CONSOLIDATED AUDIT TRAIL, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

CONSOLIDATED AUDIT TRAIL, LLC

INDEX TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Chairman, Operating Committee
Consolidated Audit Trail, LLC

Opinion

We have audited the financial statements of Consolidated Audit Trail, LLC (a Delaware Limited Liability Company) (the "Organization"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

New York, New York
July 13, 2026

CONSOLIDATED AUDIT TRAIL, LLC

STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31, 2024	December 31, 2023
Assets:		
Cash	**$ 27,276,362**	$ 170,169
Due from FINRA CAT	**788,475**	-
Accounts receivable	**106,530,227**	-
Unbilled receivables	**177,225,245**	-
Developed technology, net of accumulated amortization of $42,966,478 and $ 25,147,500	**18,227,175**	29,601,272
Prepaid expenses	**941,799**	947,549
Total Assets	**$ 330,989,283**	$ 30,718,990

LIABILITIES AND NET DEFICIT WITHOUT RESTRICTIONS

	2024	2023
Liabilities:		
Accounts payable and accrued expenses	**$ 31,030,211**	$ 28,493,474
Notes payable to SROs (members)	**772,351,177**	631,746,336
Short-term loans to SROs (members)	**11,891,969**	-
Total Liabilities	**815,273,357**	660,239,810
Commitments and Contingencies (Note 5)		
Net Deficit Without Restrictions	**(484,284,074)**	(629,520,820)
Total Liabilities and Net Deficit Without Restrictions	**$ 330,989,283**	$ 30,718,990

See Notes to the Financial Statements.

CONSOLIDATED AUDIT TRAIL, LLC

STATEMENTS OF ACTIVITIES

	For the Years Ended December 31, 2024	2023
Revenues:		
Prospective fees	**$ 161,247,169**	$ -
Historical fees	**197,497,166**	-
Historical fees (implied interest)	**66,845**	-
Late fees	**30,538**	-
New participant fee	**589,232**	-
Total Revenues	**359,430,950**	-
Operating Expenses:		
Technology costs	**184,459,715**	174,889,070
Legal	**7,746,823**	5,634,670
Amortization of developed technology	**17,818,978**	10,395,278
Consulting	**1,614,098**	1,760,377
Insurance	**1,565,062**	1,793,572
Professional and administration	**942,080**	799,098
Public relations	**70,019**	92,400
Total Operating Expenses	**214,216,775**	195,364,465
Interest Income	**22,571**	-
Change in Net Deficit from Operating Activities	**145,236,746**	(195,364,465)
Change in Net Deficit Without Restrictions	**145,236,746**	(195,364,465)
Net Deficit Without Restrictions:		
Beginning of year	**(629,520,820)**	(434,156,355)
End of year	**$ (484,284,074)**	$ (629,520,820)

See Notes to the Financial Statements.

CONSOLIDATED AUDIT TRAIL, LLC

STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2024	2023
Cash Flows from Operating Activities:		
Change in net deficit from operating activities	$ 145,236,746	$ (195,364,465)
Adjustments to reconcile change in net deficit to net cash used in operating activities:		
Amortization of developed technology	17,818,978	10,395,278
Unbilled receivables	(177,225,245)	
Change in:		
Due from FINRA CAT	(788,475)	-
Accounts receivable	(106,530,227)	-
Prepaid expenses	5,750	160,100
Increase in:		
Accounts payable and accrued expenses	2,536,737	(4,371,029)
Total Adjustments	(264,182,482)	6,184,349
Net Cash Used in Operating Activities	(118,945,736)	(189,180,116)
Cash Flows from Investing Activities:		
Investment in developed technology	(6,444,881)	(3,118,244)
Net Cash Used in Investing Activities	(6,444,881)	(3,118,244)
Cash Flows from Financing Activities:		
Proceeds from notes payable to SROs (members)	140,604,841	189,300,000
Proceeds from short-term loans to SROs (members)	29,516,969	-
Repayment of short-term loans to SROs (members)	(17,625,000)	-
Net Cash Provided by Financing Activities	152,496,810	189,300,000
Net Increase (Decrease) in Cash	27,106,193	(2,998,360)
Cash:		
Beginning of year	170,169	3,168,529
End of year	$ 27,276,362	$ 170,169
Supplemental Schedule of Non-Cash Investing Activity:		
Investment in developed technology included in accounts payable	$ -	$ 1,320,000

See Notes to the Financial Statements.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION

Securities and Exchange Commission Rule 613

Effective October 1, 2012, the Securities and Exchange Commission ("SEC") adopted Rule 613, under the Securities Exchange Act of 1934 ("Rule 613") to create a consolidated audit trail (the "CAT System") that would allow regulators to efficiently and accurately track all activity throughout the U.S. markets in National Market System ("NMS") securities. Among other things, the rule required the national securities exchanges and the Financial Industry Regulatory Authority ("FINRA"), collectively the self-regulatory organizations, ("SROs" or "members") to jointly submit a plan, called an NMS plan, to create, implement and maintain a consolidated audit trail of the NMS activity. Rule 613 specifies the type of data to be collected and when the data is to be reported to a central repository.

On September 30, 2014, the SROs submitted to the SEC the proposed NMS plan in accordance with Rule 613, which was eventually amended and replaced in its entirety on February 27, 2015, with the amended and restated CAT NMS Plan ("CAT NMS Plan"). On November 15, 2016, the SEC voted to approve the amended and restated CAT NMS Plan. Subsequent to the SEC's approval of the CAT NMS Plan, CAT NMS, LLC ("CAT NMS") was formed by the SROs in response to SEC Rule 613 to create, implement and maintain the CAT System.

Formation and Description of Consolidated Audit Trail, LLC

On August 29, 2019, the SROs formed a new Delaware limited liability company, Consolidated Audit Trail, LLC (the "Organization" or "CAT LLC"), an exempt organization under Internal Revenue Code ("IRC") Section 501(c)(6), for the purpose of conducting activities relating to the CAT System. Pursuant to an amendment to the CAT NMS Plan filed with the SEC on August 29, 2019, the limited liability company agreement of CAT LLC now serves as the CAT NMS Plan. The Organization shall continue in perpetuity, unless dissolved, as outlined in the Organization's operating agreement. The Organization's sole members are the SROs. The SROs, as members, have the same rights, powers, preferences and privileges, and are subject to the same restrictions, qualifications and limitations. Each SRO is entitled to one vote and has an equal interest in the Organization.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Formation and Description of Consolidated Audit Trail, LLC (Continued)

To develop the CAT System and pay for operating and support expenditures of the Organization, the Organization was historically funded by each of the SROs through notes payable to the SROs (Note 4). On March 13, 2023, the Organization, on behalf of the SROs, filed with the SEC a proposal to amend the CAT NMS Plan to implement a revised funding model for CAT LLC and to establish a fee schedule for SRO fees, which was approved by the SEC on September 6, 2023 (the "2023 Funding Model Order"). Under the 2023 Funding Model Order, CAT fees are allocated one-third to SROs and two-thirds to industry members, defined in the CAT NMS Plan as members of a national securities exchange or association ("Industry Members"). As described below, the fees to recover certain historical costs from Industry Members have been filed with the SEC by the SROs under Section 19(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), and certain historical fees have been collected from Industry Members. In addition, fees to pay ongoing costs from Industry Members have been filed with the SEC by the SROs under Section 19(b) of the Exchange Act and fees to pay ongoing costs from the SROs have been established by the Organization, and certain fees have been collected from Industry Members and SROs. As described below, on July 25, 2025, the United States Court of Appeals for the Eleventh Circuit issued an opinion vacating the 2023 Funding Model Order and remanding the matter to the SEC for further proceedings consistent with its opinion. On September 5, 2025, the Organization, on behalf of the SROs, filed with the SEC a proposal to amend the CAT NMS Plan to implement a funding model similar to that in the 2023 Funding Model Order but with an additional provision related to direct pass-through fees to address the court's opinion. The Organization's proposal was approved by the SEC on March 16, 2026 (the "2026 Funding Model Order"). Pursuant to the 2026 Funding Model Order, the Organization is permitted to bill prospective fees through March 31, 2028.

The Organization formed an operating committee (the "Operating Committee") to manage the Organization. The Operating Committee has the general charge and supervision of the business and is the sole manager of the Organization. The Operating Committee is comprised of one voting member and one alternate member from each of the SROs, with one elected Chair, who will serve a two-year term. No later than three months prior to the expiration of the then current term, the Operating Committee will elect a successor. No person may serve as Chair for more than two successive full terms. A successor Chair was elected to the operating Committee in February 2023 to serve until August 2023. Subsequently, the successor Chair was elected to serve another term through August 2025. The Operating Committee elected a new chair in August 2025 to serve a term through August 2027. Actions of the Operating Committee are outlined in the Organization's operating agreement.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Formation and Description of Consolidated Audit Trail, LLC (Continued)

MIAX Sapphire, LLC was admitted to the Organization in 2024, paying a new participant fee of $589,232. No new SROs were admitted to the Organization in 2023.

Plan Processor Agreement

Effective March 29, 2019 (the "Effective Date"), FINRA CAT, LLC ("FINRA CAT" or the "Plan Processor"), an affiliate of FINRA, and CAT NMS entered into a Consolidated Audit Trail Plan Processor Agreement ("FCAT PPA") to create, implement and maintain a consolidated audit trail with respect to the trading of national market system securities and which has been extended to OTC equity securities as approved by the SEC. Such FCAT PPA was assigned to the Organization on August 30, 2019, pursuant to an Assignment and Assumption Agreement.

Beginning with the initiation of the billing of Industry Members in October 2024, the FCAT PPA provides for the Organization to retain and not transfer or otherwise distribute any profits, revenue or other funds it has or receives, until it has built up a reserve, prior to the first anniversary of the Effective Date of at least $2,000,000 and, after the first anniversary of the Effective Date, a reserve of at least $6,000,000 and, thereafter, shall maintain such reserve during the term to be used as a non-exclusive source to fund its payment obligations under the FCAT PPA.

The initial term of the FCAT PPA was for seven years, through March 29, 2026, and automatically renews for successive three-year periods, unless terminated, and provides for fixed price recurring operating fees, milestone fees, and variable fees as defined, until 2029 (Note 5). As the initial term of the FCAT PPA has expired, the Organization is currently in the process of amending the FCAT PPA with the Plan Processor.

Effective April 18, 2023, the FCAT PPA was amended to transition certain subcontracted services performed by a third-party vendor to FINRA CAT, the Plan Processor, as set forth in the 2023 Technology Services Agreement between FINRA CAT and this third-party vendor. Such subcontracted services are related to the CAT System's Customer and Account reporting sub-system ("CAIS").

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Plan Processor Agreement (Continued)

The amended FCAT PPA provides for (i) a fixed price recurring annual fee plus annual fee increases, for ongoing operation, maintenance and support of CAIS, (ii) variable cloud hosting fees incurred by the Plan Processor for cloud hosting services provided by another third-party vendor, as a subcontractor, (iii) implementation and transition plan milestones, (iv) license fees for use of the licensed materials, (v) third party pass-through costs, (vi) termination fees and (vii) licensed materials and escrow materials. Incurred fees to FCAT were $184,459,715 and $174,889,070 for the years-ended December 31, 2024, and 2023, respectively, which are classified as technology costs in the accompanying statements of activities.

Risks and Uncertainties

Technology

The Organization's principal purpose is to create, implement and maintain a consolidated audit trail pursuant to Rule 613. The Organization has developed and continues to develop technology to meet this principal purpose. The Organization is subject to risks and uncertainties that such technology may not ultimately meet its required functionality and intended purpose.

Funding Model, Fee Filings, Notes Payable, and Short-Term Loans

On October 17, 2023, the American Securities Association and Citadel Securities petitioned the United States Court of Appeals for the Eleventh Circuit to vacate the CAT Funding Model. On January 17, 2024, the court granted the Organization's motion to intervene. On November 27, 2024, after the parties had fully briefed the petition, the court denied a motion to stay SRO collections of CAT fees pending the appeal. The Eleventh Circuit heard argument on February 3, 2025. On July 25, 2025, the court granted the petition, holding that the SEC had not satisfied the Administrative Procedure Act's reasoned decision-making requirements as to the allocation of fees. In response to CAT LLC's request, the court stayed its judgment for sixty days following the issuance of the mandate. On September 8, 2025, CAT LLC moved for panel rehearing solely on the length of the stay, which the court denied on September 22, 2025. The mandate was issued on September 30, 2025, and the stay expired sixty days later (on November 29, 2025).

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Risks and Uncertainties (Continued)

Funding Model, Fee Filings, Notes Payable, and Short-Term Loans (Continued)

On April 16, 2024, Erik Davidson, John Restivo, and the National Center for Public Policy Research filed a complaint against Gary Gensler, then-Chair of the SEC; the SEC; and CAT LLC. Their complaint does not attack the funding model directly, but it could result in an order finding the CAT unlawful. On May 24, 2024, the plaintiffs filed a motion for a stay and a preliminary injunction; the defendants moved to dismiss and opposed the preliminary-injunction motion. After oral argument on October 15, 2024, the court denied the motion for a stay and a preliminary injunction and contemplated deferring the ruling on the motions to dismiss to rule on them together with cross-motions for summary judgment. Plaintiffs filed amended complaints on November 15, 2024, and March 17, 2025. The court also entered a combined briefing schedule on plaintiffs' renewed motions to dismiss and the parties' cross-motions for summary judgment, but on July 7, 2025, before any briefs were filed, the court granted the SEC's motion to hold the matter in abeyance pending agency review of potential actions that the SEC said could substantially narrow the issues in the case.

The court ordered the SEC to file a report on January 15, 2026, about the status of relevant agency proceedings; at that time, the SEC requested a six-month extension of the abeyance, and plaintiffs filed a class-certification motion and renewed preliminary-injunction motion. The court granted the SEC's motion to extend the abeyance and ordered the SEC to file a status report on July 15, 2026.

On July 17, 2024, Citadel Securities petitioned the United States Court of Appeals for the Eleventh Circuit for review of an SEC order granting a temporary conditional exemption under Rule 608(e) of Regulation NMS under the Securities Exchange Act of 1934. The SEC's order under review in this appeal bears on compliance with certain benchmarks for implementation of the CAT, which in turn concern who will bear certain CAT costs. CAT LLC filed a motion to intervene, which the court granted. CAT LLC successfully moved to intervene. The Eleventh Circuit held this appeal in abeyance pending resolution of the American Securities Association appeal. On March 10, 2026, the court granted an unopposed motion to stay the appeal pending the outcome of the SEC's comprehensive review of the CAT. The court ordered Citadel Securities and the SEC to file a status report every 60 days.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Risks and Uncertainties (Continued)

Funding Model, Fee Filings, Notes Payable, and Short-Term Loans (Continued)

On January 16, 2025, Citadel Securities filed a complaint and motion for preliminary injunction in the United States District Court for the District of Columbia asking the court to prohibit CAT LLC from spending its reserves to fund operations until the SEC could rule on Citadel's petition for rulemaking on the same topic. The parties fully briefed the motion, but on the eve of oral argument on the motion, the SEC denied Citadel Securities' petition for rulemaking. Citadel Securities voluntarily dismissed the case.

On March 24, 2026, the American Securities Association and Citadel Securities petitioned the United States Court of Appeals for the Eleventh Circuit to vacate the new CAT Funding Model approved by the SEC. CAT LLC again moved to intervene and the court granted this request. On April 2, 2026, the petitioners filed a motion for a stay of the SEC's order to prevent CAT LLC from collecting fees during the pendency of the litigation. Briefs in opposition to that motion were due on April 27, 2026. The court has not yet set a briefing schedule on the merits of the petition.

Through July 15, 2024, the Organization was funded by the SROs primarily through notes payable to the SROs. From July 16, 2024, through October 31, 2024, the Organization was funded by the SROs primarily through short-term loans payable to the SROs. After October 31, 2024, the Organization has been funded by billings and collections of CAT fees payable by Industry Members and SROs.

The 2023 Funding Model Order and the 2026 Funding Model Order established two categories of CAT fees: (1) "Historical CAT Assessments" assessed by the Organization and payable by Industry Members to recover a portion of historical CAT costs previously paid by the SROs, and (2) "Prospective CAT Fees" assessed by the Organization and payable by Industry Members and SROs to fund prospective CAT costs. For each of these categories, SROs are permitted to submit fee filings pursuant to Section 19(b) of the Exchange Act to establish a Historical CAT Assessment and Prospective CAT Fees to be charged to Industry Members, subject to the satisfaction of applicable Financial Accountability Milestones as set forth in Section 11.6 of the CAT NMS Plan.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Risks and Uncertainties (Continued)

Funding Model, Fee Filings, Notes Payable, and Short-Term Loans (Continued)

In establishing a Historical CAT Assessment, the Operating Committee determines a "Historical Recovery Period" and calculates a "Historical Fee Rate" for that Historical Recovery Period. Then, for each month in which a Historical CAT Assessment is in effect, each CAT Executing Broker for the Buyer ("CEBB") and/or CAT Executing Broker for the Seller ("CEBS") is required to pay the fee – the Historical CAT Assessment – for each transaction in Eligible Securities executed by the CEBB or CEBS from the prior month as set forth in CAT Data. The Historical CAT Assessment for each transaction is calculated by multiplying the number of executed equivalent shares in the transaction by one-third and by the Historical Fee Rate. Each Historical CAT Assessment is designed to contribute toward the recovery of two-thirds of Historical CAT Costs.

In establishing Prospective CAT Fees, the Operating Committee calculates a "Fee Rate" for the relevant period. Then, for each month in which a CAT Fee is in effect, each CEBB and CEBS is required to pay the fee for each transaction in Eligible Securities executed by the CEBB or CEBS from the prior month as set forth in CAT Data. The fee for each transaction is calculated by multiplying the number of executed equivalent shares in the transaction by one-third and by the Fee Rate. The Prospective CAT Fees to be paid by CEBBs and CEBSs are designed to contribute toward the recovery of two-thirds of the budgeted CAT costs for the relevant period.

The SROs contribute to the recovery of the remaining one-third of budgeted CAT costs and are subject to the same Fee Rate. Prospective CAT Fees charged to SROs are implemented via approval by the Operating Committee in accordance with the requirements of the CAT NMS Plan.

Under the 2023 Funding Model Order, the SROs filed fee filings related to one Historical CAT Assessment (Historical CAT Assessment 1) and three Prospective CAT Fees (CAT Fee 2024-1, CAT Fee 2025-1, and CAT Fee 2025-2). To date, under the 2026 Funding Model Order, the SROs filed fee filings related to one Historical CAT Assessment (Historical CAT Assessment 1A) and one CAT Fee (CAT Fee 2026-1).

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Risks and Uncertainties (Continued)

Historical CAT Assessments

On August 8, 2024, in accordance with the 2023 Funding Model Order, the Operating Committee for the CAT NMS Plan voted to establish a Historical CAT Assessment ("Historical CAT Assessment 1"), and the SROs subsequently filed fee filings to implement Historical CAT Assessment 1 for immediate effectiveness. Such fee filings describe Historical CAT Assessment 1 in detail. Historical CAT Assessment 1 sought to recover $212,039,879 (two-thirds of certain historical costs covering the period through December 31, 2021). The fee rate for Historical CAT Assessment 1 was $0.000013 per executed equivalent share. The first monthly invoice for Historical CAT Assessment 1 was provided in November 2024, based on October 2024 transactions.

On July 25, 2025, the United States Court of Appeals for the Eleventh Circuit issued an opinion vacating the 2023 Funding Model Order. The effective date of the Court's judgment was December 1, 2025. As a result, Historical CAT Assessment 1 is no longer in effect. The last invoice for Historical CAT Assessment 1 was provided in December 2025, based on November 2025 transactions.

On March 16, 2026, the SEC approved the 2026 Funding Model Order. On March 31, 2026, in accordance with the 2026 Funding Model Order, the Operating Committee for the CAT NMS Plan voted to establish a Historical CAT Assessment ("Historical CAT Assessment 1A"), and the SROs subsequently filed fee filings to implement Historical CAT Assessment 1A for immediate effectiveness. Such fee filings describe Historical CAT Assessment 1A in detail. Through December 2025, Industry Members were invoiced for $173,075,024 of the $212,039,879 of Historical CAT Costs 1 via Historical CAT Assessment 1, described above; Historical CAT Assessment 1A was established to collect the remaining $38,964,855 of Historical CAT Costs 1.

The fee rate for Historical CAT Assessment 1A is $0.000002 per executed equivalent share. The first monthly invoice for Historical CAT Assessment 1A was issued in June 2026, based on May 2026 transactions. Historical CAT Assessment 1A will remain in effect until the $38,964,855 is collected from CAT Executing Brokers collectively, which is estimated to be approximately two years, but could be for a longer or shorter period of time, based on the actual volume of transactions.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Prospective CAT Fees

On July 31, 2024, the Operating Committee of the CAT NMS Plan, acting under the 2023 Funding Model Order, voted to approve CAT Fee 2024-1—a prospective fee for Industry Members. The fee is set at $0.000035 per executed equivalent share, with defined effective dates. The SRO's subsequently filed the necessary fee filings, which became immediately effective and provided a detailed description of CAT Fee 2024-1.

The first monthly invoice for CAT Fee 2024-1 was issued in October 2024, based on September 2024 transactions. The last invoice for CAT Fee 2024-1 was issued in January 2026, based on December 2025 transactions.

On November 19, 2024, in accordance with the 2023 Funding Model Order, the Operating Committee for the CAT NMS Plan voted to establish a Prospective CAT Fee for Industry Members, referred to as CAT Fee 2025-1, including the effective dates and the fee rate of $0.000022 per executed equivalent share, and the SROs subsequently filed fee filings to implement CAT Fee 2025-1 for immediate effectiveness. Such fee filings describe CAT Fee 2025-1 in detail. The first monthly invoice for CAT Fee 2025-1 was provided in February 2025, based on January 2025 transactions. The last invoice for CAT Fee 2025-1 was provided in July 2025, based on June 2025 transactions.

On November 19, 2024, the Operating Committee of the CAT NMS Plan, acting under the 2023 Funding Model Order, voted to approve CAT Fee 2025-1—a prospective fee for Industry Members. The fee was set at **$0.000022** per executed equivalent share, with defined effective dates. The SROs subsequently filed the necessary fee filings, which became immediately effective and provide a detailed description of CAT Fee 2025-1.

The first monthly invoice for CAT Fee 2025-1 was issued in February 2025, covering January 2025 transactions. The last invoice for CAT Fee 2025-1 was issued in July 2025, covering June 2025 transactions.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Prospective CAT Fees (Continued)

On May 28, 2025, the Operating Committee of the CAT NMS Plan, acting under the 2023 Funding Model Order, voted to approve CAT Fee 2025-2—a prospective fee for Industry Members. The fee was set at $0.000009 per executed equivalent share, with defined effective dates. The SROs subsequently filed the necessary fee filings, which became immediately effective and provide a detailed description of CAT Fee 2025-2.

The first monthly invoice for CAT Fee 2025-2 was issued in August 2025, covering July 2025 transactions.

On July 25, 2025, the United States Court of Appeals for the Eleventh Circuit issued an opinion vacating the 2023 Funding Model Order. The effective date of the Court's judgment was December 1, 2025. As a result, the last invoice for CAT Fee 2025-2 was provided in December 2025, based on November 2025 transactions. After the 2023 Funding Model Order was vacated, the Organization used liquidity reserve funds previously collected pursuant to that order to fund the continued operations of the CAT System.

On March 16, 2026, the SEC approved the 2026 Funding Model Order. On March 31, 2026, in accordance with the 2026 Funding Model Order, the Operating Committee for the CAT NMS Plan voted to establish a Prospective CAT Fee for Industry Members, referred to as CAT Fee 2026-1, including the effective dates and the fee rate of $0.000001 per executed equivalent share; and the SROs subsequently filed fee filings to implement CAT Fee 2026-1 for immediate effectiveness. Such fee filings describe CAT Fee 2026-1 in detail.

The first monthly invoice for CAT Fee 2025-2 was provided in June 2026, based on May 2026 transactions. The fee rate per executed equivalent share is generally updated on a bi-annual basis.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Available Resources and Liquidity

In the event that the collection of prospective CAT fees was to be disallowed or discontinued, it would result in a funding shortfall, subject to the depletion of the reserve. Under the CAT NMS Plan, no SRO can be required to loan any funds to the Organization if it does not agree to do so. To the extent there is a funding shortfall and to the extent the Organization is unable to obtain alternative funding, including, for example, through additional voluntary funding from the other SROs, to address any funding shortfall, the funding sources of the Organization may not be sufficient to fund the Organization's obligations as they come due, thereby impacting the Organization's ability to continue as a going concern.

The Organization regularly monitors the liquidity required to meet its operating needs and other contractual commitments. Through an ongoing budgeting process, the Operating Committee reviews projected expenditures and SROs funded the Organization's operating needs through the issuance of promissory notes and short-term loans through October 31, 2024.

Commencing in November 2024, the Organization began billing CAT fees for prospective costs, based on October 2024 transactions. The billing and collection of such fees has provided the Organization with sufficient liquidity to fund its operations as they come due. Pursuant to the 2026 Funding Model Order, the Organization is permitted to bill prospective fees through March 31, 2028.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Organization have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and are presented pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 958, *Not-for-Profit Entities.*

Net assets of the Organization are classified based upon the existence or absence of imposed restrictions. The net assets of the Organization are not subject to any restrictions and therefore are available for the general operations of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions involved in preparing the financial statements include assumptions related to developed technology, specifically the estimated useful lives and commencement dates assigned to the components of the asset and the assessment of potential impairment, and the determination of the present value of future cash flows related to the accounting treatment for unbilled receivables as a result of the agreed-upon billing terms of historical costs. Actual results could differ from those estimates.

Program Services and Supporting Activities

Program services consist of the application development stage costs of the developed technology; a portion of which costs have been capitalized, and a portion have been recorded as operating expenses. Expenses relating to supporting activities are presented by their natural expense classification in the accompanying statements of activities.

Revenue Recognition

Prospective Fees

Prospective CAT fees are recognized as revenue from exchange transactions in which the Organization bills prospective CAT fees monthly using the SEC-approved Executed Share Model. The fee for each transaction is calculated as the executed equivalent share volume multiplied by the approved fee rate. Each monthly invoice creates an enforceable legal obligation under the CAT NMS Plan.

The Organization has a single performance obligation for each reporting period: the continuous availability and operation of the CAT System, which enables the ingestion, processing, storage, query access, surveillance support, and regulatory compliance reporting of each executed transaction on a transaction-by-transaction basis. SROs and Industry Members simultaneously receive and consume the benefits of this service as each transaction is processed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Prospective Fees (Continued)

The transaction price is variable consideration determined by the actual volume of executed equivalent shares processed during the month multiplied by the approved fee rate. The Organization constrains the estimate of variable consideration to the amount billed, as this reflects the Organization's expectation of entitlement. Revenue is recognized monthly over time as the performance obligation is satisfied and each transaction is processed through the CAT System.

Historical Fees - Unbilled Revenue

In August 2024, the Operating Committee of the CAT NMS Plan approved Historical CAT Assessment 1 to recover $212,039,879 of previously incurred historical CAT costs. Billings to CAT executing brokers commenced in November 2024 and continued monthly based on each broker's executed equivalent share volume at a rate of $0.000013 per executed equivalent share. The assessment was to remain in effect until the full amount was collected, which was estimated to take approximately two years.

On October 31, 2024, the date the fee filing became effective, the Organization recognized the full amount of Historical CAT Assessment 1 at its fair value. Fair value was measured as the present value of the estimated future cash flows, discounted at an annual rate of 8.0% (monthly rate of 0.643%), which represents the risk-free borrowing rate at that date. This resulted in the initial recognition of unbilled receivables of $197,497,166 (net of a $14,542,713 discount).

The discount on the long-term receivable is accreted as additional revenue over the expected collection period using the effective interest method. As monthly invoices are issued, the billed amounts are reclassified from unbilled receivables to accounts receivable. The Company evaluates receivables for collectability on an ongoing basis and records an allowance for credit losses if deemed necessary.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of billed amounts due from SROs and Industry Members for (i) prospective CAT fees and (ii) Historical CAT Assessment 1 fees. Receivables are stated at the invoiced amount.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

The Organization estimates its allowance for credit losses in accordance with FASB ASC 326, *Financial Instruments – Credit Losses*. The allowance is determined based on the Organization's historical collection experience, the creditworthiness of individual SROs and Industry Members, current economic conditions, and reasonable and supportable forecasts of future economic conditions.

Given the highly regulated nature of the Organization's SROs and Industry Members' base, the mandatory and legally enforceable nature of the fees under the CAT NMS Plan and SEC rules, and the Organization's strong collection history, management has determined that no allowance for credit losses is required as of the balance sheet date.

Accounts receivable are written off when management determines that they are uncollectible. Recoveries of amounts previously written off are recorded when received.

Developed Technology

The developed technology asset, which represents capitalizable application development stage costs incurred in the development of the CAT System, is stated at cost. At the inception of the FCAT PPA, the developed technology was in the application development stage and, accordingly, such costs were capitalized. Application development stage costs are amortized over the term of the associated developed technology on a straight-line basis commencing at the point when the software is ready for its intended use, after all substantial testing is completed and ending at the expiration of the initial contract term. The Organization evaluates the remaining useful life of the developed technology asset that is being amortized each reporting period to determine whether events or circumstances warrant a revision to the remaining period of amortization.

If the estimate of the remaining life is changed, the remaining carrying amount of the developed technology assets will be amortized prospectively over the revised remaining useful life. Preliminary project stage costs and developed technology operating costs are expensed in the period incurred. Capitalized developed technology is being amortized on a straight-line basis over the initial seven-year term of the FCAT PPA.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews the carrying value of its long-lived assets, namely the developed technology asset, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. When it is no longer probable that the software being developed will be completed and placed in service, the asset shall be reported at the lower of the carrying amount or fair value, if any. Indications that the software may no longer be expected to be completed and placed in service include circumstances when the software is not expected to provide substantive service potential or significant changes are made to the software. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value. There were no impairment losses during the years ended December 31, 2024, and 2023..

Income Taxes

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Organization is exempt from federal income tax under IRC section 501(c)(6), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, the Organization has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Evaluation of Going Concern

The Organization adheres to the provisions of FASB ASC 205, Subtopic 40, *Presentation of Financial Statements - Going Concern, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASC 205"). ASC 205 extends the responsibility for performing the going concern evaluation to the Operating Committee based on relevant conditions and events that are known and reasonably knowable at the time the financial statements are available to be issued. ASC 205 also extends the period for which the Operating Committee must consider whether there is substantial doubt about the Organization's ability to continue as a going concern to one year after the date that the financial statements are available to be issued.

Pursuant to the SEC order issued on March 16, 2026, approving a revised funding model, the Organization is permitted to bill prospective fees through March 31, 2028, and therefore will have sufficient liquidity to fund operations for at least one year from the date the financial statements are available to be issued.

NOTE 3 - DEVELOPED TECHNOLOGY AND TECHNOLOGY COSTS

Developed Technology

Developed technology, created, implemented and maintained by FINRA CAT, an affiliate of FINRA, pursuant to the FCAT PPA, consists of the following:

	For the Years Ended December 31,	
	2024	2023
Developed technology	**$ 61,193,653**	$ 54,748,772
Less: Accumulated amortization	**(42,966,478)**	(25,147,500)
	$ 18,227,175	$ 29,601,272

Amortization expense of developed technology was $17,818,978 and $10,395,278 for the years ended December 31, 2024, and 2023, respectively.

NOTE 3 - DEVELOPED TECHNOLOGY AND TECHNOLOGY COSTS (CONTINUED)

Developed Technology (Continued)

The amortization expense through the end of the initial term of the FINRA CAT PPA on March 29, 2026, was as follows:

Years Ending December 31,	
2025	$14,633,038
2026	3,594,137

Technology Costs

In addition to the above developed technology costs for the year ended December 31, 2024, and 2023, the Organization incurred the following technology costs:

	For the Years Ended December 31	
	2024	2023
Cloud hosting services	**$ 135,553,021**	$ 128,050,600
Operating fees	**28,019,644**	26,054,493
Data service fees	**20,596,050**	20,476,754
Change request fees	**291,000**	307,223
	$ 184,459,715	$ 174,889,070

NOTE 4 - RELATED PARTY TRANSACTIONS

Notes Payable to SROs (Members)

The Organization has historically been funded by each of the SROs through secured, non-interest-bearing notes payable. The note payables are secured by the assets of the Organization. The notes are payable on demand, if requested in writing by the holders of the notes representing at least two-thirds of the outstanding principal amount of indebtedness represented by all notes. Any repayment shall be concurrent with a corresponding pro-rata repayment of all other notes.

NOTE 4 - RELATED PARTY TRANSACTIONS (CONTINUED)

Notes Payable to SROs (Members) (Continued)

The notes payable liability are comprised of the following as of December 31, 2024, and 2023:

Notes payable to SROs (members):	
Balance as of December 31, 2022	**$ 442,446,336**
Issuance Date:	
January 2023	$ 12,900,000
February 2023	16,400,000
March 2023	18,950,000
April 2023	17,000,000
May 2023	15,100,000
June 2023	16,750,000
July 2023	16,000,000
August 2023	16,550,000
September 2023	13,450,000
October 2023	15,850,000
November 2023	14,400,000
December 2023	15,950,000
Balance as of December 31, 2023	**$ 631,746,336**
January 2024	$ 11,800,000
February 2024	16,850,000
March 2024	18,200,000
April 2024	18,250,000
May 2024	13,850,000
June 2024	18,550,000
July 2024	16,700,000
August 2024	16,125,040
September 2024	10,270,101
October 2024	9,700
Balance as of December 31, 2024	**$ 772,351,177**

NOTE 4 - RELATED PARTY TRANSACTIONS (CONTINUED)

Notes Payable to SROs (Members) (Continued)

Through June 2026, the Organization has paid $161,051,736 to SROs in partial repayment of the outstanding notes payable.

Short-Term Loans

In August through October 2024, the Organization was funded by issuing the following short-term loans to the SROs:

Month	Amount Funded
August	$ 1,596,770
September	10,529,899
October	17,390,300
Total	$ 29,516,969

The aggregate balance of outstanding short-term loans in the amount of $29,516,969 was fully repaid to SROs as of January 31, 2025.

The outstanding short-term loan balance was $11,891,969 at December 31, 2024.

Due to Related Party

The net amount due to FINRA CAT was $30,326,720 and $27,680,839 and is included in accounts payable and accrued expenses in the accompanying statements of financial position at December 31, 2024 and 2023, respectively.

Due from Related Party

The amount due from FINRA CAT was $788,475 at December 31, 2024, and represents balances collected from the SRO's by FINRA CAT that have not yet been remitted to the Organization.

Guarantee of Affiliate Notes Payable

The Organization has guaranteed the payment obligations under the notes payable by CAT NMS to the SROs for costs related to the CAT System for the period prior to the creation of the Organization, in the aggregate amount of $112,733,082 as of December 31, 2024, and 2023. The Organization has not been called to pay any of the guaranteed amounts as of July 13, 2026.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Cash Concentration Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the FDIC up to $250,000. As of December 31, 2024, the Organization had deposits of approximately $27,026,000 in excess of the FDIC-insured limit with Bank of America and as of December 31, 2023, the Organization had no deposits in excess of the FDIC-insured limit with Bank of America.

FINRA CAT Commitments

The FCAT PPA became effective on March 29, 2019, with an initial term of seven years. The FCAT PPA provided for build and operating milestone fees, as defined, of $16,500,000, $20,700,000 and $1,500,000 for the years ending December 31, 2019, 2020, and 2021, respectively, and provides for recurring operating fees, as defined. Such recurring operating fees are also subject to change requests as outlined in the FCAT PPA.

As the initial term of the FCAT PPA has expired, the Organization is currently in the process of amending the FCAT PPA with the Plan Processor

The FCAT PPA required minimum recurring operating fees and change request fees, through the end of the initial seven-year term, which has expired.

In addition, the FCAT PPA provides for other variable fees, primarily consisting of cloud hosting services and customer/account database fees.

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 13, 2026, which is the date the financial statements were issued.

Prospective CAT Fees

For the period from January 1, 2025 through June 30, 2026, invoiced and collected Prospective CAT Fees were approximately $257,589,000 and $247,811,000, respectively.