Retained earnings .....	22,425,000	21,246,000	
Computer software .....	7,695,000	7,057,000		Treasury stock .....	19,794,000	16,415,000	
Computer equipment .....	7,155,000	6,878,000		Total stockholders' equity .....	32,227,000	29,804,000	
Furniture & fixtures .....	691,000	691,000		<b>Line of Credit:</b> Co. maintains a commercial banking relationship with JPMorgan Chase. On July 7, 2012, Co. entered into a line of credit agreement with JPMorgan Chase (the Line of Credit). Pursuant to various extensions, the Line of Credit provides up to \$3,000,000 available borrowing capacity to fund business operations through June 22, 2024. Co. has not drawn funds on the Line of Credit. Under the terms of the Line of Credit, Co. agreed to fulfill certain affirmative and negative covenants and other specified terms. As of Dec. 31, 2023, Co. had two open letters of credit of approximately \$1,059,000 which secure its lease obligations in connection with its New York City and Washington D.C. office space operating leases. The letters of credit are collateralized by a money market balance.			
Leasehold improvements .....	2,917,000	2,878,000					
Accumulated depreciation & amortization .....	10,029,000	8,867,000					
Property & equipment, net .....	8,429,000	8,637,000					
Operating lease right-of-use assets .....	12,324,000	13,635,000					
Deferred tax assets, net .....	7,691,000	4,853,000					
Goodwill .....	3,984,000	3,984,000					
Other intangible assets .....	7,411,000	...					
Intangible assets, net .....	...	7,993,000					
Long-term restricted cash .....	1,586,000	1,568,000					
Other assets .....	508,000	567,000					
Total assets .....	90,525,000	89,618,000					
Liabilities:							
Accounts payable .....	2,152,000	1,684,000					

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