



June 30, 2025

VIA ELECTRONIC DELIVERY

Ms. Jeannette Jackson
U.S. Securities and Exchange Commission
100 F Street, NE
Mail Stop 7010
Washington, DC 20549-7010

Re: MEMX LLC – Form 1 Amendment

Dear Ms. Jackson:

On behalf of MEMX LLC (“MEMX”), and in connection with the MEMX Form 1 that is on file with the Securities and Exchange Commission (“Commission”), enclosed please find the Execution Page to Form 1 as well as the following exhibits:

- Exhibit D (updated to provide the unconsolidated financial statements of MEMX Holdings LLC, MEMX SubCo LLC, MEMX Technologies LLC, and MEMX Digital Assets for the fiscal year ending December 31, 2024 as Exhibits D-1, D-2, D-3 and D-4, respectively, and statements in lieu of financial statements for MEMX Execution Services LLC, MX2 LLC and MEMX Labs LLC); and
- Exhibit I (updated to provide the audited financial statements of MEMX for the fiscal year ending December 31, 2024).

MEMX certifies that the following complete exhibits are kept up-to-date and are available to the Commission and the public upon request: Exhibits A, B, C and its sub-exhibits, J, K, M, and N. As such, MEMX wishes to avail itself of the provisions of Rule 6a-2(d)(2) and has not enclosed the aforementioned exhibits within this Form 1 Amendment.

This amendment is filed in accordance with SEC Rule 6a-2 and is intended to replace Exhibits D, D-1, D-2, D-3, D-4, and I to MEMX’s Form 1 currently on file with the Commission. Please do not hesitate to contact me at 551-370-1003 if you have any questions or require anything further.

Regards,

A handwritten signature in black ink, appearing to read "A. Franzon".

Anders Franzon
General Counsel

Enclosures

MEMX LLC

Date of Filing/Accurate as of: June 30, 2025

EXHIBIT D

For each subsidiary or affiliate of the exchange, provide unconsolidated financial statements for the latest fiscal year. Such financial statements shall consist, at a minimum, of a balance sheet and an income statement with such footnotes and other disclosures as are necessary to avoid rendering the financial statements misleading. If any affiliate or subsidiary is required by another Commission rule to submit annual financial statements, a statement to that effect, with a citation to the other Commission rule, may be provided in lieu of the financial statements required here.

Attached as Exhibit D-1 are the unaudited financial statements of MEMX Holdings LLC for the fiscal year ending December 31, 2024.

Attached as Exhibit D-2 are the unaudited financial statements of MEMX SubCo LLC for the fiscal year ending December 31, 2024.

MEMX Execution Services LLC's financial statements have been omitted from Form 1 and are filed separately pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 thereunder.

Attached as Exhibit D-3 are the unaudited financial statements of MEMX Technologies LLC for the fiscal year ending December 31, 2024.

Attached as Exhibit D-4 are the unaudited financial statements of MEMX Digital Assets LLC for the fiscal year ending December 31, 2024.

MX2 LLC was not active and had not been funded as of December 31, 2024; thus, financial statements are not available.

MEMX Labs LLC is not active and has not been funded; thus, financial statements are not available.

EXHIBIT D-1

Unaudited financial statements of MEMX Holdings LLC
for the fiscal year ending December 31, 2024

MEMX Holdings LLC (Stand-alone)
Statement of Financial Condition

December 31, 2024
Unaudited

Assets

Cash and cash equivalents	\$ 12,955,715
Restricted cash	433,598
Prepaid expenses	162,848
Due from subsidiaries	1,118,521
Right of use assets, operating	3,075,328
Other assets	342,615
Total Assets	<u>\$ 18,088,625</u>

Liabilities and Members' Equity

Liabilities:

Accounts payable	23,988
Accrued expenses	50,001
Lease obligations, operating	3,573,843
Other liabilities	138,700
Total Liabilities	<u>3,786,532</u>

Total Members' Equity

	14,302,093
Total Liabilities and Members' Equity	<u>\$ 18,088,625</u>

MEMX Holdings LLC (Stand-alone)

Statement of Income (Loss)

Year Ended December 31, 2024

Unaudited

Operating Expenses	
Compensation & benefits	\$ 2,766,137
Professional fees and outside services	355,191
Other expenses	210,569
Total Operating Expenses	<u>3,331,897</u>
Non-Operating	
Interest income	<u>583,777</u>
Total Non-Operating	<u>583,777</u>
Income before Taxes	<u>\$ (2,748,120)</u>
Tax Expense (Benefit)	114,671
Net Income (Loss)	<u>\$ (2,862,791)</u>

EXHIBIT D-2

Unaudited financial statements of MEMX SubCo LLC
for the fiscal year ending December 31, 2024

MEMX SubCo LLC (Stand-alone)
Statement of Financial Condition

December 31, 2024
Unaudited

Assets

Total Assets \$ -

Liabilities and Member's Equity

Liabilities:

Due to parent 750

Due to subsidiary 94,644

Total Liabilities 95,394

Total Member's Equity (95,394)

Total Liabilities and Member's Equity \$ -

MEMX SubCo LLC (Stand-alone)
Statement of Income (Loss)
Year Ended December 31, 2024
Unaudited

Operating Expenses	
Professional fees and outside services	\$ 17,850
Other expenses	2,984
Total Operating Expenses	<u><u>20,834</u></u>
Income before Taxes	<u><u>\$ (20,834)</u></u>
Tax Expense (Benefit)	(250)
Net Income (Loss)	<u><u>\$ (20,584)</u></u>

EXHIBIT D-3

Unaudited financial statements of MEMX Technologies LLC
for the fiscal year ending December 31, 2024

MEMX Technologies LLC (Stand-alone)
Statement of Financial Condition

December 31, 2024
Unaudited

Assets

Cash and cash equivalents	\$ 7,471,966
Prepaid expenses	24,665
Property and equipment, net	640,378
Other assets	1,195,408
Total Assets	<u>\$ 9,332,417</u>

Liabilities and Member's Equity

Liabilities:

Accounts payable	14,099
Due to affiliate	399,988
Other liabilities	26,408
Total Liabilities	<u>440,495</u>

Total Member's Equity

8,891,922

Total Liabilities and Member's Equity

\$ 9,332,417

MEMX Technologies LLC (Stand-alone)
Statement of Income (Loss)
Year Ended December 31, 2024
Unaudited

Revenues	
Connectivity & membership fees	\$ 746,736
Professional fees	17,429,604
Total Revenues	<u>18,176,340</u>
Operating Expenses	
Compensation & benefits	2,628,166
Professional fees and outside services	2,163,205
Technology infrastructure	1,706,761
Exchange connectivity and data	14,799
General and administrative	38,972
Depreciation and amortization	1,509,294
Other expenses	12,234
Total Operating Expenses	<u>8,073,431</u>
Non-Operating	
Interest income	473,703
Total Non-Operating	<u>473,703</u>
Net Income (Loss)	<u>\$ 10,576,612</u>

EXHIBIT D-4

Unaudited financial statements of MEMX Digital Assets LLC
for the fiscal year ending December 31, 2024

MEMX Digital Assets LLC (Stand-alone)
Statement of Financial Condition

December 31, 2024
Unaudited

Assets

Cash and cash equivalents	\$ 1,996
Prepaid expenses	6,610
Other assets	<u>727,601</u>
Total Assets	<u><u>\$ 736,207</u></u>

Liabilities and Member's Equity

Liabilities:

Due to affiliate	<u>18,307</u>
Total Liabilities	<u>18,307</u>

Total Member's Equity	<u>717,900</u>
Total Liabilities and Member's Equity	<u><u>\$ 736,207</u></u>

MEMX Digital Assets LLC (Stand-alone)

Statement of Income (Loss)

Year Ended December 31, 2024

Unaudited

Revenues

Market data fees	\$ 117,344
Total Revenues	117,344

Operating Expenses

Professional fees and outside services	\$ 6,295
Technology infrastructure	2,697
Exchange connectivity and data	18,000
Other expenses	511
Total Operating Expenses	27,503

Non-Operating

Other non-operating	613,967
Total Non-Operating	613,967

Net Income (Loss)	\$ 703,808
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MEMX LLC

Date of Filing/Accurate as of: June 30, 2025

EXHIBIT I

For the latest fiscal year of the applicant, audited financial statements which are prepared in accordance with, or in the case of a foreign applicant, reconciled with, United States generally accepted accounting principles, and are covered by a report prepared by an independent public accountant. If an applicant has no consolidated subsidiaries, it shall file audited financial statements under Exhibit I alone and need not file a separate unaudited financial statement for the applicant under Exhibit D.

Attached are the audited financial statements of MEMX LLC for the fiscal year ending December 31, 2024. MEMX LLC has no consolidated subsidiaries.

MEMX LLC

Financial Statements Year Ended December 31, 2024

With Report of Independent Auditors

MEMX LLC
Year Ended December 31, 2024
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Report of Independent Auditors

To the Board of Directors and Members of MEMX LLC

Opinion

We have audited the accompanying financial statements of MEMX LLC (the "Company"), which comprise the statement of financial condition as of December 31, 2024, and the related statements of income (loss), of changes in members' equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



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

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

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

PricewaterhouseCoopers LLP

March 25, 2025

MEMX LLC
Statement of Financial Condition
December 31, 2024

Assets

Cash and cash equivalents	\$ 37,056,637
Investments - held to maturity	37,729,371
Accounts receivable, net	32,640,867
Prepaid expenses	2,690,211
Due from affiliates	450,861
Property and equipment, net	19,779,288
Right of use assets, financed	1,289,121
Right of use assets, operating	612,010
Notes receivable, net	15,346,908
Other assets	730,880
Total Assets	<u>\$ 148,326,154</u>

Liabilities and Members' Equity

Liabilities:

Accounts payable	15,026,885
Accrued expenses	26,019,367
Accrued compensation	10,879,279
Due to parent	1,023,023
Lease obligations, financed	1,299,046
Lease obligations, operating	612,010
Other liabilities	864,281
Total Liabilities	<u>55,723,891</u>

Members' Equity:

Contributed capital	215,227,165
Retained earnings	<u>(122,624,902)</u>
Total Members' Equity	<u>92,602,263</u>
Total Liabilities and Members' Equity	<u>\$ 148,326,154</u>

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

MEMX LLC
Statement of Income (Loss)
Year Ended December 31, 2024

Revenues	
Transaction fees	\$ 360,160,476
Section 31 fees	56,887,572
Market data fees	20,710,010
Connectivity & membership fees	24,667,650
Professional fees	3,394,824
Total Revenues	<u>465,820,532</u>
Cost of Revenues	
Transaction rebates	326,646,894
Section 31 fees	56,887,572
Total Cost of Revenues	<u>383,534,466</u>
Revenues less Cost of Revenues	<u>82,286,066</u>
Operating Expenses	
Compensation & benefits	31,408,337
Professional fees and outside services	5,702,507
Technology infrastructure	8,652,046
Exchange connectivity and data	2,597,323
General and administrative	1,300,478
Depreciation and amortization	7,551,384
Other expenses	1,444,734
Total Operating Expenses	<u>58,656,809</u>
Non-Operating	
Interest income	2,658,583
Interest expense	(93,128)
Total Non-Operating	<u>2,565,455</u>
Income before Taxes	<u>\$ 26,194,712</u>
Tax Expense (Benefit)	(170,682)
Net Income (Loss)	<u>\$ 26,365,394</u>

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

MEMX LLC
Statement of Changes in Members' Equity
Year Ended December 31, 2024

	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total Members' Equity</u>
Balance, January 1, 2024	\$ 211,227,165	\$ (148,990,296)	\$ 62,236,869
Contributions	4,000,000	-	4,000,000
Net income (loss)	-	26,365,394	26,365,394
Balance, December 31, 2024	<u>\$ 215,227,165</u>	<u>\$ (122,624,902)</u>	<u>\$ 92,602,263</u>

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

MEMX LLC
Statement of Cash Flows
Year Ended December 31, 2024

Cash Flows from Operating Activities	
Net income (loss)	\$ 26,365,394
Adjustments to reconcile net income (loss) to net cash flows from operating activities	
Depreciation and amortization expense	7,551,384
Provision for accounts receivable credit losses	8,844
Provision for notes receivable credit losses	1,235,186
Accretion of discount on held to maturity investments	(1,336,185)
Decrease (increase) in operating assets	
Accounts receivable	(13,503,613)
Prepaid expenses	(279,823)
Due from affiliates	1,052,716
Other assets	(486,240)
Increase (decrease) in operating liabilities	
Accounts payable	3,011,017
Accrued expenses	15,993,331
Accrued compensation	(167,657)
Due to parent	1,637,503
Other liabilities	741,985
Net Cash Provided by Operating Activities	<u><u>41,823,842</u></u>
Cash Flows from Investing Activities	
Purchases of held to maturity investments	(55,137,848)
Proceeds from held to maturity investments	45,500,000
Acquisition of property & equipment	(6,689,641)
Issuance of notes receivable	(3,589,621)
Net Cash Used in Investing Activities	<u><u>(19,917,110)</u></u>
Cash Flows from Financing Activities	
Capital contributions received	4,000,000
Payment of financing lease obligations	(2,550,732)
Net Cash Provided by Financing Activities	<u><u>1,449,268</u></u>
Increase in Cash and Cash Equivalents	23,356,000
Cash, Cash Equivalents, and Restricted Cash, Beginning of Period	13,700,637
Cash and Cash Equivalents, End of Period	<u><u>\$ 37,056,637</u></u>
Supplemental disclosure of cash transactions:	
Cash paid for interest	\$ 93,128
Cash paid for income taxes	-

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

MEMX LLC
Notes to Financial Statements
December 31, 2024

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

MEMX LLC (the “Company” or the “Exchange”) was organized as a Delaware Limited Liability Company on October 3, 2018. The Company is a subsidiary of MEMX Holdings LLC (“MEMX Holdings”) and MEMX SubCo LLC (“MEMX SubCo”), with 99.5% and 0.5% ownership interests, respectively. MEMX SubCo is a wholly owned subsidiary of MEMX Holdings.

The Company was established to create a member-owned national securities exchange, focused on creating and promoting a fair, transparent, and efficient experience for all investors. The Exchange offers a simpler platform with features that benefit both retail and institutional investors. The Exchange received regulatory approval from the U.S. Securities and Exchange Commission (“SEC”) on May 4, 2020 and commenced operations of its U.S. equities market on September 21, 2020. On August 9, 2022, the Exchange received SEC regulatory approval to expand into the U.S. options market and launched its options exchange on September 27, 2023. The Exchange is a United States registered national securities exchange and self-regulatory organization (“SRO”) and is therefore subject to oversight by the SEC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements include all accounts of the Company and have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), following Accounting Standards Codification (“ASC”) as set forth by the Financial Accounting Standards Board (“FASB”).

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts and disclosure of contingent amounts in the financial statements and accompanying notes. Management believes the estimates used in preparing the financial statements are reasonable and prudent. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents include cash held at banks and short-term, highly liquid investments which are readily convertible to cash, with original maturities of three months or less. These balances are subject to credit risk should a counterparty financial institution be unable to fulfill their obligation. The Company mitigates its exposure to such credit risk by holding cash and cash equivalents with three major financial institutions.

Investments – held to maturity

Investments can consist of U.S. Treasury securities which are directly issued by the U.S. government with original maturities between three and twenty-four months. Treasury securities held as of December 31, 2024 had original maturities between six and twelve months. The Company has classified these securities as held to maturity and they are reported at accreted cost, which approximates fair value. They are classified within Level 1 of the fair value hierarchy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable, net

Accounts receivable consist primarily of transaction, connectivity, and market data fees receivable from member firms as well as market data fees receivable from tape administrators. Receivables are carried at cost net of an allowance for credit losses. The Company recognizes an allowance in other expenses when there are expected credit losses. See Note 6.

Accounts receivable, net consists of the following at December 31, 2024:

Transaction fees	\$ 17,313,478
Section 31 fees	8,501,504
Market data fees	4,225,936
Connectivity & membership fees	2,616,433
Accumulated allowance for credit losses	<u>(16,484)</u>
Total accounts receivable, net	\$ 32,640,867

Prepaid expenses

Prepaid expenses consist primarily of software licenses which are amortized over their respective subscription periods.

Property and equipment, net

Property and equipment is recorded at cost and presented less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally ranging from three to fifteen years. In the case of leasehold improvements, the shorter of the original lease term or the useful life is utilized. The Company estimates capitalized costs of internally developed software incurred during the application development stage. These costs are amortized using the straight-line method over the estimated useful life of exchange infrastructure, generally five years.

The Company reviews remaining estimated useful lives of long lived assets at each balance sheet date and will make adjustments should circumstances indicate that such estimated useful lives have changed.

Leases

The Company determines if an arrangement contains a lease at inception. Right-of-use ("ROU") assets represent the right to use an underlying asset for the lease term and lease liabilities represent obligations to make lease payments. Lease ROU assets and liabilities are recognized at commencement date based on the net present value of lease payments over the lease term. The Company's lease agreements may not provide an implicit rate. As a result, the Company will use an implied incremental borrowing rate based on its estimated credit rating and other available market information at lease commencement.

The lease ROU asset reflects any upfront lease payments made as well as lease incentives received. The lease terms may include options to extend or terminate the lease and these are factored into the determination of the ROU asset and lease liability at lease inception when and if it is reasonably certain that the Company will exercise that option.

MEMX LLC
Notes to Financial Statements
December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Company's lease arrangements may contain lease and non-lease components. Non-lease components have been excluded from the Company's calculations of its ROU assets and lease liabilities.

ROU assets are tested for impairment whenever changes in facts or circumstances indicate that the carrying amount of the asset may not be recoverable. No such impairment was recognized during the year ended December 31, 2024.

Notes receivable, net

Notes receivable consist primarily of promissory notes receivable related to the Consolidated Audit Trail ("CAT"). The CAT was formed to create a market-wide consolidated audit trail designed to improve regulators' ability to monitor trading activity. On September 6, 2023, the SEC approved an amendment to the CAT national market system plan to implement a revised funding model ("CAT Funding Model") to fund the CAT. The approved CAT Funding Model contemplates two categories of CAT fees: (i) CAT fees assessed to industry members to recover a portion of historical CAT costs previously paid by the SROs; and (ii) CAT fees assessed to industry members and SROs to fund a portion of prospective CAT costs.

Through October 2024, the SROs funded the CAT operating and support expenditures through non-interest-bearing notes. During October 2024, with the implementation of the CAT Funding Model, industry members began paying CAT fees as noted above. The promissory notes are expected to be repaid, in part, via these historical CAT assessments. The Company recognizes an allowance in other expenses when there are expected credit losses over the expected life of the financial instrument. See Note 6.

Notes receivable, net consists of the following at December 31, 2024:

	December 31, 2024
Notes receivable	\$ 22,578,332
Accumulated allowance for credit losses	<u>(7,231,424)</u>
Total notes receivable, net	\$ 15,346,908

Accrued compensation

The Company has established target bonus agreements with various employees. The accrued compensation at December 31, 2024 reflects the actual payments in January 2025.

Members' equity

As of December 31, 2024, 1,000 units of a single class were issued and outstanding. The Company's profits and losses are allocated to members in accordance with the percentage ownership interest and each member's liability is limited to their contribution. During the year, MEMX Holdings made capital contributions totaling \$4,000,000 to the Company, of which \$20,000 represented contributions from MEMX SubCo.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Substantially all revenue presented on the income statement is considered to be revenue from contracts with customers. The Company's significant revenue streams are described below.

Transaction Fees - Transaction fees represent gross fees charged to members for meeting the point-in-time performance obligation of either executing a trade on the Exchange or routing an order for execution at another exchange. These fees can be variable based on tiered discounts. The rate charged to a client as an incentive is based on the client trade volume, trade liquidity type, and activity relative to established rate tiers. Fees are calculated and billed monthly in accordance with the Exchange's published fee schedules and the prevailing client fee achieved.

Transaction Rebates - Transaction rebates represent gross rebates paid to members for meeting the point-in-time performance obligation of executing a trade on the Exchange. These rebates can be variable based on tiered increases. The rate rebated to a client as an incentive, is based on the client trade volume, trade liquidity type, and activity relative to established rate tiers. Rebates are calculated and credited monthly in accordance with the Exchange's published fee schedules and the prevailing client rebate achieved.

Section 31 Fees - Pursuant to the Securities Exchange Act of 1934, as amended, Section 31 fees are assessed based on the notional value executed on each exchange and are designed to recover the costs to the government of supervision and regulation of securities markets and securities professionals. Section 31 fees are collected from members to cover the Section 31 fees charged by the SEC for meeting the point-in-time performance obligation of executing a trade on the Exchange. As the Exchange is responsible for the ultimate payment to the SEC, it is considered the principal in these transactions and fees are recorded gross. Amounts due to the SEC are remitted semiannually and recorded in accrued expenses until paid.

Options Regulatory Fees ("ORF") – ORF are assessed by the Exchange to recover a portion of its regulatory oversight costs. Fees are calculated based on the number of clearing member customer contracts executed across all options exchanges multiplied by a predetermined rate published by the Exchange. ORF are included in Transaction fees and collected monthly, in arrears.

Market Data - Market data fees include fees from direct subscribers as well as from Exchange participation in U.S. tape plans. Fees collected from U.S. tape plan subscribers, net of plan costs, are allocated and distributed quarterly to plan participants according to their share of tape fees. This distribution considers both trading and quoting activity. Proprietary market data fees are charged to subscribers monthly in accordance with the Exchange's published fee schedules. Market data revenue is recognized over time throughout each month as the Exchange provides the data to satisfy its performance obligation.

Connectivity and Membership – Connectivity fees are charged to customers and members for their connections to the Exchange, which include both physical connections and application sessions. Membership fees are assessed to maintain active membership. Connectivity and membership fees are billed monthly in accordance with the Exchange's published fee schedules and recognized over time throughout each month as the Exchange provides the connectivity and ongoing membership to satisfy its performance obligation.

Professional Fees – Professional fees are earned from an affiliated entity for shared services rendered. See Note 8 "Related Party Transactions" for further discussion.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Company is a limited liability company which is taxed as a partnership for U.S. tax purposes. No provision for applicable income taxes is made in the financial statements as the Company is treated as a pass-through entity for federal, state and local income taxes. The Company is subject to New York City Unincorporated Business Tax ("UBT"), a provision for which is included in the financial statements.

As of December 31, 2024, the Company determined that it has no uncertain tax positions, interest or penalties as defined within ASC 740, Income Taxes ("ASC 740"), and accordingly, management has concluded that no additional ASC 740 disclosures are required.

As of December 31, 2024, the Company's tax returns are subject to examination by tax authorities for the years 2020 through 2023.

Compensation and benefits

Compensation and benefits consist of the following for the year ended December 31, 2024:

Salaries	\$	19,021,400
Bonuses		9,329,114
Other compensation & benefits		3,057,823
Total compensation & benefits	\$	31,408,337

Professional fees and outside services

Professional fees and outside services consist primarily of regulatory compliance and advisory services, which include but aren't limited to legal, audit, tax, marketing and talent acquisition.

Technology infrastructure

Technology infrastructure expenses are related to the development and maintenance of both our exchange and enterprise architecture. These include datacenter colocation, software, and technical consulting expenses.

Exchange connectivity and data

Exchange connectivity and data expenses include fees paid to connect to other national securities exchanges and for access to market data feeds utilized in the Company's exchange infrastructure. These fees may be paid directly to other national securities exchanges as well as extranets and third-party market data providers.

MEMX LLC
Notes to Financial Statements
December 31, 2024

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2024:

Technology infrastructure	\$ 28,200,607
Leasehold improvements	2,311,155
Furniture & equipment	409,801
Software	1,054,683
Website	230,896
Total cost of property and equipment	\$ 32,207,142
Accumulated depreciation	(12,427,854)
Property and equipment, net	\$ 19,779,288

During the year ended December 31, 2024, property and equipment depreciation expense of \$3,372,982 and internally developed software amortization of \$1,636,334 were charged to operations. During the year ended December 31, 2024, the Company disposed of certain fully depreciated equipment with original costs totaling \$74,885.

As of December 31, 2024, unamortized internally developed software costs totaled \$4,425,414.

4. LEASES

Finance leases - The Company enters into finance leases for technology and office equipment ranging from three to five years. These leases include the option to extend for an additional term and a purchase option at market price at the end of the term. Interest expense under financing leases for the year ended December 31, 2024 was \$93,128.

Operating leases – The Company has determined that certain of its vendor colocation arrangements contain operating leases. Such arrangements, after initial contract terms, contain automatic renewals, subject to 30-90 day written notice periods for termination. Colocation lease expenses are recognized as incurred.

The following provides supplemental balance sheet information related to the Company's finance and operating leases at December 31, 2024:

	Finance Leases	Operating Leases
Assets:		
Lease assets	\$ 1,289,121	\$ 612,010
Liabilities:		
Current lease liabilities	\$ 1,249,241	\$ 612,010
Non-current lease liabilities	49,805	-
Total lease liabilities	\$ 1,299,046	\$ 612,010

The following summarizes the Company's lease costs for the year ended December 31, 2024:

Operating lease cost	\$ 903,592
Finance lease cost:	
Amortization of right-of-use assets	\$ 2,542,068
Interest on lease liabilities	93,128
Total Finance lease cost	\$ 2,635,196

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4. LEASES (continued)

Supplemental weighted-average information related to leases was as follows:

Weighted-average remaining lease term (years):	
Finance leases	0.8
Operating leases	0.8
Weighted-average discount rate:	
Finance leases	3.74%
Operating leases	2.25%

As of December 31, 2024, future repayments of lease liabilities were as follows:

	<u>Finance Leases</u>	<u>Operating Leases</u>
2025	\$ 1,270,255	\$ 691,247
2026	41,276	-
2027	9,068	-
2028	-	-
2029	-	-
Thereafter	-	-
Total lease payments	<u>1,320,599</u>	<u>691,247</u>
Less imputed interest	<u>21,553</u>	<u>79,237</u>
Total	<u>\$ 1,299,046</u>	<u>\$ 612,010</u>

5. REVENUE

The following summarizes 2024 annual revenue by recognition pattern:

	<u>Point-in-time</u>	<u>Over time</u>
Revenues:		
Transaction fees	\$ 360,160,476	\$ -
Section 31 fees	56,887,572	-
Market data fees	-	20,710,010
Connectivity & membership fees	-	24,667,650
Professional fees	-	3,394,824
Total revenues	\$ 417,048,048	\$ 48,772,484
Cost of revenues:		
Transaction rebates	326,646,894	-
Section 31 fees	56,887,572	-
Total cost of revenues	\$ 383,534,466	\$ -
Revenues less cost of revenues	\$ 33,513,582	\$ 48,772,484

During the year ended December 31, 2024 five trading members accounted for 52% of the Company's transaction fee revenues and 48% of the Company's transaction fee rebates.

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6. CREDIT LOSSES

Current expected credit losses are estimated for certain accounts receivable and notes receivable. Provisions for credit losses are included in other expenses.

Accounts receivable credit losses are estimated based on historical actual losses and current conditions which inform collectability. Notes receivable credit losses are estimated based on the various potential outcomes under the CAT Funding Model. See Note 2 – Notes Receivable, net.

The following table summarizes changes in allowance for credit losses during the year ended December 31, 2024:

	Balance, January 1, 2024	Credit loss provision	Write-offs charged against allowance	Balance, December 31, 2024
Accounts receivable	\$ 7,640	\$ 8,844	\$ -	\$ 16,484
Notes receivable	5,996,238	1,235,186	-	7,231,424
Total allowance for credit losses	\$ 6,003,878	\$ 1,244,030	\$ -	\$ 7,247,908

7. COMMITMENTS AND CONTINGENCIES

The Company has lease arrangements for technology, office equipment, and certain colocation arrangements that expire at various dates through 2027. See Note 4 for details of lease related assets, liabilities, and expenses.

From time to time, the Company may become involved in legal matters relating to claims arising in the ordinary course of business. There are currently no such matters pending that management believes could have a material effect on results of operations, cash flows, or financial condition.

8. RELATED PARTY TRANSACTIONS

The Company holds approximately \$3.1 million of its cash and cash equivalents balance in checking and saving accounts at an affiliate of one of the equity members of MEMX Holdings. Interest earned during the year ended December 31, 2024 was de minimis.

The Company holds its U.S. Treasury investments at an affiliate of one of the equity members of MEMX Holdings.

Certain equity members of MEMX Holdings, or affiliates of such equity members, are also trading members of the Exchange. During the year ended December 31, 2024, such equity members or their affiliates accounted for 56% of the Company's transaction fee revenues and 64% of the Company's transaction fee rebates.

The Company is party to an intercompany agreement with MEMX Holdings, whereby MEMX Holdings shall guarantee adequate funding for the Company's operations.

The Company is party to an expense sharing arrangement with MEMX Holdings and affiliated entities, whereby it derives professional fees from affiliates for shared services rendered and pays direct routing revenues to an affiliate broker-dealer. The Company may also allocate expenses and pay vendors for direct expenses on behalf of MEMX Holdings and its affiliates.

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8. RELATED PARTY TRANSACTIONS (continued)

On May 1, 2024, the Company launched an equity rights program (“Warrants Program”), through which participants may obtain common unit warrants in return for a prepaid fee which can be applied to future Exchange options trading fees. MEMX Holdings issued 6,990,000 warrants which vest monthly, over a two-year period, by participants satisfying certain liquidity volume thresholds on the Exchange’s options platform. Each vested warrant represents the right to acquire one common unit in MEMX Holdings. There have been no exercises of vested warrants to date.

During the year ended December 31, 2024, 1,797,453 warrants vested. The grant date fair value of vested warrants is presented net within Transaction Fees on the Consolidated Statement of Income (Loss) and cash settled between the Company and its parent quarterly in arrears.

The following summarizes the direct and allocated components of related party receivables and payables at December 31, 2024:

	Due from affiliates	Due to parent
Related party receivables (payables)		
Direct revenues	\$ (158,877)	\$ -
Professional fee revenues	90,741	-
Direct expenses	476,562	(233,428)
Allocated expenses	42,435	-
Fair value of vested warrants	-	1,256,451
Balance at December 31, 2024	\$ 450,861	\$ 1,023,023

9. SUBSEQUENT EVENTS

The Company evaluated subsequent events through March 25, 2025, the date these financial statements were issued, and determined that there were no material events or transactions that would require recognition or additional disclosure in these financial statements