

Global Brokerage, Inc.

Consolidated Statement of Financial Condition

As of June 30, 2018

(In thousands, except share data)

(Unaudited)

Assets

Current assets	
Cash and cash equivalents	\$ 98,168
Cash and cash equivalents, held for customers	311,183
Due from brokers	1,753
Accounts receivable, net	9,789
Other assets — Current	4,059
Tax receivable	426
Total current assets	<u>425,378</u>
Deferred tax asset	1,008
Office, communication and computer equipment, net	25,980
Other intangible assets, net	1,463
Other assets — Non-current	7,388
Total assets	<u><u>\$ 461,217</u></u>

Liabilities, Redeemable non-controlling interest and Stockholders' deficit

Current liabilities	
Customer account liabilities	\$ 311,183
Accounts payable and accrued expenses	29,313
Due to brokers	2,082
Credit Agreement — Related Party	67,237
Other Liabilities — Current	255
Total current liabilities	<u>410,070</u>
Deferred tax liability	873
New Secured Notes	85,071
Other liabilities — Non-current	5,553
Total liabilities	<u>501,567</u>
Redeemable non-controlling interest	23,239
Stockholders' deficit	
Class A common stock, par value \$0.01 per share; 3,000,000,000 shares authorized, 8,247,997 shares issued and outstanding	82
Additional paid-in-capital	361,105
Accumulated deficit	(423,191)
Accumulated other comprehensive loss	(1,891)
Total stockholders' deficit Global Brokerage, Inc.	<u>(63,895)</u>
Other non-controlling interests	306
Total stockholders' deficit	<u>(63,589)</u>
Total liabilities, Redeemable non-controlling interest and Stockholders' deficit	<u><u>\$ 461,217</u></u>

Global Brokerage, Inc.

Consolidated Statements of Operations

For the Three and Six Months Ended June 30, 2018

(In thousands, except per share data, Unaudited)

	June 30, 2018	
	Three Months	Six Months
Revenues		
Trading revenue	\$ 34,110	\$ 79,291
Interest income	698	1,290
Brokerage interest expense	(181)	(351)
Net interest revenue	517	939
Other income	461	847
Total net revenues	35,088	81,077
Operating Expenses		
Compensation and benefits	14,040	31,106
Referring broker fees	3,874	8,769
Advertising and marketing	3,141	6,178
Communication and technology	4,559	10,109
Trading costs, prime brokerage and clearing fees	1,227	2,335
General and administrative	7,867	20,377
Depreciation and amortization	4,138	8,517
Total operating expenses	38,846	87,391
Operating loss	(3,758)	(6,314)
Other Expense		
Loss on sale of investment	89	89
Interest on borrowings	10,144	19,603
Loss from continuing operations before reorganization item and income taxes	(13,991)	(26,006)
Reorganization item — Gain on debt extinguishment	—	92,207
(Loss) income from continuing operations before income taxes	(13,991)	66,201
Income tax provision	395	389
(Loss) income from continuing operations	(14,386)	65,812
Loss from discontinued operations, net of tax	(2,173)	(552)
Net (loss) income	(16,559)	65,260
Net loss attributable to redeemable non-controlling interest in FXCM Group, LLC	(5,259)	(9,985)
Net loss attributable to other non-controlling interests	(189)	(637)
Net (loss) income attributable to Global Brokerage, Inc.	\$ (11,111)	\$ 75,882
(Loss) income from continuing operations attributable to Global Brokerage, Inc.	(13,751)	\$ 75,892
Income (loss) from discontinued operations attributable to Global Brokerage, Inc.	2,640	(10)
Net (loss) income attributable to Global Brokerage, Inc.	\$ (11,111)	\$ 75,882
Weighted average shares of Class A common stock outstanding — Basic and Diluted	8,248	8,248
Net (loss) income per share attributable to stockholders of Class A common stock of Global Brokerage, Inc. — Basic and Diluted:		
Continuing operations	\$ (1.67)	\$ 9.20
Discontinued operations	0.32	—
Net (loss) income attributable to Global Brokerage, Inc.	\$ (1.35)	\$ 9.20

Global Brokerage, Inc.

Consolidated Statements of Comprehensive (Loss) Income

For the Three and Six Months Ended June 30, 2018

(In thousands, unaudited)

	June 30, 2018	
	Three Months	Six Months
Net (loss) income	\$ (16,559)	\$ 65,260
Other comprehensive loss		
Foreign currency translation loss, net of tax	(794)	(1,108)
Other comprehensive loss, net of tax	(794)	(1,108)
Comprehensive (loss) income	(17,353)	64,152
Comprehensive loss attributable to redeemable non-controlling interest in FXCM Group, LLC	(5,658)	(10,554)
Comprehensive loss attributable to other non-controlling interests	(154)	(603)
Comprehensive (loss) income attributable to Global Brokerage, Inc.	\$ (11,541)	\$ 75,309

Global Brokerage, Inc.

Consolidated Statement of Cash Flows For the Six Months Ended June 30, 2018

(In thousands, unaudited)

Cash Flows From Operating Activities

Net income	\$ 65,260
Adjustments to reconcile net income to net cash used in operating activities	
Depreciation and amortization	8,517
Equity-based compensation	356
Deferred tax expense	137
Amortization of discount — New Secured Notes	3,873
Amortization of issuance cost — New Secured Notes	71
Amortization of original issue discount — Credit Agreement	139
Amortization of issuance fee, deferred financing fee and acquisition costs — Credit Agreement	57
Amortization of deferred waiver fee — Credit Agreement	97
Amortization of deferred restructuring costs — Credit Agreement	3,367
Loss on sale of equity method investment	998
Gain on debt extinguishment	(92,207)
Gain on sale of exchange memberships	(1,173)
Loss on sale of investment	82
Changes in operating assets and liabilities:	
Due from brokers	545
Accounts receivable, net	1,135
Tax receivable	(95)
Other assets — Current	2,612
Other assets — Non-current	4,674
Customer account liabilities	(7,604)
Accounts payable and accrued expenses	(1,132)
Other liabilities — Current	(61)
Other liabilities — Non-current	(22)
Due to brokers	(2,210)
Foreign currency remeasurement gain	1,903
Net cash used in operating activities	(10,681)
Cash Flows From Investing Activities	
Purchases of office, communication and computer equipment	(670)
Payments for software development costs	(5,366)
Purchase of intangible assets	(982)
Purchase of license	(129)
Proceeds from sale of exchange memberships	4,838
Net cash used in investing activities	(2,309)
Cash Flows From Financing Activities	
Principal payments on borrowings under the Credit Agreement	(4,539)
Debt issuance costs — New Secured Notes	(1,052)
Net cash used in financing activities	(5,591)
Effect of foreign currency exchange rate changes on Cash and cash equivalents and Cash and cash equivalents, held for customers	(3,273)
Net decrease in Cash and cash equivalents and Cash and cash equivalents, held for customers	(21,854)
Cash and cash equivalents and Cash and cash equivalents, held for customers:	
Beginning of period	431,205
End of period	<u>\$ 409,351</u>

Global Brokerage, Inc.

Consolidated Statement of Cash Flows - (continued)

For the Six Months Ended June 30, 2018

(In thousands, unaudited)

Cash and cash equivalents	\$	98,168
Cash and cash equivalents, held for customers		311,183
Cash and cash equivalents and Cash and cash equivalents, held for customers — End of period	\$	<u>409,351</u>

Supplemental disclosures of cash flow activities

Cash paid for taxes	\$	325
Cash paid for interest	\$	7,245

The following amounts reflected in the statements of cash flows are included in discontinued operations:

Loss on sale of equity method investment	\$	998
Gain on sale of exchange memberships	\$	(1,173)