

Risk Factors Comparison 2023-11-24 to 2022-11-29 Form: 10-K

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

We face a variety of risks that could adversely impact our financial condition and results of operations, set forth below.

Macroeconomic Risks Our ability to achieve consistent profitability is subject to uncertainty due to the nature of our businesses and the markets in which we operate. Our revenues and operating results may fluctuate significantly because of the following factors: • market conditions, such as price levels and volatility in the commodities, securities and foreign exchange markets in which we operate; • changes in the volume of our market- making and trading activities; • changes in the value of our financial instruments, currency and commodities positions and our ability to manage related risks; and • the level and volatility of interest rates. 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 or decreased trading volume in the U. S. and global financial markets. Although we continue our efforts to diversify the sources of our revenues, it is likely that our revenues and operating results will continue to fluctuate substantially in the future and such fluctuations could result in losses. These losses could have a material adverse effect on our business, financial condition and operating results. Our net operating revenues may decrease due to changes in client trading volumes which are dependent in large part on commodity prices and commodity price volatility. Our clients' trading volumes are largely driven by the degree of volatility — the magnitude and frequency of fluctuations — in prices of commodities. Higher volatility increases the need to hedge contractual price risk and creates opportunities for arbitrage trading. Energy and agricultural commodities markets periodically experience significant price volatility. In addition to price volatility, increases in commodity prices generally lead to increased trading volume. As prices of commodities rise, especially energy prices, new participants enter the markets to address their growing risk- management needs or to take advantage of greater trading opportunities. Sustained periods of stability in the prices of commodities or generally lower prices could result in lower trading volumes and, potentially, lower revenues. In addition, lower volatility and lower volumes could lead to lower client balances held on deposit, which in turn may reduce the amount of interest revenue and account fees we collect based on these deposits. Factors that are particularly likely to affect price volatility and price levels of commodities include supply and demand of commodities, weather conditions affecting certain commodities, national and international economic and ~~political~~ **geopolitical** conditions, **including the war in Ukraine and the Israel- Hamas war**, the perceived stability of commodities and financial markets, the level and volatility of interest rates and inflation and the financial strength of market participants. Low short- term interest rates negatively impact our profitability. We earn interest and fee income on client balances left on deposit with us. We have generated significant interest- related revenue in both the current and prior periods and a decline in short- term interest rates or a decline in the amount of client funds on deposit may have a material adverse effect on our profitability in the future. Short- term interest rates are highly sensitive to factors that are beyond our control and we can provide no assurance as to whether short- term interest rates will decline in the future. Our financial position and results of operations may be adversely affected by unfavorable economic and financial market conditions, ~~including as well as catastrophic events and crises such as~~ **the recent ongoing impact of the COVID- 19 pandemic, wars and geopolitical tensions the conflict between Ukraine and Russia**. Economic and financial market conditions, including ~~those caused~~ **conditions impacted by public health emergencies, such as the ongoing recent COVID- 19 pandemic, and geopolitical events such as terrorism, the conflict Israel- Hamas war and escalating tensions in the Middle East, the ongoing war** between Ukraine and Russia and related sanctions imposed by the U. S. Department of Treasury and other governing bodies in countries in which we conduct business, have created significant market volatility, uncertainty and economic disruption. While increased volatility is typically a driver of increased client activity and growth in our operating revenues, longer periods of extreme volatility and dislocation in global securities, foreign exchange and commodity markets may affect our ability to establish effective offsetting positions in our principal trading and market- making activities which may expose us to trading losses. In addition, in the event that a global recession or slowdown occurs, this could lead to extended periods of low short- term interest rates and decreased volatility which could adversely affect our profitability. We also may be exposed to increased counterparty default, liquidity and credit risks with respect to our client accounts, which means if our clients experience losses in excess of the funds they have deposited with us, we may not be able to recover the negative client equity from our clients. In these circumstances, we may nonetheless be required to fund positions with counterparties using our own funds, which in turn would reduce our liquidity buffers. If any of these risks materialize, our operating results or ability to conduct our business may be materially adversely affected. In addition, ~~the recent continuation of the COVID- 19 pandemic has~~ **led to increased operational and cybersecurity risks and may again do so in the future**. These risks ~~have include~~ **included**, among others, increased demand on our information technology resources and systems and the increased risk of phishing and other cybersecurity attacks. ~~Any~~ **In the event of a significant COVID- 19 resurgence, any** failure to effectively manage these increased operational and cybersecurity demands and risks may materially adversely affect our results of operations and the ability to conduct our business. For a further discussion of cybersecurity risks, see Technology and Cybersecurity Risks below. To the extent ~~the that our business, financial continuation~~ **condition, liquidity or results of operations are adversely affected by catastrophic events and crises, including public health emergencies such as the recent COVID- 19 pandemic and the ongoing conflict conflicts between such as the wars in Ukraine and Israel** ~~Russia adversely affects our business, financial condition, liquidity or results of operations~~, these events may also have the effect of heightening many of the other risks described herein and in any future Quarterly Reports on Form

10- Q or other filings we make with the SEC. **Business Risks** We face risks associated with our market- making and trading activities. A significant portion of our operating revenues are generated through our market making and trading activities. The success of our market- making and trading activities principally depends on: • the price volatility of specific financial instruments, currencies and commodities; • our ability to attract order flow and our competitiveness; • the skill of our personnel, including the efficiency of our order execution, quality of our client service and the sophistication of our trading technology; • the availability of sufficient capital, in order to provide enhanced liquidity to our clients; and • general market conditions. We conduct our market- making and trading activities predominantly as a principal and therefore hold positions that bear the risk of significant price fluctuations, rapid changes in the liquidity of markets, deterioration in the creditworthiness of our counterparties and other risks that may cause the value of our positions to decline, which would lead to lower operating revenues. In addition, as a market maker, while we seek to hedge our exposure to market risk relating to the positions we hold, at any given moment, our unhedged exposure subjects us to market risk, including the risk of significant losses. Principal gains and losses resulting from our positions could have a disproportionate effect, positive or negative, on our financial condition and results of operations for any particular reporting period. These risks are increased when we have concentrated positions in securities of a single issuer or issuers in specific countries and markets, which is the case from time- to- time. Declines in the volume of securities, commodities and derivative transactions and in market liquidity generally may result in lower revenues from market- making and trading activities. Changes in price levels of securities and commodities and other assets, and in interest and foreign exchange rates also may result in reduced trading activity and reduce our revenues from market- making transactions. Changes in price levels also may result in losses in the fair value of securities, commodities and other assets held in inventory. Sudden sharp changes in the fair value of securities, commodities and other assets can result in a number of adverse consequences for our business, including illiquid markets, fair value losses arising from positions held by us, and the failure of buyers and sellers of securities, commodities and other assets to fulfill their settlement obligations. Any change in market volume, price or liquidity or any other of these factors could have a material adverse effect on our business, financial condition and operating results. We operate as a principal in the OTC derivatives markets which involves significant risks associated with commodity derivative instruments in which we transact. We offer OTC derivatives to our clients in which we act as a principal counterparty. We endeavor to simultaneously offset the underlying risk of the instruments, such as commodity price risk, by establishing corresponding offsetting positions with commodity counterparties, or alternatively we may offset those transactions with similar but not identical positions on an exchange. To the extent that we are unable to simultaneously offset an open OTC derivative position or the offsetting transaction is not effective to fully eliminate the derivative risk, we have market risk exposure on these unmatched transactions. Our exposure varies based on the size of our overall positions, the terms and liquidity of the instruments we offer to our clients and the amount of time the positions remain open. While we mitigate market risk on OTC derivative positions with strict risk limits, limited holding periods and active risk management, adverse movements in the referenced assets or rates underlying these positions or a downturn or disruption in the markets for these positions could result in a substantial loss. In addition, any principal gains and losses resulting from these positions could have a disproportionate effect, positive or negative, on our financial condition and results of operations for any particular reporting period. Transactions involving OTC derivative contracts may be adversely affected by fluctuations in the level, volatility, correlation or relationship between market prices, rates, indices and / or other factors. These types of instruments may also suffer from illiquidity in the market or in a related market. OTC derivative transactions are subject to unique risks. OTC derivative transactions are subject to the risk that, as a result of mismatches or delays in the timing of cash flows due from or to counterparties in OTC derivative transactions or related hedging, trading, collateral or other transactions, we or our counterparty may not have adequate cash available to fund our or its current obligations. We could incur material losses pursuant to OTC derivative transactions because of inadequacies in or failures of our internal systems and controls for monitoring and quantifying the risk and contractual obligations associated with OTC derivative transactions and related transactions or for detecting human error, systems failure or management failure. OTC derivative transactions may generally be modified or terminated only by mutual consent of the parties to any such transaction (other than in certain limited default and other specified situations (e. g., market disruption events)) and subject to agreement on individually negotiated terms. Accordingly, it may not be possible to modify, terminate or offset obligations or exposure to the risk associated with a transaction prior to its scheduled termination date. In addition, we note that as a result of rules adopted by U. S. and foreign regulators concerning certain financial contracts, including OTC derivatives, entered into with our counterparties that have been designated as global systemically important banking organizations, we may be restricted in our ability to terminate such contracts following the occurrence of certain insolvency- related default events. Transactions with these counterparties, therefore, carry heightened risk in the event that the counterparty defaults on its obligations to us. We are subject to margin funding requirements on short notice. Our business involves establishment and carrying of substantial open positions for clients on futures exchanges and in the OTC derivatives markets. We are required to post and maintain margin or credit support for these positions. Although we collect margin or other deposits from our clients for these positions, significant adverse price movements can occur which will require us to post margin or other deposits on short notice, whether or not we are able to collect additional margin or credit support from our clients. We maintain borrowing facilities for the purpose of funding margin and credit support and have in place procedures for collecting margin and other deposits from clients on a same- day basis; however, there can be no assurance that these facilities and procedures will provide us with sufficient funds to satisfy funds to satisfy any additional margin or credit support we may be required to post in the event of severe adverse price movements affecting the open positions of our clients. Generally, if a client is unable to meet its margin call, we promptly liquidate the client' s account. However, there can be no assurance that in each case the liquidation of the account will not result in a loss to us or that liquidation will be feasible, given market conditions, size of the account and tenor of the positions. We are exposed to counterparty credit risk whereby the failure by persons with whom we do business to meet their financial obligations could adversely affect our business, financial condition and results of operations. We are exposed to

the risk that our counterparties fail to meet their obligations to us or to other parties, resulting in significant financial loss to us. These risks include: • failure by our clients and counterparties to fulfill contractual obligations and honor commitments to us; • failure by clients to deposit additional collateral for their margin loans during periods of significant price declines; • failure by our clients to meet their margin obligations; • failure by our hedge counterparties to meet their obligations to us; • failure by our clearing brokers and banks to adequately discharge their obligations on a timely basis or remain solvent; and • default by clearing members in the clearing houses in the U. S. and abroad of which we are members which could cause us to absorb shortfalls pro rata with other clearing members. These and similar events could materially affect our business, financial condition and results of operations. While we have policies, procedures and automated controls in place to identify and manage our credit risk, there can be no assurance that they will effectively mitigate our credit risk exposure. If our policies, procedures and automated controls fail, our business, financial condition and results of operations may be adversely affected. We are subject to risk of default by financial institutions that hold our funds and our clients' funds. We have significant deposits of our own funds and our clients' funds with banks and other financial institutions, including liquidity providers. **In the event Although we did not have any material deposits with any of the insolvent banks affected by the banking crisis (such as the closure of Silicon Valley Bank, receiverships of First Republic Bank and Signature Bank, and acquisition of Credit Suisse Group AG), we could experience losses on our holdings of these cash and investments due to failures of other financial institutions and other parties. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets**, we might not be able to fully recover the assets we have deposited, **or deposited on our customers' behalf**, since in certain cases, we will be among the institution's unsecured creditors. As a result, our business, financial condition and results of operations could be materially adversely affected by the loss of these funds. We rely on relationships with introducing brokers for obtaining some of our clients and our business or reputation could be harmed by such introducing broker misconduct or errors. We have relationships with introducing brokers, both domestic and international, who solicit clients for their execution and / or advisory services. Those introducing brokers work to establish execution and / or clearing accounts with our entities for those new client relationships but generally serve as the primary relationship and customer service point for those clients. Many of our relationships with introducing brokers are non- exclusive or may be canceled on relatively short notice. In addition, our introducing brokers have no obligation to provide new client relationships or minimum levels of transaction volume. To the extent any of our competitors offers more attractive compensation terms to one or more of our introducing brokers, we could lose the brokers' services or be required to increase the compensation we pay to retain the brokers. Further, we may agree to set the compensation for one or more introducing brokers at a level where, based on the transaction volume generated by clients directed to us by such brokers, it would have been more economically attractive to seek to acquire the clients directly rather than through the introducing broker. Our failure to maintain our relationships with these introducing brokers or the failure of these introducing brokers to establish and maintain client relationships could result in a loss of revenues, which would adversely affect our business. We may be held responsible by regulators or third- party plaintiffs for any improper conduct by our introducing brokers, even though we do not control their activities. This may be the case even when the introducing brokers are separately regulated. Many of our introducing brokers operate websites, which they use to advertise our services or direct clients to us and there may be statements on such websites in relation to our services that may not be accurate and may not comply with applicable rules and regulations. Any disciplinary action taken against us relating to the activities of our introducing brokers, or directly against any of our introducing brokers could have a material adverse effect on our reputation, damage our brand name and adversely affect our business, financial condition and operating results. Products linked to cryptocurrencies could expose us to technology, regulatory and financial risks. We offer derivative products linked to Bitcoin and other cryptocurrencies in certain jurisdictions, and may expand the types of these products offered, the associated types of cryptocurrencies and the jurisdictions in which the products are offered. The distributed ledger technology underlying cryptocurrencies and other similar financial assets is evolving at a rapid pace and may be vulnerable to cyberattacks or have other inherent weaknesses that are not yet apparent. We may be, or may become, exposed to risks related to cryptocurrencies or other financial products that rely on distributed ledger technology through our facilitation of clients' activities involving such financial products linked to distributed ledger technology. There is currently no broadly accepted regulatory framework for Bitcoin or other cryptocurrencies, and the regulation of cryptocurrencies is developing and changing rapidly in the U. S. and other countries around the world. For example, in the U. S., it is unclear whether many cryptocurrencies are " securities " under federal securities laws, and the implications for us if any of our products linked to cryptocurrencies are determined to be securities could be significant and adverse. In addition, some market observers have asserted that historical material price fluctuations in many cryptocurrency markets, such as that for Bitcoin, may indicate the propensity for cryptocurrency markets to " bubble, " and if markets for any cryptocurrencies linked to our products suffer severe fluctuations, our clients could experience significant losses and we could lose their business. The manner in which we account for certain of our precious metals and energy commodities inventory may increase the volatility of our reported earnings. Our net income is subject to volatility due to the manner in which we report our precious metals and energy commodities inventory held by subsidiaries that are not broker- dealers. Our precious metals and energy inventory held in subsidiaries which are not broker- dealers is stated at the lower of cost or net realizable value. We generally mitigate the price risk associated with our commodities inventory through the use of derivatives. We do not elect hedge accounting under U. S. GAAP for this price risk mitigation. In such situations, any unrealized gains in our precious metals and energy inventory in our non- broker- dealer subsidiaries are not recognized under U. S. GAAP, but unrealized gains and losses in related derivative positions are recognized under U. S. GAAP. As a result, our reported earnings from these business segments are subject to greater volatility than the earnings from our other business segments. Our risk management policies and procedures may leave us exposed to unidentified or unanticipated risk, which could harm our business. Our risk management policies and procedures may not be fully effective in mitigating our risk exposure in all market environments or

against all types of risk, including risks that are unidentified or unanticipated. Our risk management policies and procedures require, among other things, that we record and monitor thousands of transactions each day and we face the significant risk that we are not able to appropriately manage the risk associated with the large volume of transactions. Our risk management policies and procedures rely on a combination of technology and human controls and supervision that are subject to error and failure. Some of our methods for managing risk are discretionary by nature and are based on internally developed controls and observed historical market behavior, and also involve reliance on standard industry practices. These methods may not adequately prevent losses, particularly as they relate to extreme market movements, which may be significantly greater than historical fluctuations in the market. In addition, our risk management policies and procedures also may not adequately prevent losses due to technical errors if our testing and quality control practices are not effective in preventing software or hardware failures. To the extent that we elect to adjust our risk management policies and procedures to allow for an increase in risk tolerance, we will be exposed to the risk of greater losses. Even if we our risk management procedures are effective in mitigating known risks, new unanticipated risks may arise and we may not be protected against significant financial loss stemming from these unanticipated risks. These new risks may emerge if, among other reasons, regulators adopt new interpretations of existing laws, new laws are adopted or third- parties initiate litigation against us based on new, novel or unanticipated legal theories. Our risk management policies and procedures may not prevent us from experiencing a material adverse effect on our financial condition and results of operations and cash flows. **Our revenues, operational costs, regulatory compliance and client satisfaction could be adversely affected by the failure of a vendor or other third party to continue providing services to us. We rely on vendors and other third- parties to provide us with services that are essential to our ability to provide clients with our products and services. These services range from core infrastructure, such as utilities, communications and web hosting services, to systems that allow us to execute and process transactions entered into by our clients. If these vendors or other third- parties suffer operations issues, including as a result of cyber attacks, and they are unable to continue to provide these services to us, we may be exposed to a variety of risks, including loss of revenue if our clients cannot trade with us, increased costs if we are required to employ alternative solutions and reputational harm. In addition, some of our vendors hold sensitive information on our behalf, including personally identifiable information relating to our clients. If this data were to be compromised, either as a result of a cyber attack or otherwise, we could be in breach of our obligations to our clients, as well as applicable data protections laws, which could materially adversely affect our results of operations and reputation. Cyber attacks directed at our vendors may also make us more vulnerable to being targeted for cyber attacks ourselves if the bad actors are able to obtain information relating to our company and / or systems. If one of our vendors experiences a cyberbreach of its own systems or has data that it holds misappropriated, we could be exposed to a number of additional risks, including: a. heightened risk that we will not be able to comply with applicable regulatory requirements; b. increased risk that external parties will be able to execute fraudulent transactions using our systems; c. losses from fraudulent transactions, as well as potential liability for losses suffered by our clients; d. increased operational costs to remediate the consequences of the external party' s security breach; and e. reputational harm arising from the perception that our systems may not be secure. In some cases, operational issues or security breaches affecting our vendors may require us to take steps to protect the integrity of our own operational systems or to safeguard confidential information that we hold, including restricting the ability of our clients to trade or have access to their accounts. These actions could potentially diminish customer satisfaction and confidence in us, materially adversely affecting our results of operations. For example, on January 31, 2023, we were notified by ION Group, one of our vendors which provides back office trade processing services relating to certain of our listed derivatives businesses, that it had experienced a cybersecurity incident, which rendered certain of its services inaccessible to us and its other clients. As a result of the incident, we imposed restrictions on clients of our UK subsidiary relating to the trading of listed derivatives. During February 2023, these services were restored and the restrictions on clients' activities were lifted. Furthermore, the widespread and expanding interconnectivity among financial institutions, clearing banks, CCPs, payment processors, financial technology companies, securities exchanges, clearing houses and other financial market infrastructures increases the risk that the disruption of an operational system involving one institution or entity, including due to a cyber attack, may cause industry- wide operational disruptions that could materially affect our ability to conduct business.** Internal or third- party computer and communications systems failures, capacity constraints and breaches of security could increase our operating costs and / or credit losses, decrease net operating revenues and cause us to lose clients. We are heavily dependent on the capacity and reliability of the computer and communications systems supporting our operations, whether owned and operated internally or by vendors or third parties, including those used for execution and clearance of our ~~client- clients~~ s-trades and our market- making activities. We receive and process a large portion of our trade orders through electronic means, such as through public and private communications networks. These computer and communications systems and networks are subject to performance degradation or failure due to any number of reasons, including loss of power, acts of war or terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, cyber attacks, intentional acts of vandalism, client error or misuse, lack of proper maintenance or monitoring and similar events. While we currently maintain business continuity and disaster recovery plans (the "BCPs"), which are intended to minimize service interruptions and secure data integrity, our BCPs may not be sufficient or work effectively during an emergency. Similarly, although some contracts with our third- party providers, such as 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 internet and mobile phone technology, so any disruption of those systems 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, our business, financial

condition and results of operations could be materially adversely affected, and our business interruption insurance may not adequately compensate us for losses that may occur. Our inability to avoid or adequately address the failure of our key computer and communication systems exposes us to significant risks, including: • unanticipated disruptions in service to our clients; • slower response times, delays in trade execution and failed settlement of trades; • incomplete, untimely or inaccurate accounting, recording, reporting or processing of trades; • financial losses; and • litigation or other client claims and regulatory sanctions. We hold a large amount of personally identifiable information relating to our clients and other counterparties, which exposes us to significant regulatory and financial risks if such information is not properly safeguarded. In connection with our business, we collect and retain personally identifiable information of our clients. The continued occurrence of high- profile data breaches provides evidence of the serious threats to information security in general and as it relates to our business. Our clients expect that we will adequately protect their personal information, and the regulatory environment surrounding information security and privacy is rapidly evolving and increasingly demanding. Protecting against security breaches, including cybersecurity attacks, is an increasing challenge, and penetrated or compromised data systems or the intentional or inadvertent release or disclosure of data has in the past, and may in the future, result in theft, loss or fraudulent or unlawful use of client or company data. It is possible that our security controls over personally identifiable information, our training of employees on data security and other practices we follow may not prevent the improper disclosure of personally identifiable information that we collect, store and manage. We are exposed to significant risks relating to cybersecurity attacks against our trading platforms, internal databases and other technology systems. Cybersecurity attacks across industries, including ours, are increasing in sophistication and frequency and may range from uncoordinated individual attempts to measures targeted specifically at us. These attacks include but are not limited to, malicious software or viruses, attempts to gain unauthorized access to, or otherwise disrupt, our information systems, attempts to gain unauthorized access to proprietary information, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Cybersecurity failures may be caused by employee error or malfeasance, system errors or vulnerabilities, including vulnerabilities of our vendors, suppliers, and their products. We have been subject to cybersecurity attacks in the past, including breaches of our information technology systems, and may experience them in the future, potentially with more frequency or sophistication. Although we maintain cyber risk insurance, this insurance may not be sufficient to cover all of our losses from any future breaches of our systems. System failures, inadvertent disclosure of client personal information and / or cybersecurity breaches expose us to financial losses, regulatory fines or sanctions and third- party litigation. The degradation or failure of the communications and computer systems on which we rely, due to internal system issues, vendor or other third party issues, cybersecurity attacks or for other reasons, or the significant theft, loss or fraudulent use of client information under any circumstances, may lead to financial losses, litigation or arbitration claims filed by or on behalf of our clients, and regulatory investigations and sanctions against us. These events could also have a negative effect on our reputation, which in turn could cause us to lose existing clients to our competitors or make it more difficult for us to attract new clients in the future. Rapid market or technological changes may render our technology obsolete or decrease the attractiveness of our products and services to our clients. We must continue to enhance and improve our electronic trading platforms. The financial services industry is characterized by significant structural changes, increasingly complex systems and infrastructures, changes in clients' needs and preferences 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: • enhance our existing products and services; • develop and / or license new products and technologies that address the increasingly sophisticated and varied needs of our clients and prospective clients; • continue to attract highly- skilled technology personnel; and • 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. We may use new technologies ineffectively or we may fail to adapt our electronic trading platforms, information databases and network infrastructure to client requirements or emerging industry standards. If we face material delays in introducing new services, products and enhancements, our clients may forego the use of our platforms and use those of our competitors. Further, the adoption of new internet, networking, cloud, telecommunications or blockchain technologies may require us to devote substantial resources to modify and adapt our services. We cannot assure that we will be able to successfully implement new technologies or adapt our proprietary technology and transaction- processing systems to client requirements or emerging industry standards. We cannot assure that we will be able to respond in a timely manner to changing market conditions or client requirements.

Debt Financing and Indebtedness Risks The success of our business depends on us having access to significant liquidity. Our business requires substantial cash to support our operating activities, including ~~in connection with the establishment~~ **establishing** and carrying of substantial open positions for clients on futures exchanges and in the OTC derivatives markets by posting and maintaining margin or credit support for these positions. Although we collect margin or other deposits from our clients for these positions, significant adverse price movements can occur which will require us to post margin or other deposits on short notice, whether or not we are able to collect additional margin or credit support from our clients. We have systems in place to collect margin and other deposits from clients on a same- day basis, however, there can be no assurance that these facilities and systems will be enable us to obtain additional cash on a timely basis. As such, the Company is highly dependent on its lines of credit and other financing facilities in order to fund margin calls and other operating activities and the loss of access to these sources of financing could ~~have a material~~ **materially** ~~adverse~~ **adversely** ~~effect~~ **affect** on our results of operations, financial condition and cash flows. **In addition, tightening of the credit markets could limit our ability to obtain external financing to fund our operations and capital expenditures, if and when needed. For example, Signature Bank was a lender under certain of our facilities, and although we did not experience any adverse impact upon the receivership of Signature Bank, we could experience reduced access to liquidity due to failures of other financial institutions and other parties. If other banks and financial**

institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could substantially and negatively impact our financial condition and ability to do business.

Our significant level of indebtedness could adversely affect our business, financial condition and results of operations. As of September 30, 2022-2023, our total consolidated indebtedness was \$ 824-683.2-1 million, and we may increase our indebtedness in the future as we continue to expand our business. The level of our indebtedness could have material adverse effects on our business, financial condition and results of operations, including: • requiring that an increasing portion of our cash flow from operations be used for the payment of interest on our indebtedness, thereby reducing our ability to use our cash flow to fund working capital, capital expenditures, acquisitions, investments and general corporate requirements; • limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions, investments and general corporate requirements; • limiting our flexibility in planning for, or reacting to, changes in the economy, the markets, regulatory requirements, our operations or business; • increasing the risk of a future downgrade of our credit ratings, which could increase future debt costs; and restricting our ability to borrow additional funds or refinance existing debt as needed or take advantage of business opportunities as they arise. We may incur additional indebtedness in the future, including secured indebtedness. If new indebtedness is added to our current indebtedness levels, the related risks that we now face could increase materially. As of September 30, 2022-2023, \$ 485-341.1-0 million of our borrowings are subject to variable interest rates and as such in periods of rising interest rates, our cost of funds will increase, which could reduce our net income. Committed credit facilities currently available to us might not be renewed. As of September 30, 2022-2023, we had ~~four~~ **five** committed credit facilities under which we could borrow up to \$ 1,000-200.0 million, consisting of: • a \$ 475-500.0 million facility for general working capital requirements, committed until April 21, 2025-2026; • a \$ 75-190.0 million facility for short-term funding of margin to commodity exchanges, committed until ~~March 31~~ **October 29, 2023-2024**; • a \$ 400.0 million committed facility for financing commodity financing arrangements and commodity repurchase agreements, committed until July 28, 2024; ~~and~~ • a \$ 50-100.0 million facility for short-term funding of margin to commodity exchanges, committed until October ~~14-12, 2023-2024~~; ~~and~~ • **a \$ 10.0 million facility for general working capital requirements, committed until September 6, 2024**; It is possible that these facilities might not be renewed at the end of their commitment periods and that we will be unable to replace them with other facilities on terms favorable to us or at all. If our credit facilities are unavailable or are insufficient to support future levels of business activity, our business, financial condition and results of operations may be materially adversely affected. In addition, in such circumstances, we may need to raise additional debt or equity financing on terms that are unattractive or dilutive to our current shareholders. Moreover, if we cannot raise additional funds on acceptable terms, we may not be able to develop or enhance our business, take advantage of future opportunities or respond to competitive pressure or unanticipated requirements, leading to reduced profitability. The agreements governing our notes and other debt contain financial covenants that impose restrictions on our business. The indenture governing our 8.625 % Senior Secured Notes due 2025 and the agreements governing our above-mentioned committed credit facilities impose significant operating and financial restrictions and limit our ability and that of our restricted subsidiaries to incur and guarantee additional indebtedness, pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock and prepay, redeem or repurchase certain debt, among other restrictions. Our failure to comply with these restrictive covenants, as well as others contained in any future debt instruments entered into from time to time, could result in an event of default, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations and result in our being required to repay these borrowings before their maturity. Our inability to generate sufficient cash flow to satisfy our debt obligations, to obtain additional debt or to refinance our obligations on commercially reasonable terms would have a material adverse effect on our business, financial condition and results of operations. Global Regulatory Risks The scope and complexity of the regulation to which we are subject creates significant risks for us. The securities and derivatives industries are subject to extensive regulation under federal, state and foreign laws. In addition, the SEC, the CFTC, FINRA, the MSRB, the FCA, the ~~FSA~~ **Financial Services Authority**, ~~CySEC~~, ~~HROC~~, the ~~OSC~~ **Cyprus Securities and Exchange Commission**, ~~MAS~~ **the Investment Industry Regulatory Organization of Canada**, ~~ASIC~~ **the U. S. Office of Special Counsel**, ~~CIMA~~ **the Monetary Authority of Singapore**, the **Australian Securities and Investments Commission**, the **Cayman Islands Monetary Authority**, the NFA, the CME Group, Inc. and other self-regulatory organizations (commonly referred to as SROs), state securities commissions, and foreign securities regulators require compliance with their respective rules and regulations. These regulations govern a broad and diverse range of our activities, including, without limitation, risk management, disclosures to clients, reporting requirements, client identification and anti-money laundering requirements, safeguarding client assets and personal information and the conduct of our directors, officers and employees. Failure to comply with any of these laws, rules or regulations could result in material adverse effects on our business, results of operations and financial condition, including as a result of regulatory investigations and enforcement proceedings, civil litigation, fines and / or other settlement payments. In addition, changes in existing rules or regulations, including the interpretation thereof, or the adoption of new rules or regulations, could subject us to increased cost and risk of regulatory investigation or civil litigation, on or more of which could have a material adverse effect on our business, financial condition and results of operations. The cost of complying with our regulatory requirements is significant and could increase materially in the future. We have incurred and expect to continue to incur significant costs to comply with our regulatory requirements, including with respect to the development, operation and continued enhancement of our trading platforms and technology solutions relating to trade execution, trade reporting, trade surveillance and transaction monitoring, record keeping and data reporting. New regulations, including amendments of existing rules, could result in material increases in operating costs in order to comply with additional regulatory requirements. We are exposed to significant risk from civil litigation and regulatory enforcement actions against us. As a result of the broad scope of our highly regulated business activities and our large and diverse client population, we are a party to a significant number of lawsuits and regulatory investigations and

proceedings, which are costly and time consuming to defend or address and expose us to risk of loss and fines and penalties. Moreover, the amounts involved in the trades we execute, together with the potential for rapid price movements in the products we offer, can result in potentially large damage claims in any litigation that arises in connection with such trades. In addition, the volume of claims and the amount of damages and fines claimed in litigation and regulatory proceedings against financial services firms has been increasing and may continue to increase. The risks relating to litigation and regulatory investigations and enforcement actions will also increase as our business expands. For a further discussion of litigation risks, see Item 3 — Legal Proceedings below and Note 13- Commitments and Contingencies in the Consolidated Financial Statements. Certain of our subsidiaries are required to maintain significant levels of net capital and if our subsidiaries fail to meet these requirements, we face suspension, expulsion or limitation on our product lines. Our regulated subsidiaries are subject to a number of requirements to maintain specific levels of net capital. Failure to maintain the required net capital may subject our subsidiaries to suspension or revocation of their license or registration or expulsion from regulatory bodies. Any of these developments could have a material adverse effect on our business, results of operations and financial condition. In addition to these net capital requirements, certain of our subsidiaries are subject to the deposit and / or collateral requirements of the clearing houses and exchanges in which such subsidiaries participate. These requirements may fluctuate significantly from time to time based upon the nature and size of client trading activity. Failure to meet such requirements could result in our inability to continue to participate in such clearinghouses and exchanges, which could have a material adverse effect on our business, financial condition and results of operation. Changes in existing net capital rules or the issuance of new rules could restrict our operations or limit our ability to issue dividends or repay debt. Our business depends on the use of capital, most of which is generated and held by our operating subsidiaries. If there are changes to existing net capital rules, or new rules are issued, that require us to hold additional capital at our operating subsidiaries, we may be unable to issue dividends from our subsidiaries to fund our operations or repay our debt, which could have a material adverse effect on our business, financial condition and results of operation. Rapidly evolving regulations regarding data privacy could increase our costs and adversely affect our business. Our business is subject to rules and regulations adopted by state, federal and foreign governments, and regulatory organizations governing data privacy, including, but not limited to for example, the California Consumer Privacy Act (“CCPA”) and the European General Data Protection Regulation (“GDPR”). Additional states, as well as foreign jurisdictions, have enacted or are proposing similar data protection regimes, resulting in a rapidly evolving landscape governing how we collect, use, transfers and protect personal data. These new regulations, as well as changes to existing rules, could result in material increases in operating costs and impact the manner in which our products and services can be offered to our clients. Any failure to comply with the CCPA, GDPR or other applicable data protection regulations could subject us to risk of regulatory investigation, penalties, civil litigation and reputational harm, and could have a material adverse effect on our business, financial condition and results of operation.

International Operations Risks Our international operations involve special challenges that we may not be able to meet, which could adversely affect our business, financial condition and results of operation. We engage in a significant amount of business with clients in markets outside the United States. We face certain additional risks that are inherent in doing business in international markets, particularly in the regulated industries in which we participate. These risks include an inability to manage and coordinate the various regulatory requirements of multiple jurisdictions that are constantly evolving and are also subject to unexpected change, difficulties of debt collection and enforcement of contractual rights in foreign jurisdictions and reduced protection for intellectual property rights. Fluctuations in currency exchange rates could negatively impact our earnings. A significant portion of our international business is conducted in currencies other than the U. S. dollar, and changes in foreign exchange rates relative to the U. S. dollar can therefore affect the value of our non - U. S. dollar net assets, revenues and expenses. Although we closely monitor potential exposures as a result of these fluctuations in currencies and adopt strategies designed to reduce the impact of these fluctuations on our financial results, there can be no assurance that we will be successful in managing our foreign exchange risk and potential movements in the U. S. Dollar-dollar against other currencies could adversely affect our results of operations. Our exposure to currency exchange rate fluctuations will grow if the relative contribution of our operations outside the U. S. increases. Any material fluctuations in currencies could have a material effect on our financial condition, results of operations and cash flows. Our international operations are subject to the political, legal and economic risks associated with politically unstable and less developed regions of the world, including the risk of war and other international conflicts and actions by governmental authorities, insurgent groups, terrorists and others. Our international operations are subject to specific risks that are more likely to arise in politically unstable and less developed regions of the world. We may conduct business in countries that are the subject of actual or threatened war, terrorist activity, outbreaks of pandemic or contagious diseases, such as COVID- 19, political instability, civil strife and other geopolitical uncertainty, economic and financial instability, highly inflationary environment, unexpected changes in regulatory requirements, tariffs and other trade barriers, exchange rate fluctuations, applicable currency controls, the imposition of restrictions on currency conversion or the transfer of funds and difficulties in staffing and managing foreign operations, including reliance on local experts. As a result of these and other factors, the currencies of these countries may be unstable. Future instability in such currencies or the imposition of governmental or regulatory restrictions on such currencies or on business in such countries could impede our foreign business. As we operate or otherwise extend our services in certain jurisdictions without local registration, licensing or authorization, we may be subject to possible enforcement action and sanction for our operations in such jurisdictions if our operations are determined to have violated regulations in those jurisdictions. Further, we may be required to cease operations in one or more of the countries in which we operate without registration, licensing or authorization, or our growth may be limited by newly imposed regulatory or other restrictions. A portion of our trading volume is attributable to clients in jurisdictions in which we or our white label partners are not currently licensed or authorized by the local government or applicable self-regulatory organization. This includes jurisdictions, such as China, from which we derive revenue and profit, and in which the local government has not adopted specific regulations governing the trading of foreign exchange and CFD

products of the types we offer to clients, and jurisdictions in which we operate or otherwise extend our services in reliance on exemptions from the regulatory regime. We determine the nature and extent of services we can offer and the manner in which we conduct our business in the various jurisdictions in which we serve clients based on a variety of factors, including legal advice received from local counsel, our review of applicable U. S. and local laws and regulations and, in some cases, our discussions with local regulators. In cases in which we operate in jurisdictions based on local legal advice and / or cross border in a manner that we believe does not require us to be regulated in a particular jurisdiction, we are exposed to the risk that our legal, regulatory and other analysis is subsequently determined by a local regulatory agency or other authority to be incorrect and that we have not been in compliance with local laws or regulations, including local licensing or authorization requirements, and to the risk that the regulatory environment in a jurisdiction may change, including in a circumstance where laws or regulations or licensing or authorization requirements that previously were not enforced become subject to enforcement. In such jurisdictions in which we are not licensed or authorized, we may be subject to a variety of restrictions regarding the manner in which we conduct our business or serve clients, including restrictions on: • our sales and marketing activities; • the use of a website specifically targeted to potential clients in a particular country; • our ability to have a physical presence in a particular country; or • the types of services we may offer clients physically present in each country. These restrictions may have a material adverse effect on our results of operations and financial condition and / or may limit our ability to grow or continue to operate our business in any such jurisdiction or may result in increased overhead costs or degradation in our services in that jurisdiction. Consequently, we cannot assure you that our operations in jurisdictions where we are not licensed or authorized will continue uninterrupted or that our international expansion plans will be achieved. We may be subject to possible enforcement action and penalties if we are determined to have previously offered, or currently offer, our services in violation of applicable laws and regulations in any of the markets in which we serve clients. In any such case, we may be required to cease the conduct of our business with clients in one or more jurisdictions. We may also determine that compliance with the laws or licensing, authorization or other regulatory requirements for continuing the business in one or more jurisdictions are too onerous to justify making the necessary changes. In addition, any such event could negatively impact our relationship with the regulators or self-regulatory organizations in the jurisdictions where we are subject to regulation. Our operations are required to comply with specific anti-corruption and record-keeping laws and regulations applicable to companies conducting business internationally, and if we violate these laws and regulations, it could adversely affect our business and subject us to broader liability. Our international business operations are subject to various anti-corruption laws and regulations, including restrictions imposed by the Foreign Corrupt Practices Act (the "FCPA") and trade sanctions administered by OFAC. The FCPA is intended to prohibit bribery of foreign officials and requires companies whose securities are listed in the U. S. to keep books and records that accurately and fairly reflect those companies' transactions and to devise and maintain an adequate system of internal accounting controls. OFAC administers and enforces economic and trade sanctions based on U. S. foreign policy and national security goals against designated foreign states, organizations and individuals. Though we have policies in place designed to comply with applicable OFAC sanctions, rules and regulations as well as the FCPA and equivalent laws and rules of other jurisdictions, including the UK Bribery Act 2010, there can be no assurance that, in the future, the operations of our businesses will not violate these laws and regulations, and we could be exposed to claims for damages, financial penalties, reputational harm, incarceration of employees and restrictions on our operations and cash flows. The U. K.'s withdrawal from the European Union could have an adverse effect on our business and financial results. On January 31, 2020, the U. K. withdrew from membership in the E. U., which exit, referred to as Brexit, has caused disruptions to, and created uncertainty surrounding, our business in the U. K. and E. U., including the elimination of our historical right to serve clients in the E. U. from the U. K. on a passport basis and changes to U. K. and E. U. immigration policy, limiting our access to and ability to compete for and hire, skilled employees in both the U. K. and the E. U. Brexit could also impact our existing and future relationships with suppliers and employees in the U. K. and E. U. by disrupting the free movement of goods, services, and people between the U. K., the E. U., and elsewhere. As a result, Brexit could have an adverse effect on our future business, financial results and operations. The long-term impact of the U. K.'s revised **agreement** with the E. U. and others is unclear. Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U. K. determines which E. U. laws to replace or replicate. Further, uncertainty around these and related issues could lead to adverse effects on the economy of the U. K. and the other economies in which we operate. There can be no assurance that any or all of these events will not have a material adverse effect on our business, financial results and operations.

Competition Risk We are subject to intense competition. We derive a significant portion of our revenues from market-making and trading activities involving securities, commodities and foreign exchange. The market for these services, particularly market-making services through electronic platforms, is rapidly evolving and intensely competitive. We expect competition to continue and increase in the future. We compete primarily with wholesale, national and regional broker-dealers and FCMs, as well as electronic communications networks and retail brokers. We compete primarily on the basis of our expertise and quality of service. We also derive a significant portion of our revenues from commodities risk management services. The commodity risk management industry is very competitive and we expect competition to continue to intensify in the future. Our primary competitors in this industry include both large, diversified financial institutions and commodity-oriented businesses, smaller firms that focus on specific products or regional markets and independent FCMs. A number of our competitors have significantly greater financial, technical, marketing and other resources than we have. Some of them: • offer alternative forms of financial intermediation as a result of superior technology and greater availability of information; • offer a wider range of services and products than we offer; • are larger and better capitalized; • have greater name recognition; and • have more extensive client bases. These competitors may be able to respond more quickly to new or evolving opportunities and client requirements. They may also be able to undertake more extensive promotional activities and offer more attractive terms to clients. Alternatively, some of our competitors are smaller, subject to lower capital requirements, and may be able to adopt and implement emerging technologies

more quickly. Recent advances in computing and communications technology are substantially changing the means by which market-making and brokerage services are delivered, including more direct access on-line to a wide variety of services and information. This has created demand for more sophisticated levels of client service. Providing these services may entail considerable cost without an offsetting increase in revenues. In addition, current and potential competitors have established or may establish cooperative relationships or may consolidate to enhance their services and products. New competitors or alliances among competitors may emerge and they may acquire significant market share. We cannot assure you that we will be able to compete effectively with current or future competitors or that the competitive pressures we face will not have a material adverse effect on our business, results of operation and financial condition.

Organizational Risks Our growth has depended significantly on acquisitions. A large proportion of our historical growth has been achieved through acquisitions of complementary businesses, technologies or services. Our operating revenues grew from \$ 975-1,106.8-1 million in fiscal 2018-2019 to \$ 2,107.914.4-1 million in fiscal 2022-2023 principally as a result of several acquisitions. We cannot provide any assurances that we will be able to engage in additional suitable acquisitions on attractive terms or at all, or that we would be able to obtain financing for future transactions. If we are not able to enter into additional transactions, our growth may be adversely affected. There are numerous significant risks associated with acquisitions and our failure to adequately manage these risks could lead to financial loss and a failure to realize the benefits of the transactions. There are a number of significant challenges that need to be overcome in order to realize the benefits of acquisitions, including:

- integrating the management teams, strategies, cultures, technologies and operations of the acquired companies;
- retaining and assimilating the key personnel of acquired companies;
- retaining existing clients of the acquired companies;
- creating uniform standards, controls, procedures, policies and information systems; and
- achieving revenue growth.

If these risks are not appropriately managed, we may fail to realize the anticipated benefits of such acquisitions or incur unanticipated liabilities, any of which could materially affect our business, financial condition and operating results. In addition, in connection with our acquisitions, we may be required to issue common stock, which would dilute our existing shareholders, or incur additional debt, which would increase our operating costs and potentially strain our liquidity. Moreover, acquisitions could lead to increases in amortization expenses, impairments of goodwill and purchased long-lived assets or restructuring charges, any of which could materially harm our financial condition or results. Acquisitions give rise to unforeseen issues. Acquisitions involve considerable risk, including the potential disruption of each company's ongoing business and the distraction of their respective management teams, unanticipated expenses and unforeseen liabilities. Our failure to address these risks or other problems encountered in connection with acquisitions could cause us to fail to realize the anticipated benefits of such acquisitions or incur unanticipated liabilities, any of which could adversely affect our business, financial condition and operating results. 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 non-recurring write-offs, such as of acquired in-process research and development costs, and restructuring charges. We depend on our ability to attract and retain key personnel. Competition for key personnel and other highly qualified management, sales, trading, compliance and technical personnel is significant. It is possible that we will be unable to retain our key personnel and to attract, assimilate or retain other highly qualified personnel in the future. The loss of the services of any of our key personnel or the inability to identify, hire, train and retain other qualified personnel in the future could have a material adverse effect on our business, financial condition and operating results. From time to time, other companies in the financial sector have experienced losses of sales and trading professionals. The level of competition to attract these professionals is intense. It is possible that we will lose professionals due to increased competition or other factors in the future. The loss of a sales and trading professional, particularly a senior professional with broad industry expertise, could have a material adverse effect on our business, financial condition and operating results. Certain provisions of Delaware law and our charter may adversely affect the rights of holders of our common stock and make a takeover of us more difficult. We are organized under the laws of the State of Delaware. Certain provisions of Delaware law may have the effect of delaying or preventing a change in control. In addition, certain provisions of our certificate of incorporation may have anti-takeover effects and may delay, defer or prevent a takeover attempt that a stockholder might consider in its best interest. Our certificate of incorporation authorizes the board to determine the terms of our unissued series of preferred stock and to fix the number of shares of any series of preferred stock without any vote or action by our stockholders. As a result, the board can authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of our common stock. In addition, the issuance of preferred stock may have the effect of delaying or preventing a change of control, because the rights given to the holders of a series of preferred stock may prohibit a merger, reorganization, sale, liquidation or other extraordinary corporate transaction.