

OTC Markets

EQS GROUP

THE COST EFFECTIVE WAY TO ACCESS US INVESTORS

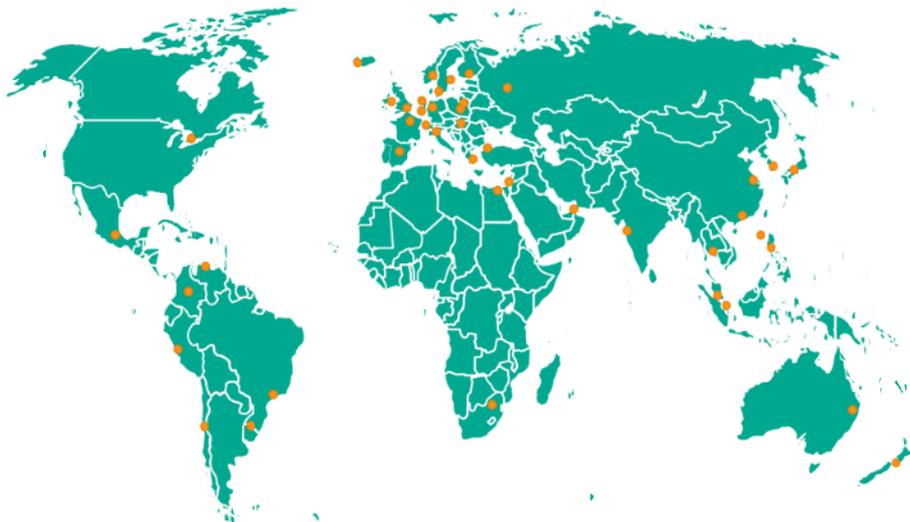
September/October 2017

OTC MARKETS GROUP

Our Mission: To create better informed and more efficient financial markets

OTC Markets Group, Inc. (OTCQX: OTCM) operates the OTCQX® Best Market, the OTCQB® Venture Market, and the Pink® Open Market for 10,000 U.S. and global securities. Through OTC Link® ATS, we connect a diverse network of broker-dealers that provide liquidity and execution services. We enable investors to easily trade through the broker of their choice and empower companies to improve the quality of information available for investors.

OTC Link ATS is operated by OTC Link LLC, member FINRA/SIPC and SEC regulated ATS.



\$10 trillion+
total market capitalization

\$192 Billion
total dollar volume

86%
total market turnover in global securities

9,620 securities
connecting 45 recognized global exchanges

OUR MARKETS

We organize 10,000 securities into three markets to better inform investors



The Best Market

- Established, investor-focused U.S. and global companies
- High financial standards, best practice corporate governance and compliance with U.S. securities laws
- Current public reporting
- Penny stocks, shells and companies in bankruptcy cannot qualify for OTCQX



The Venture Market

- Early-stage and developing U.S. and international companies
- Current public reporting and an annual verification and management certification
- Must meet \$0.01 bid test and may not be in bankruptcy



The Pink Market

- Allows broker-dealers to electronically trade all types of companies
- Companies not providing adequate information to investors
- No minimum financial standards
- Investors should research and exercise caution

TRUSTED, INVESTOR-FOCUSED COMPANIES



FINDING SOLUTIONS TO U.S. CAPITAL MARKET CHALLENGES FOR GLOBAL COMPANIES

OTCQX provides the core functions of a U.S. stock exchange without the cost & complexity

Key Challenges

OTCQX Solutions

U.S. investors may be unable or unwilling to trade securities in a company's home market

Trading
→

Provides an established U.S. public market for global companies to be traded:

- as a U.S. security
- through a U.S. broker
- in U.S. dollars
- during U.S. trading hours

Arbitrage opportunity without compliance issues

Brokers place high internal risk controls on Pink and Grey securities, limiting trading

Trust
→

Indicates to brokers and investors that a company:

- meets high financial standards – penny stocks and shells do not qualify
- follows best practice corporate governance
- demonstrates compliance with U.S. securities laws
- current in its 12g3-2(b) obligation

News and disclosure that a company distributes in its home market is not easily accessible for U.S. investors researching its security

Transparency
→

Leverages current reporting standard(s) to push information to the U.S., removing duplication:

- convert financial information into a format that U.S. investors can consume and analyze
- distribute company news to U.S. investors and brokers

Complying with U.S. exchange requirements can be costly and duplicative for global IROs with a limited budget

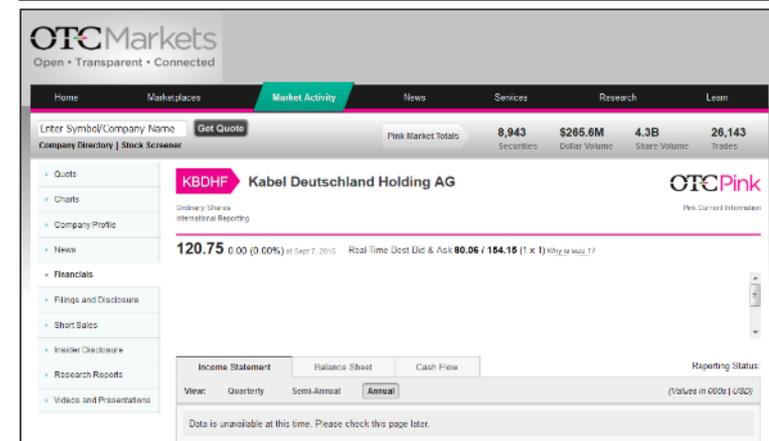
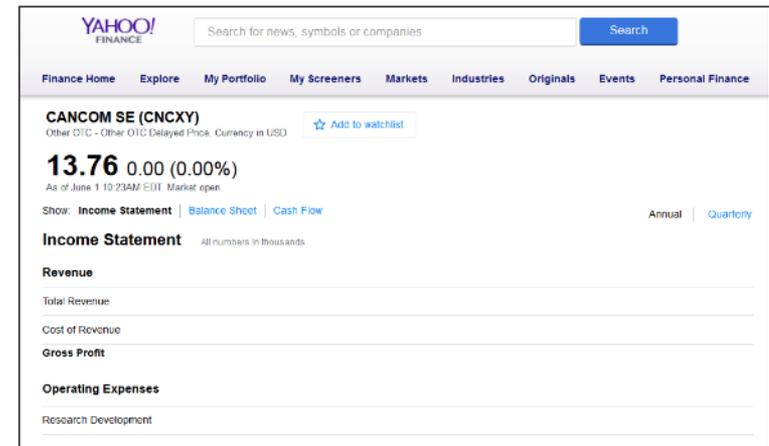
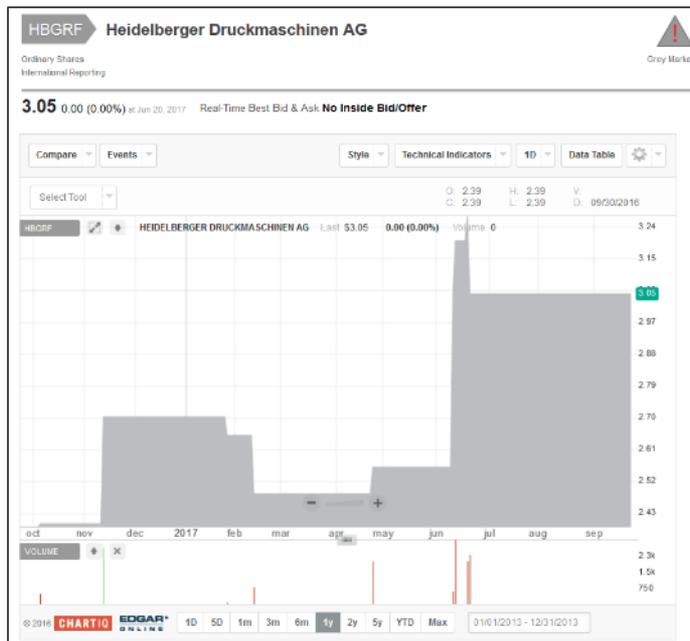
Requires fewer experts and simplified ongoing requirements

WHAT DOES IT MEAN TO TRADE ON THE PINK AND GREY MARKET?

Indicates U.S. brokers and investor interest even if a company was not involved in creating the U.S. symbol

No company engagement, however, can mean

- Lower information distribution and visibility
- Lower liquidity
- Lower trading volumes



OTC LINK® ATS: WELL-REGULATED TRADING

Network Model: Broker-dealer communication and trading

- SEC-registered Alternative Trading System
- 100+ leading FINRA member and SEC regulated broker-dealers that trade on exchanges and off-exchanges and connect to the German market
- Transparency on comprehensive full depth of book, ensuring National Best Bid and Offer (NBBO) where best price is assured and best execution regulations are met

Setup View Quote Market Info Help MQ MT SK QG News T.Pref Hist T.Hist Find

BASFY Go S.Pref SK BASFY BASF SE S/ADR 055262505 PBQ:Y Venue:OTC Link

PBBO: 105.22 / 105.27 (1,700 x 300) Last: 105.23 -0.49 (-0.46%) 09:56:30 Hi: 105.24 Lo: 105.15 PCL: 105.72 Vol: 3,059 Trades: 47 \$Vol: 321,848.07 VWAP: 105.21349
CBBO: 105.22 / 105.27 (2,800 x 400) 20 Day ADV: 29,431

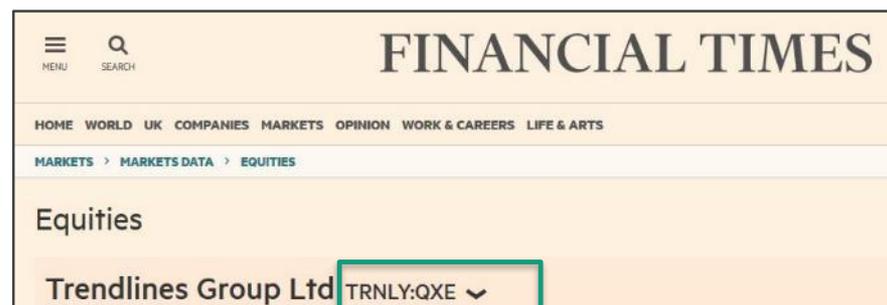
You: / (x)
QAP: /

Join	Best	Away	Hit	Swp All	Max	Unpr	Min Sz	Rmv	Send	Tr Msg	Clear			
Join	Best	Away	Hit	Swp All	Max	JANE	105.22	1,500	10:08	NITE	105.27	-30	100	10:08
Join	Best	Away	Hit	Swp All	Max	VFCM	105.22	200	10:08	VFCM	105.27	-30	100	10:08
Join	Best	Away	Hit	Swp All	Max	ARCA	105.22	1,100	10:08	ARCA	105.27	-30	100	10:08
Join	Best	Away	Hit	Swp All	Max	CDEL	105.20	200	10:08	JANE	105.28	-30	1,500	10:08
Join	Best	Away	Hit	Swp All	Max	NITE	105.13	100	10:08	INTL	105.30	-30	100	10:08
Join	Best	Away	Hit	Swp All	Max	INTL	105.10	100	10:08	MCAP	105.50	-25	100	10:08
Join	Best	Away	Hit	Swp All	Max	MCAP	105.06	100	10:08	CSTI	105.50	-30	100	10:08
Join	Best	Away	Hit	Swp All	Max	CSTI	104.90	100	10:08	VNDM	105.83	-30	100	09:22
Join	Best	Away	Hit	Swp All	Max	CANT	104.85	100	09:56	CDEL	107.00	-30	2,000	10:08
Join	Best	Away	Hit	Swp All	Max	ETRF	101.75	100	09:07	PUMA	107.12	-25	100	09:22
Join	Best	Away	Hit	Swp All	Max	MAXM	100.16	100	08:43	CANT	107.12	-30	100	09:54
Join	Best	Away	Hit	Swp All	Max	BARD	99.20	100	10:07	ETRF	108.75	-30	100	10:02
Join	Best	Away	Hit	Swp All	Max	VNDM	96.06	100	09:22	MAXM	110.46	-30	100	08:43
Join	Best	Away	Hit	Swp All	Max	VFIN	93.57	100	09:27	BARD	111.25	-30	100	10:06
Join	Best	Away	Hit	Swp All	Max	PUMA	91.50	100	08:36	VFIN	116.81	-30	100	09:29
Join	Best	Away	Hit	Swp All	Max	VERT	90.00	100	09:01	VERT	155.52	-30	100	09:07
Join	Best	Away	Hit	Swp All	Max	BGCE	60.04	100	09:10	BGCE	184.12	-30	1	09:10

COMPLIANCE

OTC Market designations are used by financial institutions, such as BNP Paribas, HSBC, JP Morgan, and UBS

- Leading financial institutions, brokers and advisors subscribe to award-winning OTC Compliance Products to monitor key data points on OTC securities
- Brokers place restrictions on trading Pink and Grey securities
- OTC Market designations are displayed on major financial portals and online brokerages used by U.S. investors to research and trade securities



INFORMATION DISTRIBUTION

Company information directly feeds the investing audience, including U.S. market data distributors, investment databases, media outlets and broker-dealers

Market Data Distributors

ActivFinancial ADVFN
 Bloomberg
 DAS
 DevExperts
 Direct AccessFinancial
 DirectFN
 Essex/Radez
 Etrade
 Factset
 Fidelity
 Fidessa
 Firstrate FlexTrade
 Instinet
 Interactive Brokers
 Interactive Data
 IRESS
 ITG
 LEK Securities
 Markit On Demand
 MB Trading
 Morningstar
 Neovest
 Penon
 Questrade
 Quodd
 Quote Media
 Real Tick
 Schwab
 Scottrade
 Six FinancialInformation
 Sterling Trader
 Stockwatch
 Sungard
 TD Ameritrade
 Telvent DTN
 Thomson/Reuters
 TrackData
 TradeKing TradeMonster
 TradeStation
 TradingScreen

Financial Portals

AOL Daily Finance
 Bloomberg
 CNBC
 CNN Money
 Fidelity
 FinancialTimes
 The Motley Fool
 MSN Money
 Seeking Alpha
 Reuters
 Yahoo! Finance
 Wall StreetJournal

Balance Sheet | [Income Statement](#) | [Cash Flow](#) | [Sec Filings](#)

BALANCE SHEET • QUARTERLY • ANNUAL

	2016 12/31/16	2015 12/31/15	2014 12/31/14	2013 12/31/13
Cash	1,666	1,134	1,421	1,187
Short Term Investments	322	328	220	104
ASSETS				
Cash & Short Term Investments	1,987	1,461	1,641	1,291
Receivables - Net	6,257	6,027	6,320	5,718
Raw Materials	704	654	637	613
Work in Progress	654	571	545	444
	2,156	1,997	1,741	1,805
	(150)	(116)	(103)	(93)
	3,364	3,105	2,821	2,768
	119	117	140	102
	660	617	644	560

BASF SE

Price: **\$104.74** Day's Change: **↑ 0.52 (0.50%)**

Day's High: **104.74** Day's Low: **104.74** Volume: **400**

September 25, 2017 9:30am ET

Summary | News | Social Signals | Charts | Earnings | **Fundamentals** | Valuation | Calendar | Peer Comparison | SEC Filings

Overview | **Balance sheet** | [Income statement](#) | [Cash flow](#) | View: Quarter Annual | This page reports **GAAP earnings**.

Values displayed are in millions.

	Q3 2016 09/30/16	Q4 2016 12/31/16	Q1 2017 03/31/17	Q2 2017 06/30/17
Assets				
Cash & Equivalents	3,460	1,375	1,843	1,849
Short Term Investments	41	536	34	29
Cash and Short Term Invs	3,501	1,911	1,877	1,878
Trade Accts Recvble, Net	9,842	10,952	13,123	11,520
Other Receivables	3,478	3,078	3,457	3,880
Total Receivables, Net	13,320	14,030	16,580	15,400
Invent. - Work In Progress	--	6,808	--	6,743

KEYS TO A SUCCESSFUL U.S. FOOTPRINT: TRADABILITY AND VISIBILITY

Tradability

- Home Market Bias – U.S. investors may be unwilling or unable to trade without a U.S. security
- Restrictions on Pink Market
 - Little to no engagement
 - Wide variety of securities including penny stocks, shells, dark, delinquent, financially distressed & bankrupt companies
 - High internal risk controls for brokers, limiting trading
- Blue Sky Recognition = More Efficient Trading
 - Blue Sky compliance impacts how information, research and advice is distributed to your investors
 - OTCQX helps companies address Blue Sky challenges
 - OTCQX is now recognized by 26 states for Blue Sky manual exemption based on information companies make available

VISIBILITY: ENSURING YOUR MESSAGE REACHES THE U.S. MARKET

Information Feeds the Investing Audience

- Including the conversions of financials

The image shows three overlapping screenshots of financial data feeds. The top-left screenshot is from Fidelity, displaying the stock price for Roche Holding AG (RHHBY) at 30.53, up 0.38 (+1.24%). It includes a summary of financials: Revenue 10,000,000, Total Revenue 20,000,000, Cost of Revenue 15,000,000, and Gross Profit 5,000,000. The top-right screenshot is from Scottrade, showing the stock price for BNP Paribas SA (BNP) at 25.01, down 0.34 (-1.29%). The bottom screenshot is from E*TRADE, showing the stock price for Continental AG (CTTAY) at 42.66, up 0.10 (+0.22%).

Market Recognition



OTCQX Indices



OTCQX index data

- Bloomberg
- Google Finance
- Interactive Data
- Thomson Reuters
- OTC Markets Group

OTC Markets Events



OTC QX VISIBILITY PROGRAM



OTCQX Market Center in New York City
Available to all OTCQX companies to hold conferences and events

OTCQX Best 50
An Annual Ranking



OTCQX Video Series & Community Spotlight
with Executives of OTCQX Companies



OTC Markets

Join our Virtual Investor Conference
for OTCQX Companies



OTCQX Virtual Investor Conferences
Live webcast investor presentations

Morningstar Quantitative Equity Research
Leading provider of independent research

Deutsche Lufthansa AG ADR DLAKY ★★★ 21 Sep 2017 02:00 UTC

Last Close 21 Sep 2017 27.41	Fair Value* 21 Sep 2017 02:00 UTC 26.29	Market Cap 12,603.0 Mill	Sector Inc
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There is no analysis in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to 'Investor'. © 2017 Jane Davidson, Head of Quantitative Research at Morningstar, Inc. It is recommended to review the methodology that supports the quantitative fair value. As an employee of Morningstar, Inc., the Division is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out the research and/or the information regarding conflicts of interests. Visit <http://global.morningstar.com/en/ethics/index>

Company Profile	
Deutsche Lufthansa AG holds hub airlines, point-to-point airlines, and aviation service companies. The company organizes its operations in four segments: The Passenger Airline Group, Logistics, Maintenance, Repair and Overhaul, and Catering.	

Quantitative Scores		Scores	
		All	Rel. Country
Quantitative Moat	None	13	10
Valuation	Fairly Valued	30	23
Quantitative Uncertainty	High	55	53
Financial Health	Moderate	64	57



OTC Markets

June 19, 2017



Community Spotlight
Markus Georgi,
Senior Vice President - Head of Investor Relations
Fresenius SE & Co. KGaA (OTCQX: [FSNUY](#), [FSNUF](#))

"2016 was an extraordinarily successful year for Fresenius, and that is reflected in our business results. In fact, we are looking back on another record year, our 13th straight! Sales reached €29.1 billion, a year-over-year increase of 5 percent. Our operating profit increased 9 percent to €4.3 billion and our net income, at almost €1.6 billion was 12 percent higher than in the previous year."

[Read the full interview](#)



INDEPENDENT STUDY FINDINGS – ENHANCED LIQUIDITY FOR PUBLIC COMPANIES

“The evidence reveals a clear & consistent picture that liquidity is enhanced by a move to the OTCQX market.”

5 Key Takeaways from a commissioned independent study by Oxford Metrica on companies that are already traded in the U.S.

1. Trading volume by number of shares increases by 53% on average following a move to the OTCQX market
2. Dollar volumes increase similarly by 57% on average
3. Bid-ask spreads narrow by 4% on average
4. The number of broker-dealers per security rises on average by 16%
5. Institutional investors familiar with OTCQX value the market, citing its information quality and service, and the voluntary openness by members that signals confident management

“We have found that OTCQX is a perfect substitute for an NYSE listing for international companies; we receive excellent information without some of the restrictions and costs.”

**-Institutional investor, managing
over \$10BN in assets**

FROM OUR OTCQX COMPANIES



"Next to holding or joining conferences, roadshows, webcasts and other activities to communicate with our investors, being on OTCQX is an opportunity for us to present ourselves to a bigger community. Lufthansa uses OTCQX as a **platform to inform U.S. shareholders of news releases and financial reports** on Lufthansa. Furthermore, Lufthansa regularly updates its Company Profile to present its latest development to U.S. shareholders. OTCQX is also a useful and helpful tool to obtain and **analyze news on the trading flows of Lufthansa's U.S. shares.**"

FROM OUR OTCQX COMPANIES



“The U.S. market is very important for the Fresenius Group and the U.S. investor base historically plays a significant role. Consequently, we launched our **U.S. program to reach an even broader investor base** by enabling **direct investing in Fresenius via an U.S. traded instrument.**”

Our U.S. IR program comprises regular roadshowing and attendance on conferences in different U.S. regions. The U.S. ticker is included on all presentation materials to highlight our U.S. program. The OTCQX platform complements our strategy by **improving visibility and awareness for Fresenius in the U.S. investor community. Upgrading to OTCQX led to a substantial increase in U.S. volume.**”

FROM OUR OTCQX COMPANIES



“Being traded on OTCQX provides **a recognized, transparent trading platform** for our shares and helps position our company as we continue to build our US shareholder base. The **OTCQX Visibility initiatives** have also helped increase awareness of our company in the US. Since joining in 2011, **our US institutional ownership has grown nearly 70%**. This year we presented our story during an OTCQX Virtual Investor Conference and found that it was an effective way to reach a broader **range of potential retail and institutional investors that we would not normally have access to** during a traditional roadshow.”

CONCLUSION

Integrated Solutions

- Diversify shareholder base and expand corporate presence in the U.S. in a cost-efficient manner
- Reduce trading frictions and improve marketability of securities in the U.S.
- Create an information-rich and efficient market for U.S. investors
- Support your existing U.S. IR effort via increased daily exposure where U.S. investors research your company
- Own the market on which you trade – your U.S. market should reflect your home market prestige

CONTACT

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