

Risk Factors Comparison 2025-02-24 to 2024-02-22 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

The following is a summary of the principal risks and uncertainties described in more detail in this ~~annual~~ **Annual** report **Report on Form 10-K**: Risks Relating to Market and Industry Dynamics and Competition • Global economic, political and market factors beyond our control could reduce demand for our services, and our profitability and business could suffer. • Decreases in trading volumes in the fixed- income markets generally or on our platforms would harm our business and profitability. • The industry in which we operate is rapidly evolving. If we are unable to adapt our business effectively to keep pace with industry changes, we may not be able to compete effectively, which could have a material adverse effect on our business, financial condition and results of operations. • We face substantial competition that could reduce our market share and harm our financial performance. Risks Related to our Future Levels of Business, Profitability and Growth • Neither the sustainability of our current level of business nor any future growth can be assured. Even if we do experience growth, we may not grow profitably. • We may enter into new fee plans, the impact of which may be difficult to evaluate; past trends in commissions are not necessarily indicative of future commissions. • As we enter new markets, we may not be able to successfully attract clients and adapt our technology and marketing strategy for use in those markets. • We may face increasing challenges in our growing international operations that we may not be able to meet in the future. Risks Related to our Customer Concentration • We are dependent on our broker- dealer clients, who are not restricted from using their own proprietary or third- party platforms to transact with our institutional investor clients. • We could lose significant sources of revenue and trading volume if we lose any of our significant institutional investor clients. Credit and Operational Risks • We are exposed to risks in connection with certain transactions in which we act as a matched principal intermediary. • Self- clearing exposes us to significant operational, liquidity, financing and regulatory risks. • Economic sanctions levied against states or individuals could expose us to significant operational and regulatory risks. Technology, IT Systems and Cybersecurity Risks • Rapid market or technological changes may render our technology obsolete or decrease the attractiveness of our products and services to our broker- dealer and institutional investor clients. • **Issues related to the development and use of AI may result in reputational harm, liability, or other adverse consequences to our business operations.** • We depend on third- party suppliers for key products and services. • Our success depends on maintaining the integrity and capacity of our electronic trading platforms, systems and infrastructure. • ~~Systems~~ **System** failures, interruptions, delays in service, catastrophic events and resulting interruptions in the availability of our trading platforms could materially harm our business and reputation. • If we experience design defects, errors, failures or delays with our platforms, products or services, including our automated and algorithmic trading solutions and pricing algorithms, our business could suffer serious harm. • Malicious cyber- attacks, attempted cybersecurity breaches, and other adverse events affecting our operational systems or infrastructure, or those of third parties, could disrupt our businesses, result in the disclosure of confidential information, **cause system unavailability** damage our reputation and cause losses or regulatory penalties. • Our actual or perceived failure to comply with privacy ~~and~~ data protection ~~and information security~~ laws, regulations, and obligations could harm our business. Intellectual Property Risks • We may not be able to protect our intellectual property rights or technology effectively, which would allow competitors to duplicate or replicate our electronic trading platforms or any of our other current or future functionalities, products or services. This could adversely affect our ability to compete. • Defending against intellectual property infringement or other claims could be expensive and disruptive to our business. If we are found to infringe the proprietary rights of others, we could be required to redesign our technology, pay royalties or enter into license agreements with third parties. • **Our use of open- source software could result in litigation or require us to re- engineer our platforms or use other commercial solutions.** Risks Related to Possible Transactions or Investments • If we acquire or invest in other businesses, products or technologies, and are unable to integrate them with our business, our financial performance may be impaired or we may not realize the anticipated financial and strategic goals for any such transactions or any strategic alliances, partnerships or joint ventures, which we may enter into. Risks Related to Key Personnel and Employees • We are dependent on our management team, and the loss of any key member of this team may prevent us from implementing our business plan in a timely manner. • Because competition for our employees is intense, we may not be able to attract and retain the highly skilled employees we need to support our business. Regulatory and Legal Risks • We operate in a highly regulated industry and we may face restrictions with respect to the way we conduct certain of our operations. • Our business and the trading businesses of many of our clients are subject to increasingly extensive government and other regulation, which may affect our trading volumes and increase our cost of doing business. • The growing divergence of the U. K. and ~~European Union~~ **E. U.** legal and regulatory requirements following Brexit could materially adversely impact our business, clients, financial condition, results of operations and prospects. • The extensive regulation of our business means we have ongoing exposure to potentially significant costs and penalties. • We are subject to the risks of litigation and securities laws liability. **ESG** • **If our tax filing positions were to be challenged by federal, state and local, or foreign tax jurisdictions, we may not be wholly successful in defending our tax filing positions.** **Climate and Sustainability** Risks • **Risks related to Our operations, businesses and clients could be materially adversely affected by climate change or and we are subject to other ESG sustainability risks that could adversely affect our operations or** reputation. Liquidity and Funding Risks • We cannot predict our future capital needs or our ability to obtain additional financing if we need it. • Our credit agreement contains restrictive and financial covenants that could limit our operating flexibility, and we may incur additional debt in the future that may include similar or additional restrictions. • We maintain our cash at financial institutions, often in balances that exceed federally insured limits. The global financial services business is, by its nature, risky and volatile and is directly affected

by many national and international factors that are beyond our control. Recently, for example, the 2023 **regional** banking crisis, rising interest rates and inflation, the **COVID- 19 Pandemic-pandemic** and the Russia- Ukraine war, each created significant volatility in the markets we serve and increased uncertainty and economic disruption. Certain of the factors below have caused, and may in the future cause, a substantial decline in the U. S. and / or global financial services markets, resulting in reduced trading volume, and could have a material adverse effect on our business, financial condition and results of operations. These factors include: • economic and political conditions in the United States, Europe and elsewhere; • adverse market conditions, including unforeseen market closures or other disruptions in trading; • broad trends in business and finance, including the amount of new securities issuances; • consolidation or contraction in the number of market participants; • the current or anticipated impact of climate change, extreme weather events, natural disasters or other catastrophic events; • the emergence of widespread health emergencies or pandemics, including the **COVID- 19 Pandemic-pandemic**; • actual or threatened acts of war or terrorism or other armed hostilities, as well as international sanctions levied against countries and other parties; • actual or threatened **war wars**, including between the United States and China, or other governmental action related to tariffs, international trade agreements or trade policies; • concerns over, or actual, increased levels of inflation and weakening consumer confidence levels due to a recession (in the United States or globally) or otherwise; • the availability of cash for investment by mutual funds, exchange traded funds and other wholesale and retail investors; • the level and volatility of interest rates, including significant interest rate hikes, the difference between the yields on corporate securities being traded and those on related benchmark securities and foreign currency exchange rates; • the effect of monetary policy adopted by the Federal Reserve Board or foreign banking authorities, increased capital requirements for banks and other financial institutions, and other regulatory requirements and political impasses; • credit availability and other liquidity concerns; • concerns over credit default or bankruptcy of one or more sovereign nations or corporate entities; and • legislative and, **administrative**, regulatory or **government policy** changes, including changes to financial industry regulations and tax laws. There have been significant declines in trading volumes in the financial markets generally in the past and there may be similar declines in trading volumes generally or across our platforms in particular in the future. Any one or more of the above factors may contribute to reduced trading volumes. Our revenues and profitability are likely to decline significantly during periods of stagnant economic conditions, low volatility or low trading volume in the U. S. and global financial markets. ~~While we are expanding our businesses to new geographic areas, our business operations have historically been substantially located in the U. S. and the U. K. Due to the concentration of our operations in the U. S. and U. K. we are subject to greater regional risks than those of some of our competitors.~~ We have experienced significant decreases in overall trading volumes in the past and may experience similar decreases in trading volumes in the future. Declines in the overall volume of fixed- income securities trading and in market liquidity generally, as well as declines in interest rate volatility, could result in lower revenues from commissions for trades executed on our electronic trading platforms and fees generated from related activities. Likewise, decreases in our share of the segments of the fixed- income trading markets in which we operate, or shifts in trading volume to segments of clients or **trading protocols** which we have not **significantly** penetrated, could result in lower trading volume on our platforms and, consequently, lower commission revenue. During periods of increased volatility in **credit fixed- income** markets, the use of electronic trading platforms to trade certain highly volatile or distressed bonds may decrease, such as occurred during the regional banking crisis in 2023. In addition, during rapidly moving markets, broker- dealers are less likely to post prices electronically. Our market share of the fixed- income trading markets is also impacted by a variety of other factors, including the amount of new issuances of corporate debt, the level of bond fund inflows or outflows, the percentage of volumes comprised of Rule 144A transactions, the percentage of volumes comprised of larger trades (such as block trades or portfolio trades), the level of credit spreads and credit volatility and whether the prevalent market environment is an “ offer wanted ” or “ bid wanted ” environment. **There has been increased demand for portfolio trading workflows over the last few years, which has resulted in heightened competition among trading platforms to enhance their portfolio trading offerings and expand them across different geographies and products. During periods of relatively lower credit spread volatility, clients have been using portfolio trading workflows in lieu of more established trading protocols designed to generate price competition on individual bonds. Our dealer clients have also increased their usage of matching sessions offered by competing platforms in recent periods. To the extent that our clients increase their use of portfolio trading and matching session protocols offered by other platforms, our market share in those products could decrease. Due to the large size of the trades and the concentration of activity at the end of the month, portfolio trading can drive significant swings in trading volumes and estimated market share.** A decline in overall market volumes, trading volumes on our platforms or, our platforms’ market share for any reason **or the increased usage of portfolio trading in lieu of other trading protocols on our platforms** would negatively affect our commission revenue and may have a material adverse effect on our business, financial condition and results of operations. The electronic financial services industry is characterized by rapidly changing and increasingly complex technologies and systems, changing and increasingly sophisticated client demands (including access to new technologies, functionalities and markets), frequent technology and service introductions, evolving industry standards, changing regulatory requirements and new business models. If we are not able to keep pace with changing market conditions or client demands and if our competitors release new functionality or technology before we do, our existing platforms, solutions and technologies may become obsolete or our competitive position may be materially harmed, each of which could have a material adverse effect on our business, financial condition and results of operations. Operating in a rapidly evolving industry involves a high degree of risk and our future success depends, in part, on our ability to: • attract and retain market participants on our platforms on a cost- effective basis; • expand and enhance reliable and cost- effective product and service offerings for our clients; • develop and introduce new features to, and new versions of, our electronic trading platforms; • respond effectively to competitive pressures **and technological advances, including the use of new or disruptive technology such as AI**; • respond effectively to the loss of any of our significant broker- dealer or institutional investor clients, including due to merger,

consolidation, bankruptcy, liquidation or ~~other~~ **another** cause (including, among other things, the collection of any amounts due from such clients); • operate, support, expand and develop our operations, technology, website, software, communications and other systems; • defend our trading platforms and other systems from cybersecurity threats; and • respond to regulatory changes or demands. If we are unsuccessful in addressing these risks or in executing our business strategy, our business, financial condition and results of operations may suffer. The fixed- income securities industry generally, and the electronic financial services markets in which we operate in particular, are highly competitive, and we expect competition to intensify in the future. Within our markets, we compete based on our ability to provide our clients with deep liquidity, a broad network of market participants, a wide range of products and protocols, and comprehensive pre- trade, trade and post- trade functionality, as well as the reliability, security and ease of use of our electronic platforms and solutions, among other factors. Our trading platforms primarily compete with other electronic trading platforms and trading businesses conducted directly between broker- dealers and their institutional investor clients over the telephone, email or instant messaging. Our current and prospective trading platform competitors are numerous and include: • ~~(1)~~ **(1)** other multi- party electronic trading platforms; • ~~(2)~~ **(2)** EMS and OMS **Providers providers**; • ~~(3)~~ **(3)** securities and futures exchanges; and • ~~(4)~~ **(4)** technology, software, and information services or other companies that have existing commercial relationships with broker- dealers or institutional investors. Our data, post- trade and automated and algorithmic trading solutions businesses compete against market data and information vendors, other approved regulatory reporting businesses and commercial algorithm providers, respectively. Many of our current and potential competitors are more established and substantially larger than we are and have substantially greater market presence, as well as greater financial, technical, marketing and other resources. These competitors have previously aggressively reduced, and may in the future further aggressively reduce, their pricing to enter ~~into~~, or otherwise compete in, market segments in which we provide services, potentially subsidizing any losses with profits from trading in other fixed- income or equity securities or other business operations. In addition, many of our competitors offer a wider range of services, have broader name recognition and have larger customer bases than we do. Some of them may be able to respond more quickly to new or evolving opportunities, technologies and client requirements than we can and may be able to undertake more extensive promotional activities. Competition in the markets in which we operate has intensified due to consolidation, which has resulted in increasingly large and sophisticated competitors. In recent years, our competitors have made acquisitions and / or entered ~~into~~ joint ventures and consortia to improve the competitiveness of their electronic trading offerings. If, ~~because as a result~~ of industry consolidation, our competitors are able to offer lower cost and / or a wider range of trading venues and solutions, obtain more favorable terms from third- party providers or otherwise take actions that could increase their market share, our competitive position and therefore our business, financial condition and results of operations may be materially adversely affected. Our operations also include the sale of pre- and post- trade services, analytics, and market data ~~and index~~ services. There is a high degree of competition among market data and information vendors in solutions for pre- and post- trade data, analytics and reporting, and such businesses may become more competitive in the future as new competitors emerge. Some of these companies are already in or may enter the electronic trading business. Accordingly, some of our competitors may be able to combine use of their electronic trading platforms with complementary access to market data and analytical tools and / or leverage relationships with existing clients to obtain additional business from such clients, which could preempt use of our platforms or solutions. For example, Bloomberg, Refinitiv and Intercontinental Exchange own trading platforms that compete with ours and also have a data and analytics relationships with the vast majority of institutional, wholesale and retail market participants. If we are not able to compete successfully in this area in the future, our revenues could be adversely impacted and, as a result, our business, financial condition and results of operations would be materially adversely affected. The success of our business strategy depends, in part, on our ability to maintain and expand the network of market participants that use our electronic trading platforms. Our business strategy also depends on increasing the use of our platforms by these participants for a wide range of fixed- income products and trade sizes. Individuals at broker- dealers or institutional investors may have conflicting interests, which may discourage their use of our platforms. In certain of our product areas, ~~the~~ growth rates for the use of our electronic trading services ~~have slowed that we experienced in recent years have slowed~~ and such growth rates may not resume or increase in the future. Our growth may also be dependent on our ability to diversify our revenue base. We currently derive approximately 40. 0 % of our revenues from secondary trading in U. S. high- grade corporate bonds. Our long- term business strategy includes expanding our service offerings and increasing our revenues from other fixed- income products and other sources. Our efforts may not be successful or result in increased revenues or continued profitability. From time to time, we may introduce new fee plans for the market segments in which we operate. Any new fee plan may include different fee structures or provide volume incentives. New fee plans may not result in an increase in the volume of transactions executed over our platforms or our revenues may not increase as a result of the implementation of any such fee plans. It is possible that our broker- dealer or institutional investor clients could respond to a new fee plan by either reducing the amount of their business conducted on our platforms or terminating their contractual relationship with us, which could have an adverse impact on our fees and otherwise have a material adverse effect on our business, financial condition and results of operations. In addition, under certain of our fee plans, our fees are designated in basis points in yield (and, as a result, are subject to fluctuation depending on the duration of the bond traded) or our fees vary based on trade size or maturity. For example, during ~~recent periods 2022 and 2023~~, a significant rise in corporate bond yields contributed to a decrease in the duration of the bonds traded on our platforms, which had a negative effect on our average credit variable transaction fee per million. We anticipate that our average fees per million may continue to vary in the future due to changes in yield, years- to- maturity and nominal size of bonds traded on our platforms. Consequently, past trends in commissions are not necessarily indicative of future commissions. Our strategy includes leveraging our electronic trading platforms to enter new markets, including new asset classes, products and geographies, including markets where we have little or no operating experience. For example, with the acquisition of Pragma in 2023, we began providing algorithmic trading and quantitative execution solutions in the equities and foreign exchange markets, ~~where~~ **and in 2024**, we ~~previously had little~~

~~operating experience~~ **agreed to acquire a majority stake in RFQ- hub, a platform specializing in ETFs and derivatives**.

We may have difficulties identifying and entering into new markets due to established competitors, lack of recognition of our brand and lack of acceptance of our platforms and solutions, as has occurred with certain of our initiatives in the past. Expansion, particularly in new geographic markets, may require substantial expenditures and take considerable time. In particular, we may need to make additional investments in management and new personnel, infrastructure and compliance systems. Furthermore, our expansion efforts may divert management's attention or inefficiently utilize our resources. If we are not able to manage our expansion effectively, our expansion costs could increase at a faster rate than our revenues from these new markets. If we cannot successfully implement the necessary processes to support and manage our expansion, our business, financial condition and results of operations may suffer. We may not be able to successfully adapt our proprietary software and technology for use in any new markets. Even if we do adapt our products, services and technologies, we may not be able to attract clients to our platforms and compete successfully in any such new markets. Our marketing efforts or our pursuit of any of these opportunities may not be successful. If these efforts are not successful, we may realize less than expected earnings, which in turn could result in a decrease in the market value of our common stock. We operate electronic trading platforms in Europe, Latin America and Asia and we may further expand our operations throughout these and other regions. We have invested significant resources in our foreign operations and the increasing globalization of our platforms and services. However, there are certain risks inherent in doing business in international markets. These risks include: • difficulty in obtaining the necessary regulatory approvals for planned expansion, if at all, and the possibility that any approvals that are obtained may impose restrictions on the operation of our business; • the inability to manage and coordinate the various regulatory requirements of multiple jurisdictions that are constantly evolving and subject to unexpected change; • difficulties in staffing and managing foreign operations, including, as a result of Brexit, our access to, and our ability to compete for and hire, skilled employees in both the U. K. and the E. U.; • less developed technological infrastructures and generally higher costs, which could result in lower client acceptance of our services or clients having difficulty accessing our trading platforms; • fluctuations in exchange rates; • reduced or no protection for intellectual property rights; • seasonal reductions in business activity; and • potentially adverse tax consequences. Further, we may face unexpected challenges in our international operations due to global competitors, established local markets, and local economic, political and social conditions, including the possibility of economic slowdowns, hyperinflationary conditions, political instability, social unrest or outbreaks of pandemic or contagious diseases. Our inability to manage these risks effectively could adversely affect our business and limit our ability to expand our international operations, which could have a material adverse effect on our business, financial condition and results of operations. We rely on our broker- dealer clients to provide liquidity on our electronic trading platforms by posting prices for bonds in their inventory and responding to institutional investor client inquiries. The contractual obligations of our broker- dealer clients to us are minimal, non- exclusive and terminable by such clients. Our broker- dealer clients buy and sell fixed- income securities through traditional methods, including by telephone, e- mail and instant messaging, and through other electronic trading platforms. Some of our broker- dealer clients have developed electronic trading networks that compete with us or have announced their intention to explore the development of such electronic trading networks, and many of our broker- dealer and institutional investor clients are involved in other ventures, including other electronic trading platforms or other distribution channels, as trading participants and / or as investors. These competing trading platforms may offer some features that we do not currently offer. Accordingly, there can be no assurance that such broker- dealers' primary commitments will not be to one of our competitors. **Higher capital requirements on trading activity by bank- affiliated broker- dealers may reduce their incentives to engage in certain market making activities and may impair market liquidity.** If bank- affiliated ~~entities~~ **broker- dealers** reduce their trading activity and that activity is not replaced by other market participants, the level of liquidity and pricing available on our trading platforms would be negatively impacted, which could adversely affect our operating results. ~~Higher capital requirements on trading activity by bank- affiliated broker- dealers may reduce their incentives to engage in certain market making activities and may impair market liquidity.~~ In addition, over the past several years, there has been significant consolidation among firms in the banking and financial services industries and several of our large broker- dealer clients have reduced their sales and trading businesses in fixed- income products. Further consolidation, instability, and layoffs in the financial services industry could result in a smaller client base and heightened competition, which may lower volumes. Any reduction in the use of our electronic trading platforms by our broker- dealer clients could reduce the volume of trading on our platforms, which could, in turn, reduce the use of our platforms by our institutional investor clients. The occurrence of any of the foregoing may have a material adverse effect on our business, financial condition and results of operations. We rely on our institutional investor clients to launch inquiries over our trading platforms and, increasingly, to provide liquidity through our Open Trading protocols. A limited number of such clients can account for a significant portion of our trading volume. The obligations of our institutional investor clients to us under our standard contractual agreements are minimal, non- exclusive and terminable by such clients. Our institutional investor clients also buy and sell fixed- income securities through traditional methods, including by telephone, e- mail and instant messaging, and through other electronic trading platforms. There can be no assurance that we will be able to retain our major institutional investor clients or that such clients will continue to use our trading ~~platforms~~ **platform platforms**. The loss of a major institutional investor client or any reduction in the use of our electronic trading platforms by such clients could have a material adverse effect on our business, financial condition and results of operations. In connection with our Open Trading ~~or~~ **order routing** protocols, we execute certain ~~bond~~ transactions between and among institutional investor and broker- dealer clients on a matched principal basis by serving as counterparty to both the buyer and the seller in trades which are then settled by us or through a third- party clearing broker. Settlement typically occurs within one to two trading days after the trade date. Cash settlement of the transaction occurs upon receipt or delivery of the underlying instrument that was traded. We are exposed to credit and performance risks in our role as matched principal trading counterparty to the clients on our platforms, including the risk that counterparties that owe us money or securities will not perform their obligations. These parties may default on their

obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons. Adverse movements in the prices of securities that are the subject of these transactions can increase our risk. In connection with Open Trading or other anonymous **order routing or trading** protocols, we expect that the number of transactions in which we act as a matched principal will increase. In the process of executing matched principal transactions, miscommunications and other errors by our clients or us can arise that involve substantial risks of liability. These risks include, among others, potential liability from disputes over the terms of a trade, the settlement of the trade, or claims that we resolved an error trade dispute incorrectly or that a system malfunction or delay caused monetary loss to a client. In addition, because of the ease and speed with which trades can be executed on our electronic platforms, clients can lose substantial amounts by inadvertently entering trade instructions or by entering trade orders inaccurately. A significant error trade or a large number of error trades could result in participant dissatisfaction and a decline in participant willingness to trade on our platforms. Although we maintain error trade policies designed to protect our anonymous trading participants and enable us to manage the risks attendant in acting as a matched principal counterparty, depending on the cause, number and value of the trades that are the subject of an alleged error or dispute, such trades have the potential to have a material adverse effect on our financial condition and results of operations. In addition, if we are required to hold a securities position as a result of an error, there may also be financing costs or regulatory capital charges required to be taken by us. We have policies, procedures and automated controls in place to identify and manage our credit risk, though there can be no assurance that they will effectively mitigate our credit risk exposure. Some of our risk management procedures are reliant upon the evaluation of information regarding the fixed-income markets, our clients or other relevant matters that are publicly available or otherwise acquired from third-party sources. Such information may not be accurate, complete, up-to-date or properly assessed and interpreted by us. If our risk management procedures fail, our business, financial condition and results of operations may be adversely affected. Furthermore, our insurance policies are unlikely to provide coverage for such risks. We self-clear a significant percentage of our bond transactions and we may expand self-clearing to additional products and regions in the future. Self-clearing requires us to finance transactions and maintain margin deposits at clearing organizations. Self-clearing exposes our business to operational risks, including business and technology disruption; operational inefficiencies; liquidity, financing and regulatory risks; and potentially increased expenses. ~~In the U. S., the SEC has adopted final rule amendments that, effective May 2024, will shorten the standard settlement cycle for most broker-dealer securities transactions from two business days after the trade date (T+2) to one business day after the trade date (T+1). The shortening of the settlement cycle will lead to a reduction in the length of exposure to trading counterparties and lower margin requirements for our clearing operations, but it is also expected to increase the operational costs and complexities associated with cross-border transactions conducted on our platforms.~~ We have in the past and may in the future also encounter difficulties with self-clearing that lead to operating inefficiencies, technology issues, dissatisfaction amongst our client base, disruption in the infrastructure that supports the business, inadequate liquidity, increased margin requirements with clearing organizations and third-party settlement agents who provide financing with respect to transactions, reductions in available borrowing capacity and financial loss. Any such delay, disruption, expense or failure could adversely affect our ability to effect transactions and manage our exposure to risk. Moreover, any of these events could have a material adverse effect on our business, financial condition and operating results. Sanctions imposed by the United States or other countries in response to conflicts or other geopolitical events could adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability. For example, in February 2022, following the onset of the Russia-Ukraine war, the U. S., the U. K., and the E. U., among others, adopted sanctions that, in various ways, prohibited transactions with numerous Russian entities, including major Russian banks, and individuals; limited transactions in Russian sovereign debt; and constrained investment, trade and financing to, from or in certain regions of Ukraine. ~~We did not incur any material losses on trades that were unsettled at the time sanctions were imposed and our business has not otherwise been materially affected by the recent sanctions.~~ Our financial position and results of operations may be adversely affected if these sanctions are further expanded or the ongoing war or geopolitical tensions have further adverse effects on the global economy or the participants on our platforms. In addition, any such sanctions may limit our ability to effect transactions in certain instruments on our platforms. We must continue to enhance and improve our electronic trading platforms. The electronic financial services industry is characterized by significant structural changes, increasingly complex systems and infrastructures, changes in clients' needs and preferences, constant competition and new business models. If new industry standards and practices emerge and our competitors release new technology before us, our existing technology, systems and electronic trading platforms may become obsolete or our existing business may be harmed. Our future success will depend on our ability to: **(1)** enhance **and innovate** our existing products and services; **(2)** develop and / or license new products and technologies that address the increasingly sophisticated and varied needs of our broker-dealer and institutional investor clients and prospective clients; **(3)** continue to attract **and retain** highly-skilled technology personnel; and **(4)** respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Developing our electronic trading platforms and other technology entails significant technical and business risks **and expenses**. We may use new technologies ineffectively or we may fail to adapt our **existing technologies** electronic trading platforms, information databases and network infrastructure to **meet** broker-dealer or institutional investor client requirements or emerging industry or regulatory standards. If we face material delays in introducing new services, products and enhancements, such as X-Pro, our clients may forego the use of our platforms and use those of our competitors. **In addition, we have incurred significant expenses on technology in the past and such expenses are expected to continue in the future. Some of these investments have generated, and may continue to generate, limited revenues and have reduced, and may continue to reduce, our operating margin. If our investments are not successful longer-term, our business and financial performance may be harmed.** Further, the adoption of new internet, networking, cloud, telecommunications, **AI-machine learning**, generative-AI or blockchain technologies may require us to devote substantial resources to modify and adapt our services. We may not be able to successfully implement new technologies

or adapt our proprietary technology and transaction- processing systems to client requirements or emerging industry or regulatory standards. We may not be able to respond in a timely manner to changing market conditions or client requirements. We **use AI technologies in our business, including in certain of our product offerings, and we are making investments in expanding AI capabilities in our products and tools. AI technologies are complex, and generative AI technologies, in particular, are rapidly evolving. The introduction of AI technologies, including generative AI, into new or existing products or our internal business processes may result in new or enhanced governmental or regulatory scrutiny, confidentiality or security risks, privacy concerns, ethical challenges, or other complications that could adversely affect our business, reputation, or financial results. In addition, the intellectual property ownership and license rights surrounding AI technologies are currently not fully addressed by courts or regulators. The use or adoption of AI technologies in our products or internal business services may result in exposure to claims by third parties of copyright infringement or other intellectual property misappropriation. Such use or adoption could also lead to the loss of our intellectual property rights. The evolving legal, regulatory, and compliance framework for AI technologies may also impact our ability to protect our own data and intellectual property against infringing use. If our AI development, deployment, content labeling or governance is ineffective or inadequate, it may result in competitive disadvantage, reputational harm, liability, or other adverse consequences to our business operations.** We rely on ~~several~~ a number of third parties to supply elements of our trading, information and other systems, as well as computers and other equipment, and related support and maintenance. These providers may not be willing and / or able to (i) continue to provide these services in an efficient, cost- effective manner, if at all ; (ii) adequately expand their services to meet our needs ; or (iii) meet the increasing regulatory requirements applicable to certain technology and data services providers to financial institutions. See “ Regulatory and Legal Risks – Our business and the trading businesses of many of our clients are subject to increasingly extensive government and other regulation, which may affect our trading volumes and increase our cost of doing business. ” If we are unable to make alternative arrangements for the supply of critical products or services in the event of a malfunction of a product or an interruption in or the cessation of service by an existing service provider, our business, financial condition and results of operations could be materially adversely affected. In particular, we depend on third- party vendors for our bond reference databases, the clearing and settlement of certain of our Open Trading transactions and to provide the technology underpinning key portions of our MarketAxess Rates platform. We obtain essential reference data and information services from external sources, including data received from certain competitors, clients, self- regulatory organizations, rating agencies and other third- party data providers. Our reference data sources and information providers could increase the price for or withdraw their data or information services for a variety of reasons. Further, as has occurred in the past, our competitors could revise the current terms on which they provide us with data or information services or could cease providing us with data or information services altogether for a variety of reasons, including competition. Disruptions in the services provided by those third- parties to us, including as a result of their inability (due to cybersecurity incidents or otherwise) or unwillingness to continue to license products or provide technology services that are critical to the success of our business, could have a material adverse effect on our business, financial condition and results of operations. For example, we used ICBC Financial Services (“ ICBC ”), a wholly- owned subsidiary of the Industrial and Commercial Bank of China Limited, to clear certain U. S. government bond trades on the MarketAxess Rates platform. Following the November 2023 ransomware attack on ICBC, we switched to a different pre- existing clearing arrangement with another clearing provider. While this event did not have a material adverse effect on the Company, similar events in the future events could have a material adverse effect on our business, financial condition and results of operations. We also rely, and expect in the future to continue to rely, on third parties for various ~~computer and communications~~ **communications** systems and services, such as ~~telephone companies~~ **communications providers**, online service providers, data processors, cloud computing and data centers, **cybersecurity service providers**, software and hardware vendors. Any interruption in these or other third- party services or deterioration in their performance could impair the quality of our service. We cannot be certain of the financial viability of all of the third parties on which we rely. We license software from third parties, much of which is integral to our electronic trading platform and our business. We also hire contractors to assist in the development, quality assurance testing and maintenance of our electronic trading platform and other systems. Continued access to these licensors and contractors on favorable contract terms or access to alternative software and information technology contractors is important to our operations. Adverse changes in any of these relationships could have a material adverse effect on our business, financial condition and results of operations. We attempt to negotiate favorable pricing, service, confidentiality and intellectual property ownership or licensing and other terms in our contracts with our third- party service providers. These contracts usually have multi- year terms. However, there is no guarantee that these contracts will not terminate and that we will be able to negotiate successor agreements or agreements with alternate service providers on competitive terms. Further, the existing agreements may bind us for a period of time to terms and technology that become obsolete as our industry and our competitors advance their own operations and use of technology. **To In order to** be successful, we must provide reliable, secure, real- time access to our electronic trading platforms for our clients. If our trading platforms cannot cope, or expand to cope, with demand, or otherwise fail to perform, we could experience disruptions in service, slow delivery times and insufficient capacity. We have had disruptions of service in the past, and could have additional disruptions in the future, that may lead to our clients deciding to stop using or reduce their use of our platforms, which could have a material adverse effect on our business, financial condition and results of operations. As our operations grow in both size, **complexity** and scope, we will need to continually improve and upgrade our electronic trading platforms and infrastructure to accommodate potential increases in order message volume and trading volume, the trading practices of new and existing clients, regulatory changes and the development of new and enhanced trading platform features, functionalities and ancillary products and services. The expansion of our electronic trading platforms and infrastructure has required, and will continue to require, substantial financial, operational and technical resources. These resources will typically need to be committed well in advance of any actual increase in trading volumes and

order messages. Our estimates of future trading volumes and order messages may not be accurate and our systems may not be able to accommodate actual trading volumes and order messages without failure or degradation of performance. Furthermore, we use new technologies to upgrade our established systems, and the development of these new technologies also entails technical, financial and business risks. We may not successfully implement new technologies or adapt our existing electronic trading platforms, technology and systems to the requirements of our broker- dealer and institutional investor clients or to emerging industry standards. The inability of our electronic trading platforms to accommodate increasing trading volume and order messages would also constrain our ability to expand our business. Our business depends on the efficient and uninterrupted operation of our trading platforms, systems, networks and infrastructure. We, or our third- party providers, may experience ~~systems-~~ **system** failures or business interruptions in the future, as has occurred from time- to- time in the past. Our systems, networks, infrastructure and other operations, in particular our trading platforms, are vulnerable to impact or interruption from a wide variety of causes, including: **•** irregular or heavy use of our trading platforms during peak trading times or at times of increased market volatility; **•** power, internet or telecommunications failures; **•** hardware failures or software errors; **•** human error, acts of vandalism or sabotage; **•** catastrophic events, including those that are occurring with increasing frequency due to climate change such as natural disasters and extreme weather events; **•** acts of war or terrorism; **•** malicious cyberattacks or cyber incidents, such as unauthorized access, ransomware, loss or destruction of data, computer viruses or other malicious code; and **•** the loss or failure of systems over which we have no control, such as loss of support services from critical third- party providers. ~~In addition, we may also face significant increases in our use of power and data storage and may experience a shortage of capacity and / or increased costs associated with such usage.~~ Failures of, or significant interruptions, delays or disruptions to, ~~or security breaches affecting,~~ our systems, networks or infrastructure have in the past, and could in the future, ~~accounting, recording or processing of trades; • significant expense to repair, replace or remediate systems, networks or infrastructure; • financial losses and liabilities to clients; • loss of clients; or • legal or regulatory claims, proceedings, penalties or fines.~~ Any system failure or significant interruption, delay or disruption in our operations, or decreases in the responsiveness of our platforms, could materially harm our reputation and business and lead our clients to decrease or cease their use of our platforms. We internally support and maintain many of our systems and networks, including those underlying our trading platforms; however, we may not have sufficient personnel to properly respond to all systems, networks or infrastructure problems. Our failure to monitor or maintain our systems, networks and infrastructure, including those maintained or supported by our third- party providers, or to find a replacement for defective or obsolete components within our systems, networks and infrastructure in a timely and cost- effective manner when necessary, would have a material adverse effect on our business, financial condition and results of operations. While we generally have disaster recovery and business continuity plans ~~in place~~ **that utilize industry standards and best practices** for much of our business, including redundant systems, networks, computer software and hardware and data centers to address interruption to our normal course of business, our systems, networks and infrastructure may not always be fully redundant and our disaster recovery and business continuity plans may not always be sufficient or effective. Similarly, although some contracts with our third- party providers, **such as well as relevant law our hosting facility providers,** require adequate disaster recovery or business continuity capabilities, we cannot be certain that these will be adequate or implemented properly. Our disaster recovery and business continuity plans are heavily reliant on the availability of **the cloud service providers,** internet and mobile phone technology, so any disruption of those systems ~~may~~ **would likely** affect our ability to recover promptly from a crisis situation. If we are unable to execute our disaster recovery and business continuity plans, or if our plans prove insufficient for a particular situation or take longer than expected to implement in a crisis situation, it could have a material adverse effect on our business, financial condition and results of operations, and our business interruption insurance may not adequately compensate us for losses that may occur. If we experience design defects, errors, failures or delays with our platforms, products or services, our business could suffer serious harm. Our platforms, products and services, including our automated and algorithmic trading solutions, data products and indices, may contain design defects and errors that cause them to operate incorrectly or less effectively. To the extent that any such product or service, or the Company as a whole, suffers a reputational or credibility loss, including due to a design defect or error, it could have a material adverse impact on our business. Many of our protocols also rely on data and services provided by third- party providers over which we have limited or no control and may be provided to us with defects, errors or failures. Our clients may also use our platforms, products or services together with their own software, data or products from other companies. As a result, when problems occur, it might be difficult to identify their source. If design defects, errors or failures are discovered in our current or future platforms, protocols or products, we may not be able to correct or work around them in a cost- effective or timely manner or at all. The existence of design defects, errors, failures or delays that are significant, or are perceived to be significant, could also result in rejection or delay in market acceptance of our platforms or protocols, damage to our reputation, loss of clients and related revenues, diversion of resources, product liability claims, regulatory actions or increases in costs, any of which could materially adversely affect our business, financial condition or results of operations. ~~Malicious cyber- attacks, attempted cybersecurity breaches, and other adverse events affecting our operational systems or infrastructure, or those of third parties, could disrupt our businesses, result in the disclosure of confidential information, cause system unavailability, damage our reputation and cause losses or regulatory penalties.~~ The operation of our electronic trading platforms relies on the secure processing, storage and transmission of a large amount of transactional data and other confidential sensitive data (including confidential client and personal information). Our computer systems, software and networks (or those of our third- party vendors, ~~including cloud service providers~~) may be vulnerable to unauthorized access, loss or destruction of data (including confidential and personal customer information), ransomware, unavailability or disruption of service, computer viruses, acts of vandalism, or other malicious code, cyber- attack and other **harmful- adverse** events that could have an adverse security impact. ~~Further, as AI technologies, including generative AI models develop rapidly, bad actors may use these technologies to create new sophisticated attack methods that are increasingly automated, targeted and coordinated and more difficult to defend against.~~ We deploy

measures that seek to protect, detect, respond and recover from cyber threats, including identity and access controls, data protection, vulnerability management, incident response, secure product development, continuous monitoring of our networks, endpoints and systems, and maintenance of **resilient** backup and recovery capabilities. It is possible that such **layered** defensive measures will **not be successful** **unsuccessful** in mitigating a cybersecurity event. Despite the defensive measures we have taken, we experience cybersecurity threats and incidents from time to time. However, as of the date of this report, MarketAxess has not experienced a cybersecurity threat or incident that has materially affected the Company in at least the last three years. These events may arise from external factors such as governments, organized crime, hackers, and other third parties such as infrastructure- support providers and application developers, or may originate internally from an employee or service provider to whom we have granted access to our computer systems. If our security measures are breached as a result of third- party action, employee error, malfeasance or otherwise, and, as a result, someone obtains unauthorized access to trading or other confidential or personal information, our reputation could be damaged, our business would suffer and we could incur material liability. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Because techniques used to obtain unauthorized access or to sabotage computer systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive **measures. Our business also depends on the efficient and uninterrupted operation of our platforms, systems, networks and infrastructure. Any failure of, or significant interruption, delay or disruption to, our systems, networks or infrastructure due to a ransomware attack or other cyber- attack could result in: disruption to our operations, including disruptions in service to our clients; slower response times; distribution of untimely or inaccurate market data to clients who rely on this data for their trades; delays in trade execution; incomplete or inaccurate accounting, recording or processing of trades; significant expense to repair, replace or remediate systems, networks or infrastructure; financial losses and liabilities to clients; loss of clients; legal or regulatory claims, proceedings, penalties or fines.** result in: disruption to our operations, including disruptions in service to our clients; slower response times; distribution of untimely or inaccurate market data to clients who rely on this data for their trades; delays in trade execution; incomplete or inaccurate accounting, recording or processing of trades; significant expense to repair, replace or remediate systems, networks or infrastructure; financial losses and liabilities to clients; loss of clients; legal or regulatory claims, proceedings, penalties or fines. **Any system failure or significant interruption,....., proceedings, penalties or fines.** We also face the risk of operational disruption, failure or capacity constraints of any of the third- party service providers that facilitate our business activities, including clients, clearing agents and trading system software, network or data providers. Such parties could also be the source of a cyber- attack on or breach of our operational systems, data or infrastructure. **In addition, the increased Increased** flexibility for our employees to work remotely **post-Pandemic** has amplified certain risks related to, among other things, the increased demand on our information technology resources and systems, the increased risk of phishing and other cybersecurity attacks, and the increased number of points of possible attack, such as laptops and mobile devices (both of which are now being used in increased numbers), to be secured. Any system failure or significant interruption, delay or disruption in our operations, or decreases in the responsiveness of our platforms, could materially harm our reputation and business and lead our clients to decrease or cease their use of our trading platform. There have been an increasing number of cyber- attacks in recent years in various industries, including ours, and cybersecurity risk management has been the subject of increasing focus by our regulators. Our regulators have increased their examination and enforcement focus on matters relating to cybersecurity threats, including the assessment of firms' vulnerability to cyber- attacks. In particular, regulatory concerns have been raised about firms establishing effective cybersecurity governance and risk management policies, practices and procedures; protecting firm networks and information; identifying and addressing risks associated with clients, vendors, and other third parties; preventing and detecting unauthorized activities; adopting effective mitigation and business **continuity-resiliency** plans to address the impact of cybersecurity breaches; and establishing protocols for reporting cybersecurity incidents. Any insurance that we have that may cover all or a portion of a specific cybersecurity incident would not protect us from the effects of adverse regulatory actions that may result from the incident or a finding that we had inadequate cybersecurity controls, including the reputational harm that could result from such regulatory actions. Our remediation costs and lost revenues could be significant if we fall victim to a cyber- attack. If an actual, threatened or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and could cause our clients to reduce or stop their use of our electronic trading platforms. We may be required to expend significant resources to repair system damage, **pay-negotiate** a ransom, protect against the threat of future security breaches or to alleviate problems, including reputational harm, loss of clients and revenues and litigation, caused by any breaches. We may be found liable to our clients for any misappropriated confidential or personal information. Although we intend to continue to implement industry- standard security measures **and best practices**, such measures may not be sufficient. **Our actual or perceived failure to comply with privacy-Privacy-, and data protection -, and information security laws, regulations, and obligations could harm our business.** Data privacy is subject to frequently changing rules and regulations in countries where we do business. For example, we are subject to the E. U.' s General Data Protection Regulations- **Regulation (the " GDPR ")** and the U. K. equivalent **as well as other laws and regulations**, which require us to comply with **regulations-requirements** regarding the handling **and retention** of personal data **, including laws in relation to cookies and tracking technologies,** irrespective of whether the processing of data takes place within the E. U. or not. We are also subject to certain U. S. federal, state and foreign laws governing the protection of personal privacy and data in those jurisdictions. These laws and regulations are increasing in complexity and number. In addition **, many jurisdictions have enacted or are considering laws requiring companies to notify individuals and / or regulators of data security breaches involving the their increased cost personal data. As the privacy and data protection landscapes continue to trend in favor of increasing regulation and compliance -,our efforts to comply have and could in the future entail substantial expense and may divert resources from other initiatives. Additionally, our own compliance with applicable law and regulation**

depends, in certain circumstances, on the continued compliance of our third-party providers. As a result, we are required to monitor the performance of our third-party providers as violations by such providers may also put our operations at risk. Any failure to successfully implement or **perceived failure by us to** comply with appropriate processes **any of our obligations relating to privacy** adhere to the GDPR and other data protection **may** and privacy laws and regulations could result in **governmental investigations** substantial financial penalties for **or enforcement actions** non-compliance, expose us to litigation risk and could result in significant liability, **claims** increased costs or cause our **or** clients to lose trust in us, which could have an adverse effect on our reputation **reputational damage** and business. Intellectual property is critical to our success and ability to compete, and if we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology. We rely primarily on a combination of patent, copyright, trademark and trade secret laws in the United States and other jurisdictions, as well as license agreements, third-party non-disclosure and other agreements and other contractual provisions and technical measures to protect our intellectual property rights. We attempt to negotiate beneficial intellectual property ownership provisions in our contracts and also require employees, consultants, advisors and collaborators to enter into confidentiality agreements in order to protect the confidentiality of our proprietary information. We have been issued several patents covering aspects of our technology and / or business, but can give no assurances that any such patents will protect our business and processes from competition or that any patents applied for in the future will be issued. Additionally, laws and our contractual terms may not be sufficient to protect our technology from use or theft by third parties, **particularly with respect to the evolving use of AI technologies**. These protections may not be adequate to prevent our competitors from independently developing technologies that are substantially equivalent or superior to our technology. We may have legal or contractual rights that we could assert against illegal use of our intellectual property rights, but lawsuits claiming infringement or misappropriation are complex and expensive, and the outcome would not be certain. In addition, the laws of some countries in which we now or in the future provide our services may not protect software and intellectual property rights to the same extent as the laws of the United States. **Furthermore, intellectual property ownership and license rights surrounding AI technologies are currently not fully addressed by courts or regulators. The use or adoption of AI technologies in our products or internal business services may result in exposure to claims by third parties of copyright infringement or other intellectual property misappropriation. Such use or adoption could also lead to the loss of our intellectual property rights. The evolving legal, regulatory, and compliance framework for AI technologies may also impact our ability to protect our own data and intellectual property against infringing use.** If our efforts to secure, protect and enforce our intellectual property rights are inadequate, or if any third party misappropriates, dilutes or infringes on our intellectual property, the value of our brand may be harmed, which could have a material adverse effect on our business. In the technology industry, there is frequent litigation based on allegations of infringement or other violations of intellectual property rights. As the number of participants in our market increases and the number of patents and other intellectual property registrations increases, the possibility of an intellectual property claim against us grows. Although we have never been the subject of a material intellectual property dispute, a third party may assert in the future that our technology or the manner in which we operate our business violates its intellectual property rights. From time to time, in the ordinary course of our business, we may become subject to legal proceedings and claims relating to the intellectual property rights of others, and we expect that third parties may assert intellectual property claims against us, particularly as we expand the complexity and scope of our business, the number of electronic trading platforms increases and the functionality of these platforms further overlaps. Any claims, whether with or without merit, could be expensive and time-consuming to defend, make it more difficult to operate or prevent us from operating our business, or portions of our business, and result in significant monetary liability. Third parties may assert infringement claims against us, as they have done in the past, with respect to our electronic trading platforms or any of our other current or future products or services and any such assertion may require us to cease providing such services or products, try to redesign our products or services, enter into royalty arrangements, if available, or engage in litigation that could be costly to us. Any of these events could have a material adverse effect on our business, financial condition and results of operations. **Our use of open-source software could result in litigation or require us to re-engineer our platforms or other commercial solutions. We use open-source software in our technology, most often as small components within a larger solution. Open-source code is also contained in some third-party software we rely on. The terms of many open source licenses are ambiguous and have not been interpreted by U. S. or other courts, and these licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to commercialize our platforms and solutions, license the software on unfavorable terms, require us to re-engineer our platforms and solutions or take other remedial actions, any of which could have a material adverse effect on our business.** From time to time, we may pursue acquisitions, which may not be completed or, if completed, may not be as beneficial to us as expected. We have made acquisitions in the past, including the purchases of the regulatory reporting business of Deutsche Börse in 2020, MuniBrokers in 2021 and Pragma in 2023. **We also agreed to take a controlling stake in RFQ-hub in 2024.** We also may consider potential divestitures of businesses from time to time. We routinely evaluate potential acquisition and divestiture candidates and engage in discussions and negotiations regarding potential acquisitions and divestitures on an ongoing basis; however, even if we execute a definitive agreement, there can be no assurance that we will consummate the transaction within the anticipated closing timeframe, or at all. Moreover, there is significant competition for acquisition and expansion opportunities in the electronic financial services industry. If we do succeed in acquiring or investing in a business, product or technology, such acquisitions and investments may involve **several a number of** risks, including: • we may find that the acquired company or assets do not further our business strategy, or that we overpaid for the company or assets, or the economic conditions underlying our acquisition decision may change; • we may have difficulty integrating the acquired technologies or products with our existing electronic trading platforms products and services; • we may have difficulty integrating the operations and personnel of the acquired business, or retaining the key personnel of the acquired business; • there may be client confusion if our services overlap with those of the acquired company and we may have

difficulty retaining key customers, vendors and other business partners of the acquired business; • our ongoing business and management's attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically or culturally diverse enterprises; • we may enter ~~into~~ markets, such as the equities and foreign exchange trading algorithm markets, in which we have limited experience or where competitors hold stronger market positions; • potential failure of the due diligence processes to identify significant problems, liabilities or other challenges of an acquired company or product; and • exposure to litigation or other claims in connection with, or inheritance of claims or litigation risk as a result of, an acquisition, including but not limited to, claims from terminated employees, customers, former stockholders or other third parties. These factors could have a material adverse effect on our business, financial condition, results of operations and cash flows, particularly in the case of a larger acquisition or multiple acquisitions in a short period of time. From time to time, we may enter ~~into~~ negotiations for acquisitions or investments that are not ultimately consummated. Such negotiations could result in significant diversion of management time, as well as out- of- pocket costs. The consideration paid in connection with an investment or acquisition also affects our financial results. If we were to proceed with one or more significant acquisitions in which the consideration included cash, we could be required to use a substantial portion of our available cash to consummate any acquisition. To the extent we issue shares of capital stock or other rights to purchase capital stock, including options or other rights, existing stockholders may be diluted and earnings per share may decrease. In addition, acquisitions may result in the incurrence of debt, large one- time write- offs, such as of acquired in- process research and development costs, and restructuring charges. We may also enter into strategic alliances, partnerships or joint ventures as a means to accelerate our entry into new markets, provide new solutions or enhance our existing capabilities. ~~For example, in 2022, we made a significant minority investment in RFQ hub, a bilateral multi-asset and multi-dealer request for quote platform.~~ Entering into strategic alliances, partnerships and joint ventures entails risks, including: (i) difficulties in developing or expanding the business of newly formed alliances, partnerships and joint ventures; (ii) exercising influence over the activities of joint ventures in which we do not have a controlling interest; (iii) potential conflicts with or among our partners; (iv) the possibility that our partners could take action without our approval or prevent us from taking action; and (v) the possibility that our partners become bankrupt or otherwise lack the financial resources to meet their obligations. Our success depends largely upon the continued services of our executive officers and other key personnel, including ~~Richard M. MeVey, our founder and Executive Chairman, and Christopher Concannon, our Chief Executive Officer (“ CEO ”)~~. The terms of ~~our CEO Messrs. MeVey's and Concannon's employment agreements~~ ~~agreement~~ with us ~~do does~~ not require ~~them him~~ to continue to work for us and ~~allow allows them him~~ to terminate ~~his their respective~~ employment at any time, subject to certain notice requirements and forfeiture of non- vested equity compensation awards. We do not maintain “ key person ” life insurance on any of our executive officers and other key personnel. Although we have invested in succession plans and we have short- term contingency plans in place, any loss or interruption of ~~our CEO Mr. MeVey's or Mr. Concannon's~~ services or that of one or more of our other executive officers or key personnel for any reason, as well as any negative market or industry perception arising from such loss or interruption, could result in our inability to manage our operations effectively and / or pursue our business strategy. We strive to provide high- quality services that will allow us to establish and maintain long- term relationships with our clients. Our ability to provide these services and maintain these relationships, as well as our ability to execute our business plan generally, depends in large part upon our employees. We must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for software engineers with extensive experience in designing and developing software and internet- related services, product managers and senior sales executives. The market for qualified personnel, especially software developers, has become increasingly competitive in our talent markets. Many companies, including both our competitors and firms outside of our industry, are interested in hiring our experienced personnel. Additionally, highly innovative technology firms both in and outside our traditional geographic markets may offer attractive employment opportunities to our technology personnel through remote work opportunities. Many of these firms have greater resources than we have and are able to offer more lucrative compensation packages. We may not be successful in our efforts to recruit and retain the required personnel. The failure to attract new personnel or to retain and motivate our current personnel may have a material adverse effect on our business, financial condition and results of operations. Our business is subject to increasingly extensive governmental and other regulations. These regulations are designed to protect public interests generally rather than the interests of our stockholders. The SEC, FINRA and other agencies extensively regulate the United States financial services industry, including most of our operations in the United States. Much of our international operations are subject to similar regulations in their respective jurisdictions, including regulations overseen by the FCA in the U. K., the AFM in the Netherlands, ESMA in the E. U., the Monetary Authority of Singapore, the Investment Industry Regulatory Organization of Canada and provincial regulators in Canada, and the Securities and Exchange Commission and Central Bank in Brazil. In addition, our regulatory reporting business is registered as an ARM and APA with the FCA and ESMA. We also hold several cross- border licenses and permissions with various other regulatory bodies. See Part I, Item 1. ~~“ Business – Government Regulation – Non- U. S. Regulation. ”~~ As a matter of public policy, these regulatory bodies are responsible for safeguarding the integrity of the securities and other financial markets and protecting the interests of investors in those markets. These regulatory bodies have broad powers to promulgate and interpret, investigate and sanction non- compliance with their laws, rules and regulations. Most aspects of our broker- dealer and other licensed subsidiaries are highly regulated, including the way we deal with our clients; our capital requirements; our financial and regulatory reporting practices; required record- keeping and record retention procedures; the licensing of our employees; and the conduct of our directors, officers, employees and affiliates. We and / or our directors, officers and employees may not be able to fully comply with these laws, rules and regulations. If we fail to comply with any of these laws, rules or regulations, we may be subject to censure, fines, cease- and- desist orders, suspension of our business, suspensions of personnel or other sanctions, including revocation of our membership in FINRA and registration as a broker- dealer. Certain of our regulated subsidiaries, including our registered broker- dealers and MTFs, are subject to U. S. or foreign regulations which prohibit repayment of

borrowings from us or our affiliates, paying cash dividends, making loans to us or our affiliates or otherwise entering into transactions that result in a significant reduction in regulatory net capital or financial resources, without prior notification to or approval from such subsidiary's principal regulator. Our ability to operate our platforms in a jurisdiction may be dependent on continued registration or authorization in that jurisdiction or the maintenance of a proper exemption from such registration or authorization. Our ability to comply with all applicable laws and rules is largely dependent on our compliance, credit approval, audit and reporting systems and procedures, as well as our ability to attract and retain qualified compliance, credit approval, audit and risk management personnel. Our systems and procedures may not be sufficiently effective to prevent a violation of all applicable rules and regulations. In addition, the growth and expansion of our business may create additional strain on our compliance systems, procedures and personnel and has resulted, and we expect will continue to result, in increased costs to maintain and improve these systems. In addition, because our industry is heavily regulated, regulatory approval may be required in order to continue or expand our business activities and we may not be able to obtain the necessary regulatory approvals on a timely or cost-effective basis, or at all. Even if approvals are obtained, they may impose restrictions on our business or we may not be able to continue to comply with the terms of the approvals or applicable regulations. The implementation of unfavorable regulations or unfavorable interpretations of existing regulations by courts or regulatory bodies could require us to incur significant compliance costs or cause the development or continuation of business activities in affected markets to be curtailed or become impractical. For a further description of the regulations which may limit our activities, see Part I, Item 1. "Business — Government Regulation." Some of our subsidiaries are subject to regulations regarding changes in control of their ownership. These regulations generally provide that regulatory approval must be obtained in connection with any transaction resulting in a change in control of the subsidiary, which may include changes in control of MarketAxess. As a result of these regulations, our future efforts to sell shares or raise additional capital may be delayed or prohibited in circumstances in which such a transaction would give rise to a change in control as defined by the applicable regulatory body. Our business, and the business of many of our clients, is subject to extensive regulation. Governmental and regulatory authorities periodically review legislative and regulatory initiatives, and may promulgate new or revised, or adopt changes in the interpretation and enforcement of existing, rules and regulations at any time. In addition, we must comply with the laws, regulations and registration rules of foreign governments and regulatory bodies for each country in which we conduct business. Any such changes in laws, rules or regulations or in governmental policies could create additional regulatory exposure for our business, cause us to incur significant additional costs, require us to change or cease aspects of our business or restrict or limit our ability to grow our business, any of which could have a material adverse effect on our business, financial condition or results of operations. For example, DORA, which focuses on the security of network and information systems of financial services entities and as well as ICTs, is expected to become applicable to portions of our business in January 2025. DORA will have, among other things, introduced significant additional ICT-related governance, risk management, resilience testing and sub-contracting requirements. In addition, we are subject to ESMA's guidelines on outsourcing to cloud service providers, which impose additional risk management, contractual and notification requirements related to material cloud service providers. Further, regulators are increasingly looking to regulate use of advanced data processing technologies such as AI or machine learning, which may impact our operations as well as our products that incorporate such technologies. There have been in the past, and could be in the future, additional significant technological, operational and compliance costs associated with the obligations that derive from compliance with evolving laws, rules and regulations. We cannot predict whether additional changes to the laws, rules and regulations that govern our business and operations, including changes to their interpretation, implementation or enforcement, will occur in the future or the extent to which any such changes will impact our business and operations, but they may cause us to expend significantly more compliance, business and technology resources, incur additional operational costs and create additional regulatory exposure. For example, the SEC has proposed rules that will expand Regulation ATS and Regulation SCI to alternative trading systems (ATS) that trade government securities and amend the SEC rule regarding the definition of an "exchange" to include Communication Protocol Systems, such as our RFQ protocols. If based on these rules are adopted as proposed rules, we expect that we will have to operate additional all of our trading protocols in compliance with Regulation ATS and we could become subject to Regulation SCI for certain parts of our business in the future. Following The SEC has also adopted final rule amendments that, effective May 2024, will shorten the recent change standard settlement cycle for most broker-dealer securities transactions from two business days after the trade date (T+2) to one business day after the trade date (T+1). The shortening of the settlement cycle will lead to a reduction in U. S. presidential administrations the length of exposure to trading counterparties and lower margin requirements for our clearing operations, but however, it is unknown also expected to increase the operational costs and complexities associated with cross border transactions conducted what extent new legislation will be passed into law or whether pending or new regulatory proposals will be adopted, abandoned or modified, or what effect such passage, adoption, abandonment or modification will have, whether positive or negative, on our industry, our clients or platforms. The impact of any of these reform efforts on us and our operations remains uncertain. The SEC also adopted final rules on December 13, 2023 regarding the central clearing of certain secondary market transactions involving U. S. Treasury securities, which are currently set to become effective for certain cash market transactions on December 31, 2025 and repurchase and reverse repurchase transactions on June 30, 2026. Once effective, This this central clearing mandate will impact certain of our participants who do not centrally clear such trades today, and some of our investor clients have expressed concerns about using platforms that will require the potential impact of additional clearing costs of any resultant trades executed on such platforms. The While we expect this change will increase our own platform efficiency, it is still unknown at this time the full impact of this change, and what effect it will have, whether positive or negative, on our industry, our clients or us is unknown at this time. Further, we and / or our clients could become subject to future legislation and regulatory requirements beyond those currently proposed, adopted or contemplated in the U. S. or abroad. Additionally, unintended consequences of such new laws, rules and

regulations may adversely affect our industry, our clients and us in ways yet to be determined. Any such legal and regulatory changes could affect us in substantial and unpredictable ways, and could have a material adverse effect on our business, financial condition and results of operations. The U. K.'s exit from the E. U. has increased the operational complexity and cost of conducting business in both the E. U. and the U. K., and has introduced significant new barriers to cross-border trading, including uncertainties with respect to the legal and regulatory requirements to which we and our clients are subject. Brexit has led to a growing divergence between the U. K. and E. U. financial regulations, which may impact our ability to comply with the extensive government regulation to which we are subject. In addition, the cost and complexity of operating across increasingly divergent regulatory regimes has required us to make changes to the technology underlying our trading platforms and regulatory reporting systems in the U. K. and E. U., which has resulted in new regulatory and operational costs and challenges. We expect the cost and complexity of complying with diverging E. U. and U. K. financial regulations will continue to increase following the implementation of the amendments to the FSMA in the U. K., the MiFIR Review and DORA see Part I, Item 1. "Business — Government Regulation — Non- U. S. Regulation." In addition, as a result of Brexit, the E. U. regulatory authorities may enact regulatory changes that may affect our business by creating further market fragmentation. Any of the foregoing factors could have a material adverse effect on our business, financial condition and results of operations. Our businesses are subject to regulation by governmental and self-regulatory organizations in the jurisdictions in which we operate around the world. Many of these regulators, including U. S. and non- U. S. government agencies and self-regulatory organizations, as well as state securities commissions in the U. S., are empowered to bring enforcement actions and to conduct administrative proceedings and examinations, inspections, and investigations, which may result in costs, penalties, fines, enhanced oversight, additional requirements, restrictions, or limitations, and censure, suspension, or expulsion. Self-regulatory organizations such as FINRA and the NFA, along with statutory bodies, such as the SEC, the CFTC, the FCA, the AFM and ESMA and other international regulators, require strict compliance with their rules and regulations. The Company and other firms in the financial services industry have experienced increased scrutiny in recent years, and penalties, fines and other sanctions sought by regulatory authorities, including the SEC, FINRA, state securities commissions and state attorney generals in the U. S., and the FCA, ESMA and other international regulators, have increased accordingly. Accordingly, we face the risk of regulatory intervention, investigations and proceedings, particularly in emerging markets, where securities laws are developing, any of which could involve extensive scrutiny of our activities and result in significant fines and liability. Any of these developments would require significant time and financial resources and could adversely affect our reputation, financial condition and operating results. Many aspects of our business, and the businesses of our clients, involve substantial risks of liability. Dissatisfied clients may make claims against us regarding quality of trade execution, improperly settled trades, resolution of trade error claims, system failures, failure to protect their confidential or personal information, mismanagement or even fraud. We may become subject to these claims as the result of delays, failures or malfunctions of our electronic trading platform and the services provided by us. We could incur significant legal expenses defending claims, even those without merit. An adverse resolution of any lawsuits or claims against us could have a material adverse effect on our business, financial condition and results of operations. Management exercises significant judgment when assessing the probability of successfully sustaining tax filing positions, and in determining whether a contingent tax liability should be recorded and, if so, estimating the amount. If our tax filing positions are successfully challenged, payments could be required that are in excess of reserved amounts, if any, or we may be required to reduce the carrying amount of our net deferred tax asset, either of which result could be significant to our financial condition or results of operations. There is increasing concern over the risk of climate change and related or other environmental sustainability matters could adversely affect our business. The physical risks of climate change include chronic risks such as rising average and changing mean global temperatures, rising sea levels and increased precipitation, as well as acute risks such as an increase in the frequency and severity of extreme heat weather events and natural disasters, including floods, wildfires, dry days and hurricanes and tornadoes. The impact of such events could increase because of the geographical concentration of our operations and personnel in certain areas of the U. S., which are expected to experience higher risk levels than some other regions. Any of our primary locations or those of third parties on which we rely may be vulnerable to the adverse physical effects of climate change, which could result in risk of loss incurred as a result of physical damage, power outages or business interruption caused by such events. In addition, governments, investors, employees, customers, and the general public are increasingly focused on ESG sustainability practices and disclosures. Increasing scrutiny from stakeholders and regulators with respect to sustainability matters may impose additional costs and expose us to additional risks. For example, certain investors are incorporating the business risks of climate change and the adequacy of companies' responses to climate change and other ESG sustainability matters as part of their investment theses and policies. Conversely, there are some stockholders and regulators who have expressed opposing views against sustainability practices, including support for anti-sustainability legislation and policies. For example, certain U. S. states have restricted state-controlled funds from investing based on ESG sustainability factors. Our reputation could be adversely impacted by our sustainability practices and ESG sustainability disclosures or investor perceptions thereof, including if we fail to establish measurable environmental goals or subsequently fail to meet any such goals or if the Company is perceived to have not responded appropriately to the growing concern for ESG sustainability or climate issues. Any negative publicity we receive regarding ESG sustainability, low ESG sustainability scores or ratings, or shifts in investing priorities may adversely affect the trading price of our common stock or our business, operations and earnings. Finally, the Company could experience increased operating costs or capital expenditures associated with complying with new disclosure-based or emissions-reduction requirements. Our business is dependent upon the availability of adequate funding and regulatory capital under applicable regulatory requirements. The growth of our Open Trading protocols, in particular, is dependent on the willingness of our customers and counterparties to engage in transactions with us and any perceived issues with our capital levels or access to funding could have a material adverse effect on business. As

a result of our self-clearing and settlement activities, we are also required to finance certain transactions, maintain deposits with various clearing organizations and clearing broker-dealers and maintain a special reserve bank account for the benefit of customers pursuant to Rule 15c3-3 of the Exchange Act. Although we believe that our available cash resources and borrowing capacity under our credit agreement are sufficient to meet our presently anticipated liquidity needs and capital expenditure requirements for at least the next 12 months, we may in the future need to raise additional funds to, among other things: (1) support more rapid growth of our business; (2) finance transactions and maintain margin deposits at clearing organizations; (3) acquire complementary companies or technologies; (4) increase the regulatory net capital necessary to support our operations; or (5) respond to unanticipated or changing capital requirements. In addition, our liquidity could be impaired due to circumstances that we may be unable to control, such as a general market disruption or an operational problem that affects our trading customers or counterparties, other third parties or us. All or part of any debt financing could be pursuant to the terms of our credit agreements with third-party lenders, which include restrictive covenants with respect to dividends, issuances of additional capital and other financial and operational matters related to our business. In the future, we may not be able to obtain additional financing, if needed, in amounts or on terms acceptable to us, if at all. If sufficient funds are not available or are not available on terms acceptable to us, our ability to fund our expansion, finance transactions and maintain margin deposits at clearing organizations, take advantage of acquisition opportunities, develop or enhance our services or products, or otherwise respond to competitive pressures would be significantly limited. These limitations could have a material adverse effect on our business, financial condition and results of operations. We are party to a credit agreement that provides for revolving loans and letters of credit up to an aggregate of \$ 750.0 million. Subject to the satisfaction of certain specified conditions, we are permitted to upsize the borrowing capacity of the credit agreement by an additional \$ 375.0 million. Our credit agreement contains certain covenants that, among other things, may restrict our ability to take certain actions, even if we believe them to be in our best interests. These covenants may restrict or prohibit, among other things, our ability to: • incur or guarantee additional debt; • create or incur liens; • change our line of business; • sell or transfer assets; • make certain investments or acquisitions; • pay dividends or distributions, redeem or repurchase our equity or make certain other restricted payments; • consummate a merger or consolidation; • enter into certain swap, derivative or similar transactions; • enter into certain transactions with affiliates; and • incur restrictions on our ability to grant liens or, in the case of subsidiaries, pay dividends or other distributions. We are also required by our credit agreement to maintain a maximum consolidated total net leverage ratio and a minimum regulatory net capital balance for certain subsidiaries. We may not be able to meet these requirements or satisfy these covenants in the future. A breach of any of these covenants or the inability to comply with the required financial covenants could result in an event of default under the credit agreement. If any such event of default occurs, the lenders under the credit agreement could elect to declare all amounts outstanding and accrued and unpaid interest under the credit agreement to be immediately due and payable, and could foreclose on the assets securing the credit agreement. The lenders would also have the right in these circumstances to terminate any commitments they have to provide further credit extensions. We may incur other indebtedness in the future that may contain financial or other covenants more restrictive than those applicable to the credit agreement. We regularly maintain cash balances with other financial institutions in excess of the FDIC insurance limit. A failure of any of the depository institutions that hold our deposits could impact access to our invested cash or cash equivalents and could adversely impact our operating liquidity and financial performance. 38