



2025

Annual Report

BINAH CAPITAL GROUP
Annual Report 2025
Letter to Shareholders

To Our Shareholders,

As we complete our first full year as a publicly traded company, I'm delighted to share with you our progress in 2025 and our strategy to harness and capture continued growth in 2026 and the years ahead. We are excited about our accomplishments, and see them as proof points that at Binah, we are truly building the future business model for wealth management services.

First, I want to recognize the meaningful contributions of our team members who enabled us to produce strong growth in the past year. We're pleased to have approximately 1,600 financial advisors, for whom our multi-clearing, multi-custodial platform offers the choice, flexibility and built-in risk mitigation they need to provide exceptional client service and successfully scale their businesses. As we continue to attract more groups of dedicated financial advisors in the future, building on our national footprint of more than 1,600 financial advisors across the US at year-end 2025, we see clear signs that Binah's culture of transparency and independence resonates firmly with them.

Second, we are grateful that, with the best-in-class resources and leading-edge expertise, technology and support we provide, the productivity of our associates, both current and new, grew strongly in 2025, driving our client assets to approximately \$30.0 billion, about an 11% increase from the prior year. This is a commendable achievement, and I'll share more details about that below.

Third, I want to thank our shareholders who have put their trust in our company. We believe our plan to grow and develop Binah Capital Group will drive innovation across the wealth management space and enhance the value of the company for everyone.

Where We Started

With this letter, I'd like to lay the foundation for what brought Binah Capital Group to the public markets and a little of our transformation since then. Our goal in becoming a publicly-traded wealth management platform was to offer deeper transparency and flexibility to financial advisors and registered investment advisors (RIAs) seeking the right environment to support their growth, a goal which we share. Our hybrid-friendly model and strategically developed platform underscore our leadership in flexible affiliation, with deep clearing and custodial relationships.

Today, Binah Capital Group supports more than \$400 billion in affiliated assets across a diversified wealth management platform that includes four broker-dealers: PKS Investments, PKS Securities, Cabot Lodge Securities, and World Equity Group, alongside Corporate RIAs and insurance affiliates. Together, these entities deliver full-service brokerage, hybrid RIA capabilities, and a boutique alternatives practice, with meaningful capacity to add value.

We bring Wall Street experience to address the challenges that RIAs and financial advisors face, and we have developed a strong track record for seamless transitioning of business along with a robust, best-in-class platform and the infrastructure needed for growth. We cultivate a sense of partnership with our advisor base, offering cutting-edge solutions to support their clients appropriately within the culture of a long-term relationship-oriented firm.

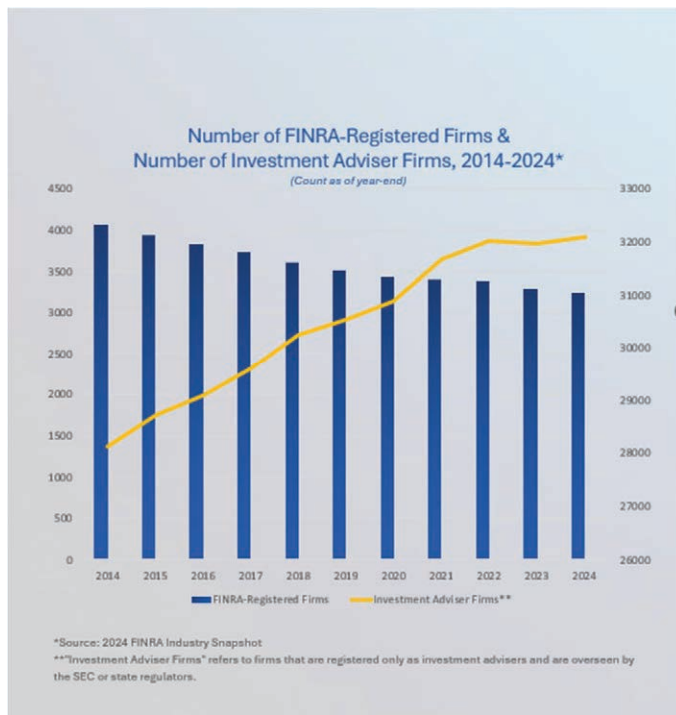
What Makes Us Different: Our Strategy and Culture

The wealth management space is undergoing seismic changes as the US population ages, financial assets become more meaningful, complexity and competition continue to increase and the advisor base itself ages.

To align with the evolution in our market, our business philosophy is:

- **Intentional:** Multi-brand, multi-clearing and multi-custodial, to deliver optimal support across distinct business models serving a diverse client base
- **Transformative:** Delivering value through an innovative, hybrid-friendly model responsive to the specific needs of financial advisors and clients
- **Sophisticated:** Invests in tools, resources, and technologies that equip advisors to expertly navigate the evolving wealth management landscape

This approach has fostered our appeal to the fast-growing RIA segment, and today, about 350 different RIAs use our platform for commission-based business. Independent models like RIAs and hybrid RIAs are capturing record levels of business from wire houses. Industry observers expect advised relationships in the U.S. wealth management industry to grow by 28% to 34% by 2034¹.



Moreover, financial planning has become more complex, with frequent tax law changes, which requires comprehensive service capabilities to support both brokerage and advisory accounts. Lastly, the demographic changes in the US population are mirrored in the advisor base, creating succession challenges that are better addressed by firms like Binah Capital that cultivate long-term relationships with clients and can facilitate succession planning within their networks for advisors seeking to retire.

Executing on That Strategy in 2026

Our efforts to continue to build and evolve our portfolio of wealth management services and attract more advisors continue apace this year. We are confident that the constant changes in the marketplace, in addition to the demographic trends we are seeing, will benefit us as the partner of choice for more independent advisors and RIAs, as levels of M&A, especially for strategic roll-ups, continue to increase in our business.

We intend to deploy a range of strategic actions this year to foster and cultivate growth opportunities, both organically and through M&A. That includes innovative product development along with attractive service offerings and tangible lifecycle processes that reflect our value-add approach. Engaging more intentionally with our advisors will also further partnership growth opportunities and advisor onboarding. And we are always seeking to improve our efficiency and enhance the agility of our systems and operations to serve our advisors and their customers.

To that end, we also anticipate using our influence within the industry to advocate for even more transparency and customer-friendly approaches in our business. We take our client commitments seriously, and we endeavor to ensure that our public voice embraces the values that are important to us and to our clients.

Highlights As A Publicly-Traded Company

Amid the rapidly changing and sometimes challenging financial markets, Binah made important progress in late 2024 and 2025 to strengthen and further develop our company. This included:

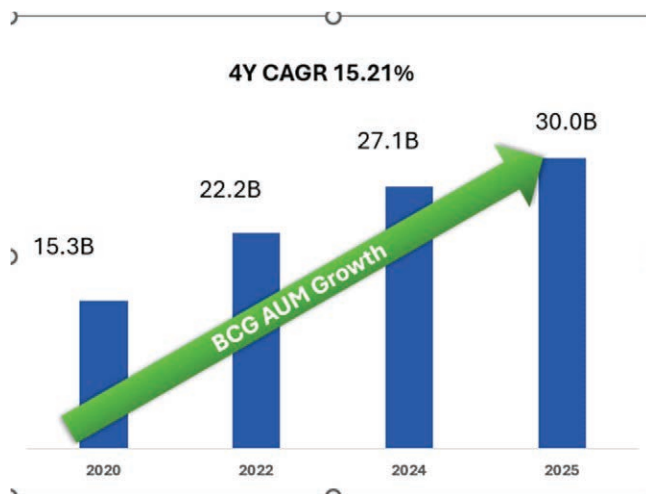
- A former Commonwealth Financial Network advisory group, recently acquired by Merit Financial Advisors (Merit), announced that it would utilize PKS Investments as its broker-dealer. The Chicago-based team represents about \$1.2 billion in client assets.
- PKS was also selected by Bleakley Investments, an RIA with more than \$10 billion in assets under management, as its broker dealer for hybrid advisory services.
- Concurrent Advisors, a group of 100 registered representatives with \$9 billion in assets, also chose PKS as its broker-dealer.
- Binah appointed industry veteran Ryan Marcus Chief Business Development and Engagement Officer, as we focus on enhancing our unified value proposition and driving sustainable growth including through new products and services.
- Redesigned the Binah logo and brand to unify the company and its subsidiaries and create more connectivity among its operations

Along the way, Binah and its subsidiaries continue to win accolades from industry groups and publications for our achievements and our approach to driving innovation in wealth management. We're grateful for this recognition, as it affirms our dedication to client service.

2025 Financial Performance

For the full year 2025, Binah recorded revenues of \$187 million, an 11% increase from 2024. We exhibited steady growth over the course of the year, closing out our fourth quarter with revenues at \$51 million, a 13% increase from the same quarter in 2024.

We also demonstrated strong growth in assets under management, ending 2025 with a record \$30 billion in total assets under management, up 11% on a year over year basis, and producing compound growth over the past four years of 15.2%.



Gross profit for the full year 2025 was \$37 million, a 15% increase from 2024. We also made excellent progress in managing our operating expenses, lowering total operating expenses to \$33 million in 2025, a 6% reduction from the prior year, which primarily reflected non-recurring costs related to the consummation of the business combination.

We are pleased with these results for our first full year as a public company. While we are not yet at a size and scale to provide guidance, we are intent on continuing our growth trajectory in a sustainable manner.

Moving Forward

We expect that 2026 will be another exciting year for Binah as we strive to continue our growth, especially with our unified visual presentation, and we look forward to sharing updates and developments with our investors. We appreciate your confidence in us and commit to continuing to being transparent about our operations and goals.

Sincerely,

Craig Gould, Chairman and Chief Executive Officer



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-41991

Binah Capital Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

80 State Street, Albany, NY

(Address of principal executive offices)

88-3276689

(I.R.S. Employer
Identification No.)

12207

(Zip Code)

(212) 404-7002

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	BCG	The Nasdaq Stock Market LLC
Warrants, each exercisable for one share of Common Stock at an exercise price of \$11.50 per share	BCGWW	The Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act:

None

(Title of Class)

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2025, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately \$34.2 million (based on the closing price of the registrant's common stock (\$2.06) on that date as reported on the Nasdaq Stock Market LLC).

On March 31, 2026, there were 16,716,000 shares of common stock, \$0.0001 par value per share ("common stock"), issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

DOCUMENT

Selected Portions of Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders (the "Proxy Statement"), which will be filed by the registrant on or prior to 120 days following the end of the registrant's year ended December 31, 2025, pursuant to Regulation 14A.

PART OF FORM 10-K

III

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements included in this Annual Report on Form 10-K (the “Annual Report”) contain statements that are forward-looking and as such are not historical facts. These forward-looking statements are based on Binah Capital Group, Inc.’s (the “Company”) management’s current expectations, estimates, projections and beliefs, as well as a number of assumptions concerning future events, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Annual Report, words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words or phrases, may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The following factors among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- our ability to comply with supervisory and regulatory compliance obligations;
- the risk we may be held liable for misconduct by their advisors;
- poor performance of our investment products and services;
- our ability to effectively maintain and enhance our brand and reputation;
- our ability to expand and retain our customer base;
- our future capital requirements and sources and uses of cash;
- our ability to attract and retain key personnel;
- our ability to protect the proprietary information of customers and networks against security breaches and protect and enforce intellectual property rights;
- our reliance on third parties;
- the risk that an increase in government regulation of the industries and markets in which we operate could negatively impact our business;
- the cost of defending, settling and remediating issues related to regulatory matters or legal proceedings, including civil monetary penalties or actual costs of reimbursing customers for losses in excess of our reserves or insurance;
- Economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability, could harm our financial condition and results of operations.
- Volatile or recessionary conditions in the United States or abroad could adversely affect our business and/or our access to capital markets in a material manner.
- the risk that the market price of our securities may decline;
- changes in applicable Laws or regulations; and
- the risk that we may be adversely affected by other economic, business, and/or competitive factors.

While forward-looking statements reflect the Company's good faith belief, they are not guarantees of future performance. For a further discussion of these and other factors that could cause the Company's future results, performance or transactions to differ significantly from those expressed in any forward-looking statement, please see the section titled "*Item 1A. Risk Factors*" in this Annual Report. You should not place undue reliance on any forward-looking statements, which are based only on information currently available to the Company (or to third parties making the forward-looking statements).

The forward-looking statements contained in this Annual Report are based on current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. These forward-looking statements involve a number of risks, uncertainties, some of which are beyond the Company's control, or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in this Annual Report in the section titled "*Item 1A. Risk Factors*." Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Accordingly, forward-looking statements in this Annual Report should not be relied upon as representing the Company's views as of any subsequent date, and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

PART I

ITEM 1. BUSINESS

The Company

Binah Capital Group, Inc. is a Delaware corporation with its corporate headquarters located at 80 State Street, Albany, NY 12207, telephone number (212) 404-7002, Internet website address www.binahcap.com. Our Internet website and content contained therein or connected thereto are not intended to incorporate into this Annual Report. References to “Binah,” the “Company,” “we,” “our” and “us” and similar terms mean Binah Capital Group, Inc. and its subsidiaries following the completion of the Business Combination (as defined below), unless the context otherwise requires.

The Business Combination

On March 15, 2024 (the “Closing Date”), the Company consummated the transactions contemplated by that certain Agreement and Plan of Merger, dated July 7, 2022 (as amended, the “Business Combination Agreement” and the consummation of such contemplated transactions, the “Closing”), by and among Kingswood Acquisition Corp, a Delaware corporation (“KWAC”), the Company, Kingswood Merger Sub, Inc., a Delaware corporation (“Kingswood Merger Sub”), Wentworth Merger Sub, LLC, a Delaware limited liability company (“Wentworth Merger Sub”), and Wentworth Management Services LLC, a Delaware limited liability company (“Wentworth”). Pursuant to the Business Combination Agreement, on the Closing Date, Kingswood Merger Sub merged with and into KWAC (the “Kingswood Merger”), with KWAC surviving the Kingswood Merger as a wholly-owned subsidiary of the Company (the “Kingswood Surviving Company”). Simultaneously with the Kingswood Merger, Wentworth Merger Sub merged with and into Wentworth (the “Wentworth Merger”), with Wentworth surviving the Wentworth Merger as a wholly-owned subsidiary of the Company (the “Surviving Company”). Following the Wentworth Merger, Kingswood Surviving Company acquired, and the Company contributed to Kingswood Surviving Company all of the common units of the Surviving Company directly held by the Company after the Wentworth Merger (the “Holdings Contribution”), such that, following the Holdings Contribution, Surviving Company became a wholly-owned subsidiary of the Kingswood Surviving Company (the Kingswood Merger and the Wentworth Merger, together with the other transactions contemplated by the Merger Agreement, the “Business Combination”).

During the year ended December 31, 2024, KWAC’s name was changed to Binah Capital Corp. (“Binah”) and Wentworth began to operate under a dba Binah Management Services (“BMS”). The names Binah and BMS will be used throughout.

Business Overview

The Company is a leading platform provider for retail wealth management businesses that owns and operates ten entities, four of which are broker-dealers, three of which are registered investment advisors, and three of which are insurance entities, that have over 1,600 registered individuals working within the financial services industries.

The Company focuses on three critical areas comprised of the hybrid, independent and W2 business models to allow affiliated advisors to choose the operating model that works best for them and run their practices on their own terms. The Company’s platform adds to its flexibility by providing a variety of custody and clearing firm options to accommodate the unique business needs of advisors.

The Company believes it will be a natural destination for financial advisors and assets in motion by strategically positioning itself as the hybrid broker-dealer of choice, with top clearing and custodial relationships and strategic partnerships. With a track record of building a platform capable of significant scale along with strategic initiatives to drive its growth via access to public capital, Binah’s features include:

- A national wealth management platform supporting more than 1,600 individuals working within the financial services industries
- Tech-enabled capabilities that allows for seamless integration and provides advisors with end-to-end services enhancing efficiency

- Open architecture that offers access to an array of solutions for advisors and their clients via expanded product offerings and shared services
- A highly attractive financial model that is expected to experience organic growth, highly recurring revenues and expanding margins

Each of our independent advisory and brokerage firms provides full support services to its financial advisors, including access to stock, bond, exchange-traded fund (“*ETF*”) and options execution; products such as insurance, mutual funds, alternative investments such as non-traded real estate investment trusts, unit trusts and fixed and variable annuities; and research, compliance, supervision, accounting and related services.

Our independent advisory and brokerage firms offer various accounts, some of which are managed by our financial advisors, and others that are managed by third parties. The advisor managed accounts offer various account structures, including fee-based and “wrap fee” accounts. For financial advisors who prefer not to act as portfolio managers, third-party management options are available. These options employ managers who select diversified, fee-based asset management investment portfolios based on a client’s needs and risk profile. The types of portfolios may include separately managed portfolios, multi-managed accounts, and mutual fund and ETF model portfolios. These portfolios may also include portfolio analytics, performance reporting and position-specific reporting.

Corporate Structure

Founded in March 2016 as a limited liability company under the Delaware Limited Liability Company Act, BMS, through four wholly-owned registered broker dealer subsidiaries and their affiliated entities, provides investment management services to clients via three advisor business models:

Hybrid Business Model: The Purshe Kaplan Sterling Entities

PKS Holdings, LLC (“*PKSH*”) is headquartered in Albany, New York with branch offices throughout the United States of America, more than 1,300 registered individuals working within the financial services industries, and includes the following entities (the “*PKSH Entities*”):

- Purshe Kaplan Sterling Investments, Inc. (“*PKSP*”), incorporated in the State of New York, is an independent broker-dealer registered with the Securities and Exchange Commission (“*SEC*”) and is a member of the Financial Industry Regulatory Authority (“*FINRA*”) and the Securities Investors Protection Corporation (“*SIPC*”).
- PKS Advisory Services, LLC (“*PKSA*”), a New York limited liability company, is an independent investment advisory firm, registered with the SEC, which provides advisory services to clients.
- PKS Financial Services, Inc. (dba, Binah Capital Insurance, “*PKSF*” or “*BCI*”), incorporated in the State of New York, is an insurance entity providing financial services to clients.
- Representatives Indemnity Company, Inc. (“*Repco*”), incorporated in the British Virgin Islands, holds a general business insurance license for the purpose of providing professional liability insurance coverage for affiliated BMS entities.

PKSI operates under a Hybrid Business Model, which allows our independent registered representatives to maintain registration with our broker-dealer in order to continue to offer commission-based products alongside their registration to an outside registered investment advisor to provide fee-based asset management services. The flexibility of the Hybrid Business Model allows investment advisors to keep their fee-based asset management advisory business while executing their more traditional commission-based business through our broker-dealer.

PKSI is one of the leaders in the Hybrid Business Model with over 500 different registered investment advisors that have advisors registered with PKSI. We are currently expanding the PKSI model into both World Equity Group and Cabot Lodge Securities to offer greater custody and clearing options to our advisors. Pursuant to the Hybrid Business Model, an independent financial advisor becomes affiliated with one of our independent brokerage firms. The independent financial advisor generally establishes his or her own office

and is solely responsible for the payment of all expenses associated with the operation of the branch office (including rent, utilities, furniture, equipment, quotation systems, employee wages and benefits and general office supplies). A significant percentage of a branch's commission-based revenues from securities brokerage transactions conducted through our brokerage firms accrue to the independent financial advisor. Because an independent financial advisor's fee-based asset management advisory business is outside of our corporate registered investment advisor, they run and manage all aspects of their own registered investment advisor and collect all fees related to those services. This compares with a payout rate of approximately 30% to 50% to financial advisors working in a traditional wirehouse brokerage setting where the brokerage firm bears substantially all of the sales force costs, including providing employee benefits, office space, sales assistants, telephone service and supplies.

The Hybrid Business Model permits our independent brokerage firm subsidiaries to expand their revenue base and retail distribution network of investment products and services without either the capital expenditures that would be required to open company-owned offices, or the additional administrative and other costs of hiring financial advisors as in-house employees.

An independent financial advisor must possess a sufficient level of business experience to enable the individual to independently operate his or her own office. These independent financial advisors have the ability to structure their own practices and to focus in different areas of the investment business, subject to supervisory procedures as well as compliance with all applicable regulatory requirements.

Independent Business Model: the Cabot Lodge Entities and the World Equity Group

Cabot Lodge Securities LLC ("**CLS**") maintains offices and branch offices throughout the United States of America, more than 100 registered advisors, and includes the following entities (the "**Cabot Entities**"):

- CLS, a Delaware limited liability company, is a broker-dealer registered with the SEC and is a member of FINRA and SIPC.
- CL Wealth Management LLC ("**CLWM**"), a Virginia limited liability company, is an investment advisory firm, registered with the SEC and provides advisory services to clients.
- Wentworth Financial Partners LLC (dba, Binah Financial Partners "**WFP**" or "**BFP**") (f/k/a CL General Agency), a Delaware limited liability company, is an insurance entity providing financial services to clients.

World Equity Group, Inc. ("**WEG**"), incorporated in the State of Illinois, is registered as a broker-dealer and investment advisor with the SEC and is a member of FINRA and SIPC. WEG maintains offices in Schaumburg, Illinois and has branch offices throughout the United States of America.

The Cabot Entities and WEG operate primarily an Independent Business Model, which allows our independent broker-dealers to affiliate with our brokerage firms as independent contractors to offer commission-based products as well as fee-based asset management services to their client through our Registered Investment Advisors ("**RIAs**"). Pursuant to the Independent Business Model, an independent broker-dealer becomes affiliated with one of our independent brokerage firms as an independent contractor. The independent broker-dealer generally establishes his or her own office and is solely responsible for the payment of most of the expenses associated with the operation of the branch office (including rent, utilities, furniture, equipment, quotation systems, employee wages and benefits and general office supplies). A large percentage of a branch's commission-based revenues from securities brokerage transactions conducted through our brokerage firms accrue to the independent broker-dealer, and a large percentage of the fee-based revenue for asset management services provided by our corporate RIAs accrue to the independent broker-dealer.

W2 Business Model

In addition to the Hybrid Business Model, the PKSH Entities operate under a W2 Business Model, which allows our independent broker-dealers to affiliate with our brokerage firms as employees to offer commission-based products through our brokerage firms as well as fee-based asset management services through our RIAs. Pursuant to the W2 Business Model, the independent broker-dealer joins one of our established branch offices and BMS is responsible for the payment of substantially all of the expenses associated with the operation of the branch office (including rent, utilities, furniture, equipment, quotation systems, employee wages and benefits and general office supplies). The independent broker-dealer is a commission based on a smaller percentage of a branch's commission-based revenues from securities brokerage transactions conducted through our brokerage firms, and the fee-based revenue for asset management services provided by our corporate RIAs.

Competition

The wealth management industry is highly competitive. We compete for opportunities and the professionals in our network compete for clients, advisers and other personnel, with public and privately held investment advisers, traditional brokerage firms and wirehouses, firms associated with securities broker-dealers, financial institutions, private equity firms, asset managers and insurance companies, many of whom have greater resources than we do.

Many of our competitors have significantly greater financial, technical, marketing and other resources than we do. Also, many firms offer discount brokerage services and generally effect transactions at substantially lower commission rates on an “execution only” basis. Moreover, there is substantial commission discounting by full-service brokerage firms competing for institutional and retail brokerage business.

A growing number of brokerage firms offer online trading and web-based financial services, usually with lower levels of service, which has further intensified the competition for retail brokerage customers. Our brokerage firm subsidiaries currently do not offer any online trading services to their customers, although they offer online account access so their customers can review their account balances and activity.

Competition also is increasing from other financial institutions, notably banking institutions, insurance companies and other organizations, which offer customers some of the same services and products presently provided by securities firms. We seek to compete through the quality of our financial advisors, our level of service, the products and services we offer and our expertise in certain areas.

To grow our business and compete effectively we must be able to maintain our existing community and attract additional opportunities. Traditionally, we have competed on the basis of:

- increasing revenue through enhanced advisor recruitment efforts, expanded product offerings, strategic scale opportunities (M&A)
- expanding margins through new product offerings on existing platforms, shared services, and improved operational efficiencies across our broker dealer network
- increasing organizational scale via lift-out acquisitions, consolidation of other firms onto our existing platform, expanded partner networks and improved brand recognition
- building out our tech stack and scaling through additional technology products

Competitive Advantage

Our organizational structure differentiates us from our competitors. Our network enables highly qualified professionals to run their businesses efficiently and effectively through end-to-end resources and support, including:

- Clearing capabilities through major clearing and custodial firms
- Ability to maintain their identity and enhance their brand
- Flexibility to choose independent or corporate registered investment advisors
- Knowledge and services sharing across the community
- Seamless integration
- Enterprise relationships

Growth Strategy

As advisors and assets under management continue to migrate from traditional wirehouse brokerage and commission-based platforms to hybrid and independent models, we believe we are well-positioned to expand our existing network and to grow through acquisitions.

Growth of Existing Network

We seek to enhance the competitive position of the professionals in our network by connecting our members with the intellectual expertise, resources and value-added services of our network. The Company intends to grow by supporting its members' growth through tactical, operational and strategic initiatives, as well as through the members' own acquisitions.

Pipeline Acquisitions

We continue to scale as firms consolidate into the BMS network and we add advisors via lift-out pipeline acquisitions. We leverage management's existing relationships and experience to continue to identify and integrate partner and promote the BMS brand to the market.

Regulatory Environment

Most of the organizations and professionals in our network are subject to extensive regulation. Our broker-dealer subsidiaries are subject to regulation by the SEC and by FINRA. RIAs are subject to regulation by the SEC under the Advisers Act and by the U.S. Department of Labor (the "**DOL**") under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). Several organizations may also be subject to regulation by state regulators for insurance and other aspects of their activities.

Registered investment advisors are subject to numerous obligations, including fiduciary duties, compliance and disclosure obligations, recordkeeping requirements and operational requirements. Certain of our organizations sponsor unregistered and registered funds in the United States. These activities subject those firms to additional regulatory requirements in those jurisdictions. In addition, many state securities commissions impose filing requirements on investment advisers that operate or have places of business in their states. Similarly, many states require certain client facing employees of RIAs and FINRA-registered broker-dealers to become state licensed.

Broker-dealers and their personnel are regulated, to a large extent, by the SEC and self-regulatory organizations, principally FINRA. In addition, state regulators have supervisory authority over broker-dealer activities conducted in their states. Broker-dealers are subject to regulations which cover virtually all aspects of their business, including sales practices, trading practices, use and safekeeping of clients' funds and securities, recordkeeping and the conduct of directors, officers, employees and representatives. Broker-dealers are also subject to net capital rules that mandate that they maintain certain levels of capital.

Certain organizations have licensed insurance affiliates. State insurance laws grant state insurance regulators broad administrative powers. These supervisory agencies regulate many aspects of the insurance business, including the licensing of insurance brokers and agents and other insurance intermediaries, and trade practices such as marketing, advertising and compensation arrangements entered into by insurance brokers and agents.

Our organizations are also subject to regulation by the DOL under ERISA and related regulations with respect to investment advisory and management services provided to participants in retirement plans covered by ERISA and subject to regulation by the Internal Revenue Service ("**IRS**") with respect to individual retirement accounts ("**IRAs**") pursuant to comparable provisions within the Internal Revenue Code ("**IRC**"). Among other requirements, ERISA and the IRC imposes duties on persons who are fiduciaries under ERISA and the IRC, respectively, and prohibit certain transactions involving related parties.

Additionally, we and our organizations are subject to various state, federal data privacy and cybersecurity laws designed to protect client and employee personally identifiable information. These laws and regulations are increasing in complexity and number, which has resulted in greater compliance risk and cost for us. The unauthorized access, use, theft or destruction of client or employee personal, financial or other data could expose us to potential financial penalties and legal liability.

Human Capital

As of December 31, 2025, the Company's workforce was comprised of approximately 150 employees and substantially all employees are salaried. A significant portion of our workforce is comprised of compliance, operations, finance and other administrative personnel. None of our employees are represented by a labor union. Effective January 1, 2025, BMS entered into Management Services Agreement's ("MSA") with its operating subsidiaries whereby BMS will provide personnel and payroll management services to the Company. In accordance with the MSA, expenses related to payroll and benefits are allocated to the operating subsidiaries. The allocation of the compensation and benefits is based upon the specific personnel assigned to the operating subsidiaries as well as other personnel providing services to the operating subsidiaries. The allocation methodology includes a direct allocation for personnel assigned to the respective operating subsidiaries and additional allocation for certain personnel based upon various factors including job responsibilities and estimated amount of time associated with each operating subsidiary.

We desire to offer a competitive total compensation offering to our employees that includes not only compensation but benefits and other programs. Our compensation is performance based and competitive based upon the geographies in which we operate. We strive to provide equality of pay to ensure our compensation programs are fair and equitable across the Company.

We offer an array of benefits intended to meet the needs of our employees and their eligible dependents. We offer comprehensive benefits to all full-time employees and part-time employees working at least 30 hours per week. Our health and welfare benefits include, among other things: medical coverage; dental and vision coverage; healthcare and dependent-care flexible spending accounts; Health Savings Accounts; accident and critical illness coverage; life and accidental death and dismemberment insurance; and short-term and long-term disability insurance.

As a company focused on growth, talent drives the success of the Company. We are focused on attracting and retaining our employees. To attract a diverse pool of talent, we are in the marketplace and utilize various methods of recruiting to provide for a diverse and dedicated group of employees. The Company's senior executives receive a portion of their total compensation in Company equity and subject to a cap, we match the contribution of all our employees to our retirement savings plan.

Material Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as well as proxy and information statements and other information that we file, are available free of charge through our Internet website as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the SEC. Our Internet website and the content contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K. The SEC maintains an Internet website at www.sec.gov, which also contains reports, proxy and information statements and other information that we file electronically with the SEC. We routinely post important information on our website, www.binahcap.com. We also may use our website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document.

Copies of the Company's Annual Report on Form 10-K for the year ended December 31, 2025 may also be obtained by stockholders without charge upon written request to: Binah Capital Group Inc., 80 State Street, Albany, NY 12207, ATTN: Investor Relations.

ITEM 1A. RISK FACTORS

Risk Factor Summary

Our business is subject to risks and uncertainties, including those risks and uncertainties discussed at-length below, that could cause our actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, the following:

Business and Industry Risks

- Advisors are generally not direct employees, creating supervisory and compliance oversight difficulties in a decentralized operating environment
- Difficult to detect and deter advisor misconduct including unsuitable recommendations, fraud, unauthorized trading, and misuse of confidential information
- Poor performance of recommended products or competitive pricing pressures could lead to client attrition and revenue loss
- As a relatively new market entrant, maintaining brand awareness and reputation is critical; negative publicity could diminish customer confidence
- Business profitability directly affected by securities market performance, trading volumes, geopolitical tensions, and economic downturns
- May require additional capital to support growth; future financing may not be available on acceptable terms and could result in shareholder dilution or restrictive covenants
- Success depends on retaining senior management, technical employees, and highly skilled personnel in a competitive labor market
- Subject to customer complaints, regulatory investigations, and litigation that could result in significant damages, operational changes, and reputational harm

Regulatory and Compliance Risks

- Broker-dealer subsidiaries subject to extensive regulation, periodic examinations, and potential sanctions including fines, censure, or suspension
- Subsidiaries must maintain minimum net capital levels; failure could result in activity limitations, suspension, or liquidation
- Reliance on third-party clearing brokers for transaction processing; termination of clearing agreements could disrupt business operations
- Legislative or regulatory changes could reclassify advisors as employees, significantly increasing operating costs
- May be subject to Truth-in-Lending Act and similar laws; non-compliance could result in fines and sanctions
- Changes to tax laws, regulations, or interpretations could materially affect financial condition and operations
- Violations of the Foreign Corrupt Practices Act (“FCPA”), USA PATRIOT Act, and similar laws could result in severe penalties, suspension, or debarment

Data Privacy and Cybersecurity Risks

- Security incidents could expose confidential customer information, resulting in regulatory investigations, fines, litigation, and reputational damage
- Subject to CCPA and numerous other data privacy laws; non-compliance could result in fines, penalties, and private litigation
- Website and systems may contain errors, bugs, or vulnerabilities subject to cyber attacks, malware, ransomware, or denial-of-service attacks
- Third parties may scrape or misappropriate data through website scraping, robots, or copycat websites
- System failures, performance issues, or availability problems could harm reputation, impair operations, and result in customer loss
- Regulators may limit expansion, implementation, or require disclosure of proprietary technology to competitors

Public Company and Securities Market Risks

- The market price of our common stock and warrants may fluctuate significantly based on operating performance, analyst reports, sales by insiders, market conditions, and other factors
- Our management team has limited experience managing a public company, which could divert attention from day-to-day operations
- The lack of analyst coverage or negative analyst reports could adversely impact stock price and trading volume
- Our status as a public company subjects us to additional laws, regulations, and listing standards, imposing significant costs and diverting management attention
- We are a “smaller reporting company” and we cannot be certain of the reduced disclosure requirements applicable to smaller reporting companies will make our common stock less attractive to investors.

Risks Related to Our Business and Industry

Several risks are inherent in the independent broker-dealer business model.

Compared to wirehouses and other employee models, our advisors are not typically our direct employees. We generally offer advisors wider choice in operating their businesses with regard to product offerings, outside business activities, office technology and supervisory models. Our approach may make it more challenging for us to comply with our supervisory and regulatory compliance obligations, particularly in light of our de-centralized operations and the complexity of certain advisor business models.

Misconduct and errors by our advisors could be difficult for us to detect and could result in violations of law by us, regulatory sanctions, or serious reputational or financial harm. Although we have designed policies and procedures to comply with applicable laws, rules, regulations and interpretations, we cannot always prevent or detect misconduct and errors by our advisors, and the precautions we take to prevent and detect these activities may not be effective in all cases. Prevention and detection among our advisors, who are typically not our direct employees and some of whom tend to be located in small, decentralized offices, present additional challenges, particularly in the case of complex products or supervision of outside business activities. We also cannot assure that misconduct or errors by our employees or advisors will not lead to a material adverse effect on our business, or that our errors and omissions insurance will be sufficient to cover such misconduct or errors.

Misconduct by our advisors, who operate in a decentralized environment, is difficult to detect and deter and could harm our business, reputation, results of operations or financial condition.

Even though our advisors are typically not our direct employees, we may be held liable for their misconduct that results in violations of law, regulatory sanctions and/or serious reputational or financial harm. Misconduct could include:

- recommending transactions that are not suitable for the client or in the client's best interests;
- engaging in fraudulent or otherwise improper activity;
- binding us to transactions that exceed authorized limits;
- hiding unauthorized or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- improperly using or disclosing confidential information;
- failure, whether negligent or intentional, to effect securities transactions on behalf of clients;
- failure to perform reasonable diligence on a security, product or strategy;
- failure to supervise a financial advisor;
- failure to provide insurance carriers with complete and accurate information;
- engaging in unauthorized or excessive trading to the detriment of clients;
- engaging in improper transactions with clients; or
- otherwise not complying with laws or our control procedures.

We cannot always deter misconduct by our advisors, and the precautions we take to prevent and detect this activity may not be effective in all cases. Also, our failure to properly investigate new and existing advisors may subject us to additional risks and liabilities.

Poor performance of the investment products and services recommended or sold to our clients or competitive pressures on pricing of such products and services may have a material adverse effect on our business.

Our advisors' clients control their assets maintained with us. These clients can terminate their relationships, reduce the aggregate amount of assets under management or shift their funds to other types of accounts with different rate structures for any number of reasons, including investment performance, changes in prevailing interest rates, financial market performance, competitive pricing and personal client liquidity needs. Poor performance of the investment products and services recommended or sold to such clients relative to the performance of other products available in the market or the performance of other investment management firms tends to result in the loss of accounts. Competitive pricing, including from robo-advisors and higher deposit rates on cash deposits, could adversely impact our business. The decrease in revenue that could result from such an event could have a material adverse effect on our results of operations.

Maintaining and enhancing our brand and reputation is critical to our growth, and if we are unable to maintain and enhance our brand, our business, results of operations and financial condition could be adversely affected.

Several competitors have brands that are well recognized. As a relatively new entrant into the digital market, we spend considerable capital to create brand awareness and build our reputation. We may not be able to build brand awareness, and our efforts at building, maintaining, and enhancing our reputation could fail. Complaints or negative publicity about our business practices, our marketing and advertising campaigns, our compliance with applicable laws and regulations, the integrity of the data that we provide to consumers, data privacy and security issues, and other aspects of our business, whether valid or not, could diminish confidence in our brand, which could adversely affect our reputation and business. As we expand our product offerings and enter new markets, we need to establish our reputation with new customers, and to the extent we are not successful in creating positive impressions, our business in these newer markets could be adversely affected. There can be no assurance that we will be able to maintain or enhance our reputation, and failure to do so could materially adversely affect our business, results of operations and financial condition. If we are unable to maintain or enhance consumer awareness of our brand cost-effectively, our business, results of operations and financial condition could be materially adversely affected.

Our subsidiaries are broker-dealers registered with the SEC and members of FINRA, and therefore are subject to extensive regulation and scrutiny.

Certain of our subsidiaries facilitate transactions in shares and fractionalized shares of publicly-traded stock and exchange-traded funds through a third-party clearing and carrying brokers. Our subsidiaries are registered with the SEC as broker-dealers under the Exchange Act and are members of FINRA. Therefore, our subsidiaries are subject to regulation, examination, and supervision by the SEC, FINRA, and state securities regulators. The regulations applicable to broker-dealers cover all aspects of the securities business, including sales practices, use and safekeeping of clients' funds and securities, capital adequacy, record-keeping, and the conduct and qualification of officers, employees, and independent contractors. As part of the regulatory process, broker-dealers are subject to periodic examinations by their regulators, the purpose of which is to determine compliance with securities laws and regulations, and from time to time may be subject to additional routine and for-cause examinations. It is not uncommon for regulators to assert, upon completion of an examination, that the broker-dealer being examined has violated certain of these rules and regulations. Depending on the nature and extent of the violations, the broker-dealer may be required to pay a fine and/or be subject to other forms of disciplinary and corrective action. Additionally, the adverse publicity arising from the imposition of sanctions could harm our reputation and cause us to lose existing customers or fail to gain new customers.

The SEC, FINRA, and state securities regulators have the authority to bring administrative or judicial proceedings against broker-dealers, whether arising out of examinations or otherwise, for violations of state and federal securities laws. Administrative sanctions can include cease-and-desist orders, censure, fines, and disgorgement and may even result in the suspension or expulsion of the firm from the securities industry. Similar sanctions may be imposed upon officers, directors, representatives, and employees.

Our subsidiaries have adopted, and regularly review and update, various policies, controls, and procedures designed for compliance with their regulatory obligations. However, appropriately addressing our subsidiaries regulatory obligations is complex and difficult and our reputation could be damaged if we fail, or appear to fail, to appropriately address them. Failure to adhere to these policies and procedures may also result in regulatory sanctions or litigation against us. Our subsidiaries also rely on various third parties to provide services, including managing and executing customer orders, and failure of these third parties to adequately perform these services may negatively

impact customer experience, product performance, and our reputation and may also result in regulatory sanctions or litigation against us or our subsidiaries.

In the event of any regulatory action or scrutiny, we or our subsidiaries could also be required to make changes to our business practices or compliance programs. In addition, any perceived or actual breach of compliance by our subsidiaries with respect to applicable laws, rules, and regulations could have a significant impact on our reputation, could cause us to lose existing customers, prevent us from obtaining new customers, require us to expend significant funds to remedy problems caused by breaches and to avert further breaches, and expose us to legal risk, including litigation against us, and potential liability.

Our subsidiaries are subject to net capital and other regulatory capital requirements; failure to comply with these rules could harm our business.

Our subsidiaries are subject to the net capital requirements of the SEC and FINRA. These requirements typically specify the minimum level of net capital a broker-dealer must maintain and also mandate that a significant part of their assets be kept in relatively liquid form. Failure to maintain the required net capital may subject a firm to limitation of its activities, including suspension or revocation of its registration by the SEC and suspension or expulsion by FINRA, and ultimately may require its liquidation. Currently, our subsidiaries have relatively low net capital requirements, because they do not hold customer funds or securities, but instead facilitate the transmission and delivery of those funds. However, a change in the net capital rules, a change in how our subsidiaries handle or hold customer assets, or the imposition of new rules affecting the scope, coverage, calculation, or amount of net capital requirements could have adverse effects. Finally, our subsidiaries are subject to such net capital requirements, we may be required to inject additional capital into our subsidiaries from time to time and as such, we may have liability and/or our larger business may be affected by any of these outcomes.

It is possible that FINRA will require changes to our business practices based on the ownership of our subsidiaries, which could impose additional costs or disrupt our business.

In certain cases, FINRA has required unregistered affiliates of broker-dealers to comply with additional regulatory requirements, including, among others, handling all securities or other financial transactions through the affiliated broker-dealer or conforming all marketing and advertising materials to the requirements applicable to broker-dealers. We do not currently believe that these types of requirements apply to any aspect of our business other than the securities transactions facilitated through our subsidiaries. It is possible that, in the future, FINRA could require us to comply with additional regulations in the conduct of other activities (i.e., beyond the securities transactions made through our subsidiaries). If that were to occur, it could require significant changes to our business practices. These and other changes would impose significantly greater costs on us and disrupt existing practices in ways that could negatively affect our overarching business and profitability.

We rely on clearing brokers and the termination of our clearing agreements could disrupt our business.

Each of our four broker-dealer subsidiaries depends on the operational capacity and ability of its clearing broker for the orderly processing of transactions. By engaging the processing services of a clearing firm, each of our broker-dealer subsidiaries is exempt from some capital reserve requirements and other regulatory requirements imposed by federal and state securities laws. If these clearing agreements were terminated for any reason, we would be forced to find alternative clearing arrangements and could have an impact on our business.

We cannot assure you that we would be able to find alternative clearing arrangements on acceptable terms to us or at all. Also, the loss of a clearing firm could hamper the ability of our subsidiaries to recruit and retain their respective independent financial advisors.

Our business may be harmed by global events beyond our control, including overall slowdowns in securities trading.

Like other brokerage and financial services firms, our business and profitability are directly affected by elements that are beyond our control, such as economic and political conditions, broad trends in business and finance, changes in volume of securities and futures transactions, changes in the markets in which such transactions occur and changes in how such transactions are processed. A weakness in securities markets, such as a slowdown causing reduction in trading volume in U.S. or foreign securities and derivatives, has historically resulted in reduced transaction revenues and would have a material adverse effect on our business, financial condition, and results of operations.

We are currently operating in a period of economic uncertainty and geopolitical instability. Our business, financial condition and results of operations could be materially adversely affected by any negative impact on the global economy and capital markets resulting from military conflicts or any other geopolitical tensions.

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions in multiple regions of the world. Recently, international relations between the U.S. and Russia, certain Middle Eastern nations as well as certain other countries, has been strained, and they may continue to deteriorate further. Although the length and impact of the ongoing military conflicts are highly unpredictable, the conflicts could lead to market disruptions, including significant volatility in energy and other commodity prices, credit and capital markets, as well as supply chain interruptions. Additionally, these and any other military actions and any resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets.

We may require additional capital to grow our business, which may not be available on terms acceptable to us or at all.

To the extent that our present capital is insufficient to meet future operating requirements or to cover losses, we may need to raise additional funds through financings or curtail our projected growth. Many factors will affect our capital needs as well as their amount and timing, including our growth and profitability, as well as market disruptions and other developments.

Historically, we have funded our operations, marketing expenditures and capital expenditures primarily through earnings. We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans and operating performance and the condition of the capital markets at the time we seek financing.

If we raise additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to those of common stock, and our existing stockholders may experience dilution. Any debt financing secured by us in the future could require that a substantial portion of our operating cash flow be devoted to the payment of interest and principal on such indebtedness, which may decrease available funds for other business activities, and could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities.

If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth, maintain minimum amounts of capital and to respond to business challenges could be significantly limited, and our business, results of operations and financial condition could be adversely affected.

We rely on the experience and expertise of our senior management team, key technical employees, and other highly skilled personnel.

Our success depends upon the continued service of our senior management team, highly specialized experts, and key technical employees, as well as our ability to continue to attract and retain additional highly qualified personnel. Our future success depends on our continuing ability to identify, hire, develop, motivate, retain, and integrate highly skilled personnel for all areas of our organization. If we are unable to attract the requisite personnel, our business and prospects may be adversely affected. Our founder, executive officers, key technical personnel, and other employees could terminate his or her relationship with us at any time. The loss of our founder or any other member of our senior management team or key personnel may significantly delay or prevent the achievement of our strategic business objectives and could harm our business. Competition in our industry for qualified employees is intense. Our compensation arrangements, such as our equity award programs, may not always be successful in attracting new employees and retaining and motivating our existing employees. Moreover, if and when the stock options or other equity awards are substantially vested, employees under such equity arrangements may be more likely to leave, particularly when the underlying shares have seen a value appreciation.

Legal, Regulatory or Compliance Risks

Legislative, judicial, or regulatory changes to the classification of independent contractors could increase our operating expenses.

From time to time, various legislative or regulatory proposals are introduced at the federal or state levels to change the status of independent contractors' classification to employees for either employment tax purposes (withholding, social security, Medicare and unemployment taxes) or other benefits available to employees. Most of our advisors are classified as independent contractors for all purposes, including employment tax and employee benefit purposes. We cannot assure you that legislative, judicial, or regulatory

(including tax) authorities will not introduce proposals or assert interpretations of existing rules and regulations that would change the employee/independent contractor classification of these firms' financial advisors. The costs associated with potential changes, if any, to these independent contractor classifications could have a material adverse effect on us, including our results of operations and financial condition.

We collect, process, store, share, disclose and use customer information and other data, and our actual or perceived failure to protect such information and data, respect customers' privacy or comply with data privacy and security laws and regulations could damage our reputation and brand and harm our business and operating results.

Use of our technology involves the storage and transmission of information, including personal information, in relation to our staff, contractors, business partners and current, past, or potential customers. Security breaches, including by hackers or insiders, could expose confidential information, which could result in potential regulatory investigations, fines, penalties, compliance orders, liability, litigation, and remediation costs, as well as reputational harm, any of which could materially adversely affect our business and financial results. Further, outside parties may attempt to fraudulently induce employees or customers to disclose sensitive information in order to gain access to our information or customers' information. Any of these incidents could result in an investigation by a competent regulator, resulting in a fine or penalty, or an order to implement specific compliance measures. It could also trigger claims by affected third parties. While we use encryption and authentication technology licensed from third parties designed to effect secure transmission of such information, we cannot guarantee the security of the transfer and storage of personal information.

Any or all of the issues above could adversely affect our ability to attract new customers or retain existing customers, or subject us to governmental or third-party lawsuits, investigations, regulatory fines or other actions or liability, resulting in a material adverse effect to our business, results of operations and financial condition.

There are numerous existing and proposed federal, state, and local laws in the United States and around the world regarding privacy and the collection, processing, storing, sharing, disclosing, using, cross-border transfer, and the protection of personal information and other data. The scope of these existing and proposed laws are changing, subject to differing interpretations, may be costly to comply with, and may be inconsistent between countries and jurisdictions or conflict with other rules. These laws include the California Consumer Privacy Act of 2018 (the "CCPA"), which became effective on January 1, 2020. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used. The CCPA provides civil penalties for violations, as well as a private right of action and statutory damages for data breaches that are expected to increase data breach litigation. The CCPA may increase our compliance costs and potential liability.

Any failure or perceived failure to comply with these rules may result in regulatory fines or penalties including orders that require us to change the way we process data (including by way of our algorithms). In the event of a data breach, we are also subject to breach notification laws in the jurisdictions in which we operate, including U.S. state laws, and the risk of litigation and regulatory enforcement actions.

Additionally, we are subject to the terms of our privacy policies and privacy-related obligations to third parties. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to customers or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of sensitive information, which could include personally identifiable information or other user data, may result in governmental or regulatory investigations, enforcement actions, regulatory fines, compliance orders, litigation or public statements against us by consumer advocacy groups or others, and could cause customers to lose trust in us, all of which could be costly and have an adverse effect on our business. In addition, new and changed rules and regulations regarding privacy, data protection of customer information could cause us to delay planned uses and disclosures of data to comply with applicable privacy and data protection requirements. Moreover, if third parties that we work with violate applicable laws or our policies, such violations also may put personal information at risk, which may result in increased regulatory scrutiny and have a material adverse effect to our reputation, business, and operating results.

Regulators may limit our ability to expand or implement and/or may eliminate or restrict the confidentiality of our proprietary technology, which could have a material adverse effect on our financial condition and results of operations.

Our future success depends on our ability to continue to expand and implement our proprietary product. Changes to existing regulations, their interpretation or implementation, or new regulations could impede our use of this technology or require that we disclose our

proprietary technology to our competitors, which could impair our competitive position and result in a material adverse effect on our business, results of operations and financial condition.

Litigation and legal proceedings filed by or against us and our subsidiaries could have a material adverse effect on our business, results of operations and financial condition.

Litigation and other proceedings may include, but are not limited to, complaints from or litigation by customers or reinsurers, related to alleged breaches of contract or otherwise. As our market share increases, competitors may pursue litigation to require us to change our business practices or offerings and limit our ability to compete effectively. We continually face risks associated with litigation of various types arising in the normal course of our business operations, including disputes relating to general commercial and corporate litigation. We are not currently involved in any material litigation with our customers, consumers, or affinity partners. We cannot predict with any certainty whether we will be involved in such litigation in the future or what impact such litigation would have on our business. If we were to be involved in litigation and it was determined adversely, it could require us to pay significant damage amounts or to change aspects of our operations, either of which could have a material adverse effect on our financial results. Even claims without merit can be time-consuming and costly to defend and may divert management's attention and resources away from our business and adversely affect our business, results of operations and financial condition. Additionally, routine lawsuits over claims that are not individually material could in the future become material if aggregated with a substantial number of similar lawsuits. In addition to increasing costs, a significant volume of customer complaints or litigation could adversely affect our brand and reputation, regardless of whether such allegations are valid or whether we are liable. We cannot predict with certainty the costs of defense, the costs of prosecution, insurance coverage or the ultimate outcome of litigation or other proceedings filed by or against us, including remedies or damage awards, and adverse results in such litigation, and other proceedings may harm our business and financial condition.

Our insurance coverage may be expensive, and losses we incur may exceed the limits of our insurance coverage, or may not be covered at all.

We are subject to claims in the ordinary course of business. These claims may involve substantial amounts of money and involve significant defense costs. It is not always possible to prevent or detect activities giving rise to claims, and the precautions we take may not be effective in all cases. We maintain voluntary and required insurance coverage, including, among others, general liability, property, director and officer, excess Securities Investor Protection Corporation, business interruption, cyber and data breach, error and omission and fidelity bond insurance. We have self-insurance for certain potential liabilities through REPCO, a wholly-owned captive insurance subsidiary. While we endeavor to self-insure and purchase coverage that is appropriate based on our assessment of our risk, we are unable to predict with certainty the frequency, nature or magnitude of claims for direct or consequential damages. Assessing the probability of a loss occurring and the timing and amount of any loss related to a regulatory matter or a legal proceeding is inherently difficult, and there are particular uncertainties and complexities involved when assessing the adequacy of loss reserves for potential liabilities that are self-insured by our captive insurance subsidiary. The availability of coverage depends on the nature of the claim and the adequacy of reserves, which in turn depends in part on historical claims experience, including the actual timing and costs of resolving matters that begin in one policy period and are resolved in a subsequent period. Further to the difficulties noted above regarding assessing the probability of a loss occurring and the timing and amount of any loss related to a regulatory matter or a legal proceeding, such assessment requires complex judgments, which may include the procedural status of the matter and any recent developments; prior experience and the experience of others in similar matters; the size and nature of potential exposures; available defenses; the progress of fact discovery; the opinions of counsel and experts; potential opportunities for settlement and the status of any settlement discussions; as well as the potential for insurance coverage and indemnification, if available. In addition, certain types of potential claims for damages cannot be insured. Our business may be negatively affected if in the future unforeseen circumstances cause us to exceed the limits of our insurance coverage or some or all of our insurance proves to be unavailable to cover our liabilities related to legal or regulatory matters. Such negative consequences could include additional expense and financial loss, which could be significant in amount. In addition, insurance claims may harm our reputation or divert management resources away from operating our business.

We may be subject to certain industry regulations, including the Truth-in-Lending Act.

Our business may require compliance with certain regulatory regimes, including some applicable to consumer lending. In particular, the laws which our business may be subject to directly or indirectly include the Truth-in-Lending Act, and its implementing Regulation Z, and similar state laws, which require certain disclosures to borrowers regarding the terms and conditions of their loans and credit transactions. Non-compliance with the Truth-in-Lending Act or other laws and regulations could result in fines, sanctions, or other adverse consequences.

Changes in applicable tax laws, regulations or administrative interpretations thereof may materially adversely affect our financial condition, results of operations and cash flows.

We could be adversely affected by changes in applicable tax laws, regulations, or administrative interpretations thereof. For example, the U.S. federal tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “**TCJA**”), enacted in December 2017, resulted in fundamental changes to the Internal Revenue Code (“Code”), including, among many other things, a reduction to the federal corporate income tax rate, a limitation on the deductibility of business interest expense, a limitation on the deductibility of certain director and officer compensation expense, limitations on the use of net operating loss carrybacks and carryovers and changes relating to the scope and timing of U.S. taxation on earnings from international business operations. Subsequent legislation, the Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”), enacted on March 27, 2020, relaxed certain of the limitations imposed by the TCJA for certain taxable years, including the limitation on the use and carryback of net operating losses and the limitation on the deductibility of business interest expense. The exact impact of the TCJA and the CARES Act for future years is difficult to quantify, but these changes could materially adversely affect holders of our common stock. In addition, on August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022, which among other things, imposes a 1% excise tax on the fair market value of stock repurchased by “covered corporations” beginning in 2023. Other changes could be enacted in the future to increase the corporate tax rate, limit further the deductibility of interest or effect other changes that could have a material adverse effect on our business, results of operations and financial condition. Such changes could also include increases in state taxes and other changes to state tax laws to replenish state and local government finances depleted by costs attributable to the COVID-19 pandemic and the accompanying economic downturn.

In addition, our effective tax rate and tax liability are based on the application of current income tax laws, regulations, and treaties. These laws, regulations and treaties are complex, and the manner in which they apply to the Company and its diverse set of business arrangements is often open to interpretation. Significant management judgment is required in determining the Company’s provision for income taxes, its deferred tax assets and liabilities and any valuation allowance recorded against its net deferred tax assets. The tax authorities could challenge our interpretation of laws, regulations, and treaties, resulting in additional tax liability or adjustment to its income tax provision that could increase its effective tax rate. Changes to tax laws may also adversely affect our ability to attract and retain key personnel.

Failure to comply with anti-corruption and anti-money laundering laws, including the FCPA and similar laws associated with our activities outside of the United States, could subject us to penalties and other adverse consequences.

We operate a global business and may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We are subject to the Foreign Corrupt Practices Act, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act, and possibly other anti-bribery and anti-money laundering laws in countries in which we conduct activities. These laws that prohibit companies and their employees and third-party intermediaries from corruptly promising, authorizing, offering, or providing, directly or indirectly, improper payments or anything of value to foreign government officials, political parties, and private-sector recipients for the purpose of obtaining or retaining business, directing business to any person, or securing any advantage. In addition, U.S. public companies are required to maintain records that accurately and fairly represent their transactions and have an adequate system of internal accounting controls. In many foreign countries, including countries in which we may conduct business, it may be a local custom that businesses engage in practices that are prohibited by the FCPA or other applicable laws and regulations. We face significant risks if we or any of our directors, officers, employees, agents or other parties or representatives fail to comply with these laws and governmental authorities in the United States and elsewhere could seek to impose substantial civil and/or criminal fines and penalties which could have a material adverse effect on our business, reputation, results of operations and financial condition.

We have begun to implement an anti-corruption compliance program and policies, procedures and training designed to foster compliance with these laws; however, our employees, contractors, and agents, and companies to which we outsource some of our business operations, may take actions in violation of our policies or applicable law. Any such violation could have an adverse effect on our reputation, business, operating results and prospects.

Any violation of the FCPA, other applicable anti-corruption laws, or anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal, or civil sanctions and, in the case of the FCPA, suspension or debarment from U.S. government contracts, any of which could have a materially adverse effect on our reputation, business, operating results, and prospects. In addition, responding to any enforcement action may result in a significant diversion of management’s attention and resources and significant defense costs and other professional fees.

Risks Relating to Cybersecurity and Technology

Security incidents or real or perceived errors, failures or bugs in our systems or our website could impair our operations, result in loss of personal customer information, damage our reputation, and brand, and harm our business and operating results.

Our continued success is dependent on our systems, applications, and software continuing to operate and to meet the changing needs of our customers and users. We rely on our technology and engineering staff and vendors to successfully implement changes to and maintain our systems and services in an efficient and secure manner. Like all information systems and technology, our website may contain material errors, failures, vulnerabilities or bugs, particularly when new features or capabilities are released, and may be subject to computer viruses or malicious code, break-ins, phishing impersonation attacks, attempts to overload our servers with denial-of-service or other attacks, ransomware and similar incidents or disruptions from unauthorized use of our computer systems, as well as unintentional incidents causing data leakage, any of which could lead to interruptions, delays or website or online app shutdowns, or could cause loss of critical data or the unauthorized disclosure, access, acquisition, alteration or use of personal or other confidential information.

If we experience compromises to our security that result in technology performance, integrity, or availability problems, the complete shutdown of our website or the loss or unauthorized disclosure, access, acquisition, alteration or use of confidential information, customers may lose trust and confidence in us, and customers may decrease the use of our website or stop using our website entirely. Because the techniques used to obtain unauthorized access, disable, or degrade service, or sabotage systems change frequently, often they are not recognized until launched against a target, and may originate from less regulated and remote areas around the world, we may be unable to proactively address these techniques or to implement adequate preventative measures. Even if we take steps that we believe are adequate to protect us from cyber threats, hacking against our competitors or other companies could create the perception among our customers or potential customers that our website is not safe to use.

A significant impact on the performance, reliability, security, and availability of our systems, software, or services may harm our reputation, impair our ability to operate, retain existing customers or attract new customers, and expose us to legal claims and government action, each of which could have a material adverse impact on our financial condition, results of operations, and growth prospects.

We may be unable to prevent or address the misappropriation of our data.

From time to time, third parties may misappropriate our data through website scraping, robots or other means and aggregate this data on their websites with data from other companies. In addition, copycat websites or online apps may misappropriate data and attempt to imitate our brand or the functionality of our website. If we become aware of such websites or online apps, we intend to employ technological or legal measures in an attempt to halt their operations. However, we may be unable to detect all such websites or online apps in a timely manner and, even if we could, technological and legal measures may be insufficient to halt their operations. In some cases, particularly in the case of websites or online apps operating outside of the United States, our available remedies may not be adequate to protect us against the effect of the operation of such websites or online apps. Regardless of whether we can successfully enforce our rights against the operators of these websites or online apps, any measures that we may take could require us to expend significant financial or other resources, which could harm our business, results of operations or financial condition. In addition, to the extent that such activity creates confusion among consumers or advertisers, our brand and business could be harmed.

Risks Related to Being a Public Company

The market price and trading volume of our common stock and warrants may be highly volatile and could decline significantly.

Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our common stock and warrants in spite of our operating performance. We cannot assure you that the market price of our common stock and warrants will not fluctuate widely or decline significantly in the future in response to a number of factors, including any of the risks presented under this section entitled “*Item 1A. Risk Factors*” or presented elsewhere in this proxy statement/prospectus, and, among others, the following:

- our operating and financial performance, quarterly or annual earnings relative to similar companies;
- publication of research reports or news stories about us, our competitors or our industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;

- the public's reaction to our press-releases, other public announcements and filings with the SEC;
- announcements by us or our competitors of acquisitions, business plans or commercial relationships;
- any major change in the Company Board or senior management;
- sales of our common stock by us, our directors, executive officers, principal shareholders;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- short sales, hedging and other derivative transactions in our common stock;
- exposure to capital market risks related to changes in interest rates, realized investment losses, credit spreads, equity prices, foreign exchange rates and performance of insurance-linked investments;
- our creditworthiness, financial condition, performance and prospects;
- our dividend policy and whether dividends on our common stock have been, and are likely to be, declared and paid from time to time;
- perceptions of the investment opportunity associated with our common stock relative to other investment alternatives;
- regulatory or legal developments;
- changes in general market, economic, and political conditions, such as inflationary pressures, rising interest rates, potential recession, local and national elections, fuel prices, international currency fluctuations, corruption, political instability and acts of war or terrorism;
- conditions or trends in our industry, geographies or customers;
- changes in accounting standards, policies, guidance, interpretations, or principles; and
- threatened or actual litigation or government investigations.

In addition, broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance, and factors beyond our control may cause our stock price to decline rapidly and unexpectedly. In addition, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could have a material adverse effect on our business, financial condition, results of operations or prospects. Any adverse determination in litigation could also subject us to significant liabilities.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and Nasdaq in particular have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to us could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not

successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, results of operations and financial condition.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our shares or if our results of operations do not meet their expectations, our share price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about the Company or its business. We do not have any control over these analysts. Securities and industry analysts do not currently, and may never, publish research on us. If no securities or industry analysts commence coverage of us, the trading price of our shares would likely be negatively impacted. In the event securities or industry analysts-initiated coverage, and one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our share price could decline.

As a public company, we will become subject to additional laws, regulations, and stock exchange listing standards, which will impose additional costs on us and may strain our resources and divert our management's attention.

As a company with publicly traded securities, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the Nasdaq and other applicable securities laws and regulations. These rules and regulations require that we adopt additional controls and procedures and disclosure, corporate governance and other practices thereby significantly increasing our legal, financial, and other compliance costs. These new obligations will also make other aspects of our business more difficult, time-consuming, or costly and increase demand on our personnel, systems, and other resources. For example, to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we will need to commit significant resources, hire additional staff, and provide additional management oversight. Furthermore, as a result of disclosure of information in this proxy statement/ prospectus and in our Exchange Act and other filings required of a public company, our business and financial condition will become more visible, which we believe may give some of our competitors who may not be similarly required to disclose this type of information a competitive advantage. In addition to these added costs and burdens, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of the Company's common stock, fines, sanctions, other regulatory actions, and civil litigation, any of which could negatively affect the price of the Company's common stock.

Our Amended and Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware, or the federal district courts within the State of Delaware if the Court of Chancery does not have jurisdiction, will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. These exclusive-forum provisions do not apply to claims under the Securities Act or the Exchange Act.

Our Amended and Restated Certificate of Incorporation (the "Charter") provides that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum, to the fullest extent permitted by law, for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents or our stockholders, (3) any action asserting a claim against us or any director or officer arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL"), (4) any action to interpret, apply, enforce or determine the validity of our Charter or bylaws, or (5) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware or federal court located within the State of Delaware if the Court of Chancery does not have jurisdiction, in all cases subject to the court's having jurisdiction over indispensable parties named as defendants. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act, and accordingly, both state and federal courts have jurisdiction to entertain such Securities Act claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, unless the Company consents in writing to the selection of an alternate forum, the federal courts will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The Company's Charter will not address or apply to claims that arise under the Exchange Act; however, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought

to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation and bylaws has been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our Charter and Bylaws to be inapplicable or unenforceable in such action.

Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. Alternatively, if a court were to find the choice of forum provision contained in our Charter and bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, and operating results. Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to this exclusive forum provision but will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

A significant portion of our total outstanding shares of our common stock are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

At Closing, the Company entered into Lock-Up Agreements with certain holders, pursuant to, and on the terms and conditions of which, subject to certain exceptions, such holders shall not transfer or make any announcement of any intention to affect a transfer of any of the equity interests of securities of the Company beneficially owned by the holder during the applicable lock-up period.

Following the applicable expiration of the lock-up period, the holders subject to Lock-Up Agreements will not be restricted from selling shares of our common stock held by them, other than by applicable securities laws. As such, sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

As restrictions on resale end and registration statements for the sale of shares of our common stock by the parties to the registration rights agreement are available for use, the sale or possibility of sale of these shares of our common stock, could have the effect of increasing the volatility in the market price of our common stock, or decreasing the market price itself.

Our quarterly operating results and other operating metrics may fluctuate from quarter to quarter, which makes these metrics difficult to predict.

Our quarterly operating results and other operating metrics have fluctuated in the past and may continue to fluctuate from quarter to quarter. As a result, you should not rely on our past quarterly operating results as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving markets. Our financial condition and operating results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

- our ability to maintain and attract new customers;
- the continued development and upgrading of our technology platform;
- the timing and success of new product, service, feature, and content introductions by us or our competitors or any other change in the competitive landscape of our market;
- pricing pressure as a result of competition or otherwise;
- increases in marketing, sales, and other operating expenses that we may incur to grow and expand our operations and to remain competitive;
- the diversification and growth of our revenue sources;

- our ability to maintain gross margins and operating margins;
- system failures or breaches of security or privacy;
- adverse litigation judgments, settlements, or other litigation-related costs, including content costs for past use;
- changes in the legislative or regulatory environment, including with respect to insurance and consumer product regulations;
- changes in our effective tax rate;
- changes in accounting standards, policies, guidance, interpretations, or principles; and
- changes in business or macroeconomic conditions, including lower consumer confidence, recessionary conditions, increased unemployment rates, or stagnant or declining wages.

Any one of the factors above or the cumulative effect of some of the factors above may result in significant fluctuations in our operating results.

The variability and unpredictability of our quarterly operating results or other operating metrics could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to revenue or other operating results for a particular period. If we fail to meet or exceed such expectations, the market price of our common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

Failure to establish and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and stock price.

As a public company, we operate in an increasingly demanding regulatory environment, which requires us to comply with the Sarbanes-Oxley Act, and the related rules and regulations of the SEC, expanded disclosure requirements, accelerated reporting requirements and more complex accounting rules. Company responsibilities required by the Sarbanes-Oxley Act include establishing and maintaining corporate oversight and adequate internal control over financial reporting and disclosure controls and procedures. Effective internal control is necessary for us to provide reliable, timely financial reports and prevent fraud.

Our testing of our internal controls, or the testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that we would be required to remediate in a timely manner to be able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act each year. If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner each year, we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources and could adversely affect the market price of our shares of common stock. Furthermore, if we cannot provide reliable financial reports or prevent fraud, our business and results of operations could be harmed and investors could lose confidence in our reported financial information.

We are a “smaller reporting company” and the reduced public company reporting and disclosure requirements applicable to smaller reporting companies may make our common stock less attractive to investors.

We currently qualify as “smaller reporting company,” as defined in the Exchange Act. For as long as we continue to be a smaller reporting company, we may choose to take advantage of certain exemptions from various reporting requirements or scaled disclosure requirements applicable to other public companies but not to smaller reporting companies, which includes, among other things:

- being permitted to have only two years of audited financial statements and only two years of management discussion and analysis of financial condition and results of operations disclosure;
- an exemption from the auditor attestation requirements under Section 404(b) of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”);

- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (“PCAOB”) regarding mandatory audit firm rotation;
- reduced disclosure obligations regarding executive compensation, among other things, in our periodic reports and proxy statements; and
- exemptions from the requirements of holding non-binding stockholder votes on executive compensation arrangements and stockholder approval of any golden parachute payments not previously approved.

We will continue to be “smaller reporting company” if, as of the last business day of our most recently completed second quarter, (i) our public float is less than \$250 million, or (ii) our annual revenues for the recently completed fiscal year are less than \$100 million and we either have no public float or a public float of less than \$700 million.

As a result of the foregoing, the information we provide may be different than the information that is available with respect to other public companies. We cannot predict if investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive, there may be a less active trading market for our common stock and our stock price may be more volatile.

The requirements of being a public company, including maintaining adequate internal control over our financial and management systems, may strain our resources, divert management’s attention, and affect our ability to attract and retain executive management and qualified board members.

As a public company we will incur significant legal, accounting, and other expenses that we did not incur as a private company. We will be subject to reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, the rules subsequently implemented by the SEC, the rules and regulations of the listing standards of the Nasdaq, and other applicable securities rules and regulations. Compliance with these rules and regulations will likely strain our financial and management systems, internal controls, and employees.

The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results. Moreover, the Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures, and internal control, over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures, and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. If we have material weaknesses or deficiencies in our internal control over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated. Effective internal control is necessary for us to produce reliable financial reports and is important to prevent fraud.

In addition, we will be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act when we cease to be a “smaller reporting company.” We expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management’s attention may be diverted from other business concerns, which could harm our business, operating results, and financial condition. Although we have already engaged additional resources to assist us in complying with these requirements, our finance team is small and we may need to hire more employees in the future, or engage outside consultants, which will increase our operating expenses.

We also expect that being a public company and complying with applicable rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantially higher costs to obtain and maintain the same or similar coverage. These factors could also make it more difficult for us to attract and retain qualified members of our Board and qualified executive officers.

We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our debt service and other obligations.

We have no direct operations and derive all of our cash flow from our subsidiaries. Because we conduct our operations through our subsidiaries, we depend on those entities for dividends and other payments or distributions to meet any existing or future debt service

and other obligations. The deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could limit or impair their ability to pay dividends or other distributions to us. In addition, FINRA regulations restrict dividends in excess of 10% of a member firm's excess net capital without FINRA's prior approval. Compliance with this regulation may impede our ability to receive dividends from our broker-dealer subsidiaries. For more information about potential limits on our ability to receive dividends from our broker-dealer subsidiaries, see *"We are subject to various regulatory requirements, which, if not complied with, could result in the restriction of the conduct or growth of our business"* above.

Our ability to raise capital in the future may be limited.

Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt, or a combination of both. However, the lapse or waiver of any lock up restrictions or any sale or perception of a possible sale by our stockholders, and any related decline in the market price of our common stock, could impair our ability to raise capital. Separately, additional financing may not be available on favorable terms, or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to the Company's common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on the common stock. If we issue additional equity securities, existing stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest.

The forecasts of market growth and other projections included in this proxy statement/prospectus may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, we cannot assure you that our business will grow at a similar rate, if at all.

Growth forecasts and projections are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The forecasts in this proxy statement/prospectus relating to the expected growth in the direct to consumer vehicle and consumer product protection plan market, including estimates based on our own internal survey data, as well as any corresponding projections related to our potential performance, may prove to be inaccurate. Even if the markets experience the forecasted growth described in this proxy statement/prospectus, we may not grow our business at a similar rate, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth.

Our business and operations could be negatively affected if it becomes subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of business and growth strategy and impact its stock price.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Stockholder activism, which could take many forms or arise in a variety of situations, has been increasing recently. Volatility in the stock price of our common stock or other reasons may in the future cause it to become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert managements and our Board's attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect its relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, its stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.

We may amend the terms of the warrants in a manner that may be adverse to holders of our warrants with the approval by the holders of at least 50% of the then outstanding warrants. As a result, the exercise price of your warrants could be increased, the exercise period could be shortened and the number of shares of common stock purchasable upon exercise of a warrant could be decreased, all without a warrant holder's approval.

Our warrants were issued in registered form under a warrant agreement, which provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, and that all other modifications or

amendments will require the vote or written consent of the holders of at least 50% of the then outstanding warrants, and, solely with respect to any amendment to the terms of the private placement warrants, a majority of the then outstanding private placement warrants. Accordingly, we may amend the terms of the warrants in a manner adverse to a holder if holders of at least 50% of the then outstanding warrants approve of such amendment. Although our ability to amend the terms of the Warrants with the consent of at least 50% of the then outstanding warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash or common stock, shorten the exercise period or decrease the number of shares of common stock purchasable upon exercise of the Company's warrants.

Your unexpired Warrants may be redeemed prior to their exercise at a time that is disadvantageous to you, thereby making your Warrants worthless.

We have the ability to redeem outstanding warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.01 per warrant; provided that the last reported sale price of our common stock equals or exceeds \$18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders. We will not redeem the warrants unless an effective registration statement under the Securities Act covering the issuance of our common stock issuable upon the exercise of the warrants is effective and a current prospectus relating to those common stock is available throughout the 30-day redemption period, except if the warrants may be exercised on a cashless basis and such cashless exercise is exempt from registration under the Securities Act. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force you to (i) exercise your warrants and pay the exercise price therefore at a time when it may be disadvantageous for you to do so, (ii) sell your warrants at the then-current market price when you might otherwise wish to hold your warrants or (iii) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, we expect would be substantially less than the market value of your warrants.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management

We maintain written policies and procedures that outline the Company's comprehensive information security program (CISP). The Chief Information Security Officer (CISO) has the responsibility for implementation and maintenance of the CISP. In addition to SEC and FINRA regulatory requirements, we leverage established security frameworks, such as the National Institute of Standards and Technology Cybersecurity Framework, as guides to continually improve our policies and procedures. In addition, our employees are required to complete a cybersecurity training program each year, which is supplemented with additional awareness efforts, including phishing campaigns and informational notifications.

We employ a variety of security tools and components to monitor, identify and block cybersecurity threats. In the event of a cybersecurity incident, the Company has an incident response team (IRT) whose role is to respond quickly and effectively. The IRT utilizes an incident response plan for the implementation of the its incident response capabilities that provides (i) a definition of "reportable incidents/events", and (ii) "metrics" for evaluating the IRT's response capabilities and effectiveness. The checklist is periodically reviewed by the IT Department for lessons learned from both mock and actual incidents, and to assure compliance with most current industry best practices and latest regulatory developments. The incident response plan includes processes through which cybersecurity incidents are escalated to the Company's executive officers. To improve preparedness for a cybersecurity incident, we conduct tabletop exercises at least annually. These exercises are conducted by internal personnel.

Cybersecurity Committee

The mission of the Cyber Security Committee is to be responsible for the cultivation of a corporate culture that recognizes risk awareness and the development of the Company's cyber security solutions, utilizing thought leadership, technology and systems, and development of applicable policies and procedures. Through its cyber security policy and procedures, the Committee will ensure effective

collaboration and coordination between affected departments and staff in identifying and responding to both privacy and cyber security risks and events. The Committee will oversee the development and implementation of an enterprise-wide strategic framework related to the identification and prevention of cyber security threats as an integral part of the Firm's risk management process, otherwise known as CISP. The Firm's cyber security framework is intended to be "evolutionary", requiring (i) periodic reviews, and (ii) testing of systems, that result in changes to Company policy and procedures, as cyber security issues and developments require. The Committee shall be composed of specified members of senior management, department heads and staff, who have been selected based upon their backgrounds and experience involving IT, Risk Management, Operations, Compliance, and Legal. The Committee shall have the discretion to engage and utilize the services of independent vendors, computer service providers (cSP's) and consultants having expertise in the area of cyber security and IT. The Committee shall determine its meeting agendas and frequency of meetings which shall be reported through minutes prepared by the designated secretary.

Engagement of Third Parties

We engage third-party subject matter experts and consultants to conduct evaluations of our security controls, including, but not limited to, penetration testing, auditing of our CISP or consulting on our response to cyber security threats and breaches. Results of these evaluations are used to help determine priorities and initiatives to improve the overall CISP. As necessary, we also engage third-party experts and consultants to assist with the incident response process to augment our internal security operation center team.

The Company will conduct initial and ongoing due diligence of each current or prospective third-party service provider to evaluate whether the third-party service provider will have access, maintain, or store any client private information. Vendor cybersecurity controls are then assessed to determine if the vendor's control environment meets the Company's standards. Vendors are also assessed on a periodic ongoing basis according to their risk classification.

We have not identified any cybersecurity incidents that individually, or in the aggregate, have materially affected or are reasonably likely to materially affect the Company. Regardless, we recognize cybersecurity threats are ongoing and evolving, and there can be no guarantee that we will not be subject to a cybersecurity incident that has a material effect on our business.

ITEM 2. PROPERTIES

We maintain our executive offices at 80 State Street, Albany, NY 12207.

ITEM 3. LEGAL PROCEEDINGS

We may be party to various claims and legal proceedings from time to time. We are not subject to any pending material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us or any of our officers or directors in their capacity as such.

From time to time, we have been subjected to and are currently subject to legal and regulatory proceedings arising out of our business operations, including lawsuits, arbitration claims and inquiries, investigations and enforcement proceedings initiated by the SEC, FINRA and state securities regulators, as well as other actions and claims.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) Market Information

Our common stock and warrants to purchase our common stock are traded on the Nasdaq Global Market and the Nasdaq Capital Market under the trading symbols "BCG" and "BCGWW", respectively.

(b) Holders

As of March 31, 2026, there were 17 shareholders of record of our common stock and 11 holders of record of our warrants to purchase our common stock. The number of holders of record does not include a substantially greater number of "street name" holders or beneficial holders, whose shares and/or warrants are held of record by banks, brokers and other financial institutions.

(c) Dividends

We have not paid any cash dividends on our common stock to date. The payment of cash dividends in the future is dependent upon our revenues and earnings, if any, capital requirements, the terms of any indebtedness and general financial condition. The payment of any cash dividends will be within the discretion of the Board at such time. In addition, the Board is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future.

(d) Securities Authorized for Issuance Under Equity Compensation Plans

None.

(e) Performance Graph

Not required for smaller reporting companies.

(f) Recent Sales of Unregistered Securities;

The information required has been previously disclosed in our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 22, 2024 and our Form 10-Q for the quarter ended September 30, 2025, filed with the U.S. Securities and Exchange Commission on November 13, 2025.

(g) Use of Proceeds from Registered Offerings

None.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the consolidated financial statements and the notes thereto contained elsewhere in this report. This discussion contains forward-looking statements that involve significant risks and uncertainties. As a result of many factors, such as those set forth under "Risk Factors" and elsewhere in this Annual Report on Form 10-K, our actual results may differ materially from those anticipated in these forward-looking statements. Please also refer to the section under heading "Special Note Regarding Forward-Looking Statements."

The information for the years ended December 31, 2025 and 2024 are derived from the Company's audited consolidated financial statements and the notes thereto included elsewhere in this report.

Any reference to Binah Capital Group, Inc. refers to Binah Capital Group, Inc. and our consolidated subsidiaries on a forward-looking basis or as the context requires, to the historical results of BMS Management Services LLC. Any reference to "BMS Management Services LLC" refers to the entities comprising the Binah Capital Group, Inc. business prior to the consummation of the Business Combination.

Business Overview

The Company is a leading consolidator of retail wealth management businesses that owns and operates ten entities, four of which are broker-dealers, three of which are registered investment advisors, and three of which are insurance entities, that have over 1,600 registered individuals working within the financial services industries.

The Company focuses on three critical areas comprised of the hybrid, independent and W2 business models to allow affiliated advisors to choose the operating model that works best for them and run their practices on their own terms. The Company's platform adds to its flexibility by providing a variety of custody and clearing firm options to accommodate the unique business needs of advisors.

Our Sources of Revenue

Our revenue is derived primarily from fees and commissions from products and advisory services offered by our advisors to their clients, a substantial portion of which we pay out to our advisors.

Executive Summary

Financial Highlights

Results for the year ended December 31, 2025 include net income of approximately \$2.3 million and total revenue of approximately \$187.1 million and a net loss of approximately \$4.6 million and total revenue of approximately \$168.9 million for the year ended December 31, 2024.

Asset Trends

Total advisory and brokerage assets served were \$29.9 billion at December 31, 2025, compared to \$27.1 billion at December 31, 2024. Total net new assets were \$(1.9) billion for the year ended December 31, 2025, compared to \$(2.1) billion for the year ended December 31, 2024.

Net new advisory assets were \$0.0 million for the year ended December 31, 2025, compared to \$0.0 million for the year ended December 31, 2024. Advisory assets were \$2.9 billion at December 31, 2025, which is an increase of approximately 16% from the \$2.5 billion at December 31, 2024.

Net new brokerage assets were \$(1.9) billion for the year ended December 31, 2025, compared to \$(2.1) billion for the year ended December 31, 2024. Brokerage assets were \$27.0 billion at December 31, 2025, an increase of approximately 10% from \$24.5 billion at December 31, 2024.

Gross Profit Trend

Gross profit, a non-GAAP financial measure, was \$37.8 million for the year ended December 31, 2025, an increase of approximately 12% from \$33.7 million for the year ended December 31, 2024. See the “*Key Performance Metrics and Non-GAAP Financial Measures*” section for additional information on gross profit.

Key Performance Metrics and Non-GAAP Financial Measures

We focus on several key metrics in evaluating the success of our business relationships and our resulting financial position and operating performance. Our key metrics of Gross Profit and EBITDA are “non-GAAP financial measures.” Our management periodically uses certain “non-GAAP financial measures,” as such term is defined under the rules of the SEC, to supplement our financial information presented in accordance with U.S. GAAP and to clarify and enhance understanding of past performance and prospects for the future. Generally, a non-GAAP financial measure is a numerical measure of a company’s operating performance, financial position or cash flows that excludes or includes amounts that are included in or excluded from the most directly comparable measure calculated and presented in accordance with U.S. GAAP. Management believes that the non-GAAP financial measures of Gross Profit, EBITDA and Adjusted EBITDA provide investors and analysts useful insight into our financial position and operating performance. Any non-GAAP measure provided should be viewed in addition to, and not as an alternative to, the most directly comparable measure determined in accordance with U.S. GAAP. Further, the calculation of these non-GAAP financial measures may differ from the calculation of similarly titled financial measures presented by other companies and therefore may not be comparable among companies.

Gross Profit

Gross profit is defined as total revenue less commissions paid to financial advisors and registered representatives and other fees that generate the revenue. We consider our gross profit amounts to be non-GAAP financial measures that may not be comparable to those of others in our industry. We believe that gross profit amounts can provide investors with useful insight into our core operating performance before other costs that are general and administrative in nature.

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP financial measure defined as net income plus interest expense, provision for income taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA, a non-GAAP measure, plus non-recurring costs related to our business combination, costs related to the re-financing of the senior credit facility, and share-based compensation costs. The Company presents EBITDA and Adjusted EBITDA because management believes that it can be a useful financial metric in understanding the Company’s earnings from operations. EBITDA and Adjusted EBITDA are not a measure of the Company’s financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP. Additionally, Adjusted EBITDA is used in connection with the Company’s credit agreements, specifically in the calculation of financial-related covenants.

A reconciliation of our non-GAAP financial measures to their most directly comparable GAAP financial measures appears below in the footnotes to the table of our key operating, business and financial metrics.

Our key operating, business and financial metrics are as follows:

<i>Operating Metric (dollars in billions)</i>	As of and for the Years Ended December 31,	
	2025	2024
Advisory and Brokerage Assets		
Brokerage assets	\$ 27.0	\$ 24.5
Advisory assets	2.9	2.5
Total Advisory and Brokerage Assets	\$ 29.9	\$ 27.0
Net New Assets		
Net new brokerage assets	\$ (1.9)	\$ (2.1)
Net new advisory assets	0.0	0.0
Total Net New Assets	\$ (1.9)	\$ (2.1)
Financial Metrics (dollars in millions)		
Total revenue	\$ 187.1	\$ 169.0
Net (loss) income	\$ 2.3	\$ (4.6)
Non-GAAP Financial Metrics (dollars in millions)		
Gross Profit ⁽¹⁾	\$ 37.8	\$ 33.7
EBITDA ⁽²⁾	\$ 5.4	\$ 1.9
Adjusted EBITDA ⁽²⁾	\$ 6.5	\$ 6.3

(1) Gross profit is a non-GAAP financial measure defined as total revenue less commissions paid to financial advisors and registered representatives and other fees that generate the revenue. We consider our gross profit amounts to be non-GAAP financial measures that may not be comparable to those of others in our industry. We believe that gross profit amounts can provide investors with useful insight into our core operating performance before other costs that are general and administrative in nature. Below is a calculation of gross profit for the periods presented (in millions):

Gross Profit	For the Years Ended December 31,	
	2025	2024
Total revenue	\$ 187.1	\$ 169.0
Commission and fees	149.3	135.3
Gross Profit	\$ 37.8	\$ 33.7

(2) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA is defined as net income plus interest expense, provision for income taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA plus non-recurring costs related to our business combination, costs related to the re-financing of the senior credit facility, and share-based compensation costs. The Company presents EBITDA and Adjusted EBITDA because management believes that it can be a useful financial metric in understanding the Company's earnings from operations. EBITDA and Adjusted EBITDA are not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP. Additionally, Adjusted EBITDA is used in connection with the Company's credit agreements, specifically in the calculation of financial related covenants. Below is a reconciliation of net income to EBITDA and EBITDA to Adjusted EBITDA for the periods presented (in millions):

EBITDA Reconciliation	For the Years Ended December 31,	
	2025	2024
Net (loss) income	\$ 2.3	\$ (4.6)
Interest expense	2.1	4.0
Provision for income taxes	0.3	1.4
Depreciation and amortization	0.7	1.0
EBITDA	\$ 5.4	\$ 1.9
Share based compensation	1.1	—
Business combination and re-financing costs	—	4.4
Adjusted EBITDA⁽²⁾	\$ 6.5	\$ 6.3

Economic Overview and Impact of Financial Market Events

Our business is directly and indirectly sensitive to several macroeconomic factors and the state of the United States financial markets. The equity markets rose during the year ended December 31, 2025, with the S&P 500 and Russell 2000 index rising 17.9% and 12.8%, respectively.

Our business is also sensitive to current and expected short-term interest rates, which are largely driven by Fed policy. During the fourth quarter of 2025, Fed policymakers lowered the target federal funds rate to a range of 3.50% to 3.75%.

Please consult the Factors Affecting Our Financial Condition and Results of Operations, including those described in the section of this proxy statement/prospectus titled “Risk Factors.”

Basis of Presentation

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Currently, we conduct business through one operating segment. The consolidated financial statements have been prepared assuming that we will continue as a going concern. See Note 1 in the accompanying consolidated financial statements for further details.

Results of Operations

The following presents an analysis of our results of operations for the years ended December 31, 2025 and 2024 (*in thousands*):

	For the years ended December 31,		% Change
	2025	2024	
Revenues:			
Revenue from Contracts with Customers:			
Commissions	\$ 153,440	\$ 139,452	10.0 %
Advisory Fees	28,601	24,939	14.7 %
Total Revenue from Contracts with Customers	182,041	164,391	
Interest and other income	5,103	4,512	13.1 %
Total revenues	187,144	168,903	10.8 %
Expenses:			
Commissions and fees	149,277	135,280	10.3 %
Employee compensation and benefits	18,885	15,544	21.5 %
Rent and occupancy	1,141	1,150	(0.8)%
Professional fees	2,265	6,971	(67.5)%
Technology fees	2,963	1,292	129.4 %
Interest	2,119	4,026	(47.4)%
Depreciation and amortization	697	1,019	(31.6)%
Other	7,186	6,768	6.2 %
Total expenses	184,533	172,050	7.3 %
Income (loss) before provision for income taxes	2,611	(3,147)	182.9 %
Provision for income taxes	303	1,415	(78.6)%
Net income (loss)	\$ 2,308	\$ (4,562)	150.6 %

Revenues

The Company's primary source of revenue is from fees and commissions from products and advisory services offered by our advisors to their clients, a substantial portion of which we pay out to our advisors. We also generate interest income in accordance with our agreements with our clearing partners. In accordance with ASC 606, Revenue from Contracts with Customers, we record revenue when control of the promised services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. Revenues are analyzed to determine whether the Company is the principal (i.e., reports revenues on a gross basis) or agent (i.e., reports revenues on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the product or service before control is transferred to a customer. The indicators of which party exercises control include primary responsibility over performance obligations, inventory risk before the good or service is transferred and discretion in establishing the price.

Commissions

Commission revenues represent sales commissions generated by advisors for their clients' purchases and sales of securities on exchanges and over-the-counter, as well as purchases of other investment products.

The Company generates two types of commission revenues: sales-based commissions that are recognized at the point of sale on the trade date and trailing commissions that are recognized over time as earned. Sales-based commission revenues vary by investment product and are recognized on the trade date or the transaction date, which represents the completion of the Company's performance obligation because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon, and the risks and rewards of ownership have been transferred to/from the customer at a point in time. The rates at which commissions are charged to the customers range from 1% to 7% based on the investment product. Trailing commission revenues which are preliminarily related to the sales of mutual funds and variable annuities held by clients of the Company's advisors are generally based on a percentage of the current market value of clients' investment holdings in trail-eligible assets, and are recognized over the time the client owns the investment or holds the contract and is generally based on a fixed rate applied, generally twenty-five to fifty basis points (25-50 bps) of the current market value of the clients' holdings. Trailing commissions are generally received monthly or quarterly. The ongoing revenue is not recognized at the time of sale because it is variably constrained due to factors outside the Company's control including market volatility and the client's investment hold period and the Company does not believe that it can overcome such constraints until the market value of the fund and the investor activities are known. The revenues will not be recognized until it is probable that a significant reversal will not occur.

The Company is principal for the commission revenue, as it is responsible for the execution of the clients' purchases and sales and maintains relationships with the product sponsors. Advisors assist the Company in performing its obligations. Accordingly, total commission revenue is reported on a gross basis. See Note 5 — Revenues From Contracts with Customers within the notes to the audited consolidated financial statements for the years ended December 31, 2025, and 2024 for further details regarding our commission revenue by product category.

The following table sets forth the components of our commission revenue for years December 31, 2025 and 2024 (in thousands):

	For the years ended December 31,		\$ Change	% Change
	2025	2024		
Sales-based	\$ 71,225	\$ 62,827	8,398	13.37 %
Trailing	82,215	76,625	5,590	7.29 %
Total commission revenue	\$ 153,440	\$ 139,452	13,988	10.03 %

Sales based revenue increased by approximately \$8.4 million or 13.4% for the year ended December 31, 2025 as compared to 2024. Trailing based revenue increased by approximately \$5.6 million or 7.3% for the year ended December 31, 2025 as compared to 2024. The increase in sales based revenue for the year ended December 31, 2025 as compared to 2024 is attributable to an increase in the generation of transactional based products. The increase in the trailing based revenues is primarily due to volatility driven increases in trail eligible assets.

Commission revenue is generated from brokerage assets. The following tables summarize the brokerage assets for the years ended December 31, 2025 and 2024 (in billions):

	Years Ended December 31,	
	2025	2024
Brokerage Assets	27.0	24.5

Included in the brokerage assets above are trail-eligible assets as follows:

	Years Ended December 31,	
	2025	2024
Trail-Eligible Assets	18.5	17.9

The following table summarizes activity impacting brokerage assets for the years ended:

	Years Ended December 31,	
	2025	2024
Balance – Beginning of period	24.5	21.8
Net new brokerage assets ⁽¹⁾	(1.9)	(2.1)
Market impact ⁽²⁾	4.4	4.8
Balance – End of period	27.0	24.5

(1) Net new brokerage assets consist of total client deposits less client withdrawals from brokerage accounts, plus dividends, plus interest.

(2) Market impact is the difference between the beginning and ending asset balances less the net new asset amounts, representing the implied growth or decline in asset balances due to market change over the same period of time.

Advisory Fees

Advisory fees represent fees charged to advisors' clients' accounts on the Company's corporate advisory platform. The Company provides ongoing investment advice, brokerage and execution services on transactions, and performs administrative services for these accounts. These fees are recognized ratably over time to match the continued delivery of the performance obligations to the client over the life of the contract. The advisory fees generated from the Company's corporate advisory platform are based on a percentage of the market value of the eligible assets in the clients' advisory accounts.

Advisory fees increased by approximately 16% for the year ended December 31, 2025 as compared to December 31, 2024, due to the positive impact from the financial markets.

The following tables summarize the advisory assets for the years ended December 31, 2025 and 2024 (in billions):

	December 31,	
	2025	2024
Advisory Assets	2.9	2.6

The following table summarizes activity impacting advisory assets for the years ended:

	Years Ended December 31,	
	2025	2024
Balance – Beginning of period	2.6	2.1
Net new advisory assets ⁽¹⁾	0.0	0.0
Market impact ⁽²⁾	0.3	0.5
Balance – End of period	2.9	2.6

(1) Net new advisory assets consist of total client deposits less client withdrawals from custodial accounts, plus dividends, plus interest, minus advisory fees.

(2) Market impact is the difference between the beginning and ending asset balances less the net new asset amounts, representing the implied growth or decline in asset balances due to market change over the same period of time.

Interest and other income

Interest income includes amounts earned on balances held at the Company’s clearing brokers related to cash balances and margin balances. The Company’s clearing agreements include provisions that provide for a sharing of the interest income earned on such balances with the clearing brokers. The rate varies based on the clearing broker.

Other income primarily includes amounts earned by the Company related to marketing and incentives earned from the sales of certain investment products by the financial advisors to its clients, primarily alternative investments, as well as sponsorship income.

The increase in interest and other income for the year ended December 31, 2025, compared to 2024, is primarily related to the increase in the interest income it earns with the Company’s clearing brokers.

Commissions and Fees

Commissions and fees primarily consist of commissions paid to the financial advisors, technology costs associated with the platform for which the financial advisors operate their business, insurance costs and regulatory costs. Certain of the technology, insurance and regulatory costs are passed through to the financial advisors and any excess costs are included as fees within commissions and fees. The commissions and fees paid to the financial advisors are based on the advisory and commission revenue earned on each client’s account. The payout amount is production based, which is the gross revenue produced by the financial advisor, and varies based on the level of such production ranging from 50% to 95% of the revenue generated. The production levels begin at gross revenue of \$15,000 up to \$4,000,000 and up, and the payout rate starts at 50% and increases to a top payout rate of 94% for annual production of \$4,000,000 and up.

The following table sets forth our payout rate, which is a statistical or operating measure and monitored to review that such costs of revenue remain consistent on a period over period basis:

Payout range	For the years ended December 31,		Change
	2025	2024	
	75.37 %	75.44 %	(0.07)%

For the year ended December 31, 2025, the payout rate remained consistent as compared to 2024.

Employee compensation and benefits

Employee compensation and benefits includes salaries, wages, benefits and related taxes for our employees.

Employee compensation and benefits for the year ended December 31, 2025 increased by approximately \$3.3 million which is directly related to the additional personnel costs attributed to the Company now operating as a public company.

Rent and occupancy

Rent and occupancy remained relatively consistent for the year ended December 31, 2025 compared to 2024, decreasing by 0.8% or \$0.01 million.

Professional fees

Professional fees includes costs incurred related to legal and accounting services. Professional fees for the year ended December 31, 2025 as compared to 2024 decreased by \$4.7 million which is directly related to non-recurring transaction costs associated with the Business Combination that was incurred during the year ended December 31, 2024.

Technology fees

Technology fees primarily represent infrastructure costs that support the Company's technology and communications costs. Technology fees increased by approximately \$1.7 million for the year ended December 31, 2025 as compared to 2024.

Interest expense

Interest expense primarily includes interest associated with the Company's credit facility and other debt obligations. Interest expense decreased by \$1.9 million for the year ended December 31, 2025 as compared to 2024, as a result of scheduled repayments as well as the restructuring of related party debt obligations of BMS, re-financing of the senior credit facility and the reduction of interest rates that occurred during the second half of 2025.

Depreciation and amortization

Depreciation and amortization relates to the use of property, equipment and leasehold improvements. Amortization also includes the amortization related to certain intangible assets.

Other expense

Other expense includes insurance, legal and regulatory settlements, travel-related expenses, office expenses, marketing and other miscellaneous expenses.

Provision for Income Taxes

Our effective income tax rate was 10.6% and (45.1)% for the years ended December 31, 2025 and 2024, respectively. The change in our effective tax rate was primarily related to generation of taxable income for the year ending December 31, 2025 as opposed to a taxable loss incurred during the year ending December 31, 2024.

Liquidity and capital resources

We have established liquidity policies intended to support the execution of strategic initiatives, while meeting regulatory capital requirements and maintaining ongoing and sufficient liquidity. We believe liquidity is of critical importance to the Company and, in particular, to our broker-dealer subsidiaries, PKSI, CLS, MSI and WEG. The objective of our policies is to ensure that we can meet our strategic, operational and regulatory liquidity and capital requirements under both normal operating conditions and under periods of stress in the financial markets.

Parent Company Liquidity

Binah Capital Group, Inc., through its indirectly wholly owned subsidiary BMS, is the direct holding company of our operating subsidiaries, considers its primary sources of liquidity to be dividends and management fees from our operating subsidiaries.

Sources of Liquidity

As of December 31, 2025, we had \$17.7 million outstanding under our Credit Agreement with Byline Bank, net of unamortized debt issuance costs. The associated debt facilities are as follows:

Byline Bank

On December 23, 2024 (the "Credit Agreement Closing Date"), BMS, entered into a Credit Agreement (the "Credit Agreement") with Byline Bank, as lender (the "Lender"), pursuant to which the Lender agreed, at the BMS's request, to (i) make to BMS a term loan in the original principal amount of \$20.3 million (the "Term Loan"), which was funded on the Credit Agreement Closing Date; (ii) make to BMS, from time to time, certain non-revolving loans (the "Non-Revolving Loans") in an aggregate principal amount of up to \$1.0 million (the "Non-Revolving Loan Commitment"), to be funded through, but excluding, the Maturity Date (as defined below); and (iii) issue to BMS, from time to time, letters of credit (the "Letters of Credit") and together with the Term Loan and Non-Revolving Loans, the "Loans") until the earliest to occur of (a) the one year from the Credit Agreement Closing Date and (b) the date on which the Non-Revolving Loans are fully drawn. As of December 31, 2025 and 2024, the outstanding balance on the Term Loan was \$17.7 million and \$19.6 million, net of debt issuance costs, respectively.

Under the terms of the Credit Agreement, to the extent that the Company requests a Letter of Credit, the Non-Revolving Loan Commitment shall be permanently reduced in an amount equal to the amount of such Letter of Credit. The Non-Revolving Loans may not be requested by the Company and may only be advanced in connection with a repayment of a Letter of Credit ("LC Payment"). As of December 31, 2025 and 2024 there are no amounts outstanding under the Non-Revolving Loan or Letters of Credit.

The Loans (both principal and any remaining unpaid interest) made by the Lender to BMS are scheduled to mature and become immediately due and payable in full on December 23, 2029 ("Maturity Date"). The obligations under the Credit Agreement shall bear interest (i) as to the Term Loan, a per annum variable interest rate equal to the Applicable Margin (as defined in the Credit Agreement) plus the greater of (x) the Term Secured Overnight Financing Rate ("SOFR") (as defined in the Credit Agreement) and (y) one percent (1.00%) (the "Term Loan Interest Rate"); (ii) as to the Non-Revolving Loans or any reimbursement obligations relating to a Letter of Credit, at an interest rate equal to SOFR plus four percent (4.00%) per annum; and (iii) if any other obligations is created under the Loan Documents (as defined in the Credit Agreement), at the Term Loan Interest Rate. As of December 31, 2025 and 2024, the effective interest rate was 7.9% and 8.3%, respectively.

On April 10, 2025, BMS entered into an interest rate swap agreement with a notional amount of \$10 million in connection with the above-mentioned Credit Agreement. Under the terms of the swap, BMS pays a fixed rate of 3.98% plus four percent (4.00%) and receives a variable interest rate based on SOFR plus 4.00% as defined above. The swap agreement requires monthly payments to be made or received. The swap is designated as cash flow hedge of the variability of the SOFR-based interest payments on \$10 million of BMS's outstanding variable-rate debt.

As of December 31, 2025, the interest rate swap liability had a fair value of \$0.2 million and is included in accounts payable, accrued expenses and other liabilities on the consolidated statement of financial condition. The Company has adopted the shortcut method allowing it to assume perfect hedge effectiveness. Changes in the effective portion of the swap's fair value are recognized in other comprehensive income (loss) ("OCI") and included on the consolidated statements of other comprehensive income (loss).

The Term Loan was used by BMS to refinance Existing Credit Facilities (as defined in the Credit Agreement) and the Non-Revolving Loans must be used solely to reimburse the Lender with respect to any Letters of Credit issued to BMS.

The Credit Agreement also includes customary covenants for a transaction of this type, including covenants limiting the indebtedness that can be incurred by BMS and restricting BMS's ability to make certain loans and investments. Additionally, BMS is subject to financial covenants whereby BMS and its subsidiaries on a consolidated basis may not have, as of the last day of each fiscal quarter, commencing with fiscal quarter ending on March 31, 2025, (1) a fixed charge coverage ratio as of the last day of the fiscal quarter for the twelve (12) month period then ended of not less than 1.20 to 1.00; (ii) a senior net leverage ratio as of the last day of such Fiscal Quarter for the twelve (12) month period then ended, of (A) for the fiscal quarter ended March 31, 2025 and each fiscal quarter through and including September 30, 2025, not more than 3.00 to 1.00; and (B) for the fiscal quarter ended December 31, 2025 and each fiscal quarter ending thereafter, not more than 2.75 to 1.00; or (iii) an annualized revenue received from custodians of at least \$18.0 million.

Also, in accordance with the Credit Agreement, BMS has deposited \$1.0 million into an A/P Reserve Account and is classified as restricted cash.

The minimum calendar year payments and maturities of the Byline Term Loan as of December 31, 2025 were as follows (in thousands):

2026	2,030
2027	3,045
2028	3,045
2029	10,149
Total	<u>\$ 18,269</u>

Series A Redeemable Convertible Preferred Stock

On March 15, 2024 (the "Funding Date") in connection with the consummation of the Business Combination, Holdings and BMS entered into a Subscription Agreement with an investor for the purchase of 1,500,000 shares of Holdings' Series A Redeemable Convertible Preferred Stock (the "*Holdings Series A Stock*") in a private placement at \$9.60 per share, for an aggregate purchase price of \$14.4 million (the "*Series A PIPE*"). The Holdings Series A Stock may be converted into shares of Holdings Common Stock after the second anniversary of the closing of the Series A PIPE, which such conversion shall initially be 1.5 shares of Holdings Common Stock for each share of Series A Convertible Preferred Stock, subject to certain adjustments provided in the Certificate of Designations.

Additionally, the Holdings Series A Stock carries a cumulative dividend at a rate of nine percent (9%) per annum, payable and compounded quarterly on the last day of each quarter. At the discretion of Holdings the payment may be made in cash or up to 50% of the amount due, in duly authorized, validly issued, fully paid and non-assessable share of Holdings Series A Stock at a value of \$10 per share. As of December 31, 2025, the Company accrued 50% of the dividend to be paid in cash in the amount of \$0.2 million and paid an in-kind dividend in the amount of \$0.2 million. As of December 31, 2024, the Company accrued 50% of the dividend to be paid in cash in the approximate amount of \$0.2 million. For the years ended December 31, 2025 and 2024, the Company paid dividends under the Series A Stock in the amount of approximately \$1.4 million and \$1.1 million, respectively.

The Holdings Series A Stock has liquidation preferences in the event of a voluntary or involuntary liquidation as follows:

- The greater of \$12.50 per share of Holdings Series A Stock if such liquidation occurs prior to the first anniversary of the Funding Date;
- \$13.00 per share of Holdings Series A Stock if such liquidation occurs prior to the second anniversary of the Funding Date;
- \$15.00 per share of Holdings Series A Stock if such liquidation occurs prior to the third anniversary of the Funding Date;
- \$16.00 per share of Holdings Series A Stock if such liquidation occurs prior to the fourth anniversary of the Funding Date.

Holdings, at its option, may redeem the Series A Stock on any anniversary of the Funding date up to and including the fourth anniversary of the Funding date at the following redemption prices:

- \$11.50 per share of Series A Stock on the first anniversary of the Funding Date;
- \$13.00 per share of Series A Stock on the second anniversary of the Funding Date;
- \$15.00 per share of Series A Stock on the third anniversary of the Funding Date;
- \$16.00 per share of Series A Stock on the fourth anniversary of the Funding Date;

If the Series A Stock have not previously been redeemed or converted, the Series A Stock will be redeemed by Holdings on the fourth anniversary of the Funding Date.

Series B Convertible Preferred Stock

On September 4, 2024, the Company entered into a Subscription Agreement with an investor for the purchase of 150,000 shares of Holdings' Series B Convertible Preferred Stock (the "**Holdings Series B Stock**") in a private placement at \$10.00 per share, for an aggregate purchase price of \$1.5 million. The Holdings Series B Stock may be converted into shares of Holdings Common Stock, at the option of the investor at a rate equal to the quotient of (i) \$10.00 divided, by (ii) the product of (A) .80 multiplied by, (B) the volume weighted average price for the 20 trading days during the 30-day period immediately prior to such conversion, provided that in no event shall the denominator be less than \$6.00 per share (the "Conversion Rate").

Additionally, the Holdings Series B Stock carries a cumulative dividend at a rate of nine percent (7%) per annum, payable and compounded quarterly on the last day of each quarter. At the discretion of Holdings, the payment may be made in cash or up to 50% of the amount due, in duly authorized, validly issued, fully paid and non-assessable share of Holdings Series B Stock at a value of \$10 per share. As of December 31, 2025 and 2024, included in accounts payable, accrued expenses and other liabilities on the accompanying consolidated statements of financial condition, is an accrued dividend in the amount \$0.03 and \$0.03, respectively, that was paid subsequent to December 31, 2025 and 2024. For the year ended December 31, 2025 and 2024 total dividends related to the Holdings Series B Stock amounted to approximately \$0.1 million and \$0.03 million, respectively.

The Company may, at its option, in whole, or part, redeem the Holdings Series B Stock any time after the first anniversary of the date of the Subscription Agreement at a redemption price equal to the greater of (i) \$12.00 per share of Holdings Series B Stock, plus accrued but unpaid dividends or (A) 1.20 multiplied by (B) the volume weighted average price for 20 trading days during the 30-day period immediately prior to the redemption; provided that such price shall not be greater than \$20.00.

Promissory notes - affiliates

On November 30, 2017, BMS issued subordinated promissory notes in the aggregate principal amount of approximately \$3.6 million to certain sellers in connection with the acquisition of the PKSH Entities. These notes had a maturity date of May 17, 2023 and accrued interest at a rate of 10% annually. The interest on these notes continued to accrue until such time as these notes were paid or restructured.

Additionally, in connection with the acquisition of the PKSH Entities, BMS agreed to pay contingent consideration in the amount of \$5.0 million to certain sellers. The conditions related to this contingency were met on November 30, 2018, and thus the notes had been issued to the sellers. These subordinated promissory notes had a maturity date of May 30, 2023, and accrued interest at a rate of 10% annually. The interest on these notes continued to accrue until such time as these notes were paid or restructured.

In connection with the closing of the Business Combination, the Company paid approximately \$3.5 million on these notes. In addition to the paydown, the noteholders agreed to forgive the remaining accrued but unpaid interest of approximately \$3.8 million and entered into new promissory notes in the principal amount of approximately \$5.3 million in the aggregate, which remain outstanding as of December 31, 2025 and 2024. The terms of these new promissory notes provide for maturity on May 15, 2027 and carries an interest rate of Prime plus 1.00%, but no less than 7.50% per annum. Related interest was approximately \$0.5 million and \$0.4 million for the years ended December 31, 2025 and 2024, respectively.

Cash Flows

The following table sets forth a summary of cash flows for the years ended December 31, 2025 and 2024:

<u>(in thousands)</u>	<u>2025</u>	<u>2024</u>
Net cash provided by (used in) operating activities	\$ 5,151	\$ (617)
Net cash used in investing activities	(61)	(85)
Net cash provided by (used in) financing activities	(2,860)	1,567
Net change in cash flows	\$ 2,230	\$ 865

Cash Flows from Operating Activities. Net cash provided by operating activities was approximately \$5.1 million for the year ended December 31, 2025 compared to net cash used in operating activities of \$0.6 million for the year ended December 31, 2024, representing an increase of approximately \$5.7 million or 934%. The increase was primarily attributable to the decrease in the net loss incurred for the year ended December 31, 2024 of approximately \$6.4 million.

Cash Flows from Investing Activities. Net cash used in investing activities was approximately \$0.06 million for the year ended December 31, 2025 consistent with the \$0.08 million for the year ended December 31, 2024.

Cash Flows from Financing Activities. Net cash used in financing activities was approximately \$2.9 million for the year ended December 31, 2025 compared to cash provided by financing activities of approximately \$1.6 million for the year ended December 31, 2024. The change is primarily related to the proceeds from the preferred financings during the year ended December 31, 2024 offset by the repayments of the BMS related party debt obligations, principal payments related to the senior credit facility and the payment of dividends to the Class A and Class B preferred stockholders.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and other commitments as of December 31, 2025:

<u>Contractual obligations</u>	<u>Payments Due by period</u>				
	<u>Total</u>	<u>Less than 1 Year</u>	<u>1 - 3 Years</u> <u>(in thousands)</u>	<u>3 - 5 Years</u>	<u>More than 5 Years</u>
Long-term debt obligations ⁽¹⁾	\$ 18,269	\$ 2,030	\$ 6,090	\$ 10,149	\$ —
Promissory notes – affiliates ⁽²⁾	5,313	—	5,313	—	—
Operating lease obligations ⁽³⁾	4,239	899	2,670	670	—
	\$ 27,821	\$ 2,929	\$ 14,073	\$ 10,820	\$ —

(1) Represents principal obligations related to the Byline Credit Agreement that was entered into during the years ended December 31, 2024.

(2) Represents the obligations under the amounts due to certain sellers of the PKSH entities. The notes mature in March 2027.

(3) Represents future minimum lease payments as of December 31, 2025, under non-cancellable office leases.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Although these estimates are based on the Company's knowledge of current events and actions the Company may undertake in the future, actual results could differ from those estimates and assumptions.

Revenue Recognition

Revenues from contracts with customers are recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. Management exercises judgment in determining whether the Company is the principal (i.e., reports revenues on a gross basis) or agent (i.e., reports revenue on a net basis). For additional information see Note 5 in the consolidated financial statements as of and for the years ended December 31, 2025 and 2024.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets are tested annually for impairment or if certain events occur indicating that the carrying amounts may be impaired. We have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, we determine it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then performing the two-step impairment test is not required. However, if we conclude otherwise, we are then required to perform the first step of the two-step impairment test. Goodwill impairment is determined by comparing the estimated fair value of a reporting unit with its respective carrying value. If the estimated fair value exceeds the carrying value, goodwill at the reporting unit level is not deemed to be impaired. If the estimated fair value is below carrying value, however, further analysis is required to determine the amount of the impairment. Additionally, if the carrying value of a reporting unit is zero or a negative value and it is determined that it is more likely than not the goodwill is impaired, further analysis is required. The estimated fair values of the reporting units are derived based on valuation techniques we believe market participants would use for each of the reporting units.

We performed our goodwill impairment test as of and for the years ended December 31, 2025, and 2024. The estimated fair value of the reporting units were determined using the market approach for each reporting unit, relying specifically on the guideline public company method. Our guideline public company method incorporates revenue and earnings multiples from publicly traded companies with operations and other characteristics similar to each reporting unit. As a result of the 2025 and 2024 annual impairment tests, the fair value of the reporting units was approximately 225% and 270% greater than its carrying value, respectively. Since there have been no events or circumstances which indicated that it was more likely than not the fair value of the reporting units were below their carrying amount, interim goodwill tests were not considered necessary.

The goodwill impairment test requires us to make judgments in determining what assumptions to use in the calculation. Assumptions, judgments, and estimates about future cash flows and discount rates are complex and often subjective. They can be affected by a variety of factors, including, among others, economic trends and market conditions, changes in revenue growth trends or business strategies, unanticipated competition, discount rates, technology, or government regulations. In assessing the fair value of our reporting units, the volatile nature of the securities markets and industry requires us to consider the business and market cycle and assess the stage of the cycle in estimating the timing and extent of future cash flows. In addition to discounted cash flows, we consider other information, such as public market comparable and multiples of recent mergers and acquisitions of similar businesses. Although we believe the assumptions, judgments, and estimates we have made in the past have been reasonable and appropriate, different assumptions, judgments, and estimates could materially affect our reported financial results.

Intangible assets that are deemed to have definite lives are amortized over their useful lives, generally ranging from 5 to 10 years. They are reviewed for impairment when there is evidence that events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the estimated fair value.

Contingent Liabilities

The Company recognizes liabilities for contingencies when there is an exposure that, when fully analyzed, indicates potential losses become probable and can be reasonably estimated. Whether a potential loss is probable and can be reasonably estimated is based on currently available information and is subject to significant judgment, a variety of assumptions and uncertainties.

When a potential loss is probable and the loss or range of loss can be estimated, the Company will accrue the most likely amount within that range. No liability is recognized for those matters which, in management's judgment, the determination of a reasonable estimate of potential loss is not possible, or for which a potential loss is not determined to be probable.

Recently Issued Accounting Pronouncements

Refer to Note 3 - *Summary of Significant Accounting Policies*, within the notes to the consolidated financial statements for a discussion of recent accounting pronouncements or changes in accounting pronouncements that are of significance, or potential significance, to us.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Market Risk

We are subject to market risk resulting from operational risk events, which can require customer trade corrections. We also bear market risk on the fees we earn that are based on the market value of advisory and brokerage assets, as well as assets on which trailing commissions are paid and assets eligible for sponsor payments.

Interest Rate Risk

We are exposed to risk associated with changes in interest rates. As of December 31, 2025, \$8.2 million of our outstanding debt was subject to floating interest rate risk. While our senior secured term loan is subject to increases in interest rates, we do not believe that a short-term change in interest rates would have a material impact on our net income, given revenue generated by our share of the interest earned in our clients' cash balances held at our clearing brokers, which is generally subject to the same, but offsetting, interest rate risk.

Credit Risk

Financial instruments that subject the Company to credit risk consist principally of receivables and cash and cash equivalents. The Company performs certain credit evaluation procedures and does not require collateral for financial instruments subject to credit risk. The Company believes that credit risk is limited because the Company routinely assesses the financial strength of its counterparties and, based upon factors surrounding the credit risk of its counterparties, establishes an allowance for uncollectible accounts and, consequently, believes that its receivables credit risk exposure beyond such allowances is limited.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is incorporated by reference to the consolidated financial statements and accompanying notes set forth on pages F-2 through F-28 of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2025, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial and accounting officer have concluded that as of December 31, 2025, our disclosure controls and procedures were effective.

Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment under the framework in Internal Control – Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

This Annual Report does not include an attestation report of our independent registered public accounting firm due to an exemption established by the Exchange Act for "smaller reporting companies."

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth fiscal quarter to which this report relates that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information with respect to our executive officers is incorporated herein by reference to information under the heading “Executive Officers” in the Proxy Statement. Information with respect to compliance with Section 16(a) of the Exchange Act is incorporated herein by reference to information under the heading “Security Ownership of Certain Beneficial Owners And Management of Shares” in the Proxy Statement. Information with respect to directors, the Audit Committee and the Audit Committee financial expert, and procedures by which stockholders may recommend nominees to the Board of Directors in response to this item is incorporated herein by reference to information under the headings “Election of Directors” and “Committees” in the Proxy Statement.

Information with respect to our Code of Conduct and Business Ethics is incorporated herein by reference to information under the heading “Code of Conduct and Business Ethics” in the Proxy Statement.

We have insider trading policies and procedures that govern the purchase, sale and other dispositions of our securities by our directors, officers and employees that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, and any applicable listing standards.

ITEM 11. EXECUTIVE COMPENSATION

Information in response to this item is incorporated herein by reference to information under the heading “Executive Compensation” in the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information in response to this item is incorporated herein by reference to information under the heading “Security Ownership of Certain Beneficial Owners and Management of Shares” in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information with respect to certain relationships and related transactions is incorporated herein by reference to information under the heading “Related Party Transactions” and director independence is incorporated herein by reference to information under the heading “Corporate Governance and Related Matters – Independence of Directors” in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information in response to this item is incorporated herein by reference to information under the heading “Ratification of Appointment of Independent Registered Public Accounting Firm” in the Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Form 10-K:

Financial Statements:

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	F-2
<u>Consolidated Statements of Financial Condition as of December 31, 2025 and 2024</u>	F-3
<u>Consolidated Statements of Operations for the years ended December 31, 2025 and December 31, 2024</u>	F-4
<u>Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2025 and December 31, 2024</u>	F-5
<u>Consolidated Statements of Comprehensive Income (Loss)</u>	F-6
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2025 and December 31, 2024</u>	F-7
<u>Notes to the Consolidated Financial Statements</u>	F-8

(b) Exhibits:

Exhibit No.	Description
3.1	<u>Amended and Restated Certificate of Incorporation of Binah Capital Group, Inc. (incorporated by reference to Exhibit 3.1 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>
3.2	<u>Amended and Restated Bylaws of Binah Capital Group, Inc. (incorporated by reference to Exhibit 3.2 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>
3.3	<u>Certificate of Designations of the Convertible Participating Preferred Stock (incorporated by reference to Exhibit 4.5 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>
3.3.1	<u>Amended and Restated Certificate of Designations of the Series A Junior Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to Binah Capital Group, Inc.'s Form 8-K filed with the SEC on December 26, 2024).</u>
3.4	<u>Certificate of Designations of the Series B Junior Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to Binah Capital Group, Inc.'s Form 10-Q for the Quarterly Period ended September 30, 2024, filed with the SEC on November 14, 2024).</u>
3.4.1	<u>Amended and Restated Certificate of Designations of the Series B Junior Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on February 27, 2026).</u>
4.1	<u>Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>
4.2	<u>Specimen Warrant Certificate (incorporated by reference to Exhibit 4.2 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>
4.3	<u>Existing Warrant Agreement, dated November 19, 2020, between Kingswood Acquisition Corp. and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.3 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>
4.4	<u>Warrant Assumption Agreement, dated March 15, 2024, by and among Continental Stock Transfer and Trust Company, Kingswood Acquisition Corp. and Binah Capital Group, Inc. (incorporated by reference to Exhibit 4.4 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>
4.5*	<u>Description of Securities</u>
10.1	<u>Subscription Agreement, dated March 15, 2024, by and among Binah Capital Group, Inc., Wentworth Management Funding LLC and Pollen Street Capital Limited (incorporated by reference to Exhibit 10.1 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>
10.1.1	<u>Form of Series B Subscription Agreement (incorporated by reference to Exhibit 10.1 to Binah Capital Group, Inc.'s Form 10-Q for the Quarterly Period ended September 30, 2024 filed with the SEC on November 14, 2024).</u>
10.2	<u>Registration Rights Agreement, dated March 15, 2024, by and among Binah Capital Group, Inc. and the holders party thereto (incorporated by reference to Exhibit 10.2 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>
10.3	<u>Strategic Alliance Agreement, dated March 15, 2024, by and between Binah Capital Group, Inc. and Kingswood US LLC. (incorporated by reference to Exhibit 10.12 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on March 21, 2024).</u>

10.4	<u>Credit Agreement, dated December 23, 2024, by and between Binah Capital Group, Inc. and Byline Bank (incorporated by reference to Exhibit 10.1 to Binah Capital Group, Inc.'s Form 8-K, filed with the SEC on December 23, 2024).</u>
10.5‡	<u>Binah Capital Group, Inc. 2024 Equity Incentive Plan (incorporated by reference to Binah Capital Group, Inc.'s Registration Statement on Form S-8 (Reg. No. 333-286609) filed with the SEC on April 17, 2025).</u>
10.6‡	<u>Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.1 to Binah Capital Group, Inc.'s Form 10-Q for the Quarterly Period ended June 30, 2025 filed with the SEC on August 13, 2025).</u>
10.7‡	<u>Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.1 to Binah Capital Group, Inc.'s Form 10-Q for the Quarterly Period ended June 30, 2025 filed with the SEC on August 13, 2025).</u>
10.8‡	<u>Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.2 to Binah Capital Group, Inc.'s Form 10-Q for the Quarterly Period ended June 30, 2025 filed with the SEC on August 13, 2025).</u>
10.9‡	<u>Form of Director Stock Option Agreement (incorporated by reference to Exhibit 10.3 to Binah Capital Group, Inc.'s Form 10-Q for the Quarterly Period ended June 30, 2025 filed with the SEC on August 13, 2025).</u>
10.10†+	<u>Form of Executive Officer Stock Option Agreement (incorporated by reference to Exhibit 10.4 to Binah Capital Group, Inc.'s Form 10-Q for the Quarterly Period ended June 30, 2025 filed with the SEC on August 13, 2025).</u>
10.11‡	<u>Executive Employment Agreement, dated August 14, 2024, by and between Craig Gould and Binah Capital Group, Inc. (incorporated by reference to Exhibit 10.1 to Binah Capital Group, Inc.'s Form 10-K for the Quarterly Period ended June 30, 2024, filed with the SEC on August 15, 2024).</u>
10.11.1‡	<u>Amended Gould Employment Agreement (incorporated by reference to Exhibit 10.5 to Binah Capital Group, Inc.'s Form 10-Q for the Quarterly Period ended June 30, 2025 filed with the SEC on August 13, 2025).</u>
10.12‡	<u>Executive Employment Agreement, dated August 14, 2024, by and between David Shane and Binah Capital Group, Inc. (incorporated by reference to Exhibit 10.1 to Binah Capital Group, Inc.'s Form 10-K for the Quarterly Period ended June 30, 2024, filed with the SEC on August 15, 2024).</u>
10.12.1‡	<u>Amended Shane Employment Agreement (incorporated by reference to Exhibit 10.6 to Binah Capital Group, Inc.'s Form 10-Q for the Quarterly Period ended June 30, 2025 filed with the SEC on August 13, 2025).</u>
10.12.2‡*	<u>Amendment No. 2 to the Executive Employment Agreement, dated February 26, 2026, by and between David Shane and Binah Capital Group, Inc.</u>
19.1*†	<u>Insider Trading Policy of Binah Capital Group, Inc., as amended.</u>
31.1*	<u>Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2*	<u>Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1**	<u>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2**	<u>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
97.1	<u>Claw Back Policy (incorporated by reference to Exhibit 97.1 to Binah Capital Group Inc.'s Form 10-K for the year ended December 31, 2024).</u>
101.INS	XBRL Instance Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

† Certain of the exhibits and schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The Company agrees to furnish supplementally a copy of all omitted exhibits and schedules to the SEC upon its request.

‡ Management contract or compensatory plan or arrangement.

* Filed Herewith

** Furnished Herewith

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized on this th day of March, 2026.

BINAH CAPITAL GROUP, INC.

By: /s/ Craig Gould
Name: Craig Gould
Title: Chief Executive Officer

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated. The undersigned hereby constitute and appoint Craig Gould and David Shane, and each of them, their true and lawful agents and attorneys-in-fact with full power and authority in said agents and attorneys-in-fact, and in any one or more of them, to sign for the undersigned and in their respective names as Directors and officers of Binah Capital Group, Inc. any amendment or supplement hereto. The undersigned hereby confirm all acts taken by such agents and attorneys-in-fact, or any one or more of them, as herein authorized.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Craig Gould</u> Craig Gould	Chief Executive Officer, and Director (Principal Executive Officer)	March , 2026
<u>/s/ David Shane</u> David Shane	Chief Financial Officer and Director (Principal Financial Officer and Principal Accounting Officer)	March , 2026
<u>/s/ David Crane</u> David Crane	Director	March , 2026
<u>/s/ Daniel Hynes</u> Daniel Hynes	Director	March , 2026
<u>/s/ Joel Marks</u> Joel Marks	Director	March , 2026

BINAH CAPITAL GROUP, INC.
DECEMBER 31, 2025 AND 2024
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**BINAH CAPITAL GROUP, INC.
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2025 AND 2024**

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Audit Committee and Stockholders of
Binah Capital Group, Inc.

Opinion on the Consolidated Financial Statement

We have audited the accompanying consolidated statements of financial condition of Binah Capital Group, Inc. (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in stockholders' equity, comprehensive income (loss), and cash flows for each of the years ended December 31, 2025 and 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024 and the results of its operations and its cash flows for each of the years ended December 31, 2025 and 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there were no critical audit matters.

/s/ FGMK LLC

We have served as the Company's auditor since 2021

Chicago, Illinois
March 31, 2026

BINAH CAPITAL GROUP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2025 AND 2024
(in thousands, except share amounts)

ASSETS	2025	2024
Assets:		
Cash, cash equivalents and restricted cash	\$ 10,716	\$ 8,486
Receivables, net:		
Commissions receivable	10,441	9,198
Due from clearing broker	707	873
Other	1,261	938
Property and equipment, net	342	599
Right of use assets	3,097	3,730
Intangible assets, net	671	1,021
Goodwill	39,839	39,839
Other assets	3,141	1,993
TOTAL ASSETS	\$ 70,215	\$ 66,677
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 13,103	\$ 10,208
Commissions payable	12,632	11,468
Operating lease liabilities	3,221	3,820
Notes payable, net of unamortized debt issuance costs of \$590 and \$739 as of December 31, 2025 and December 31, 2024, respectively	17,679	19,561
Promissory notes-affiliates	5,313	5,442
TOTAL LIABILITIES	51,948	50,499
Mezzanine Equity:		
Redeemable Series A Convertible Preferred Stock, par value \$0.0001, 2,000,000 shares authorized, 1,626,000 and 1,555,000 shares outstanding at December 31, 2025 and December 31, 2024, respectively	15,668	14,947
Stockholders' Equity and Members' Equity:		
Series B Convertible Preferred Stock, par value \$0.0001, 500,000 shares authorized, 150,000 shares outstanding at December 31, 2025 and December 31, 2024	1,500	1,500
Common stock, \$0.0001 par value, 55,000,000 authorized, 16,716,000 and 16,602,460 issued and outstanding at December 31, 2025 and December 31, 2024, respectively	—	—
Additional paid-in-capital	23,709	22,984
Accumulated deficit	(22,496)	(23,253)
Accumulated other comprehensive (loss)	(114)	—
Total Stockholders' Equity and Mezzanine Equity	18,267	16,178
TOTAL LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY	\$ 70,215	\$ 66,677

The accompanying notes are an integral part of these consolidated financial statements.

BINAH CAPITAL GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(in thousands, except per share amounts)

	2025	2024
Revenues:		
Revenue from Contracts with Customers:		
Commissions	\$ 153,440	\$ 139,452
Advisory fees	28,601	24,939
Total Revenue from Contracts with Customers	182,041	164,391
Interest and other income	5,103	4,512
Total revenues	187,144	168,903
Expenses:		
Commissions and fees	149,277	135,280
Employee compensation and benefits	18,885	15,544
Rent and occupancy	1,141	1,150
Professional fees	2,265	6,971
Technology fees	2,963	1,292
Interest	2,119	4,026
Depreciation and amortization	697	1,019
Other	7,186	6,768
Total expenses	184,533	172,050
Income (loss) before provision for income taxes	2,611	(3,147)
Provision for income taxes	303	1,415
Net income (loss)	\$ 2,308	\$ (4,562)
Net income attributable to Legacy Wentworth Management Services LLC members	—	730
Net income (loss) attributable to Binah Capital Group, Inc.	<u>\$ 2,308</u>	<u>\$ (5,292)</u>
Net income (loss) per share basic	\$ 0.05	\$ (0.39)
Net income (loss) per share diluted	\$ 0.04	\$ (0.39)
Weighted average shares outstanding: basic	16,657	16,593
Weighted average shares outstanding: diluted	16,975	16,593

The accompanying notes are an integral part of these consolidated financial statements.

BINAH CAPITAL GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(in thousands)

	For the year ended December 31, 2025									
	Class A Redeemable Convertible Preferred Stock		Class B Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity and Mezzanine Equity
	Units	Amount	Units	Amount	Units	Amount				
Balance January 1, 2025	1,555	\$ 14,947	150	\$ 1,500	16,603	—	\$ 22,984	\$ (23,253)	—	\$ 16,178
Issuance of Class A redeemable convertible preferred stock	71	721	—	—	—	—	—	—	—	721
Dividends - Class A redeemable convertible preferred stock	—	—	—	—	—	—	—	(1,445)	—	(1,445)
Dividends - Class B convertible preferred stock	—	—	—	—	—	—	—	(106)	—	(106)
Share based compensation	—	—	—	—	113	—	725	—	—	725
Change in value of cash flow hedge	—	—	—	—	—	—	—	—	(114)	(114)
Net income	—	—	—	—	—	—	—	2,308	—	2,308
Balance December 31, 2025	<u>1,626</u>	<u>\$ 15,668</u>	<u>150</u>	<u>\$ 1,500</u>	<u>16,716</u>	<u>—</u>	<u>\$ 23,709</u>	<u>\$ (22,496)</u>	<u>\$ (114)</u>	<u>\$ 18,267</u>

	For the Year Ended December 31, 2024									
	Class A Redeemable Convertible Preferred Stock		Class B Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity, Mezzanine Equity and Members' Equity	
	Units	Amount	Units	Amount	Units	Amount				
Balance January 1, 2024	\$ 5,103	—	—	—	—	—	—	—	—	\$ 5,103
Distributions	(85)	—	—	—	—	—	—	—	—	(85)
Net income prior to transaction	730	—	—	—	—	—	—	—	—	730
Reverse merger and recapitalization of legacy Wentworth Management Services LLC	(5,748)	—	—	—	16,566	—	23,693	(17,961)	—	(16)
Mezzanine Equity - Shares Issued in connection with PIPE financing	—	1,500	14,400	—	—	—	—	—	—	14,400
Issuance of Class A redeemable convertible preferred stock	—	55	547	—	—	—	—	—	—	547
Issuance of Class B convertible preferred stock	—	—	150	1,500	—	—	—	—	—	1,500
Dividends - Class A redeemable convertible preferred stock	—	—	—	—	—	—	—	(1,094)	—	(1,094)
Dividends - Class B convertible preferred stock	—	—	—	—	—	—	—	(31)	—	(31)
Issuance of common stock in connection with exercise of warrants	—	—	—	—	37	—	—	416	—	416
Net Loss	—	—	—	—	—	—	—	—	(5,292)	(5,292)
Balance December 31, 2024	<u>\$ —</u>	<u>\$ 1,555</u>	<u>\$ 14,947</u>	<u>150</u>	<u>\$ 1,500</u>	<u>16,603</u>	<u>\$ —</u>	<u>\$ 22,984</u>	<u>\$ (23,253)</u>	<u>\$ 16,178</u>

The accompanying notes are an integral part of these consolidated financial statements.

BINAH CAPITAL GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	<u>For the Years Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Net income (loss)	\$ 2,308	\$ (5,292)
Other comprehensive (loss)		
Changes in fair value of interest rate swap	(114)	—
Total other comprehensive (loss)	\$ (114)	\$ —
Comprehensive income (loss)	<u>\$ 2,194</u>	<u>\$ (5,292)</u>

The accompanying notes are an integral part of these consolidated financial statements

BINAH CAPITAL GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
(in thousands)

	For the years ended December 31,	
	2025	2024
Cash Flows From Operating Activities		
Net income (loss)	\$ 2,308	\$ (4,562)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	697	1,019
Deferred income taxes	(907)	607
Amortization of debt issuance costs	148	645
Non-cash lease expense	633	602
Capitalized interest - promissory notes- affiliates	—	218
Capitalized interest - due to members	—	72
Change in allowance for credit losses	—	468
Share-based compensation	725	—
Changes in operating assets and liabilities:		
Due from clearing broker	166	(242)
Commissions receivable	(1,243)	(978)
Other receivables	(323)	181
Other assets	(263)	98
Accounts payable and accrued expenses	2,647	1,024
Commissions payable	1,164	792
Operating lease liabilities	(599)	(361)
Net Cash Provided By (Used In) Operating Activities	5,151	(617)
Cash Flows From Investing Activities		
Purchases of property and equipment	(61)	(85)
Net Cash Used In Investing Activities	(61)	(85)
Cash Flows From Financing Activities		
Borrowings under note payable	—	20,300
Payment of debt issuance costs	—	(739)
Repayment - notes payable	(2,030)	(21,467)
Repayment of promissory notes-affiliates	—	(3,445)
Repayment of borrowings from members	—	(903)
Net payment for reverse merger and recapitalization	—	(7,863)
Proceeds from Series A redeemable convertible preferred stock issuance	—	14,400
Proceeds from Series B convertible stock issuance	—	1,500
Dividend Series A - redeemable convertible preferred stock	(724)	(547)
Dividend Series B - redeemable convertible preferred stock	(106)	—
Proceeds from exercise of warrants	—	416
Distribution of capital	—	(85)
Net Cash (Used In) Provided By Financing Activities	(2,860)	1,567
Net Change in Cash, Cash Equivalents and Restricted Cash	2,230	865
Cash, Cash Equivalents and Restricted Cash - Beginning of Period	\$ 8,486	\$ 7,621
Cash, Cash Equivalents and Restricted Cash - End of Period	\$ 10,716	\$ 8,486
Cash Paid During the Period for:		
Interest	\$ 1,611	\$ 2,632
Income taxes	\$ 469	\$ 271
Supplemental Disclosure of Non-Cash Financing Activities		
During the year ended December 31, 2024 and in connection with the reverse merger and recapitalization the Company extinguished amounts related to the promissory notes-affiliates in the approximate amount of \$3,800.	—	—
During the year ended December 31, 2024 and in connection with the reverse merger and recapitalization the Company extinguished amounts and issued stock in consideration to satisfy these obligations in the approximate amount of \$4,300.	—	—
For the years ended December 31, 2025 and 2024, the Company paid in-kind dividends to the Series A Redeemable Convertible Preferred Stock holder in the amounts of \$721 and \$547, respectively.	—	—

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND NATURE OF BUSINESS

Binah Capital Group, Inc. (“Binah Capital”, “Holdings” or the “Company,” representing the consolidated group), is a Delaware corporation, formed on June 27, 2022 that serves as a holding company for its wholly-owned subsidiaries operating in the retail wealth management business.

Binah Capital through its wholly-owned subsidiary Wentworth Management Services LLC (dba, Binah Management Services, “BMS”) operates multiple businesses in the financial services industry as follows:

- PKS Holdings, LLC (“PKSH”) maintains offices in Albany, New York, and branch offices throughout the United States of America, and includes the following entities (collectively, the “PKSH Entities”):
 - Purshe Kaplan Sterling Investments, Inc. (“PKSI”), incorporated in the State of New York, is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investors Protection Corporation (“SIPC”).
 - PKS Advisory Services, LLC (“PKSA”), a New York limited liability company, is an investment advisory firm, registered with the SEC, which provides advisory services to clients.
- PKS Financial Services, Inc. (dba, Binah Capital Insurance, “*PKSF*” or “*BCI*”), incorporated in the State of New York, is an insurance entity providing financial services to clients.
 - Representatives Indemnity Company, Inc. (“Repc”), incorporated in the British Virgin Islands, holds a general business insurance license for the purpose of providing professional liability insurance coverage for affiliated entities under WMS.
- Cabot Lodge Securities LLC maintains offices and branch offices throughout the United States of America and includes the following entities (collectively, the “Cabot Entities”):
 - Cabot Lodge Securities, LLC (“CLS”), a Delaware Limited Liability Company, is a broker-dealer registered with the SEC and is a member of FINRA and SIPC.
 - CL Wealth Management, LLC (“CLWM”), a Virginia Limited Liability Company, is an investment advisory firm, registered with the SEC, which provides advisory services to clients.
 - Wentworth Financial Partners LLC (dba, Binah Financial Partners “*WFP*” or “*BFP*”) (f/k/a CL General Agency), a Delaware limited liability company, is an insurance entity providing financial services to clients.
- Michigan Securities, Inc. (“MSI”) maintains offices in Albany, New York and includes the following entities (collectively, the “MSI Entities”):
 - MSI, (d/b/a as Broadstone Securities, Inc., “Broadstone”), incorporated in the State of Michigan, is a financial services firm, and is a broker-dealer registered with the SEC and is a member of FINRA. Subsequent to December 31, 2025, MSI legally changed its name from Michigan Securities Inc, to PKS Securities Inc.
 - Insurance Audit Agency, Inc. (“IAA”), incorporated in the state of Michigan, is an insurance agency.
- World Equity Group, Inc. (“WEG”), incorporated in the State of Illinois, is registered as a broker-dealer and investment advisor with the SEC and is a member of FINRA and SIPC. WEG maintains offices in Schaumburg, Illinois and has branch offices throughout the United States of America.

2. BUSINESS COMBINATION

On July 7, 2022, Kingswood Acquisition Corp., a Delaware corporation (“KWAC”), Binah Capital Group, Inc., a Delaware corporation and wholly-owned subsidiary of KWAC (“Holdings”), Kingswood Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Holdings (“Kingswood Merger Sub”), Wentworth Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Holdings (“Wentworth Merger Sub”), and the Company, entered into an agreement and plan of merger (the “Merger Agreement”).

Holdings, Kingswood Merger Sub and Wentworth Merger Sub are newly formed entities that were formed for the sole purpose of entering into and consummating the transactions set forth in the Merger Agreement. Holdings is a wholly-owned direct subsidiary of KWAC. and both Kingswood Merger Sub and Wentworth Merger Sub are wholly-owned direct subsidiaries of Holdings. Pursuant to the Merger Agreement, at closing, each of the following transactions will occur in the following order: (i) Kingswood Merger Sub will merge with and into KWAC. (the “*Kingswood Merger*”), with KWAC surviving the Kingswood Merger as a wholly-owned subsidiary of Holdings (the “*Kingswood Surviving Company*”); (ii) simultaneously with the Kingswood Merger, Wentworth Merger Sub will merge with and into the Company (the “*Wentworth Merger*”), with the Company surviving the Wentworth Merger as a wholly-owned subsidiary of Holdings (the “*Surviving Company*”); and (iii) following the Wentworth Merger, Kingswood Surviving Company will acquire, and Holdings will contribute to Kingswood Surviving Company all of the common units of the Surviving Company directly held by Holdings after the Kingswood Merger (the “*Holdings Contribution*”), such that, following the Holdings Contribution, Surviving Company shall be a wholly-owned subsidiary of the Kingswood Surviving Company (the Kingswood Merger and the Wentworth Merger, together with the other transactions related thereto, the “*Business Combination*”).

On March 15, 2024 (the “Closing Date”), the Company consummated the transactions contemplated by that certain Agreement and Plan of Merger, dated July 7, 2022 (as amended, the “Merger Agreement” and the consummation of such contemplated transactions, the “Closing”), by and among Kingswood Acquisition Corp, a Delaware corporation (“KWAC”), Binah Capital, Kingswood Merger Sub, Inc., a Delaware corporation (“Kingswood Merger Sub”), Wentworth Merger Sub, LLC, a Delaware limited liability company (“Wentworth Merger Sub”), and BMS. Binah Capital, Kingswood Merger Sub and Wentworth Merger Sub were newly formed entities that were formed for the sole purpose of entering into and consummating the transaction set forth in the Merger Agreement. Binah Capital was a wholly-owned direct subsidiary of KWAC and both Kingswood Merger Sub and Wentworth Merger Sub were wholly-owned direct subsidiaries of Binah Capital. On the Closing Date, Kingswood Merger Sub merged with and into KWAC, with KWAC continuing as the surviving entity as a wholly-owned subsidiary of Binah Capital and Wentworth Merger Sub merged with and into BMS, with BMS continuing as the surviving entity as a wholly-owned subsidiary of Binah Capital. Following the BMS merger, KWAC acquired, and Binah Capital contributed to KWAC all of the common units of BMS directly held by Binah Capital after the BMS merger, such that, following the Binah Capital contribution, BMS became a wholly-owned subsidiary of KWAC.

Notwithstanding the legal form of the Merger pursuant to the Business Combination Agreement, the Merger is accounted for as a reverse recapitalization. Under this method of accounting, KWAC is treated as the “acquired” company for financial reporting purposes. Accordingly, for accounting purposes, the consolidated financial statements of Binah Capital represents a continuation of the consolidated financial statements of BMS with the business combination treated as the equivalent of the BMS issuing shares for the net assets of KWAC, accompanied by a recapitalization. The net assets of KWAC were stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the business combination are those of BMS (See Note 4 – Mergers and Recapitalization).

Nasdaq Exchange Listing

On March 26, 2024, Holdings received approval for Holding’s securities to be listed on the Nasdaq Stock Market LLC. Holdings common stock is listed on the Nasdaq Global Market and its warrants will be listed on the Nasdaq Capital Market under the symbols “BCG” and “BCGWW”, respectively.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Holdings and its wholly-owned subsidiaries. Significant inter-company transactions and balances have been eliminated in consolidation.

Use of Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the valuation and impairment of intangible assets and deferred income taxes, allowance for credit losses, and contingencies.

Reportable Segment

Management has determined that the Company operates in one segment, given the common nature of its operations, products and services, production and distribution process and regulatory environment. For additional information, see Note 25 - *Segment Information*.

Revenue Recognition

Revenues from contracts with customers are recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. For additional information see Note 5 - *Revenues From Contracts with Customers*.

Share-Based Compensation

Certain employees, officers and directors participate in the Company's long-term incentive plan that provide for granting stock options, restricted stock awards, and restricted stock units. Stock options and restricted stock units generally vest in equal increments over a three-year period and expire on the tenth anniversary following the date of grant. Restricted stock awards generally vest upon grant or up to a three-year period.

The Company recognizes share-based compensation for equity awards granted to employees, officers and directors as compensation and benefits expense on the consolidated statements of operations. The fair value of restricted stock awards and restricted stock units is equal to the closing price of the Company's stock on the date of grant. Stock options are generally granted at the market price at the date of the grant, with vesting based on three years of continuous service. The fair value of the options is estimated using the Black-Sholes model. Share-based compensation is recognized over the requisite service period of the individual awards, which generally equals the vesting period.

The Company makes assumptions regarding the number of restricted stock awards and restricted stock units that will be forfeited. The forfeiture assumption is ultimately adjusted to the actual forfeiture rate. As a result, changes in the forfeiture assumptions do not impact the total amount of expense ultimately recognized over the service period. Rather, different forfeiture assumptions would only impact the timing of expense recognition over the service period. See Note 15 - *Share-Based Compensation* for additional information regarding share-based compensation for equity awards granted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist primarily of cash on deposit and money market funds, all of which have original maturities of three months or less.

Restricted cash represents cash held by the Company's lender related to its credit facility. As of December 31, 2025 and 2024, restricted cash amounted to approximately \$1.0 million.

The Company regularly maintains cash, cash equivalents and restricted cash that exceed Federal Deposit Insurance Corporation limits. The Company has not experienced any losses and does not believe it is exposed to any significant credit risk from cash.

Receivables

Receivables, represent amounts due to the Company from its clearing broker, clients, financial institutions and others. Receivables consists of unconditional amounts due to the Company and are reported at amortized costs. All receivables are uncollateralized.

Financial Instruments – Credit Losses. The Company accounts for estimated credit losses on financial assets measured at an amortized cost basis and certain off-balance sheet credit exposures in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 326-20, *Financial Instruments-Credit Losses*. FASB ASC 326-20 requires the Company to estimate expected credit losses over the life of its financial assets and certain off-balance sheet exposures as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts. The Company records the estimate of expected credit losses as an allowance for credit losses. For financial assets measured at an amortized cost basis the allowance for credit losses is reported as a valuation account on the statement of financial condition that adjusts the asset's amortized cost basis. Changes in the allowance for credit losses are reported in credit loss expense, if applicable. Management believes its risk of loss on currently recorded receivables is minimal and accordingly an allowance for credit losses has been recorded as of December 31, 2025, December 31, 2024, and January 1, 2024, in the amount of \$0.7 million, \$0.7 million and \$0.2 million, respectively.

Property and Equipment, net

Property and equipment are recorded at cost, less accumulated depreciation and amortization. The Company depreciates its property and equipment for financial reporting purposes using the straight-line method over the estimated useful lives of the assets once the asset is placed in service, which range from 2 to 10 years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the initial lease term. Expenditures for maintenance and repairs, which do not extend the economic useful life of the related assets, are charged to operations as incurred, and expenditures, which extend the useful life, are capitalized. When assets are retired, or otherwise disposed of, the costs and related accumulated depreciation or amortization are removed from the accounts and any gain or loss on disposal is recognized.

The Company reviews property and equipment for impairment whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. No impairment occurred for the years ended December 31, 2025 and 2024.

Goodwill and Other Intangible Assets

Goodwill is tested annually for impairment or if certain events occur indicating that the carrying amounts may be impaired. If a qualitative assessment is used and the Company determines that the fair value of a reporting unit is more likely than not (i.e., a likelihood of more than 50%) less than its carrying amount, a quantitative impairment test will be performed. An impairment loss will be recognized if a reporting unit's carrying amount exceeds its fair value, to the extent that it does not exceed the total carrying amount of goodwill. No impairment of goodwill was recognized for the years ended December 31, 2025 and 2024.

Intangible assets that are deemed to have definite lives are amortized over their useful lives, generally ranging from 5 to 10 years. They are reviewed for impairment when there is evidence that events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the estimated fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

There was no impairment of intangible assets recognized for the years ended December 31, 2025 and 2024. See Note 9 - *Intangible Assets*, for additional information regarding the Company's intangible assets.

Debt Issuance Costs

Debt issuance costs are capitalized and amortized as additional interest expense over the expected term of the related debt agreement. Debt issuance costs are presented as a direct reduction from the carrying amount of the related debt liability.

Leases

The Company accounts for its leases in accordance with FASB ASC 842- *Leases*. The Company is a lessee in several noncancelable operating leases for office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and right of use ("ROU") asset at the commencement date of the lease.

ROU assets. A lessee's ROU asset is measured at the commencement date at the amount of the initially measured lease liability plus any lease payments made to the lessor before or at the commencement date, minus any lease incentives received; plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is, present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

Lease Liabilities. A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to the variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options or amounts that are probable of being owed under a residual value guarantee. The discount rate is the implicit rate if it is readily determinable; otherwise, the Company uses its incremental borrowing rate. The implicit rates of the Company's leases are not readily determinable; accordingly, the Company uses its incremental rate based on the information available at the commencement date for each lease. The Company's incremental borrowing rate for a lease is the rate of interest it would pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The Company determines its incremental borrowing rates by starting with the interest rates on its recent borrowings and other observable market rates and adjusting those rates to reflect the differences in the amount collateral and the payment terms of the leases.

Accounting policy election for short-term leases. The Company has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

See Note 12 - *Leases* for additional information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income Taxes

The Company accounts for income taxes in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 740. Income taxes are accounted for under an asset and liability approach. This process involves calculating the temporary and permanent differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The temporary differences result in deferred tax assets and liabilities, which are recorded on the consolidated balance sheet in accordance with ASC 740, which established financial accounting and reporting standards for the effects of income taxes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company periodically evaluates deferred tax assets and net operating loss carryforwards to determine their recoverability based primarily on the Company’s ability to generate future taxable income. A valuation allowance may be established to reduce deferred tax assets, if it is more likely than not that all, or some portion, of such deferred tax assets will not be realized. Changes in the valuation allowance in a period are recorded through the income tax provision in the consolidated statements of operations and comprehensive income.

ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an entity’s consolidated financial statements and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on an income tax return. Under ASC 740-10, the impact of an uncertain tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, ASC 740-10 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

For the periods prior to the Reverse Merger and Recapitalization, BMS was treated as a partnership for income tax purposes and therefore not subject to federal taxes. BMS was subject to certain state and local income taxes. Additionally, Binah Capital Corp. (fka, Kingswood Acquisition Corp.) was treated as a corporation and subject to U.S. federal income taxes, in addition to state and local income taxes.

Subsequent to the Reverse Merger and Recapitalization, Binah Capital Corp., a wholly-owned subsidiary of Holdings, is the parent company of BMS. Subsequent to the Reverse Merger and Recapitalization, BMS elected to be treated as a corporation and is subject to U.S. federal income taxes, in addition to state and local income taxes.

For the year ending December 31, 2025, Holdings has elected to file a consolidated tax return which will include all subsidiaries including Binah Capital Corp., BMS, the PKSH Entities, the Cabot Entities and WEG. Therefore, these consolidated financial statements include an income tax provision for all the taxable entities. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases and net operating loss carryforwards.

Net Income (Loss) Per Share

Basic earnings per share of common stock is computed by dividing net income (loss) attributable to the Company by the weighted-average number of shares of Class A common stock outstanding during the same period. Diluted net income per share of common stock is computed by dividing net income (loss) attributable to the Company by the weighted-average number of shares of common stock outstanding adjusted to give effect to potentially dilutive securities. Potential shares of common stock consist of incremental shares issuable upon the assumed exercise of stock options and warrants and conversion of the Company’s preferred stock. Net income (loss) per share is not presented for periods prior to the Merger as such amounts would not be meaningful to users of the consolidated financial statements because the equity structure materially changed in connection with the Merger.

Financial Instruments

The Company uses derivative instruments to hedge exposures to cash flow risks. The Company does not hold or issue financial instruments for speculative or trading purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As a result of the Reverse Recapitalization, the Company has issued and has outstanding warrants. The Company evaluates the warrants, to determine if such instruments should be considered stock-based compensation, pursuant to ASC Topic 718, and if not in the scope of ASC 718, if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC Topic 480 and ASC Topic 815. The determination of whether the instrument should be classified as stock-based compensation or a derivative instrument, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

Warrants issued to non-employees (the “Non-employee Warrants”) are not classified as stock-based compensation as there is no condition of employment such that the granting of the shares does not represent compensation. The Non-employee Warrants are classified as derivative liabilities under ASC Topic 480 or ASC Topic 815. Warrants issued to non-employees are measured at fair value on recurring basis, using the market approach based upon the quoted market price of Binah Capital Group, Inc.’s warrants at the end of each reporting period.

Contingent Liabilities

The Company recognizes liabilities for contingencies when there is an exposure that, when fully analyzed, indicates potential losses become probable and can be reasonably estimated. Whether a potential loss is probable and can be reasonably estimated is based on currently available information and is subject to significant judgment, a variety of assumptions and uncertainties.

When a potential loss is probable and the loss or range of loss can be estimated, the Company will accrue the most likely amount within that range. No liability is recognized for those matters which, in management’s judgment, the determination of a reasonable estimate of potential loss is not possible, or for which a potential loss is not determined to be probable.

The determination of these liability amounts requires significant judgment on the part of management. See Note 19 – *Commitments and Contingencies* for additional information.

Recently Issued Accounting Pronouncements

In November 2024, Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires public business entities to disclose, in interim and annual reporting periods, additional information about certain expenses in the notes to financial statements. The ASU should be applied prospectively and is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact on the related disclosures; however, it does not expect this update to have an impact on its financial condition or results of operations.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* to enhance the transparency of income tax disclosures relating to the rate reconciliation, disclosure of income taxes paid, and certain other disclosures. The ASU should be applied prospectively and is effective for annual periods beginning after December 15, 2024. The adoption did not have an impact on the Company’s financial condition or results of operations. See Note 17 - *Income Taxes* for related disclosures.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current period presentation. Such reclassifications had no impact on previously reported net income (loss) or stockholders’ equity.

4. MERGER AND RECAPITALIZATION

Upon the consummation of the Business Combination, (i) the holders of shares of KWAC's common stock ("**KWAC. Common Stock**") issued and outstanding immediately prior to the effective time of the Business Combination (other than any redeemed shares) received one share of common stock of Holdings ("**Holdings Common Stock**") in exchange for each share of KWAC Common Stock held by them, subject to adjustment as more fully described herein, (ii) 1,100,000 shares of Holdings Common Stock issued to Sponsor was placed by Holdings into an escrow account and will not be released to the Sponsor unless the dollar volume-weighted average price of Holdings Common Stock exceeds \$12.00 for 20 trading days within any 30-day trading period during the four-year period following the consummation of the Business Combination, (iii) the holders of each whole warrant to purchase KWAC Class A Common Stock received one warrant to purchase Holdings Common Stock at an exercise price of \$11.50 per share, (iv) 12 million shares of Holdings Common Stock, subject to adjustment as more fully described herein, was issued to the equity holders of BMS in proportion to their ownership interests in BMS, (v) an additional 1,100,000 shares of Holdings Common Stock was issued to certain equity holders of BMS, (vi) 3,084,450 KWAC Private Placement Warrants held by Sponsor were forfeited immediately prior to the effective time of the Business Combination, and (vii) 3,084,450 warrants to purchase Holding Common Stock at an exercise price of \$11.50 per share were issued to the equity holders of BMS in proportion to their ownership interests in BMS. As a result of the Business Combination, BMS became an indirect, wholly-owned subsidiary of Holdings.

Additionally, on the Closing Date, Holdings entered into a Subscription Agreement with an investor for the purchase of 1,500,000 shares of Holdings' Series A Redeemable Convertible Preferred Stock (the "**Holdings Series A Stock**") in a private placement at \$9.60 per share, for an aggregate purchase price of \$14.4 million (the "**Series A PIPE**"). The Holdings Series A Stock may be converted into shares of Holdings Common Stock after the second anniversary of the closing of the Series A PIPE, which such conversion shall initially be 1.5 shares of Holdings Common Stock for each share of Series A Convertible Preferred Stock, subject to certain adjustments provided in the Certificate of Designations.

Holdings applied to have the Holdings common stock and Holdings warrants listed on the Nasdaq Global Market (the "**Nasdaq**") under the symbols **BCG** and **BCGWW**, respectively. Prior to the mergers, the KWAC Class A Common Stock and KWAC Public Warrants were listed on the OTC Exchange under the symbols "KWAC" and "KWAC.WS," respectively.

On March 26, 2024, Holdings received approval for Holding's securities to be listed on the Nasdaq Stock Market LLC. Holdings common stock is listed on the Nasdaq Global Market and its warrants will be listed on the Nasdaq Capital Market under the symbols "BCG" and "BCGWW", respectively.

5. REVENUES FROM CONTRACTS WITH CUSTOMERS

Revenues from contracts with customers are recognized when control of the promised services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. Revenues are analyzed to determine whether the Company is the principal (i.e., reports revenues on a gross basis) or agent (i.e., reports revenues on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the product or service before control is transferred to a customer. The indicators of which party exercises control include primary responsibility over performance obligations, inventory risk before the good or service is transferred and discretion in establishing the price.

Commissions

Commission revenues represent sales commissions generated by advisors for their clients' purchases and sales of securities on exchanges and over-the-counter, as well as purchases of other investment products. The Company views the selling, distribution and marketing, or any combination thereof, of investment products to such clients as a single performance obligation to the product sponsors.

The Company is the principal for commission revenues, as it is responsible for the execution of the clients' purchases and sales and maintains relationships with the product sponsors. Advisors assist the Company in performing its obligations. Accordingly, total commission revenues are reported on a gross basis.

5. REVENUES FROM CONTRACTS WITH CUSTOMERS *(continued)*

The Company generates two types of commission revenue: sales-based commissions that are recognized at the point of sale on the trade date and trailing commissions that are recognized over time as earned. Sales-based commission revenues vary by investment product and are based on a percentage of an investment product's current market value at the time of purchase. Trailing commission revenues are generally based on a percentage of the current market value of clients' investment holdings in trail-eligible assets, and are recognized over the period during which services, such as ongoing support, are performed. As trailing commission revenues are based on the market value of clients' investment holdings, the consideration is variable, and an estimate of the variable consideration is constrained due to dependence on unpredictable market impacts. The constraint is removed once the value of the clients' investment holdings can be determined.

Advisory Fees

Advisory fees represent fees charged to advisors' clients' accounts on the Company's corporate advisory platform. The Company provides ongoing investment advice, brokerage and execution services on transactions, and performs administrative services for these accounts. This series of performance obligations transfers control of the services to the client over time as the services are performed. These revenues are recognized ratably over time to match the continued delivery of the performance obligations to the client over the life of the contract. The advisory revenues generated from the Company's corporate advisory platform are based on a percentage of the market value of the eligible assets in the clients' advisory accounts. As such, the consideration for these revenues is variable and an estimate of the variable consideration is constrained due to dependence on unpredictable market impacts on client portfolio values. The constraint is removed once the value of the clients' investments holdings can be determined.

The Company provides advisory services to clients on its corporate advisory platform through the advisor. The Company is the principal in these arrangements and recognizes advisory revenues on a gross basis, as the Company is responsible for satisfying the performance obligations and has control over determining the fees.

The following table presents total revenues from contracts with customers disaggregated by investment product for the years ended December 31 *(in thousands)*:

Revenue From Contracts With Customers	For the years ended December 31,	
	2025	2024
Variable annuities and other insurance commissions	\$ 106,839	\$ 100,434
Mutual fund commissions	24,038	21,134
Securities commissions	11,818	11,788
Alternative investments	10,745	6,096
Advisory fees	28,601	24,939
Total Revenue From Contracts With Customers	\$ 182,041	\$ 164,391

5. REVENUES FROM CONTRACTS WITH CUSTOMERS *(continued)*

The following tables presents sales-based and trailing revenues disaggregated by product category for the years ended December 31 *(in thousands)*:

	2025	2024
Sales-based (Point in time)		
Variable annuities and other insurance commissions	\$ 44,136	\$ 40,852
Mutual fund commissions	4,814	4,204
Securities commissions	11,818	11,788
Alternative investments	10,457	5,983
Total Sales Based Revenues	\$ 71,225	\$ 62,827
Trailing (Over time)		
Variable annuities and other insurance commissions	\$ 62,704	\$ 59,582
Mutual fund commissions	19,224	16,930
Advisory fees	28,601	24,939
Alternative investments	287	113
Total Trailing Revenues	110,816	101,564
Total Revenue From Contracts With Customers	\$ 182,041	\$ 164,391

Contract Balances

The timing of revenue recognition may differ from the timing of payment by the Company's customers. The Company records a receivable when revenue is recognized prior to payment and there is an unconditional right to payment. The Company records a contract asset when the Company has recognized revenue prior to payment but the Company's right to payment is conditional on something other than the passage of time. Alternatively, when payment precedes the provision of the related services, the Company records deferred revenues (a contract liability) until the performance obligations are satisfied. As of December 31, 2025 and 2024, the Company had receivables from contracts with customers, net of an allowance for credit losses, totaling approximately \$11.1 million and \$10.1 million, respectively. The opening balance of receivables from contracts with customers was approximately \$8.9 million as of January 1, 2024. As of December 31, 2025, December 31, 2024, and January 1, 2024, the Company had no liabilities from contracts with customers.

Interest and Other Income

The Company earns interest income from client margin accounts and cash equivalents. This revenue is not generated from contracts with customers. Additionally, the Company receives marketing fees and sponsorship income.

6. DUE FROM CLEARING BROKER AND CLEARING DEPOSIT

PKSI, CLS and WEG clear customer transactions through a clearing broker and, therefore, they operate pursuant to exemptions contained in Rule 15c3-3 of the Securities and Exchange Act of 1934. As of December 31, 2025 and 2024, clearing deposits, which are included in other assets on the consolidated statements of financial condition and receivables due from clearing brokers were as follows *(in thousands)*:

Entity	2025		2024	
	Clearing Deposit	Due from Clearing Broker	Clearing Deposit	Due from Clearing Broker
PKSI	\$ 562	\$ 424	\$ 543	\$ 430
CLS	234	182	230	147
WEG	175	101	175	296
Total	\$ 971	\$ 707	\$ 948	\$ 873

7. FAIR VALUE

FASB ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard establishes the following hierarchy used in fair value measurements and expands the required disclosures of assets and liabilities measured at fair value:

- Level 1 - Inputs use quoted unadjusted prices in active markets for identical assets or liabilities that the Company can access.
- Level 2 - Fair value measurements use other inputs that are observable, either directly or indirectly. These inputs include quoted prices for similar assets and liabilities in active markets as well as other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 - Inputs that are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. The inputs or methodology used for valuing assets and liabilities are not necessarily an indication of the risk associated with investing in those assets and liabilities.

Certain financial instruments are carried at cost on the consolidated statements of financial condition, which approximates fair value due to their short-term, highly liquid nature. The carrying value of debt approximates their fair value since the interest rates on these obligations represent current market rates.

Derivatives are valued using quoted market prices for identical instruments when available or observable inputs from forward and futures yield curves. The valuation models use required observable inputs including contractual terms, market process, yield curves, credit curves and measures of volatility. Our derivatives are classified as Level 2. The counterparty to our derivative transaction is a regulated bank. Management has determined that the counterparty credit risk associated with its derivative transaction is not significant. Accordingly, the recorded fair value has not been adjusted to reflect counterparty risk.

8. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of December 31 (*in thousands*):

	2025	2024
Computer hardware	\$ 2,714	\$ 2,652
Office furniture and equipment	971	971
Leasehold improvements	41	41
	<u>3,726</u>	<u>3,664</u>
Less: accumulated depreciation and amortization	(3,384)	(3,065)
Property and equipment, net	<u>\$ 342</u>	<u>\$ 599</u>

Depreciation and amortization expense related to property and equipment amounted to approximately \$0.3 million and \$0.4 million for the years ended December 31, 2025 and 2024, respectively.

9. INTANGIBLE ASSETS

The components of intangible assets were as follows as of December 31, 2025 (*in thousands*):

Trade name	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	10 years	\$ 3,500	\$ 2,829	\$ 671

The components of intangible assets were as follows as of December 31, 2024 (*in thousands*):

Trade name	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	10 years	\$ 3,500	\$ 2,479	\$ 1,021

Amortization expense related to intangible assets amounted to approximately \$0.6 million for the years ended December 31, 2025 and 2024.

As of December 31, 2025, the estimated future amortization expense for intangible assets is as follows (*in thousands*):

2026	\$	350
2027		321
	\$	671

10. DEBT

On December 23, 2024 (the "Credit Agreement Closing Date"), BMS entered into a Credit Agreement (the "Credit Agreement") with Byline Bank, as lender (the "Lender"), pursuant to which the Lender agreed, at BMS's request, to (i) make to BMS a term loan in the original principal amount of \$20.3 million (the "Term Loan"), which was funded on the Credit Agreement Closing Date; (ii) make to BMS, from time to time, certain non-revolving loans (the "Non-Revolving Loans") in an aggregate principal amount of up to \$1.0 million (the "Non-Revolving Loan Commitment"), to be funded through, but excluding, the Maturity Date (as defined below); and (iii) issue to BMS, from time to time, letters of credit (the "Letters of Credit") and together with the Term Loan and Non-Revolving Loans, the "Loans") until the earliest to occur of (x) the one year from the Credit Agreement Closing Date and (b) the date on which the Non-Revolving Loans are fully drawn. As of December 31, 2025 and December 31, 2024, the outstanding balance under the Term Loan was \$17.7 million and \$19.6 million, net of unamortized debt issuance costs, respectively.

Under the terms of the Credit Agreement, to the extent that BMS requests a Letter of Credit, the Non-Revolving Loan Commitment shall be permanently reduced in an amount equal to the amount of such Letter of Credit. The Non-Revolving Loans may not be requested by BMS and may only be advanced in connection with a repayment of a Letter of Credit ("LC Payment"). As of December 31, 2025 and 2024, there were no amounts outstanding under the Non-Revolving Loan or Letter of Credit. Subsequent to December 31, 2025, the Company entered into two Letters of Credit in the amounts of approximately \$0.05 million. These Letters of Credit were issued to support two office leases. The Letters of Credit are due on demand and carry an interest rate at the same rate as the Term Loan as outlined below.

The Loans (both principal and interest) made by the Lender to BMS is scheduled to mature and become immediately due and payable in full on December 23, 2029 ("Maturity Date"). The obligations under the Credit Agreement shall bear interest (i) as to the Term Loan, a per annum variable interest rate equal to the Applicable Margin (as defined in the Credit Agreement) plus the greater of (x) the Term Secured Overnight Financing Rate ("SOFR") (as defined in the Credit Agreement) and (y) one percent (1.00%) (the "Term Loan Interest Rate"); (ii) as to the Non-Revolving Loans or any reimbursement obligations relating to a Letter of Credit, at an interest rate equal to the Term SOFR plus four percent (4.00%) per annum; and (iii) if any other obligations is created under the Loan Documents (as defined in the Credit Agreement), at the Term Loan Interest Rate. As of December 31, 2025 and 2024, the effective interest rate was 7.9% and 8.3%, respectively.

10. DEBT (continued)

On April 10, 2025, BMS entered into an interest rate swap agreement with a notional amount of \$10 million in connection with the above-mentioned Credit Agreement. Under the terms of the swap, BMS pays a fixed rate of 3.98% plus four percent (4.00%) and receives a variable interest rate based on SOFR plus 4.00% as defined above. The swap agreement requires monthly payments to be made or received. The swap is designated as cash flow hedge of the variability of the SOFR-based interest payments on \$10 million of BMS's outstanding variable-rate debt.

As of December 31, 2025, the interest rate swap liability had a fair value of \$0.2 million and is included in accounts payable, accrued expenses and other liabilities on the consolidated statement of financial condition. The Company has adopted the shortcut method allowing it to assume perfect hedge effectiveness. Changes in the effective portion of the swap's fair value are recognized in other comprehensive income (loss) ("OCI") and included on the consolidated statements of other comprehensive income (loss). The Term Loan was used by BMS to refinance Existing Credit Facilities (as defined in the Credit Agreement) and the Non-Revolver Loans must be used solely to reimburse the Lender with respect to any Letters of Credit issued to BMS.

The Credit Agreement also includes customary covenants for a transaction of this type, including financial covenants whereby BMS and its subsidiaries on a consolidated basis may not have, as of the last day of each fiscal quarter, commencing with fiscal quarter ending on March 31, 2025, (1) a fixed charge coverage ratio as of the last day of the fiscal quarter for the twelve (12) month period then ended of not less than 1.20 to 1.00; (ii) a senior net leverage ratio as of the last day of such Fiscal Quarter for the twelve (12) month period then ended, of (A) for the fiscal quarter ended March 31, 2025 and each fiscal quarter through and including September 30, 2025, not more than 3.00 to 1.00; and (B) for the fiscal quarter ended December 31, 2025 and each fiscal quarter ending thereafter, not more than 2.75 to 1.00; or (iii) an annualized revenue received from custodians of at least \$18.0 million.

The minimum calendar maturities of the Term Loan as of December 31, 2025, are as follows (*in thousands*):

2026	2,030
2027	3,045
2028	3,045
2029	10,149
	\$ 18,269

11. PROMISSORY NOTES – AFFILIATES

On November 30, 2017, WMS issued subordinated promissory notes in the aggregate principal amount of approximately \$3.6 million to certain sellers in connection with the acquisition of the PKSH Entities. These notes had a maturity date of May 17, 2023, and accrued interest at a rate of 10% annually. The interest on these notes continued to accrue until such time as these notes were restructured.

Additionally, in connection with the acquisition of the PKSH Entities, the Company agreed to pay contingent consideration in the amount of \$5.0 million to certain sellers. The conditions related to this contingency were met on November 30, 2018, and thus the notes have been issued to the sellers. These subordinated promissory notes had a maturity date of May 30, 2023, and accrued interest at a rate of 10% annually. The interest on these notes continued to accrue until such time as these notes were restructured.

In connection with the closing of the Business Combination, the Company paid approximately \$3.5 million on these notes. In addition to the paydown, the noteholders agreed to forgive the remaining accrued but unpaid interest of approximately \$3.8 million and entered into new promissory notes in the principal amount of approximately \$5.3 million in the aggregate, which remain outstanding as of December 31, 2025 and 2024. The terms of these new promissory notes provide for maturity on May 15, 2027, and carries an interest rate of Prime plus 1.00%, but no less than 7.50% per annum. Related interest was approximately \$0.5 million and \$0.4 million for the years ended December 31, 2025 and 2024, respectively.

12. LEASES

The Company has obligations as a lessee for office space with initial noncancelable terms in excess of one year. The Company classifies these leases as operating leases. These leases generally contain renewal options for periods ranging from 2 to 10 years. Because the Company is not reasonably certain to exercise these renewal options, the optional periods are not included in determining the lease term, and associated payments under these renewal options are excluded from lease payments used to determine the lease liability. The Company's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, for many of the Company's leases, variable payments. The Company's office space leases require it to make variable payments for the Company's proportionate share of the building's property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

The components of lease cost for the years ended December 31, 2025 and 2024 are as follows (*in thousands*):

	2025	2024
Operating lease cost	\$ 1,097	\$ 1,112
Variable lease cost	44	38
Total lease cost	\$ 1,141	\$ 1,150

Total lease cost is included in rent and occupancy on the consolidated statements of operations.

Amounts reported in the consolidated statements of financial condition as of December 31, 2025 and 2024 were as follows (*in thousands*):

	2025	2024
Operating lease ROU assets	\$ 3,097	\$ 3,730
Operating lease liabilities	\$ 3,221	\$ 3,820

Other supplemental information related to leases as of December 31, 2025 and 2024 are as follows:

Cash paid for amounts included in the measurement of lease liabilities for the years ended December 31, 2025 and 2024 (*in thousands*):

	2025	2024
Operating leases	\$ 599	\$ 464

Weighted-average remaining lease term as of December 31, 2025 and 2024:

	2025	2024
Operating leases	4.7 years	5.7 years

Weighted-average discount rate as of December 31, 2025 and 2024:

	2025	2024
Operating leases	5.5 %	5.5 %

12. LEASES (continued)

Maturities of lease liabilities as of December 31, 2025 were as follows (in thousands):

2026	\$	767
2027		731
2028		731
2029		731
2030		670
		3,630
Less: Imputed interest		409
Lease liability	\$	3,221

Subsequent to December 31, 2025, on February 4, 2026, WEG entered into an a first amendment for their existing office space to extend the lease from May 1, 2026 through August 1, 2029. Additionally, on January 7, 2026, the Company entered into a lease for office space with a term beginning in February 2026 through June 2029. Future minimum payments on these leases are as follows:

2026	\$	169
2027		187
2028		190
2029		102
Total	\$	648

13. SERIES A REDEEMABLE CONVERTIBLE PREFERRED STOCK

On March 15, 2024 (the "Funding Date"), in connection with the consummation of the Business Combination, Holdings and BMS entered into a Subscription Agreement with an investor for the purchase of 1,500,000 shares of Holdings' Series A Redeemable Convertible Preferred Stock (the "*Holdings Series A Stock*") in a private placement at \$9.60 per share, for an aggregate purchase price of \$14.4 million (the "*Series A PIPE*"). The Holdings Series A Stock may be converted into shares of Holdings Common Stock after the second anniversary of the closing of the Series A PIPE, which such conversion shall initially be 1.5 shares of Holdings Common Stock for each share of Series A Convertible Preferred Stock, subject to certain adjustments provided in the Certificate of Designations.

Additionally, the Holdings Series A Stock carries a cumulative dividend at a rate of nine percent (9%) per annum, payable and compounded quarterly on the last day of each quarter. At the discretion of Holdings, the payment may be made in cash or up to 50% of the amount due, in duly authorized, validly issued, fully paid and non-assessable share of Holdings Series A Stock at a value of \$10 per share. As of December 31, 2025, the Company accrued 50% of the dividend to be paid in cash in the amount of \$0.2 million and paid an in-kind dividend in the amount of \$0.2 million. As of December 31, 2024, the Company accrued 50% of the dividend to be paid in cash in the approximate amount of \$0.2 million. For the years ended December 31, 2025 and 2024, the Company paid dividends under the Series A Stock in the amount of approximately \$1.4 million and \$1.1 million, respectively.

The Holdings Series A Stock has liquidation preferences in the event of a voluntary or involuntary liquidation as follows:

- The greater of \$12.50 per share of Holdings Series A Stock if such liquidation occurs prior to the first anniversary of the Funding Date;
- \$13.00 per share of Holdings Series A Stock if such liquidation occurs prior to the second anniversary of the Funding Date;
- \$15.00 per share of Holdings Series A Stock if such liquidation occurs prior to the third anniversary of the Funding Date;
- \$16.00 per share of Holdings Series A Stock if such liquidation occurs prior to the fourth anniversary of the Funding Date.

13. SERIES A REDEEMABLE CONVERTIBLE PREFERRED STOCK *(continued)*

Holdings, at its option, may redeem the Series A Stock on any anniversary of the Funding date up to and including the fourth anniversary of the Funding date at the following redemption prices:

- \$11.50 per share of Series A Stock on the first anniversary of the Funding Date;
- \$13.00 per share of Series A Stock on the second anniversary of the Funding Date;
- \$15.00 per share of Series A Stock on the third anniversary of the Funding Date;
- \$16.00 per share of Series A Stock on the fourth anniversary of the Funding Date;

If the Series A Stock have not previously been redeemed or converted, the Series A Stock will be redeemed by Holdings on the fourth anniversary of the Funding Date.

14. SERIES B CONVERTIBLE PREFERRED STOCK

On September 4, 2024, the Company entered into a Subscription Agreement with an investor for the purchase of 150,000 shares of Holdings' Series B Convertible Preferred Stock, par value \$.0001 (the "**Holdings Series B Stock**") in a private placement at \$10.00 per share, for an aggregate purchase price of \$1.5 million. The Holdings Series B Stock may be converted into shares of Holdings Common Stock, at the option of the investor at a rate equal to the quotient of (i) \$10.00 divided, by (ii) the product of (A).80 multiplied by, (B) the volume weighted average price for the 20 trading days during the 30-day period immediately prior to such conversion, provided that in no event shall the denominator be less than \$6.00 per share (the "Conversion Rate").

Additionally, the Holdings Series B Stock carries a cumulative dividend at a rate of nine percent (7%) per annum, payable and compounded quarterly on the last day of each quarter. At the discretion of Holdings, the payment may be made in cash or up to 50% of the amount due, in duly authorized, validly issued, fully paid and non-assessable share of Holdings Series B Stock at a value of \$10 per share. As of December 31, 2025 and 2024, included in accounts payable, accrued expenses and other liabilities on the accompanying consolidated statements of financial condition, is an accrued dividend in the amount \$0.03 and \$0.03, respectively, that was paid subsequent to December 31, 2025 and 2024. For the year ended December 31, 2025 and 2024 total dividends related to the Holdings Series B Stock amounted to approximately \$0.1 million and \$0.03 million, respectively.

The Company may, at its option, in whole, or part, redeem the Holdings Series B Stock any time after the first anniversary of the date of the Subscription Agreement at a redemption price equal to the greater of (i) \$12.00 per share of Holdings Series B Stock, plus accrued but unpaid dividends or (A) 1.20 multiplied by (B) the volume weighted average price for 20 trading days during the 30-day period immediately prior to the redemption; provided that such price shall not greater than \$20.00.

15. SHARE-BASED COMPENSATION

The Binah Capital Group, Inc. 2024 Equity Incentive Plan (the “Plan”) was established and effective March 15, 2024. The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Company and by motivating such persons to contribute to the growth and profitability of the Company. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards and Other Stock-Based Awards.

Subject to adjustment as provided in the Plan, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be equal to 1,600,000 shares (the “*Base Reserve*”) plus an annual increase, effective as of the first day of the Company’s fiscal year beginning in the year following the fiscal year in which the Company’s stockholders approved the Plan and the first day of each subsequent fiscal year through and including the first day of the Company’s fiscal year beginning on the tenth (10th) anniversary of the commencement of such annual increase, equal to the lesser of (i) ten percent (10%) of the number of shares of Stock outstanding as of the conclusion of the Company’s immediately preceding fiscal year, or (ii) such amount, if any, as the Board may determine, and such shares shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof.

Stock Options

The following table summarizes the Company’s stock option activity as of and for the year ended December 31, 2025:

	Number of Shares
Outstanding - January 1, 2025	—
Granted	872,500
Exercised	—
Forfeited and Expired	—
Outstanding - December 31, 2025	<u>872,500</u>
Exercisable	<u>472,222</u>
Exercisable and expected to vest December 31, 2025	<u>472,222</u>

The following table summarizes information about the outstanding options as of December 31, 2025:

Exercise Price	Number of Shares	Outstanding Weighted- Average Exercise Price	Weighted- Average Remaining Life (Years)	Number of Shares	Exercisable Weighted- Average Exercise Price
\$2.04	<u>872,500</u>	\$ 2.04	2.02	<u>472,222</u>	\$ 2.04

15. SHARE-BASED COMPENSATION *(continued)*

Restricted Stock and Stock Units

The following summarizes the Company's activity in its restricted stock awards and stock units as of and for the year ended December 31, 2025:

	Restricted Stock Awards		Restricted Stock Units	
	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Units	Weighted-Average Grant Date Fair Value
Outstanding - January 1, 2025	—	\$ —	—	\$ —
Granted	112,843	2.01	500,000	2.04
Vested	112,843	2.01	—	—
Forfeited	—	—	—	—
Outstanding - December 31, 2025	<u>112,843</u>	2.01	<u>500,000</u>	2.04
Expected to vest - December 31, 2025	<u>112,843</u>	\$ 2.01	<u>—</u>	\$ —

The Company grants restricted stock awards and restricted stock units to its employees and officers. Restricted stock awards and stock units must vest or are subject to forfeiture; however restricted stock awards are included in shares outstanding upon grant and have the same dividend and voting rights as the Company's common stock. The Company recognized \$0.5 million and \$0.2 million of share-based compensation expense related to the vesting of the restricted stock awards and stock options during the year ended December 31, 2025. As of December 31, 2025, total unrecognized cost for restricted stock units and stock options was \$1.1 million, which is expected to be recognized over the remaining period of 1.64 years.

16. WARRANTS

The following table summarizes the warrants outstanding as of December 31, 2025 and 2024:

Class of Warrants	Number Outstanding
Public warrants	<u>15,147,958</u>

Each whole warrant entitles the registered holder to purchase one share of Class A common stock at a price of \$11.50 per share. A holder may exercise its warrants only for a whole number of shares of Class A common stock. No fractional warrants will be issued upon separation of the units and only whole warrants will trade. The Company may redeem the warrants at a price of \$0.01 per share if the closing price of the Company's Class A common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period. The Warrants will expire five years after the Closing Date or earlier upon redemption or liquidation.

The Warrants are classified as derivative liabilities under ASC Topic 480 or ASC Topic 815. At December 31, 2025 and December 31, 2024, the fair value of the warrant liabilities is approximately \$2.3 million and \$1.0 million, respectively, and is included in accounts payable, accrued expenses and other liabilities on the accompanying consolidated statement of financial condition as of December 31, 2025 and 2024. For the years ended December 31, 2025 and 2024, included in other expenses on the consolidated statement of operations is unrealized (loss)/gain on the warrants in the amount of approximately \$(1.3) million and \$0.6 million, respectively.

17. INCOME TAXES

The income tax provision (benefit) for the years ended December 31, consisted of the following:

	2025	2024
Federal:		
Current	\$ 1,036	\$ 584
Deferred	(723)	623
State and local:		
Current	174	224
Deferred	(184)	(16)
Income tax provision	<u>\$ 303</u>	<u>\$ 1,415</u>

The following table reflects a reconciliation of the U.S. federal statutory income tax rates to the Company's effective income tax rates for the year ended December 31, 2025:

	Amount	%
U.S. federal statutory rate	598	21.0 %
State income taxes, net of federal benefit ¹	(47)	(1.6)%
Non-deductible meals and entertainment	43	1.5 %
Gain/(loss) on the fair value of warrants	272	9.6 %
Section 831 (B)(2) election	15	0.5 %
Deferred adjustments	(84)	(3.0)%
Change in valuation allowance	(448)	(15.8)%
Other adjustments	(46)	(1.6)%
Effective rate	<u>303</u>	<u>10.6 %</u>

¹ The state and local income tax effect reflects an overall net state income tax benefit for the year, with more than 90% attributable to NY. The state income tax benefit was partially offset by state income tax expense, with CA, IL, NJ and TX representing more than 85% of the offsetting income tax expense.

The following table reflects a reconciliation of the U.S. federal statutory income tax rates to the Company's effective income tax rates for the year ended December 31, 2024:

	Amount	%
U.S. federal statutory rate	(659)	21.0 %
State income taxes, net of federal benefit	161	(5.1)%
Non-deductible meals and entertainment	33	(1.1)%
Non-deductible transaction costs	148	(4.7)%
Gain/(loss) on the fair value of warrants	(129)	4.1 %
Section 831 (B)(2) election	84	(2.7)%
Deferred adjustments	990	(31.5)%
Change in valuation allowance	3	(0.1)%
Non-taxable pass through entities	569	(18.1)%
Net operating loss true-up	216	(6.9)%
Effective rate	<u>1,415</u>	<u>(45.1)%</u>

17. INCOME TAXES (continued)

Deferred Taxes

Deferred tax assets and liabilities are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities as measured by the enacted tax rates. Temporary differences, and net operating loss carryforwards that give rise to deferred tax assets and liabilities are summarized as follows as of December 31:

	2025	2024
Deferred tax assets/(liabilities):		
Property, and equipment, net	\$ (54)	\$ (116)
Intangibles, net	307	246
IRC 163(j) interest limitation, carryover	281	340
Net operating loss	322	281
Share based compensation	127	—
Accrued compensation	353	—
Derivatives and hedging activities – other comprehensive income (loss)	39	—
Other	(69)	138
Total	1,306	889
Valuation Allowance	—	(529)
Net deferred tax asset	\$ 1,306	\$ 360

As of December 31, 2025 and 2024, the net deferred tax asset is included in other assets on the accompanying consolidated statements of financial condition.

Net Operating Losses

At December 31, 2025, the Company and its subsidiaries had federal and state net operating loss carry forwards of approximately \$1.1 million and \$0.6 million, respectively. At December 31, 2024, the Company had federal and state net operating loss carryforwards of approximately \$1.0 million and \$1.8 million, respectively. These carry forward losses are available to offset future U.S. federal and state taxable income and are not subject to IRC Section 382 limitations. All federal net operating losses being carried forward were incurred in tax years beginning after December 31, 2017, and therefore will carry forward indefinitely. The state net operating losses will start to expire December 31, 2038.

Valuation Allowance

The Company provides for recognition of deferred tax assets if the realization of such assets is more likely than not to occur in accordance with accounting standards that address income taxes. Significant management judgment is required in determining the period in which the reversal of a valuation allowance should occur. The Company has considered all available evidence, both positive and negative, such as historical levels of income and future forecasts of taxable income amongst other items, in determining its valuation allowance and has concluded that no valuation allowance is warranted as of December 31, 2025. As of December 31, 2024 the valuation allowance amounted to \$529.

17. INCOME TAXES (continued)

Unrecognized Tax Benefits

Based on the Company's evaluation, it has been concluded that there are no material uncertain tax positions requiring recognition in the Company's consolidated financial statements for the years ended December 31, 2025 and 2024 and the Company does not anticipate any material changes over the next twelve months.

The Company's policy for recording interest and penalties associated with unrecognized tax benefits is to record such interest and penalties as interest expense and other expense, respectively. There were no amounts accrued for interest or penalties on unrecognized tax benefits for the years ended December 31, 2025 and 2024. Management does not expect any material changes in its unrecognized tax benefits in the next year.

The Company files income tax returns, including returns for its subsidiaries, with federal and state jurisdictions and is subject to examination by various taxing authorities. The tax years of 2022 to 2024 remain open to examination in the federal jurisdiction. The tax years of 2021 to 2024 remain open to examination in the state jurisdiction. The Company is not currently under examination for any tax years.

18. NET INCOME (LOSS) PER SHARE

The Series A and Series B Preferred Stock does not have similar economic rights to the common stock and management does not consider them to be in substance common shares for earnings per share (“EPS”) purposes. As a result, the weighted average Series A and Series B Preferred Stock outstanding during the period was not included in the calculation of weighted average common stock outstanding. Diluted earnings per share is computed by including the dilutive effect of the conversion of all potential common stock equivalents (which includes warrants, Series A Preferred Stock, Series B Preferred Stock, options and unvested restricted stock) and accordingly, as applicable adjusting net income to add back any changes in earnings that reduce earnings per common share in the period associated with the potential common stock equivalents.

The computation of loss per share and weighted average of the Company’s common stock outstanding for the years ended December 31, 2025 and 2024 is as follows (*in thousands*):

	For the year ended December 31, 2025	For the year ended December 31, 2024
Net income (loss)	\$ 2,308	\$ (5,292)
Series A preferred dividends	1,445	1,094
Series B preferred dividends	106	31
Net income (loss) available to common shareholders	757	(6,417)
Shares for basic and diluted calculation		
Average shares used in basic computation	16,657	16,593
Dilutive effect of unvested stock units	318	—
Average shares used in diluted computation	16,975	16,593
Earnings (loss) per common share		
Basic	\$ 0.05	\$ (0.39)
Diluted	\$ 0.04	\$ (0.39)

The following table details the securities that have been excluded from the calculation of weighted-average shares for diluted earnings per share for the period presented as they were anti-dilutive (*in thousands*).

	For the year ended December 31, 2025	For the year ended December 31, 2024
Warrants	15,148	15,148
Series A preferred stock	1,626	1,555
Series B preferred stock	150	150
Stock options	873	—
Unvested restricted stock units	182	—

During the preparation of the current period financial statements, the Company identified an immaterial error in the calculation of EPS for the prior periods. The error did not impact net income, total equity, or cash flows. The EPS figures for the prior periods have been revised accordingly in the comparative presentation. Management has concluded that the correction is not material to the prior period financial statements and does not require restatement.

19. COMMITMENTS AND CONTINGENCIES

Litigation

Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company, or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the accompanying consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability and an estimate of the range of possible losses, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed, unless they involve guarantees, in which case the guarantees would be disclosed.

There can be no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

The Company is a defendant or respondent in various pending and threatened arbitrations, administrative proceedings and lawsuits seeking compensatory damages. Claim amounts are infrequently indicative of the actual amounts the Company will be liable for, if any. Many of these claimants also seek, in addition to compensatory damages, punitive or treble damages, and all seek interest, costs and fees. These matters arise in the normal course of business. The Company intends to vigorously defend itself in these actions, and the ultimate outcome of these matters cannot be determined at this time.

In many lawsuits, arbitrations, and regulatory proceedings, it is not possible to determine whether a liability has been incurred or to estimate the amount of that liability until the matter is close to resolution. However, accruals are reviewed regularly and are adjusted to reflect management's estimates of the impact of developments, rulings, advice of counsel and any other information pertinent to a particular matter.

Because of the inherent difficulty in predicting the ultimate outcome of legal and regulatory actions, management cannot predict with certainty the eventual loss or range of loss related to such matters. The Company believes, based upon current information, that the outcome of any such legal proceeding, claim, dispute, or investigation will not have a material effect on the Company's financial position, results of operations or cash flows. However, the actual outcomes of such legal proceedings, claims, disputes, or investigations could be material to the Company's operating results and cash flows for a particular future period as additional information is obtained.

PKSI, a subsidiary of the Company, has responded to an informal inquiry from FINRA in connection with its accounting of a transaction that occurred during the year ending December 31, 2025. The accounting for the transaction in question has been accounted for in the accompanying consolidated financial statements. The Company believes, based upon current information, that the outcome of this inquiry will not have a material effect on our financial position, results of operations or cash flows.

19. COMMITMENTS AND CONTINGENCIES *(continued)*

Indemnification

The activities of the Company's customers are transacted on either a cash or margin basis through the facilities of its clearing broker. In margin transactions, the clearing broker extends credit to the customers, subject to various regulatory and margin requirements, collateralized by cash and securities in the customer's account. In connection with these activities, the clearing broker may also execute and clear customer transactions involving the sale of securities not yet purchased.

The clearing broker monitors required margin levels daily and, pursuant to such guidelines, requires the customers to deposit additional collateral, or reduce positions, when necessary.

These transactions may expose the Company to significant off-balance sheet risk in the event margin requirements are not sufficient to fully cover losses which the customers may incur. In the event the customers fail to satisfy their obligations to the clearing broker, the Company may be required to compensate the clearing broker for losses incurred on behalf of the customers.

The Company, through its clearing broker, seeks to control the risk associated with its customers' activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. As of December 31, 2025 and 2024, management of the Company had not been notified by any clearing brokers, nor were they otherwise aware of any potential losses relating to this indemnification.

20. RELATED-PARTY TRANSACTIONS

Certain of the Company's subsidiaries earn revenue from various related parties controlled by individuals that are members or officers of the Company. Summarized activity and balance as of and for the years ended December 31, 2025 and 2024 are as follows *(in thousands)*:

Subsidiary	Revenue		Due from/(Due to)	
	2025	2024	2025	2024
CLS	\$ —	\$ 1,000	\$ —	\$ (0.1)
Total	\$ —	\$ 1,000	\$ —	\$ (0.1)

The revenue amounts and amounts due to and due from are included in commissions on the accompanying consolidated statements of operations and other assets on the consolidated statements of financial condition, respectively.

21. STOCKHOLDERS' EQUITY

The Company is authorized to issue 57,500,000 shares consisting of the following:

- 2,000,000 shares of Series A Preferred Stock, par value \$0.0001 per share, 1,626,000 shares issued and outstanding as of December 31, 2025; and
- 500,000 shares of Series B Preferred Stock, par value \$0.0001 per share, 150,000 shares issued and outstanding as of December 31, 2025; and
- 55,000,000 shares of Common Stock, par value \$0.0001 per share, 16,716,000 shares issued and outstanding as of December 31, 2025.

22. RETIREMENT PLAN

The Company maintains a 401(k) retirement plan for the benefit of its employees. Prior to January 1, 2025, PKSI and WEG each maintained their own respective 401(k) retirement plans for its employees. Effective January 1, 2025, the WEG plan was merged into the PKSI plan, then the PKSI plan was renamed the Binah Management Services 401(k) Profit Sharing Plan (the "Plan"). Contributions to the Plan are limited to a maximum of 3.5% of employee compensation and are based upon employee contributions. Employees must be 21 years of age and employed for three months to participate. For the year ended December 31, 2025, BMS contributed approximately \$0.6 million to the Plan. For the year ended December 31, 2024, the PKSI contribution to the plan amounted to approximately \$0.4 million. For the year ended December 31, 2024, WEG contributed approximately \$0.03 million to its plan.

23. NET CAPITAL REQUIREMENTS

The Company operates four registered broker-dealers that are subject to the SEC Uniform Net Capital Rule (Rule 15c3-1). This requires the Company to maintain certain minimum net capital requirements. At December 31, 2025 and 2024, all broker-dealers had net capital in excess of the required minimums.

24. CREDIT RISK AND CONCENTRATIONS

Financial instruments that subject the Company to credit risk consist principally of receivables and cash and cash equivalents. The Company performs certain credit evaluation procedures and does not require collateral for financial instruments subject to credit risk. The Company believes that credit risk is limited because the Company routinely assesses the financial strength of its counterparties and, based upon factors surrounding the credit risk of its counterparties, establishes an allowance for credit losses and, consequently, believes that its receivables credit risk exposure beyond such allowances is limited.

25. SEGMENT INFORMATION

Effective with the consummation of the Business Combination, the Board confirmed Craig Gould as Chief Executive Officer ("CEO") and David Shane as Chief Financial Officer ("CFO). The Company has concluded that the its Chief Operating Decision Maker ("CODM") of the group includes the CEO and CFO of the Company.

Management of the Company has determined that it has one reportable segment, given the common nature of the Company's operations, products and services, and regulatory environment. The Company provides a platform of brokerage and investment advisory services to independent financial advisors and advisors at other financial services companies from which the Company derives its revenues and incurs expenses. See Note 5 – *Revenue from Contracts with Customers*.

The CODM regularly reviews net income/(loss) before the provision or benefit for income taxes as presented in the Company's consolidated statements of operations for purposes of assessing performance and making decisions regarding the allocation of resources. Expenses regularly reviewed by the CODM include those line items reported on the Company's consolidated statement of operations, the most significant of which includes commissions and fees, employee compensation and benefits and professional fees. See the consolidated statements of operations and Note 3 – *Summary of Significant Accounts Policies* for additional information about these lines items and the related accounting policies.

26. SUBSEQUENT EVENTS

The Company evaluated subsequent events that occurred after the balance sheet date up to the date that the consolidated financial statements were available to be issued.

BOARD OF DIRECTORS

David Crane⁽¹⁾

Chair of Nominating and Corporate Governance
Committee, Binah Capital Group, Inc.
Principal at Bose Public Affairs Group
Founder of Quadripoint Strategies Founder of TGC
Group

Craig Gould⁽²⁾

Chairman and Chief Executive Officer, Binah Capital
Group, Inc.
President, Cabot Lodge Securities
Former President of Fintegra
Former National Sales Manager for Wunderlich
Securities
Former Vice Chairman of Olympic Cascade Financial
Corporation

Daniel Hynes⁽³⁾

Chair of the Compensation Committee, Binah Capital
Group, Inc.
Vice Chairman & Managing Director at Jefferies, LLC.
Former Deputy Governor, Budget & Economy for the
State of Illinois

Joel Marks⁽¹⁾

Chair of the Audit Committee, Binah Capital Group,
Inc.
Former Chairman of First Allied Holdings, Inc.
Former Chairman of the Legend Group

David Shane⁽²⁾

Chief Financial Officer, Binah Capital Group, Inc.
Former Financial Services Audit Partner at RSM and
FGMK, LLC
Former Chief Financial Officer at Sanctuary Wealth
Group.

EXECUTIVE OFFICERS

Craig Gould

Chief Executive Officer and Chairman

David Shane

Chief Financial Officer

TRANSFER AGENT AND REGISTRAR

Continental Stock Transfer & Trust Company

1 State Street 30th Floor
New York, NY 10004-1561
800.509.5586
212.509.5586 (international)
<https://continentalstock.com/>

ANNUAL AND SPECIAL MEETING

The 2026 Annual Meeting will be held virtually on
June 12, 2026 beginning at 10 am (Eastern Time)
at:
[https://www.virtualshareholdermeeting.com/BCG
2026](https://www.virtualshareholdermeeting.com/BCG2026).

INVESTOR INFORMATION

For information on Binah Capital Group, Inc.,
please call in the US (312) 219-8320, or at
ir@binahcap.com. You may also obtain
information by accessing our website at:
<https://binahcapital.gcs-web.com/>

INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

FGMK, LLC

Chicago, Illinois

(1) Class I Director serving until the 2028 Annual Meeting of
Stockholders

(2) Class III Director serving until the 2027 Annual Meeting of
Stockholders

(3) Class II Director and Director nominee for election at the 2026 Annual
Meeting of Stockholders

