

REFINITIV

# DELTA REPORT

10-Q

FORGE GLOBAL HOLDINGS, IN

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1871

CHANGES	307
DELETIONS	492
ADDITIONS	1072

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 10-Q**

(Mark One)

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

For the quarterly period ended **June 30, 2023** **September 30, 2023**

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 001-04321

**Forge Global Holdings, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

**98-1561111**

(State or other jurisdiction of incorporation or organization)

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

**415 Mission Street**

**Suite 5510**

**San Francisco, CA 94105**

(Address of principal executive offices, including zip code)

**(415) 881-1612**

(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

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	FRGE	The New York Stock Exchange

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 and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Unless the context otherwise requires, references in this Quarterly Report on Form 10-Q (this "Report") to "Forge," the "Company," "us," "we," "our," and any related terms are intended to mean Forge Global Holdings, Inc. (the "Company") and its consolidated subsidiaries.

Certain statements in this Report may constitute "forward-looking statements" for purposes of the federal securities laws. Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions, or strategies regarding the future. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would," and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Report may include, for example, statements about our ability to:

- execute our business strategy, including monetization of services provided;
- comply with laws and regulations applicable to our business;
- stay abreast of modified or new laws and regulations that would apply to our business;
- anticipate the uncertainties inherent in the development of new business lines, strategies, products, and services;
- manage vendor and third party processes;
- increase brand awareness;
- access, collect, and use personal information and other data about consumers;
- attract, train, and retain effective officers, key employees and personnel, or directors;
- upgrade and maintain information technology systems;
- acquire and protect intellectual property;
- maintain the listing of our securities on the NYSE or another national securities exchange;
- enhance future operating and financial results;
- anticipate rapid technological changes;
- anticipate the impact of, and response to, new accounting standards;
- anticipate the significance and timing of contractual obligations;
- maintain key strategic relationships with partners;
- manage cyber and technology risk management processes, including incident management processes;
- maintain disaster recovery and business continuity planning controls;
- respond to uncertainties associated with product and service development and market acceptance;
- manage to finance operations on an economically viable basis potential funding and liquidity impediments in a high interest rate environment;
- anticipate the impact of new U.S. federal income tax laws, including the impact on deferred tax assets;
- successfully defend litigation;
- manage impacts of adverse geopolitical tensions, conflicts, political unrest, and regulatory changes in international markets;
- manage risks associated with macroeconomic uncertainty, such as monetary response measures via interest rate hikes that affect private market volatility, asset valuations, and investor appetite;
- react to potential disruptions and instability in the banking industry and other parts of the financial services sector; and
- respond to fluctuations in interest rates, foreign currency exchange rates, and resultant impacts on our revenue and balance sheet, a deterioration of credit outlook.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Report.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those described in the section titled "Risk Factors" and elsewhere in this Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Report. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any after the date of this Report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, partnerships, mergers, dispositions, joint ventures, or investments we may make.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

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## Part I - Financial Information

### FORGE GLOBAL HOLDINGS, INC. Unaudited Condensed Consolidated Balance Sheets (In thousands of U.S. dollars, except share and per share data)

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
<b>Assets</b>	<b>Assets</b>			<b>Assets</b>		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 159,526	\$ 193,136	Cash and cash equivalents	\$ 155,127	\$ 193,136
Restricted cash	Restricted cash	1,286	1,829	Restricted cash	1,299	1,829
Accounts receivable, net	Accounts receivable, net	4,685	3,544	Accounts receivable, net	3,871	3,544
Prepaid expenses and other current assets	Prepaid expenses and other current assets	10,806	8,379	Prepaid expenses and other current assets	10,148	8,379
<b>Total current assets</b>	<b>Total current assets</b>	<b>\$ 176,303</b>	<b>\$ 206,888</b>	<b>Total current assets</b>	<b>\$ 170,445</b>	<b>\$ 206,888</b>
Property and equipment, net	Property and equipment, net	341	359	Property and equipment, net	317	359
Internal-use software, net	Internal-use software, net	5,678	7,640	Internal-use software, net	5,023	7,640
Goodwill and other intangible assets, net	Goodwill and other intangible assets, net	131,894	133,887	Goodwill and other intangible assets, net	130,897	133,887
Operating lease right-of-use assets	Operating lease right-of-use assets	4,127	5,706	Operating lease right-of-use assets	3,379	5,706

Payment-dependent notes receivable, noncurrent	Payment-dependent notes receivable, noncurrent	5,830	7,371	Payment-dependent notes receivable, noncurrent	5,763	7,371
Other assets, noncurrent	Other assets, noncurrent	1,894	1,878	Other assets, noncurrent	1,696	1,878
<b>Total assets</b>	<b>Total assets</b>	<b>\$ 326,067</b>	<b>\$ 363,729</b>	<b>Total assets</b>	<b>\$ 317,520</b>	<b>\$ 363,729</b>
<b>Liabilities and stockholders' equity</b>	<b>Liabilities and stockholders' equity</b>			<b>Liabilities and stockholders' equity</b>		
Current liabilities:	Current liabilities:			Current liabilities:		
Accounts payable	Accounts payable	\$ 1,568	\$ 2,797	Accounts payable	\$ 1,480	\$ 2,797
Accrued compensation and benefits	Accrued compensation and benefits	5,738	13,271	Accrued compensation and benefits	8,798	13,271
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	7,437	6,421	Accrued expenses and other current liabilities	8,121	6,421
Operating lease liabilities, current	Operating lease liabilities, current	2,832	3,896	Operating lease liabilities, current	2,300	3,896
<b>Total current liabilities</b>	<b>Total current liabilities</b>	<b>17,575</b>	<b>26,385</b>	<b>Total current liabilities</b>	<b>20,699</b>	<b>26,385</b>
Operating lease liabilities, noncurrent	Operating lease liabilities, noncurrent	2,525	3,541	Operating lease liabilities, noncurrent	2,002	3,541
Payment-dependent notes payable, noncurrent	Payment-dependent notes payable, noncurrent	5,830	7,371	Payment-dependent notes payable, noncurrent	5,763	7,371
Warrant liabilities	Warrant liabilities	4,228	606	Warrant liabilities	3,321	606
Other liabilities, noncurrent	Other liabilities, noncurrent	453	365	Other liabilities, noncurrent	185	365
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>30,611</b>	<b>38,268</b>	<b>Total liabilities</b>	<b>31,970</b>	<b>38,268</b>
Commitments and contingencies (Note 8)	Commitments and contingencies (Note 8)			Commitments and contingencies (Note 8)		
Stockholders' equity:	Stockholders' equity:			Stockholders' equity:		
Common stock, \$0.0001 par value; 174,386,713 and 172,560,916 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively		18	18			
Common stock, \$0.0001 par value; 175,173,113 and 172,560,916 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively				Common stock, \$0.0001 par value; 175,173,113 and 172,560,916 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	18	18
Additional paid-in capital	Additional paid-in capital	525,275	509,094	Additional paid-in capital	534,659	509,094
Accumulated other comprehensive income	Accumulated other comprehensive income	798	693	Accumulated other comprehensive income	601	693
Accumulated deficit	Accumulated deficit	(236,495)	(190,418)	Accumulated deficit	(254,843)	(190,418)
<b>Total Forge Global Holdings, Inc. stockholders' equity</b>	<b>Total Forge Global Holdings, Inc. stockholders' equity</b>	<b>289,596</b>	<b>319,387</b>	<b>Total Forge Global Holdings, Inc. stockholders' equity</b>	<b>280,435</b>	<b>319,387</b>
Noncontrolling Interest	Noncontrolling Interest	5,860	6,074	Noncontrolling Interest	5,115	6,074
<b>Total stockholders' equity</b>	<b>Total stockholders' equity</b>	<b>295,456</b>	<b>325,461</b>	<b>Total stockholders' equity</b>	<b>285,550</b>	<b>325,461</b>
<b>Total liabilities and stockholders' equity</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$ 326,067</b>	<b>\$ 363,729</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$ 317,520</b>	<b>\$ 363,729</b>

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

**FORGE GLOBAL HOLDINGS, INC.**  
**Unaudited Condensed Consolidated Statements of Operations**  
(In thousands of U.S. dollars, except share and per share data)

		Three Months Ended June 30,		Six Months Ended June 30,				Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022			2023	2022	2023	2022
Revenues:	Revenues:					Revenues:					
Placement fees	Placement fees	\$ 5,723	\$ 10,951	\$ 10,355	\$ 25,536	Placement fees	\$ 7,283	\$ 8,227	\$ 17,638	\$ 33,763	
Custodial administration fees	Custodial administration fees	10,997	5,689	21,844	11,126	Custodial administration fees	11,280	7,673	33,124	18,795	
Total revenues	Total revenues	16,720	16,640	32,199	36,662	Total revenues	18,563	15,900	50,762	52,562	
Transaction-based expenses:	Transaction-based expenses:					Transaction-based expenses:					
Transaction-based expenses	Transaction-based expenses	(83)	(178)	(102)	(311)	Transaction-based expenses	(148)	(86)	(250)	(397)	
Total revenues, less transaction-based expenses	Total revenues, less transaction-based expenses	16,637	16,462	32,097	36,351	Total revenues, less transaction-based expenses	18,415	15,814	50,512	52,165	
Operating expenses:	Operating expenses:					Operating expenses:					
Compensation and benefits	Compensation and benefits	25,154	27,384	50,916	71,024	Compensation and benefits	27,650	44,040	78,566	115,064	
Professional services	Professional services	3,265	3,853	6,001	7,370	Professional services	2,883	3,799	8,884	11,165	
Acquisition-related transaction costs	Acquisition-related transaction costs	—	692	—	4,398	Acquisition-related transaction costs	—	821	—	5,215	
Advertising and market development	Advertising and market development	876	1,441	1,553	2,945	Advertising and market development	910	928	2,463	3,873	
Rent and occupancy	Rent and occupancy	1,148	1,140	2,474	2,706	Rent and occupancy	1,142	1,097	3,616	3,803	
Technology and communications	Technology and communications	3,475	2,809	6,865	4,832	Technology and communications	3,763	3,536	10,628	8,368	
General and administrative	General and administrative	3,525	3,170	6,273	4,772	General and administrative	1,870	2,601	8,143	7,373	
Depreciation and amortization	Depreciation and amortization	1,747	2,021	3,536	3,103	Depreciation and amortization	1,710	1,428	5,246	4,531	
Total operating expenses	Total operating expenses	39,190	42,510	77,618	101,150	Total operating expenses	39,928	58,250	117,546	159,400	
Operating loss	Operating loss	(22,553)	(26,048)	(45,521)	(64,799)	Operating loss	(21,513)	(42,436)	(67,034)	(107,235)	
Interest and other income (expenses):	Interest and other income (expenses):					Interest and other income (expenses):					
Interest income	Interest income	1,319	266	2,828	287	Interest income	1,725	874	4,553	1,161	
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	(3,790)	20,558	(3,622)	(5,402)	Change in fair value of warrant liabilities	907	25,210	(2,715)	19,808	
Other income (expenses), net	Other income (expenses), net	217	140	432	529	Other income (expenses), net	215	202	647	731	
Total interest income and other income (expenses)	Total interest income and other income (expenses)	(2,254)	20,964	(362)	(4,586)	Total interest income and other income (expenses)	2,847	26,286	2,485	21,700	
Loss before provision for income taxes	Loss before provision for income taxes	(24,807)	(5,084)	(45,883)	(69,385)	Loss before provision for income taxes	(18,666)	(16,150)	(64,549)	(85,535)	
Provision for income taxes	Provision for income taxes	293	35	478	158	Provision for income taxes	291	48	769	206	

Net loss	Net loss	(25,100)	(5,119)	(46,361)	(69,543)	Net loss	(18,957)	(16,198)	(65,318)	(85,741)
Net loss attributable to noncontrolling interest	Net loss attributable to noncontrolling interest	(211)	—	(284)	—	Net loss attributable to noncontrolling interest	(609)	—	(893)	—
Net loss attributable to Forge Global Holdings, Inc.	Net loss attributable to Forge Global Holdings, Inc.	\$ (24,889)	\$ (5,119)	\$ (46,077)	\$ (69,543)	Net loss attributable to Forge Global Holdings, Inc.	\$ (18,348)	\$ (16,198)	\$ (64,425)	\$ (85,741)
Net loss per share attributable to Forge Global Holdings, Inc. common stockholders:	Net loss per share attributable to Forge Global Holdings, Inc. common stockholders:					Net loss per share attributable to Forge Global Holdings, Inc. common stockholders:				
Basic	Basic	\$ (0.14)	\$ (0.03)	\$ (0.27)	\$ (0.60)	Basic	\$ (0.11)	\$ (0.10)	\$ (0.37)	\$ (0.64)
Diluted	Diluted	\$ (0.14)	\$ (0.20)	\$ (0.27)	\$ (0.66)	Diluted	\$ (0.11)	\$ (0.12)	\$ (0.37)	\$ (0.66)
Weighted-average shares used in computing net loss per share attributable to Forge Global Holdings, Inc. common stockholders:	Weighted-average shares used in computing net loss per share attributable to Forge Global Holdings, Inc. common stockholders:					Weighted-average shares used in computing net loss per share attributable to Forge Global Holdings, Inc. common stockholders:				
Basic	Basic	173,289,549	167,052,900	172,565,508	116,815,363	Basic	173,957,880	169,838,778	173,045,721	134,683,950
Diluted	Diluted	173,289,549	173,578,093	172,565,508	120,584,585	Diluted	173,957,880	170,209,256	173,045,721	135,960,612

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

**FORGE GLOBAL HOLDINGS, INC.**  
**Unaudited Condensed Consolidated Statements of Comprehensive Loss**  
(In thousands of U.S. dollars)

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
<b>Net loss</b>	<b>Net loss</b>	\$ (25,100)	\$ (5,119)	\$ (46,361)	\$ (69,543)	<b>Net loss</b>	\$ (18,957)	\$ (16,198)	\$ (65,318)	\$ (85,741)
Foreign currency translation adjustment	Foreign currency translation adjustment	(53)	—	175	—	Foreign currency translation adjustment	(333)	(159)	(158)	(159)
Comprehensive loss	Comprehensive loss	(25,153)	(5,119)	(46,186)	(69,543)	Comprehensive loss	(19,290)	(16,357)	(65,476)	(85,900)
Less: Comprehensive loss attributable to noncontrolling interest	Less: Comprehensive loss attributable to noncontrolling interest	(232)	—	(214)	—	Less: Comprehensive loss attributable to noncontrolling interest	(745)	(64)	(959)	(64)
<b>Comprehensive loss attributable to Forge Global Holdings, Inc.</b>	<b>Comprehensive loss attributable to Forge Global Holdings, Inc.</b>	<b>\$ (24,921)</b>	<b>\$ (5,119)</b>	<b>\$ (45,972)</b>	<b>\$ (69,543)</b>	<b>Comprehensive loss attributable to Forge Global Holdings, Inc.</b>	<b>\$ (18,545)</b>	<b>\$ (16,293)</b>	<b>\$ (64,517)</b>	<b>\$ (85,836)</b>

**FORGE GLOBAL HOLDINGS, INC.**  
**Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)**  
(In thousands of U.S. dollars, except share data)

		Convertible		Common Stock							Convertible		Common Stock					
		Preferred Stock		Common Stock		Additional		Accumulated		Other		Noncontrolling	Preferred Stock		Common Stock		Additional	
		Shares	Amount	Shares	Amount	Paid-In Capital	Accumulated Deficit	Loss	Interest	Total	Amount		Shares	Amount	Paid-In Capital	Accumulated Deficit		
Balance as of	Balance as of																	
December 31, 2022	December 31, 2022	—	\$ —	172,560,916	\$ 18	\$ 509,094	\$ (190,418)	\$ 693	\$ 6,074	\$ 325,461	December 31, 2022	—	\$ —	172,560,916	\$ 18	\$ 509,094	\$ (190,418)	\$ 693
Issuance of common stock upon release of restricted stock units	Issuance of common stock upon release of restricted stock units	—	—	1,464,968	(*)	(*)	—	—	—	—	Issuance of common stock upon release of restricted stock units	—	—	1,464,968	(*)	(*)	—	—
Tax withholding related to vesting of restricted stock units	Tax withholding related to vesting of restricted stock units	—	—	(326,812)	(*)	(557)	—	—	—	(557)	Tax withholding related to vesting of restricted stock units	—	—	(326,812)	(*)	(557)	—	—
Issuance of common stock upon exercise of vested options	Issuance of common stock upon exercise of vested options	—	—	117,215	(*)	61	—	—	—	61	Issuance of common stock upon exercise of vested options	—	—	117,215	(*)	61	—	—
Repurchase of early exercised stock options	Repurchase of early exercised stock options	—	—	(8,132)	(*)	—	—	—	—	—	Repurchase of early exercised stock options	—	—	(8,132)	(*)	—	—	—
Vesting of early exercised stock options and restricted stock awards	Vesting of early exercised stock options and restricted stock awards	—	—	—	—	131	—	—	—	131	Vesting of early exercised stock options and restricted stock awards	—	—	—	—	131	—	—
Stock-based compensation expense	Stock-based compensation expense	—	—	—	—	7,401	—	—	—	7,401	Stock-based compensation expense	—	—	—	—	7,401	—	—
Net loss	Net loss	—	—	—	—	—	(21,188)	—	—	(73)	Net loss	—	—	—	—	—	—	—
Foreign-currency translation adjustment	Foreign-currency translation adjustment	—	—	—	—	—	—	137	—	91	Foreign-currency translation adjustment	—	—	—	—	—	—	—
Balance as of	Balance as of										Balance as of							
March 31, 2023	March 31, 2023	—	\$ —	173,808,155	\$ 18	\$ 516,130	\$ (211,606)	\$ 830	\$ 6,092	\$ 311,464	March 31, 2023	—	\$ —	173,808,155	\$ 18	\$ 516,130	\$ (211,606)	\$ 830
Issuance of common stock upon release of restricted stock units	Issuance of common stock upon release of restricted stock units	—	—	243,473	(*)	(*)	—	—	—	—	Issuance of common stock upon release of restricted stock units	—	—	243,473	(*)	(*)	—	—
Issuance of common stock upon exercise of vested options	Issuance of common stock upon exercise of vested options	—	—	335,085	(*)	269	—	—	—	269	Issuance of common stock upon exercise of vested options	—	—	335,085	(*)	269	—	—



Vesting of early exercised stock options and restricted stock awards	Vesting of early exercised stock options and restricted stock awards	—	—	—	—	67	—	—	—	67	Vesting of early exercised stock options and restricted stock awards	—	—	—	—	67						
Stock-based compensation expense	Stock-based compensation expense	—	—	—	—	8,809	—	—	—	8,809	Stock-based compensation expense	—	—	—	—	8,809						
Net loss	Net loss	—	—	—	—	—	(24,889)	—	(211)	(25,100)	Net loss	—	—	—	—	—						
Foreign-currency translation adjustment	Foreign-currency translation adjustment	—	—	—	—	—	—	(32)	(21)	(53)	Foreign-currency translation adjustment	—	—	—	—	—						
Balance as of June 30, 2023		—	\$	—	174,386,713	\$	18	\$	525,275	\$	(236,495)	\$	798	\$	5,860	\$295,456						
Balance as of June 30, 2023												Balance as of June 30, 2023	—	\$	—	174,386,713	\$18	\$	525,275	\$		
Issuance of common stock upon release of restricted stock units	Issuance of common stock upon release of restricted stock units											Issuance of common stock upon release of restricted stock units	—						(*)	(*)		
Issuance of common stock upon exercise of vested options	Issuance of common stock upon exercise of vested options											Issuance of common stock upon exercise of vested options	—						740,880			
Repurchase of early exercised stock options	Repurchase of early exercised stock options											Repurchase of early exercised stock options	—	—						239,920	(*)	124
Vesting of early exercised stock options and restricted stock awards	Vesting of early exercised stock options and restricted stock awards											Vesting of early exercised stock options and restricted stock awards	—	—						(194,400)	(*)	—
Stock-based compensation expense	Stock-based compensation expense											Stock-based compensation expense	—	—						—	—	9,233
Net loss	Net loss											Net loss	—	—						—	—	—
Foreign-currency translation adjustment	Foreign-currency translation adjustment											Foreign-currency translation adjustment	—	—						—	—	—
Balance as of September 30, 2023												Balance as of September 30, 2023	—	—						175,173,113	18	534,659

(\*) amount less than 1

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

	Convertible Preferred Stock		Common Stock		Additional	Accumulated	Accumulated Other	Noncontrolling	Total
	Shares	Amount	Shares	Amount	Paid-In Capital				
<b>Balance as of December 31, 2021</b>	<b>23,668,198</b>	<b>\$ 246,056</b>	<b>20,269,864</b>	<b>\$ (*)</b>	<b>\$ 25,919</b>	<b>\$ (78,559)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (52,640)</b>
Retroactive application of recapitalization (Note 3)	50,245,951	—	43,031,139	5	(5)	—	—	—	—
Unissued common stock <sup>(1)</sup>	—	—	(210,302)	—	—	—	—	—	—
<b>Balance as of December 31, 2021</b>	<b>73,914,149</b>	<b>246,056</b>	<b>63,090,701</b>	<b>5</b>	<b>25,914</b>	<b>(78,559)</b>	<b>—</b>	<b>—</b>	<b>(52,640)</b>
Pre-close issuance of common stock upon exercise of vested options	—	—	190,505	(*)	102	—	—	—	102
Pre-close issuance of common stock upon exercise of unvested options	—	—	4,472	(*)	—	—	—	—	—
Pre-close issuance of common stock for services	—	—	62,952	(*)	621	—	—	—	621
Conversion of preferred stock to common stock	(73,914,149)	(246,056)	73,914,149	7	246,049	—	—	—	246,056
Conversion of May 2020 and October 2020 preferred stock warrants of Legacy Forge to common stock warrants	—	—	—	—	2,949	—	—	—	2,949
Settlement of promissory notes	—	—	—	2	4,205	—	—	—	4,207
Issuance of common stock upon Merger (net of redemptions), including PIPE and A&R FPA investors, net of transaction cost of \$58,673	—	—	31,961,047	3	140,808	—	—	—	140,811
Vesting of early exercised stock options and restricted stock awards	—	—	—	—	409	—	—	—	409
Share-based compensation expense	—	—	—	—	7,948	—	—	—	7,948
Net loss	—	—	—	—	—	(64,424)	—	—	(64,424)
<b>Balance as of March 31, 2022</b>	<b>—</b>	<b>\$ —</b>	<b>169,223,826</b>	<b>\$ 17</b>	<b>\$ 429,005</b>	<b>\$ (142,983)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 286,039</b>
Issuance of common stock upon exercise of vested options	—	—	146,232	(*)	401	—	—	—	401
Issuance of common stock upon exercise of Public Warrants	—	—	1,994,022	(*)	23,629	—	—	—	23,629
Vesting of early exercised stock options and restricted stock awards	—	—	—	—	638	—	—	—	638
Share-based compensation expense	—	—	—	—	10,903	—	—	—	10,903
Net loss	—	—	—	—	—	(5,119)	—	—	(5,119)
<b>Balance as of June 30, 2022</b>	<b>—</b>	<b>—</b>	<b>171,364,080</b>	<b>\$ 17</b>	<b>\$ 464,576</b>	<b>\$ (148,102)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 316,491</b>
Issuance of common stock upon exercise of Public Warrants	—	—	768	(*)	9	—	—	—	9
Issuance of common stock upon release of restricted stock units	—	—	43,142	(*)	(*)	—	—	—	—
Issuance of common stock upon exercise of vested options	—	—	622,929	(*)	364	—	—	—	365

	Convertible Preferred Stock		Common Stock		Additional	Accumulated	Accumulated Other	Noncontrolling	Total
	Shares	Amount	Shares	Amount	Paid-In Capital				

<b>Balance as of December 31, 2021</b>	<b>23,668,198</b>	<b>\$ 246,056</b>	<b>20,269,864</b>	<b>\$ (*)</b>	<b>\$ 25,919</b>	<b>\$ (78,559)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (52,640)</b>
Retroactive application of recapitalization (Note 3)	50,245,951	—	43,031,139	5	(5)	—	—	—	—
Unissued common stock <sup>(1)</sup>	—	—	(210,302)	—	—	—	—	—	—
<b>Balance as of December 31, 2021</b>	<b>73,914,149</b>	<b>246,056</b>	<b>63,090,701</b>	<b>5</b>	<b>25,914</b>	<b>(78,559)</b>	<b>—</b>	<b>—</b>	<b>(52,640)</b>
Pre-close issuance of common stock upon exercise of vested options	—	—	190,505	(*)	102	—	—	—	102
Pre-close issuance of common stock upon exercise of unvested options	—	—	4,472	(*)	—	—	—	—	—
Pre-close issuance of common stock for services	—	—	62,952	(*)	621	—	—	—	621
Conversion of preferred stock to common stock	(73,914,149)	(246,056)	73,914,149	7	246,049	—	—	—	246,056
Conversion of May 2020 and October 2020 preferred stock warrants of Legacy Forge to common stock warrants	—	—	—	—	2,949	—	—	—	2,949
Settlement of promissory notes	—	—	—	2	4,205	—	—	—	4,207
Issuance of common stock upon Merger (net of redemptions), including PIPE and A&R FPA investors, net of transaction cost of \$8,673	—	—	31,961,047	3	140,808	—	—	—	140,811
Vesting of early exercised stock options and restricted stock awards	—	—	—	—	409	—	—	—	409
Share-based compensation expense	—	—	—	—	7,948	—	—	—	7,948
Net loss	—	—	—	—	—	(64,424)	—	—	(64,424)
<b>Balance as of March 31, 2022</b>	<b>—</b>	<b>\$ —</b>	<b>169,223,826</b>	<b>\$ 17</b>	<b>\$ 429,005</b>	<b>\$ (142,983)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>286,039</b>
Issuance of common stock upon exercise of vested options	—	—	146,232	(*)	401	—	—	—	401
Issuance of common stock upon exercise of Public Warrants	—	—	1,994,022	(*)	23,629	—	—	—	23,629
Vesting of early exercised stock options and restricted stock awards	—	—	—	—	638	—	—	—	638
Share-based compensation expense	—	—	—	—	10,903	—	—	—	10,903
Net loss	—	—	—	—	—	(5,119)	—	—	(5,119)
<b>Balance as of Balance as of June 30, 2022</b>	<b>—</b>	<b>—</b>	<b>171,364,080</b>	<b>\$ 17</b>	<b>\$ 464,576</b>	<b>\$ (148,102)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>316,491</b>

Issuance of common stock upon early exercise of unvested options	—	—	78,076	—	—	—	—	—	—
Issuance of common stock upon exercise of Junior Preferred Stock Warrants	—	—	123,379	(*)	653	—	—	—	653
Issuance of common stock upon Merger <sup>(1)</sup>	—	—	210,302	(*)	(*)	—	—	—	—
Formation of Forge Europe	—	—	—	—	3,830	—	—	5,658	9,488
Vesting of early exercised stock options	—	—	—	—	193	—	—	—	193
Share-based compensation expense	—	—	—	—	26,967	—	—	—	26,967
Net loss	—	—	—	—	—	(16,198)	—	(*)	(16,198)
Foreign currency translation adjustment	—	—	—	—	—	—	(95)	(64)	(159)

Balance as of September 30, 2022	—	—	172,442,676	18	496,592	(164,300)	(95)	5,594	337,809
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(\*) amount less than 1

(1) This amount represents shares that were not issued upon the closing of the Business Combination as a result of a shareholder's stockholder's demand for appraisal rights. These shares were issued to the shareholder stockholder during the year ended December 31, 2022 after the statutory period to perfect such rights lapsed. See Note 1, "Organization and Description of Business," Business," for additional information.

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

**FORGE GLOBAL HOLDINGS, INC.**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
(In thousands of U.S. dollars)

		Six Months Ended June 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
<b>Cash flows from operating activities:</b>	<b>Cash flows from operating activities:</b>			<b>Cash flows from operating activities:</b>	
<b>Net loss</b>	<b>Net loss</b>	<b>\$ (46,361)</b>	<b>\$ (69,543)</b>	<b>\$ (65,318)</b>	<b>\$ (85,741)</b>
Adjustments to reconcile net loss to net cash (used in) provided by operations:	Adjustments to reconcile net loss to net cash (used in) provided by operations:			Adjustments to reconcile net loss to net cash (used in) provided by operations:	
Share-based compensation	Share-based compensation	16,210	19,262	25,443	45,974
Depreciation and amortization	Depreciation and amortization	3,536	3,103	5,247	4,531
Transaction expenses related to the Merger	Transaction expenses related to the Merger	—	3,132	—	3,132
Amortization of right-of-use assets	Amortization of right-of-use assets	1,579	1,961	2,327	2,819
Loss on impairment of long lived assets	Loss on impairment of long lived assets	536	446	536	446
Allowance for doubtful accounts	Allowance for doubtful accounts	171	269	529	294
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	3,622	5,402	2,715	(19,808)
Settlement of related party promissory notes (Note 3)	Settlement of related party promissory notes (Note 3)	—	5,517	—	5,517
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:			Changes in operating assets and liabilities:	
Accounts receivable	Accounts receivable	(1,313)	3,628	(857)	2,042
Prepaid expenses and other assets	Prepaid expenses and other assets	219	(6,943)	1,590	(4,265)
Accounts payable	Accounts payable	(1,229)	1,843	(1,318)	(43)
Accrued expenses and other liabilities	Accrued expenses and other liabilities	1,288	(1,182)	2,011	402
Accrued compensation and benefits	Accrued compensation and benefits	(7,514)	(12,676)	(4,472)	(11,118)

Operating lease liabilities	Operating lease liabilities	(2,081)	(2,581)	Operating lease liabilities	(3,317)	(3,942)
<b>Net cash used in operating activities</b>	<b>Net cash used in operating activities</b>	<b>(31,337)</b>	<b>(48,362)</b>	<b>Net cash used in operating activities</b>	<b>(34,884)</b>	<b>(59,760)</b>
<b>Cash flows from investing activities:</b>	<b>Cash flows from investing activities:</b>			<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	Purchases of property and equipment	(99)	(106)	Purchases of property and equipment	(113)	(116)
Purchases of intangible assets	Purchases of intangible assets	—	(97)	Purchases of intangible assets	—	(126)
Capitalized internal-use software development costs	Capitalized internal-use software development costs	—	(3,232)	Capitalized internal-use software development costs	—	(4,590)
Purchases of certificates of deposit	Purchases of certificates of deposit	(2,665)	—	Purchases of certificates of deposit	(3,180)	—
<b>Net cash used in investing activities</b>	<b>Net cash used in investing activities</b>	<b>(2,764)</b>	<b>(3,435)</b>	<b>Net cash used in investing activities</b>	<b>(3,293)</b>	<b>(4,832)</b>
<b>Cash flows from financing activities:</b>	<b>Cash flows from financing activities:</b>			<b>Cash flows from financing activities:</b>		
Proceeds from the Merger	Proceeds from the Merger	—	7,865	Proceeds from the Merger	—	7,865
Proceeds from PIPE investment and A&R FPA investors	Proceeds from PIPE investment and A&R FPA investors	—	208,500	Proceeds from PIPE investment and A&R FPA investors	—	208,500
Payments for offering costs	Payments for offering costs	—	(56,852)	Payments for offering costs	—	(56,852)
Proceeds from exercise of Public Warrants	Proceeds from exercise of Public Warrants	—	22,136	Proceeds from exercise of Public Warrants	—	22,940
Proceeds from exercise of options, including proceeds from repayment of promissory notes	Proceeds from exercise of options, including proceeds from repayment of promissory notes	330	505	Proceeds from exercise of options, including proceeds from repayment of promissory notes	353	997
Taxes withheld and paid related to net share settlement of equity awards	Taxes withheld and paid related to net share settlement of equity awards	(557)	—	Taxes withheld and paid related to net share settlement of equity awards	(557)	—
Formation of Forge Europe (Note 4)				Formation of Forge Europe (Note 4)	—	9,488
Payments for redemption of Public Warrants				Payments for redemption of Public Warrants	—	(165)
<b>Net cash (used in) provided by financing activities</b>	<b>Net cash (used in) provided by financing activities</b>	<b>(227)</b>	<b>182,154</b>	<b>Net cash (used in) provided by financing activities</b>	<b>(204)</b>	<b>192,773</b>
Effect of changes in currency exchange rates on cash and cash equivalents	Effect of changes in currency exchange rates on cash and cash equivalents	175	—	Effect of changes in currency exchange rates on cash and cash equivalents	(158)	(159)

Net (decrease) increase in cash and cash equivalents	Net (decrease) increase in cash and cash equivalents	(34,153)	130,357	Net (decrease) increase in cash and cash equivalents	(38,539)	128,022
Cash, cash equivalents and restricted cash, beginning of the period		194,965	76,404			
<b>Cash, cash equivalents and restricted cash, \$ end of the period</b>		<b>160,812</b>	<b>\$ 206,761</b>			

Cash, cash equivalents and restricted cash, beginning of the period				Cash, cash equivalents and restricted cash, beginning of the period	194,965	76,404
<b>Cash, cash equivalents and restricted cash, end of the period</b>				<b>Cash, cash equivalents and restricted cash, end of the period</b>	<b>\$ 156,426</b>	<b>\$ 204,426</b>

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2023	2022		2023	2022
<b>Reconciliation of cash, cash equivalents and restricted cash to the amounts reported within the consolidated balance sheets</b>	<b>Reconciliation of cash, cash equivalents and restricted cash to the amounts reported within the consolidated balance sheets</b>			<b>Reconciliation of cash, cash equivalents and restricted cash to the amounts reported within the consolidated balance sheets</b>		
Cash and cash equivalents	Cash and cash equivalents	159,526	\$ 204,942	Cash and cash equivalents	\$ 155,127	\$ 202,603
Restricted cash	Restricted cash	1,286	1,819	Restricted cash	1,299	1,823
<b>Total cash, cash equivalents and restricted cash, end of the period</b>	<b>Total cash, cash equivalents and restricted cash, end of the period</b>	<b>\$ 160,812</b>	<b>\$ 206,761</b>	<b>Total cash, cash equivalents and restricted cash, end of the period</b>	<b>\$ 156,426</b>	<b>\$ 204,426</b>

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2023	2022		2023	2022
<b>Supplemental disclosure of non-cash investing and financing activities:</b>	<b>Supplemental disclosure of non-cash investing and financing activities:</b>			<b>Supplemental disclosure of non-cash investing and financing activities:</b>		
Capitalized internal-use software development costs accrued and not yet paid	Capitalized internal-use software development costs accrued and not yet paid	\$ —	\$ 386	Capitalized internal-use software development costs accrued and not yet paid	—	\$ 234
Reclassification of deferred offering costs to equity	Reclassification of deferred offering costs to equity	—	5,923	Reclassification of deferred offering costs to equity	—	\$ 5,932
Conversion of preferred stock	Conversion of preferred stock	—	246,049	Conversion of preferred stock	—	\$ 246,049

Conversion of May 2020 and October 2020 preferred stock warrants of Legacy Forge to common stock warrants	Conversion of May 2020 and October 2020 preferred stock warrants of Legacy Forge to common stock warrants	—	2,949	Conversion of May 2020 and October 2020 preferred stock warrants of Legacy Forge to common stock warrants	—	\$	2,949
Non-cash assets acquired in the Merger	Non-cash assets acquired in the Merger	—	193	Non-cash assets acquired in the Merger	—	\$	193
Warrants issued in connection with A&R FPA	Warrants issued in connection with A&R FPA	—	3,080	Warrants issued in connection with A&R FPA	—	\$	3,080
Assumption of merger warrants liability		—	13,983				
Assumption of Merger warrants liability				Assumption of Merger warrants liability	—	\$	13,983
Vesting of early exercised stock options and restricted stock awards	Vesting of early exercised stock options and restricted stock awards	198	\$ 1,048	Vesting of early exercised stock options and restricted stock awards	225	\$	1,240
Warrant liability reclassified to additional paid-in capital upon exercise of Public Warrants	Warrant liability reclassified to additional paid-in capital upon exercise of Public Warrants	—	698	Warrant liability reclassified to additional paid-in capital upon exercise of Public Warrants	—	\$	698
Warrant liability reclassified to additional paid-in capital upon exercise of Junior Preferred Stock Warrants				Warrant liability reclassified to additional paid-in capital upon exercise of Junior Preferred Stock Warrants	—	\$	653
Issuance of common stock upon settlement of related party promissory notes	Issuance of common stock upon settlement of related party promissory notes	—	4,207	Issuance of common stock upon settlement of related party promissory notes	—	\$	4,207
Early exercise of stock options upon settlement of related party promissory notes	Early exercise of stock options upon settlement of related party promissory notes	—	1,310	Early exercise of stock options upon settlement of related party promissory notes	—	\$	1,310

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

**FORGE GLOBAL HOLDINGS, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. Organization and Description of Business**

Forge Global Holdings, Inc. (the “Company” and f/k/a Motive Capital Corp) is a financial services platform headquartered in San Francisco, California. The Company offers a trusted trading platform, proprietary data, and insights to inform investment strategies, along with custody services to help companies, **shareholders**, **stockholders**, institutions,

and accredited investors confidently navigate and transact in the private market. The Company's scaled and integrated business model is at the nexus of the private market ecosystem, which it believes creates a sustaining competitive advantage fueling its clients' participation in the private market and the Company's growth.

On March 21, 2022 (the "Closing Date"), the Company consummated the Business Combination (as defined below) pursuant to the terms of the Agreement and Plan of Merger dated September 13, 2021 (the "Merger Agreement"), by and among Motive Capital Corp, a blank check company incorporated as a Cayman Islands exempted company in 2020 ("MOTV"), FGI Merger Sub Inc., a Delaware corporation and wholly-owned subsidiary of MOTV ("Merger Sub"), and Forge Global, Inc., a Delaware corporation ("Legacy Forge"). Pursuant to the Merger Agreement, on the Closing Date, immediately prior to the consummation of the Business Combination, MOTV changed its jurisdiction of incorporation from the Cayman Islands to the State of Delaware and changed its corporate name to "Forge Global Holdings, Inc." (the "Domestication"). On the Closing Date, Merger Sub merged with and into Legacy Forge (the "Merger"), with Legacy Forge surviving the Merger as a direct, wholly-owned subsidiary of the Company (together with the Merger, the Domestication, and the other transactions contemplated by the Merger Agreement, the "Business Combination").

The Merger was accounted for as a reverse recapitalization with Legacy Forge being the accounting acquirer and MOTV as the acquired company for accounting purposes. Accordingly, all historical financial information presented in the unaudited condensed consolidated financial statements represents the accounts of Legacy Forge and its wholly-owned subsidiaries as if Legacy Forge is the predecessor to the Company. The shares and net loss per common share prior to the Merger have been retroactively restated as shares reflecting the exchange ratio (the "Exchange Ratio") as established by the Merger Agreement (each outstanding share of Legacy Forge Class A common stock was exchanged for approximately 3.122931 shares of the Company's common stock, including all shares of Legacy Forge preferred stock, which were converted to shares of Legacy Forge's Class A common stock immediately prior to the Merger). See Note 3, "Recapitalization," for additional information.

#### **Forge Europe GmbH**

In September 2022, the Company and Deutsche Börse Aktiengesellschaft ("DBAG," a German company and together with the Company, the "Investors") formed an entity, Forge Europe GmbH ("Forge Europe"), to further expand the Company's business in the European market. Upon formation, the Investors contributed to Forge Europe an aggregate cash amount of \$14.1 million (the "Cash Consideration") and certain of the Company's intangible assets (the "Noncash Consideration"). \$4.6 million of the Cash Consideration was contributed by the Company and \$9.5 million was contributed by DBAG. The Company has a majority ownership interest in Forge Europe and accounts for Forge Europe as a fully consolidated subsidiary. The remaining interest, held by DBAG (a related party of the Company), is reported as a noncontrolling interest in the unaudited condensed consolidated financial statements.

Upon initial consolidation, Forge Europe did not have any assets other than the \$14.1 million transferred as Cash Consideration and the intangible assets contributed as Noncash Consideration with zero carrying value. Accordingly, the Cash Consideration contributed by DBAG as the noncontrolling interest holder of DBAG was in excess of its share of Forge Europe's net assets, and the excess was recognized in additional paid-in capital upon consolidation of Forge Europe in the unaudited condensed consolidated statements of changes in stockholders' equity.

## **2. Summary of Significant Accounting Policies**

### **Basis of Presentation and Consolidation**

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company, and its subsidiaries and have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). All intercompany balances and transactions have been eliminated in consolidation.

### **FORGE GLOBAL HOLDINGS, INC.**

#### **NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

In the normal course of business, the Company has transactions with various investment entities. In certain instances, the Company provides investment advisory services to pooled investment vehicles (each, an "Investment Fund"). The Company does not have discretion to make any investment, except for the specific investment for which an Investment Fund was formed. The Company performs an assessment to determine (a) whether the Company's investments or other interests will absorb portions of a variable interest entity's expected losses or receive portions of the entity's expected residual returns and (b) whether the Company's involvement, through holding interests directly or indirectly in the entity would give it a controlling financial interest. The Company consolidates entities in which it, directly or indirectly, is determined to have a controlling financial interest. Consolidation conclusions are reviewed quarterly to identify whether any reconsideration events have occurred. There have been no changes to the Company's significant accounting policies described in the audited consolidated financial statements for the year ended December 31, 2022, that have had a material impact on these unaudited condensed consolidated financial statements and related notes. See Note 9, "Off Balance Sheet Items", for additional information.

### **Unaudited Interim Condensed Consolidated Financial Information**

The accompanying interim condensed consolidated financial statements as of **June 30, 2023** **September 30, 2023** and for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022 and accompanying notes are unaudited. These unaudited interim condensed consolidated financial statements (the "unaudited condensed consolidated financial statements") have been prepared in accordance with GAAP applicable to interim financial statements. These financial statements are presented in accordance with the rules and regulations of the SEC and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with GAAP. As such, the information included herein should be read in conjunction with the consolidated financial statements and accompanying notes as of and for the year ended December 31, 2022 (the "audited consolidated financial statements") that were included in the Company's Annual Report on Form 10-K filed with the SEC on March 1, 2023, which provides a more complete discussion of the Company's accounting policies and certain other information. In management's opinion, the unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual financial statements, which include only normal recurring adjustments, necessary for a fair statement of the Company's financial position as of **June 30, 2023** **September 30, 2023** and its condensed consolidated results of operations for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022 and cash flows for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022. The results of operations for the three and



six nine months ended June 30, 2023 September 30, 2023 are not necessarily indicative of the results expected for the year ending December 31, 2023 or any other future interim or annual periods.

#### Use of Estimates

The preparation of 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 revenues and expenses during the reporting period. Such Significant management estimates include but are not limited to, collectability of accounts receivable, the fair value of financial assets and liabilities, the fair value of assets acquired and liabilities assumed in business combinations, the fair value of consideration paid for business combinations, the useful lives of acquired intangible assets and property and equipment, the impairment of long-lived assets and goodwill, the fair value of warrants, equity awards, assessment of contingent liabilities and share-based compensation expenses, including the determination of the fair value of the Company's common stock prior to the Business Combination and the derived service period for the awards containing market-based vesting conditions, and the valuation of deferred tax assets. These estimates are inherently subjective in nature and, therefore, actual results may differ from the Company's estimates and assumptions. The Company bases its estimates on historical experience and also on assumptions that it believes are reasonable. Further, the Company applies judgment in determining whether, directly or indirectly, it has a controlling financial interest in the Investment Funds, (as defined below), in order to conclude whether any of the Investment Funds must be consolidated.

The Company believes the estimates and assumptions underlying the unaudited condensed consolidated financial statements are reasonable and supportable based on the information available as of June 30, 2023 September 30, 2023. These estimates may change as new events occur and additional information is obtained, and related financial impacts will be recognized in the Company's consolidated financial statements as soon as those events become known.

#### FORGE GLOBAL HOLDINGS, INC.

#### NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### Impairment of Long-Lived Assets

The Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company also evaluates the period of depreciation

#### FORGE GLOBAL HOLDINGS, INC.

#### NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

and amortization of long-lived assets to determine whether events or circumstances warrant revised estimates of useful lives. When indicators of impairment are present, the Company determines the recoverability of its long-lived assets by comparing the carrying value of its long-lived assets to future undiscounted net cash flows expected to result from the use of the assets and their eventual disposition. If the estimated future undiscounted cash flows demonstrate the long-lived assets are not recoverable, an impairment loss would be calculated based on the excess of the carrying amounts of the long-lived assets over their fair value.

The Company determined that recent developments in domestic and global economies, including significant market volatilities, interest rate increases, and No impairment charges were recognized during the decline in the market value of the Company's stock represent indicators that the Company's long-lived assets may be impaired. Accordingly, the Company carried out an impairment test of its long-lived assets pursuant to ASC 360 - Property, Plant, and Equipment, whereby a quantitative assessment was performed to determine whether its long-lived assets were recoverable. The Company's long-lived assets represent a single group of assets that individually are not independent from the cash flows of other assets. The Company determined that the carrying amount of its long-lived assets did not exceed the sum of the undiscounted cash flows expected to result from the use of these assets, thus, its long-lived assets were recoverable as of June 30, 2023. As a result, no impairment loss was recorded for the long-lived assets. three months ended September 30, 2023

#### Goodwill and Other Intangible Assets, Net

Goodwill represents the excess of the aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. Goodwill is not amortized but is tested for impairment annually on October 1, or more frequently if events or changes in circumstances indicate the goodwill may be impaired. These events or circumstances could include a significant change in the business climate, regulatory environment, established business plans, operating performance indicators, or competition. Potential impairment indicators may also include, but are not limited to, (i) the results of the Company's most recent annual or interim impairment testing, (ii) downward revisions to internal forecasts, (iii) declines in the Company's market capitalization below its book value, and the magnitude and duration of those declines, (iv) a reorganization resulting in a change to the Company's operating segments, and (v) other macroeconomic factors, such as increases in interest rates that may affect the weighted average cost of capital or volatility in the equity and debt markets. No impairment charges were recognized during during the six nine months ended June 30, 2023 September 30, 2023.

In-process research and development ("IPR&D") assets acquired in a business combination are considered indefinite lived until the completion or abandonment of the associated research and development efforts. Upon conclusion of the relevant research and development project, the Company will amortize the acquired IPR&D over its estimated useful life or expense the acquired IPR&D should the research and development project be unsuccessful with no future alternative use.

Acquired intangible assets also consist of identifiable intangible assets, primarily software technology, trade name, and customer relationships resulting from business acquisitions. Finite-lived intangible assets are recorded at fair value on the date of acquisition and are amortized over their estimated useful lives. The Company bases the useful lives and related amortization expense on its estimate of the period that the assets will generate revenues or otherwise be used.

## Accounts Receivable, Net

Accounts receivable consist of amounts billed and currently due from customers, which are subject to collection risk. The total allowance for doubtful accounts netted against account receivables was \$1.1 million \$1.3 million and \$0.9 million as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively.

## Concentration of Credit Risks

The Company's exposure to credit risk associated with its contracts with holders of private company equity ("sellers") and investors ("buyers") related to the transfer of private securities is measured on an individual counterparty basis. Credit risk can be is affected by volatility in traded credit yields, spreads, increasing discount rates, or and changing economic conditions outlook on a sectoral or counterpart (name) specific basis. To reduce the potential for risk concentration, the Company's aggregate exposure is monitored in light of changing counterparty and market conditions. As of June 30, 2023 September 30, 2023 and

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December 31, 2022, December 31, 2022, the Company did not have any material concentrations of credit risk outside the ordinary course of business.

As of June 30, 2023 September 30, 2023 and December 31, 2022, no customers accounted for more than 10% of the Company's accounts receivable. No customer accounted for more than 10% of total revenue, less transaction-based expenses for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022.

## Revenue Recognition

### Contract Balances

Contract assets represent amounts for which the Company has recognized revenue for contracts that have not yet been invoiced to our customers. The Company does not have any contract assets as of June 30, 2023 September 30, 2023 and December 31, 2022. Contract liabilities consist of deferred revenue, which relates to amounts invoiced in advance of performance under a revenue contract. The total contract liabilities of \$0.3 million and \$0.4 million as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively, related to advance billings for data subscriptions, recorded in accrued expenses and other current

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### NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

liabilities on the unaudited condensed consolidated balance sheets. During the three and six nine months ended June 30, 2023 September 30, 2023, the Company recognized \$0.1 million and \$0.3 million \$0.4 million, respectively, of revenue that was included in deferred revenue recorded in accrued expenses and other current liabilities at December 31, 2022.

### Revenue by Geographic Location

For the three and six nine months ended June 30, 2023 September 30, 2023, revenue outside of the United States (including U.S. territories), based on customer billing address, was \$1.0 million, and \$1.9 \$3.0 million, respectively. For the three and six nine months ended June 30, 2022 September 30, 2022, revenue outside of the United States (including U.S. territories), based on customer billing address, was \$1.4 million \$1.9 million, and \$4.7 \$6.1 million, respectively.

## 3. Recapitalization

As discussed in Note 1, "Organization and Description of Business," on the Closing Date, Legacy Forge completed the acquisition of MOTV and acquired 100% of MOTV's shares and Legacy Forge received gross proceeds of \$216.4 million, which includes included \$7.9 million in proceeds from MOTV's trust and bank accounts, net of redemptions, \$68.5 million in proceeds from the PIPE Investment (as defined below), and \$140.0 million in proceeds from the A&R FPA (as defined below). The Company recorded \$61.8 million of transaction costs, which consisted of legal, accounting, and other professional services directly related to the Merger, of which \$58.7 million was related to common stock issued during the Merger and was recorded as a reduction to additional paid-in capital. The remaining \$3.1 million was related to issuance of Public and Private Placement Warrants, including warrants issued to A&R FPA investors, and was expensed immediately upon consummation of the Merger as acquisition-related transaction cost in the unaudited condensed consolidated statements of operations. The cash outflows related to these costs were presented as financing activities in the Company's unaudited condensed consolidated statements of cash flows. Deferred offering costs were offset against proceeds upon accounting for the consummation of the Merger. In addition, upon closing of the Merger, certain executives received a one-time transaction bonus for an aggregate amount of \$17.7 million, of which \$12.2 million was to be paid to the executives in cash, and the remaining amount \$5.5 million was offset against outstanding promissory notes that were due from these executives as of the Closing Date. The transaction bonus was included in compensation and benefits in the unaudited condensed consolidated statements of operations for the three and six nine months June 30, 2022 September 30, 2022. See Note 10, "Capitalization," for additional information.

On the Closing Date, each holder of MOTV Class A ordinary stock received one share of the Company's common stock, par value 0.0001, for each MOTV Class A ordinary share held prior to the Merger, and each holder of MOTV Class B ordinary stock received one share of the Company's common stock, par value 0.0001, for each MOTV Class B ordinary share held prior to the Merger. See Note 10, "Capitalization" and Note 11, "Warrants" for additional details of the Company's stockholders' equity prior to and subsequent to the Merger.

All equity awards of Legacy Forge were assumed by the Company and converted into comparable equity awards that are settled or exercisable for shares of the Company's common stock. As a result, each outstanding stock option of Legacy Forge was converted into an option to purchase shares of the Company's common stock based on the

**FORGE GLOBAL HOLDINGS, INC.****NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

and each outstanding warrant of Legacy Forge was converted into a warrant to purchase shares of the Company's common stock based on the Exchange Ratio.

The Merger was accounted for as a reverse recapitalization with Legacy Forge as the accounting acquirer and MOTV as the acquired company for accounting purposes. Legacy Forge was determined to be the accounting acquirer since Legacy Forge's former management makes up the majority of the Company's management team, Legacy Forge's former management nominated or represents a majority of the Company's board of directors, and Legacy Forge represents the majority of the continuing operations of the Company. Accordingly, all historical financial information presented in these unaudited condensed consolidated financial statements represents the accounts of Legacy Forge and its wholly-owned subsidiary. Net assets were stated at historical cost consistent with the treatment of the transaction as a reverse recapitalization of Legacy Forge.

Each public and private warrant of MOTV that was unexercised at the time of the Merger was assumed by the Company and represents the right to purchase one share of the Company's common stock upon exercise of such warrant.

**FORGE GLOBAL HOLDINGS, INC.****NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****PIPE Investment**

On March 21, 2022, concurrently with the execution of the Merger Agreement, MOTV entered into subscription agreements with certain investors, to which such investors collectively subscribed for an aggregate of 6,850,000 shares of the Company's common stock at \$10.00 per share for aggregate gross proceeds of \$68.5 million (the "PIPE Investment"). The PIPE Investment was consummated concurrently with the closing of the Merger.

**Amended and Restated Forward Purchase Agreement**

On March 21, 2022, concurrently with the execution of the Merger Agreement, certain MOTV fund vehicles managed by an affiliate of MOTV purchased 14,000,000 units at \$10.00 per unit, for an aggregate purchase price of \$140.0 million in a private placement that closed substantially concurrently with the closing of the Business Combination under the Amended and Restated Forward Purchase Agreement (the "A&R FPA"). Each unit consists of one share of the Company's common stock and one-third of one Public Warrant. The A&R FPA was consummated concurrently with the closing of the Merger.

**4. Fair Value Measurements**

Financial instruments consist of cash equivalents, restricted cash, accounts receivable, certificates of deposit, accounts payable, accrued liabilities, payment-dependent notes receivable, payment-dependent notes payable, and warrant liabilities. Cash equivalents, payment-dependent notes receivable, payment-dependent notes payable, certificates of deposits, and warrant liabilities are stated at fair value on a recurring basis. Restricted cash, accounts receivable, accounts payable, and accrued liabilities are stated at their carrying value, which approximates fair value due to the short time these financial instruments are held to the expected receipt or payment date.

**FORGE GLOBAL HOLDINGS, INC.****NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The following tables present the fair value hierarchy for assets and liabilities measured at fair value on a recurring basis (in thousands):

		As of June 30, 2023				As of September 30, 2023				
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Cash and cash equivalents:	Cash and cash equivalents:					Cash and cash equivalents:				
Money market funds	Money market funds	\$ 101,442	\$ —	\$ —	\$ 101,442	Money market funds	\$ 123,824	\$ —	\$ —	\$ 123,824
Payment-dependent notes receivable, current <sup>(1)</sup>		2	—	—	2					

Payment-dependent notes receivable, non-current	Payment-dependent notes receivable, non-current	—	—	5,830	5,830	Payment-dependent notes receivable, non-current	—	—	5,763	5,763
Certificates of deposit <sup>(1)(2)</sup>	Certificates of deposit <sup>(1)(2)</sup>	—	2,665	—	2,665	Certificates of deposit <sup>(1)(2)</sup>	—	3,130	—	3,130
Total financial assets	Total financial assets	\$ 101,444	\$ 2,665	\$ 5,830	\$ 109,939	Total financial assets	\$ 123,824	\$ 3,130	\$ 5,763	\$ 132,717
Payment-dependent notes payable, current <sup>(3)</sup>		\$ 2	\$ —	\$ —	\$ 2					
Payment-dependent notes payable, non-current	Payment-dependent notes payable, non-current	—	—	5,830	5,830	Payment-dependent notes payable, non-current	—	—	5,763	5,763
Legacy Forge warrant liabilities		—	—	1,468	1,468					
Junior preferred stock warrants						Junior preferred stock warrants	—	—	1,105	1,105
Private placement warrants	Private placement warrants	—	—	2,760	2,760	Private placement warrants	—	—	2,216	2,216
Total financial liabilities	Total financial liabilities	\$ 2	\$ —	\$ 10,058	\$ 10,060	Total financial liabilities	\$ —	\$ —	\$ 9,084	\$ 9,084
		As of December 31, 2022					As of December 31, 2022			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Cash and cash equivalents:	Cash and cash equivalents:					Cash and cash equivalents:				
Money market funds	Money market funds	\$ 149,139	\$ —	\$ —	\$ 149,139	Money market funds	\$ 149,139	\$ —	\$ —	\$ 149,139
Payment-dependent notes receivable, current <sup>(1)</sup>		5	—	—	5					
Payment-dependent notes receivable, non-current	Payment-dependent notes receivable, non-current	—	—	7,371	7,371	Payment-dependent notes receivable, non-current	—	—	7,371	7,371
Total financial assets	Total financial assets	\$ 149,144	\$ —	\$ 7,371	\$ 156,515	Total financial assets	\$ 149,139	\$ —	\$ 7,371	\$ 156,510
Payment-dependent notes payable, current <sup>(3)</sup>		\$ 5	\$ —	\$ —	\$ 5					
Payment-dependent notes payable, non-current	Payment-dependent notes payable, non-current	—	—	7,371	7,371	Payment-dependent notes payable, non-current	—	—	7,371	7,371
Legacy Forge warrant liabilities		—	—	384	384					
Junior preferred stock warrants						Junior preferred stock warrants	—	—	384	384

Private placement warrants	Private placement warrants	—	—	222	222	Private placement warrants	—	—	222	222
Total financial liabilities	Total financial liabilities	\$ 5	\$ —	\$ 7,977	\$ 7,982	Total financial liabilities	\$ —	\$ —	\$ 7,977	\$ 7,977

(1) Included in Prepaid prepaid expenses and other current assets on the unaudited condensed consolidated balance sheets as of June 30, 2023 September 30, 2023 and consolidated balance sheets as of December 31, 2022.

#### FORGE GLOBAL HOLDINGS, INC.

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(2) Includes \$0.4 million \$1.0 million certificates of deposit required to fulfill the Company's obligations in connection with a real estate lease agreement.

(3) Included in Accrued expenses and other current liabilities on the unaudited condensed consolidated balance sheets as of June 30, 2023 and December 31, 2022. agreements.

The Company classifies money market funds, certain payment-dependent notes receivable, and payment-dependent notes payable within Level 1 of the fair value hierarchy because the Company values these investments using quoted market prices.

#### Payment-Dependent Notes Receivable and Payment-Dependent Notes Payable Classified as Level 3

The Company classifies certain payment-dependent notes receivable and payment-dependent notes payable within Level 3 of the fair value hierarchy if the underlying securities are equity of private companies whose regular financial and nonfinancial information is generally not available other than when it is publicly disclosed, or significant unobservable inputs are used to estimate fair value.

The Company estimates fair values of payment-dependent notes receivable and payment-dependent notes payable utilizing completed transactions made through the Company's platform for the relevant private securities as well as mutual fund valuations of private companies as relevant data inputs.

#### FORGE GLOBAL HOLDINGS, INC.

#### NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### Legacy Forge Warrant Liabilities

The Company's Legacy Forge warrant liabilities consisted of warrants to purchase Series B-1 preferred stock or subsequent round stock (the "Series B-1 Preferred Stock Warrants") and Junior Preferred Stock Warrants (as defined below). The Company used a hybrid method that incorporates the Black-Scholes option-pricing model and an adjusted backsolve model to estimate the fair value of the Legacy Forge warrant liabilities through June 30, 2022. Subsequent to June 30, 2022, the Company used a binomial lattice model in a risk-neutral framework to value Legacy Forge warrant liabilities. See Note 11, "Warrants", for additional information.

Subsequent to the Merger, the Series B-1 Preferred Stock Warrants and Junior Preferred Stock Warrants were converted to common stock warrants. As a result, the Series B-1 Preferred Stock Warrants were remeasured at fair value prior to the conversion resulting in a change in fair value of \$0.1 million for the three and six nine months ended June 30, 2022 September 30, 2022, which was recognized as a component of change in fair value of warrant liabilities within the unaudited condensed consolidated statements of operations, and subsequently settled in additional paid-in capital as a result of the conversion to equity-classified common stock warrants. The Junior Preferred Stock Warrants were remeasured at fair value prior to the conversion to common stock warrants, which did not result in a change in fair value as of the conversion date. These warrants remained liability-classified after the conversion into the common stock warrants as the Company's obligation with respect to these warrants is capped at a fixed monetary amount and may be settled in a variable number of common shares. The Legacy Forge warrant liabilities Junior Preferred Stock Warrants were remeasured at fair value as of June 30, 2023 September 30, 2023, which resulted in a loss gain of \$1.2 million \$0.4 million and loss of \$1.1 \$0.7 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively.

The Company estimated the fair value of the Legacy Forge warrant liabilities, Junior Preferred Stock Warrants as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively, using the following key assumptions:

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Fair value of underlying securities	Fair value of underlying securities	\$ 2.43	\$ 1.73	Fair value of underlying securities	\$ 2.03	\$ 1.73
Expected term (years)	Expected term (years)	2.36	2.9	Expected term (years)	2.11	2.9
Expected volatility	Expected volatility	99.6%	46.1%	Expected volatility	105.0%	46.1%
Risk-free interest rate	Risk-free interest rate	4.7%	4.2%	Risk-free interest rate	5.0%	4.2%

Expected dividend yield	Expected dividend yield	0.0%	0.0%	Expected dividend yield	0.0%	0.0%
Fair value per warrant	Fair value per warrant	\$ 0.56	\$ 0.15	Fair value per warrant	\$ 0.42	\$ 0.15

#### Private Placement Warrants

#### FORGE GLOBAL HOLDINGS, INC.

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The Company classifies the Private Placement Warrants within Level 3, because significant unobservable inputs are used to estimate fair value. To estimate the fair value of Private Placement Warrants, the Company used a binomial lattice model in a risk-neutral framework. The Private Placement Warrant liabilities were remeasured at fair value as of **June 30, 2023** **September 30, 2023**, which resulted in a **loss** gain of **\$2.6 million** **\$0.5 million** and a loss of **\$2.5 million** **\$2.0 million** for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, respectively. The significant assumptions used in the analysis were the trading price of the Company's **Common Stock** **common stock** as of **June** **September** 30, 2023 and December 31, 2022, respectively, using the following key assumptions:

	June 30, 2023	December 31, 2022
Fair value of underlying securities	\$ 2.43	\$ 1.73
Expected term (years)	3.7	4.2
Expected volatility	101.9%	44.6%
Risk-free interest rate	4.4%	4.1%
Expected dividend yield	0.0%	0.0%
Fair value per warrant	\$ 0.37	\$ 0.03

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	September 30, 2023	December 31, 2022
Fair value of underlying securities	\$ 2.03	\$ 1.73
Expected term (years)	3.5	4.2
Expected volatility	107.5%	44.6%
Risk-free interest rate	4.8%	4.1%
Expected dividend yield	0.0%	0.0%
Fair value per warrant	\$ 0.30	\$ 0.03

#### Transfers Into and Out of Level 3

The Company transfers financial instruments out of Level 3 on the date when underlying input parameters are readily observable from existing market quotes. For payment-dependent notes payable and receivable, transfers from Level 3 to Level 1 generally relate to a company going public and listing on a national securities exchange. During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, there were no transfers of securities into or out of Level 3. During the **six** **nine** months ended **June 30, 2022** **September 30, 2022**, the transfer of Private Placement Warrants from Level 2 to Level 3 was due to the redemption and exercises of the Public Warrants which resulted in the lack of an identical instrument with a quoted price (see Note 11).

The following tables provide reconciliation for all financial assets and liabilities measured at fair value using significant unobservable inputs (Level 3) for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022 (in thousands):

	Total Level 3 Financial Assets		Total Level 3 Financial Liabilities		Total Level 3 Financial Assets		Total Level 3 Financial Liabilities	
Balance as of December 31, 2022	Balance as of December 31, 2022	\$ 7,371	\$ 7,977	Balance as of December 31, 2022	\$ 7,371	\$ 7,977		

**FORGE GLOBAL HOLDINGS, INC.**

**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

## 5. Condensed Consolidated Balance Sheet Components

### Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Prepaid insurance	\$ 3,782	\$ 3,250
Prepaid software	1,296	1,406
Other prepaid expenses	1,437	1,546
Certificates of deposit	2,665	—
Other current assets	1,626	2,177
Prepaid expenses and other current assets	<u>\$ 10,806</u>	<u>\$ 8,379</u>

**FORGE GLOBAL HOLDINGS, INC.**

**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

	September 30, 2023	December 31, 2022
Prepaid insurance	\$ 2,889	\$ 3,250
Prepaid software	1,455	1,406
Other prepaid expenses	951	1,546
Certificates of deposit	3,131	—
Other current assets	1,722	2,177
Prepaid expenses and other current assets	<u>\$ 10,148</u>	<u>\$ 8,379</u>

**Internal-Use Software, Net**

Capitalized internal-use software consists of the following (in thousands):

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Capitalized internal-use software	Capitalized internal-use software	\$ 9,063	\$ 9,605	Capitalized internal-use software	\$ 9,062	\$ 9,605
Less: Accumulated amortization	Less: Accumulated amortization	(3,385)	(1,965)	Less: Accumulated amortization	(4,039)	(1,965)
Total capitalized internal-use software	Total capitalized internal-use software	<u>\$ 5,678</u>	<u>\$ 7,640</u>	Total capitalized internal-use software	<u>\$ 5,023</u>	<u>\$ 7,640</u>

For the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, the Company recorded amortization expense on capitalized internal-use software placed in service of \$0.7 million and **\$1.4 million** **\$2.1 million**, respectively. The Company recorded \$0.5 million of impairment loss for developed software that will no longer be put into service, included in general and administrative expense within the unaudited condensed consolidated statements of operations during the **six nine** months ended **June 30, 2023** **September 30, 2023**. No impairment was recorded for the three months ended **June 30, 2023** **September 30, 2023**. For the three and **six nine** months ended **June 30, 2022** **September 30, 2022**, the Company recorded amortization expense on capitalized internal-use software placed in service of **\$0.9 million** **\$0.4 million** and **\$1.0 million** **\$1.3 million**, respectively.

**Accrued Expenses and Other Current Liabilities**

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Accrued expenses and other current liabilities consist of the following (in thousands):

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Accrued professional services	Accrued professional services	\$ 1,176	\$ 1,299	Accrued professional services	\$ 3,200	\$ 1,380



Contingent liability	Contingent liability	1,534	—	Contingent liability	1,100	1,500
Accrued taxes and deferred tax liabilities	Accrued taxes and deferred tax liabilities	1,017	1,006	Accrued taxes and deferred tax liabilities	1,403	1,006
Common stock unvested liability	Common stock unvested liability	386	589	Common stock unvested liability	259	589
Other current liabilities	Other current liabilities	3,324	3,527	Other current liabilities	2,159	1,946
Total	Total	\$ 7,437	\$ 6,421	Total	\$ 8,121	\$ 6,421

## 6. Goodwill and Intangible Assets, Net

The Company carried out interim impairment tests of its long-lived assets pursuant to ASC 360 - Property, Plant, and Equipment, and its goodwill in accordance with ASC 350 - Intangibles - Goodwill and other. No impairment losses were recorded for the long-lived assets or goodwill as of June September 30, 2023. See Note 2, "Summary of Significant Accounting Policies," for additional information.

The components of intangible assets and accumulated amortization are as follows (in thousands):

As of September 30, 2023				
	Weighted Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Goodwill:</b>				
Goodwill from acquisitions		\$ 120,948	\$ —	\$ 120,948
<b>Finite-lived intangible assets:</b>				
Developed technology	1.1 years	\$ 13,200	\$ (10,124)	\$ 3,076
Customer relationships	5.6 years	7,507	(3,434)	4,073
Launched in-process research and development assets	3.0 years	960	(384)	576
Total finite-lived intangible assets		\$ 21,667	\$ (13,942)	\$ 7,725
<b>Indefinite-lived intangible assets:</b>				
Trade name - website domain	Indefinite	2,224	—	2,224
Total indefinite-lived intangible assets		2,224	—	2,224
Total intangible assets		23,891	(13,942)	9,949
Total goodwill and intangible assets		\$ 144,839	\$ (13,942)	\$ 130,897

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The components of intangible assets and accumulated amortization are as follows (in thousands):

As of June 30, 2023				
	Weighted Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Goodwill:</b>				
Goodwill from acquisitions		\$ 120,948	\$ —	\$ 120,948
<b>Finite-lived intangible assets:</b>				
Developed technology	1.3 years	\$ 13,200	\$ (9,428)	\$ 3,772
Customer relationships	5.7 years	7,507	(3,181)	4,326
Launched in-process research and development assets	3.2 years	960	(336)	624
Total finite-lived intangible assets		\$ 21,667	\$ (12,945)	\$ 8,722
<b>Indefinite-lived intangible assets:</b>				
Trade name - website domain	Indefinite	2,224	—	2,224
Total indefinite-lived intangible assets		2,224	—	2,224

Total intangible assets	23,891	(12,945)	10,946
Total goodwill and intangible assets	\$ 144,839	\$ (12,945)	\$ 131,894

		As of December 31, 2022						As of December 31, 2022			
		Weighted Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount			Weighted Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Goodwill:</b>	<b>Goodwill:</b>					<b>Goodwill:</b>					
Goodwill from acquisitions	Goodwill from acquisitions		\$ 120,948	\$ —	\$ 120,948	Goodwill from acquisitions			\$ 120,948	\$ —	\$ 120,948
<b>Finite-lived intangible assets:</b>	<b>Finite-lived intangible assets:</b>					<b>Finite-lived intangible assets:</b>					
Developed technology	Developed technology	1.8 years	\$ 13,200	\$ (8,035)	\$ 5,165	Developed technology	1.8 years	\$ 13,200	\$ (8,035)	\$ 5,165	
Customer relationships	Customer relationships	6.1 years	7,507	(2,677)	4,830	Customer relationships	6.1 years	7,507	(2,677)	4,830	
Launched in-process research and development assets	Launched in-process research and development assets	3.7 years	960	(240)	720	Launched in-process research and development assets	3.7 years	960	(240)	720	
Total finite-lived intangible assets	Total finite-lived intangible assets		\$ 21,667	\$ (10,952)	\$ 10,715	Total finite-lived intangible assets		\$ 21,667	\$ (10,952)	\$ 10,715	
<b>Indefinite-lived intangible assets:</b>	<b>Indefinite-lived intangible assets:</b>					<b>Indefinite-lived intangible assets:</b>					
Trade name - website domain	Trade name - website domain	Indefinite	2,224	—	2,224	Trade name - website domain	Indefinite	2,224	—	2,224	
Total indefinite-lived intangible assets	Total indefinite-lived intangible assets		2,224	—	2,224	Total indefinite-lived intangible assets		2,224	—	2,224	
Total intangible assets	Total intangible assets		\$ 23,891	\$ (10,952)	\$ 12,939	Total intangible assets		23,891	(10,952)	12,939	
Total goodwill and intangible assets	Total goodwill and intangible assets		\$ 144,839	\$ (10,952)	\$ 133,887	Total goodwill and intangible assets		\$ 144,839	\$ (10,952)	\$ 133,887	

Amortization expense related to finite-lived intangible assets for the three and six nine months ended June 30, 2023 September 30, 2023 was \$1.0 million and \$2.0 million \$3.0 million, respectively, and was included in depreciation and amortization in the accompanying unaudited condensed consolidated statements of operations. Amortization expense related to finite-lived intangible assets for the three and six nine months ended June 30, 2022 September 30, 2022 was \$1.1 million \$1.0 million and \$2.0 million \$3.0 million, respectively.

The table below presents estimated future amortization expense for finite-lived intangible assets as of June 30, 2023 September 30, 2023 (in thousands):

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		Amount		Amount
Remainder of 2023	Remainder of 2023	\$ 1,975	Remainder of 2023	\$ 978
2024	2024	3,462	2024	3,462
2025	2025	802	2025	802
2026	2026	754	2026	754
2027	2027	610	2027	610
Thereafter	Thereafter	1,119	Thereafter	1,119
Total	Total	\$ 8,722	Total	\$ 7,725

## 7. Leases

The Company leases real estate for office space under operating leases. As of **June 30, 2023** **September 30, 2023**, the remaining lease terms varied from 0.25 years to **2.5** years. For **2.3** years. For certain leases, the Company has an option to extend the lease term for a period of 3 years. years This renewal option is not considered in the remaining lease term unless it is reasonably certain that the Company will exercise such options.

Operating lease expense, included in rent and occupancy in the unaudited condensed consolidated statements of operations, were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating lease expense	\$ 834	\$ 1,092	\$ 1,792	\$ 2,020
Variable lease expense	\$ 223	\$ 137	\$ 472	\$ 240
Total operating lease expenses (1)	\$ 1,057	\$ 1,229	\$ 2,264	\$ 2,260
Sublease income (2)	\$ 226	\$ 88	\$ 452	\$ 237

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating lease expense	\$ 855	\$ 853	\$ 2,655	\$ 2,818
Variable lease expense	\$ 231	\$ 222	\$ 704	\$ 625
Total operating lease expenses (1)	\$ 1,086	\$ 1,075	\$ 3,359	\$ 3,443
Sublease income (2)	\$ 226	\$ 226	\$ 678	\$ 463

(1) Operating lease expense is included in rent and occupancy in the unaudited condensed consolidated statements of **operations** **operations**.

(2) Sublease income is included in **Other** **other** income (expenses), net in the unaudited condensed consolidated statements of **operations** **operations**.

As of **June 30, 2023** **September 30, 2023** and December 31, 2022, the weighted-average remaining lease term was **2.3** **2.1** and 2.6 years, respectively. As of **June 30, 2023** **September 30, 2023** and December 31, 2022, the weighted-average discount rate was **6.1%**.

### FORGE GLOBAL HOLDINGS, INC.

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**6.2%** and **6.0%** respectively.

Future undiscounted lease payments under operating leases as of **June 30, 2023** **September 30, 2023** were as follows (in thousands):

		Lease Payment Obligation	Sublease Income	Net Lease Obligation		Lease Payment Obligation	Sublease Income	Net Lease Obligation
Remainder of 2023	Remainder of 2023	\$ 1,950	\$ (316)	\$ 1,634	Remainder of 2023	\$ 1,658	\$ (316)	\$ 1,342

2024	2024	2,134	(360)	1,774	2024	2,134	(360)	1,774
2025	2025	1,619	(210)	1,409	2025	1,619	(210)	1,409
2026	2026	—	—	—	2026	—	—	—
2027	2027	—	—	—	2027	—	—	—
Thereafter	Thereafter				Thereafter	\$ —	\$ —	\$ —
Total undiscounted lease payments	Total undiscounted lease payments	\$ 5,703	\$ (886)	\$ 4,817	Total undiscounted lease payments	\$ 5,411	\$ (886)	\$ 4,525
Less: imputed interest	Less: imputed interest	(346)			Less: imputed interest	(1,109)		
Present value of future lease payments	Present value of future lease payments	5,357			Present value of future lease payments	4,302		
Less: operating lease liabilities, current	Less: operating lease liabilities, current	2,832			Less: operating lease liabilities, current	2,300		
Operating lease liabilities, noncurrent	Operating lease liabilities, noncurrent	\$ 2,525			Operating lease liabilities, noncurrent	\$ 2,002		

As of June 30, 2023 September 30, 2023, the Company did not had entered into two additional leases which have any additional significant lease contracts that had not yet commenced, commenced and are therefore not part of the right-of-use asset and liability. These leases have undiscounted future payments of \$7.3 million and will commence when the Company obtains possession of the underlying leased asset. One of the leases commenced on October 3, 2023. Commencement date for the second lease is expected to be in fiscal 2024.

During the six nine months ended June 30, 2022 September 30, 2022, the Company ceased using one of its leased office spaces and made a decision to sublease this space to a third party. The sublease agreement was signed in April 2022. Based on the terms of the sublease agreement, the Company determined that the right-of-use asset related to this office space is impaired, and recorded an impairment loss of \$0.3 million for the six nine months ended June 30, 2022 September 30, 2022 in rent and occupancy in the unaudited condensed consolidated statements of operations. There was no impairment loss for leases for the six nine months ended June 30, 2023 September 30, 2023.

## 8. Commitments and Contingencies

The Company is subject to claims and lawsuits in the ordinary course of business, including arbitration, class actions, and other litigation, some of which include claims for substantial or unspecified damages. The Company is also the subject of inquiries, investigations, and proceedings by regulatory and other governmental agencies. The Company reviews

### FORGE GLOBAL HOLDINGS, INC.

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its lawsuits, regulatory inquiries, and other legal proceedings on an ongoing basis and provides disclosures and records loss contingencies in accordance with the loss contingencies accounting guidance. The Company establishes an accrual for losses at management's best estimate when the Company assesses that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. If no amount within the range is considered a better estimate than any other amount, an accrual for losses is recorded based on the bottom amount of the range. The Company's accrual for probable and estimable loss contingencies was \$1.5 million \$1.4 million as of June 30, 2023 September 30, 2023, recorded in Accrued accrued expenses and other current liabilities on the unaudited condensed consolidated balance sheets. Short term accruals for loss contingencies are recorded in accrued expenses and other current liabilities, accruals for long term loss contingencies are recorded in other liabilities, noncurrent on the unaudited condensed consolidated balance sheets and expensed in general and administrative expenses in our unaudited condensed consolidated statements of operations. The Company monitors these matters for developments that would affect the likelihood of a loss and the accrued amount, if any, and adjusts the amount as appropriate.

#### Legal Proceedings

On January 7, 2022, Erika McKiernan, in her capacity as Stockholder Representative for the former stockholders of SharesPost, filed a lawsuit against the Company in the Court of Chancery of the State of Delaware, asserting claims in connection with the Agreement and Plan of Merger, dated as of May 10, 2020, by and among the Company, SharesPost, Thanksgiving Merger Sub, Inc., and Erika McKiernan as the Stockholder Representative, as amended on November 6, 2020 (the "SharesPost Merger Agreement"). In general, the complaint asserts breaches of the SharesPost Merger Agreement and seeks declaratory judgements establishing those breaches. On February 24, 2022, the Company filed its Answer and a counterclaim denying the alleged claims. On March 9, 2022, SharesPost submitted its Reply denying the Company's counterclaim and the majority of the Company's allegations. In August 2022, SharesPost filed an Amended Complaint adding the public company parent, Forge Global Holdings, Inc. as a party to the action. The Company disputes the claims and intends to defend the suit vigorously, vigorously. The amount accrued for this matter is included in the accrual for probable and estimable loss contingencies mentioned above.

### FORGE GLOBAL HOLDINGS, INC.

#### NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On March 29, 2023, the Company was named as a defendant in a lawsuit brought by an alleged former warrant holder of the Company, in a case captioned Alta Partners, LLC v. Forge Global Holdings, Inc., No. 1:23-cv-2647 in the United States District Court for the Southern District of New York. Plaintiff's allegations include breaches of the Warrant Agreement dated December 15, 2020, breach of the implied covenant of good faith and fair dealing, and violation of Section 11 of the Securities Act of 1933, as amended (the "Securities Act"). Plaintiff's complaint seeks, among other things, an award of money damages. The Company disputes the claims and intends to defend the suit vigorously. The Company is unable to estimate a range of potential losses, if any, associated with this matter.

As of June 30, 2023 September 30, 2023, the Company had a receivable of \$1.6 million in prepaid expenses and other current assets on the consolidated balance sheets, which it expects to collect from the escrow related to the acquisition of IRA Services, Inc. Certain additional claims were filed against this escrow and, per a ruling in January 2023, one of these claims is likely to proceed to trial. Despite this development, the Company believes the claim is not expected to have a significant impact on the likelihood of collecting the aforementioned receivable.

#### 401(k) Plan

The Company has established a tax-qualified retirement plan under Section 401(k) of the Internal Revenue Code for all of its U.S. employees, including executive officers, who satisfy certain eligibility requirements, including requirements relating to age and length of service. The Company matches 2% of every dollar contributed to the plan by employees, including executive officers, up to a maximum of \$5.8 thousand. During the three and six nine months ended June 30, 2023 September 30, 2023, the Company recorded 401(k) contribution expense related to the defined contribution plan of \$0.2 million and \$0.5 million \$0.6 million, respectively, in compensation and benefits in the unaudited condensed consolidated statements of operations. During the three and six nine months ended June 30, 2022 September 30, 2022, the Company recorded 401(k) contribution expense of \$0.2 million and \$0.6 million \$0.8 million, respectively.

#### Non-Cancelable Purchase Obligations

In the normal course of business, the Company enters into non-cancelable purchase commitments with various parties mainly for its operating leases, software products, and services. As of June 30, 2023 September 30, 2023, the Company had outstanding non-cancelable purchase obligations with a term of 12 months or longer, excluding operating lease obligations (See Note 7, "Leases," for additional information) as follows (in thousands):

	Amount
Remainder of 2023	\$ 1,985
2024	1,947
2025	1,993
2026	2,203
2027	1,253
Thereafter	—
Total	<u>\$ 9,381</u>

#### FORGE GLOBAL HOLDINGS, INC.

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	Amount
Remainder of 2023	\$ 1,145
2024	1,947
2025	1,993
2026	2,203
2027	1,253
Thereafter	—
Total	<u>\$ 8,541</u>

#### 9. Off Balance Sheet Items

Forge Global Advisors LLC ("Forge Advisors"), a wholly-owned subsidiary of the Company and an investment adviser registered under the Investment Advisers Act of 1940, as amended, advises investment funds, each of which are organized as a series of Forge Investments LLC and segregated portfolio companies of Forge Investments SPC and Forge Investments II SPC (such investment funds and portfolio companies are individually and collectively referred to as "Investment Funds"). The Investment Funds are each formed for the purpose of investing in securities relating to a single private company and are owned by different investors. Effective January 1, 2023, Forge Advisors serves as the manager of the Forge Investments LLC series Investment Funds. Prior to January 1, 2023, the Forge Investments LLC series Investment Funds were managed by a third-party fund administrator. The Company utilizes a third-party fund administrator to manage the Forge Investments SPC and Forge Investments II SPC Investment Funds. The Company has no ownership interest nor participation in the gains or losses of the Investment Funds. The Company does not consolidate Forge Investments LLC, Forge Investments SPC, Forge Investments II SPC, or any of the Investment Funds, because the Company has no direct or indirect interest in the Investment Funds and the amount of expenses the Company pays on behalf of the Investment Funds are not significant to the entities. Investors in the Investment Funds do not have any recourse to the assets of the Company.

FORGE GLOBAL HOLDINGS, INC.

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While not contractually required, Forge Advisors may, at its sole discretion, absorb certain expenses on behalf of the Investment Funds. Transaction-based expenses include fund insurance and fund management expenses and are recorded in transaction-based expenses in the unaudited condensed consolidated statements of operations. Audit and accounting related services are recorded in professional services in the unaudited condensed consolidated statements of operations. Professional services expenses of \$0.3 million \$0.2 million and \$0.7 million \$0.9 million were recognized in the unaudited condensed consolidated statements of operations during the three and six nine months ended June September 30, 2023, respectively. Transaction-based expenses of less than \$0.1 million and \$0.2 million and professional services expenses of \$0.3 million \$0 and \$0.6 million were recognized during the three and six nine months ended June September 30, 2022, respectively.

## 10. Capitalization

### Common Stock

Prior to the Merger, Legacy Forge was authorized to issue up to 257,968,554 shares of its capital stock, of which 171,153,360 shares were designated as Class AA common stock.

### Merger Transaction

On the Closing Date and in accordance with the terms and subject to the conditions of the Merger Agreement, each share of Legacy Forge Class AA common stock, par value \$0.00001 per share, was canceled and converted into the right to receive the applicable portion of the merger consideration comprised of the Company's common stock, par value \$0.00001 per share, based on the Exchange Ratio.

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On March 21, 2022, in connection with the Merger, the Company amended and restated its certificate of incorporation to authorize 2,100,000,000 shares of capital stock, consisting of (i) 2,000,000,000 shares of common stock, par value \$0.0001 per share and (ii) 100,000,000 shares of preferred stock. The holders of common stock have exclusive voting power. Each share of common stock is entitled to one vote per share. The Company's board of directors has the authority to issue shares of preferred stock in one or more series and to determine the preferences, privileges, and restrictions, including voting rights, of those shares. Upon the consummation of the Business Combination, the Company's common stock and warrants began trading on the NYSE under the symbol "FRGE" and "FRGE WS", respectively.

As of June 30, 2023 September 30, 2023, the Company had authorized 2,000,000,000 and 100,000,000 shares of common stock and preferred stock respectively, and the Company had 174,386,713 175,173,113 shares of common stock and no shares of preferred stock issued and outstanding.

### Settlement of Nonrecourse Related-Party Promissory Notes

In connection with the Merger, the Company entered into loan offset agreements with certain executives (the "Loan Offset Agreement") as a result of outstanding promissory notes that were due from these executives as of the Closing Date. As a result of the Loan Offset Agreements, the Company agreed to offset the after-tax value of the transaction bonus that the executives received in connection with the Merger (see Note 3, "Recapitalization", for additional information) against the entire outstanding balance of the nonrecourse promissory notes, including any unpaid interest, as of one day immediately prior to the closing of the Merger. The total amount of outstanding promissory notes that were offset against the transaction bonus was \$5.5 million, which included \$1.3 million related to unvested shares included in the accrued expenses and other current liabilities in the unaudited condensed consolidated balance sheets. The related bonus expense was recorded as compensation and benefits in the unaudited condensed consolidated statements of operations for the six three months ended March 31, 2022.

## 11. Warrants

### Warrants to Purchase Series B-1 Convertible Preferred Stock or Subsequent Round Stock

In May 2020, Legacy Forge entered into a Note and Warrant Purchase Agreement with investors pursuant to which it issued certain convertible notes (the "2020 Convertible Notes"). In connection with the issuance of the 2020 Convertible Notes, the note holders entered into a Note and Warrant Purchase Agreement for the options to purchase shares based on coverage of 5% of the 2020 Convertible Notes principal amounts (the "May 2020 Warrants"). The note holders could purchase either (i) the Series B-1 convertible preferred stock of Legacy Forge at Series B-1 price of \$3.9760 or (ii) any

FORGE GLOBAL HOLDINGS, INC.

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subsequent round stock of Legacy Forge at the subsequent round price. The warrants have a five-year contractual life and may be exercised at any time during that period.

In October 2020, Legacy Forge entered into a Loan and Security Agreement (the "2020 Loan and Security Agreement") with another lending institution that provided for a term loan in the amount of \$15.0 million. In October 2020, simultaneously with the 2020 Loan and Security Agreement, the lender entered into a Warrant to Purchase Shares of Preferred Stock Agreement with Legacy Forge for the options to purchase a coverage amount of \$3.5 million in shares (the "October 2020 Warrants"). The investors were granted the right to purchase either the Series B-1 convertible preferred stock of Legacy Forge at Series B-1 price of \$3.9760 or (ii) any subsequent round stock of Legacy Forge at the subsequent round price. The warrants have a ten-year contractual life and may be exercised at any time during that period.

Prior to the Merger, the May 2020 Warrants and October 2020 Warrants were classified as Warrant liabilities in Legacy Forge's consolidated balance sheets. Legacy Forge remeasured the May 2020 Warrants and October 2020 Warrants at each balance sheet date to their fair value (See Note 4, "Fair Value Measurements," for additional information). Subsequent to the Merger, the May 2020 Warrants and October 2020 Warrants were converted to Legacy Forge's common stock warrants. As a result, the May 2020 Warrants and October 2020 Warrants were adjusted to fair value prior to the conversion, and then settled in additional paid-in capital as a result of the conversion to equity-classified common stock warrants. During the six months ended June 30, 2022, the Company recorded fair value adjustments of \$0.1 million for the May 2020 Warrants and October 2020 Warrants, respectively, in change in fair value of warrant liabilities in the Company's unaudited condensed consolidated statements of operations.

#### FORGE GLOBAL HOLDINGS, INC.

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##### Warrants to Purchase Junior Preferred Stock

In November 2020, in connection with the SharesPost acquisition, Legacy Forge issued a total of 3,122,931 warrants ("Junior Preferred Stock Warrants") to purchase shares of Legacy Forge's Junior Preferred Stock at an exercise price of \$3.9760 per share, with a cap of extended value of \$5.0 million. The Junior Preferred Stock Warrants have a five-year contractual life and may be exercised at any time during that period.

Prior to the Merger, the warrants were classified as a liability in the unaudited condensed consolidated balance sheets. The Company remeasures the warrants at each balance sheet date using a hybrid method (See Note 4, "Fair Value Measurements," for additional information). Subsequent to the Merger, the Junior Preferred Stock Warrants were converted into the Company's common stock warrants. As a result, the Junior Preferred Stock Warrants were adjusted to fair value prior to conversion and remain classified as a liability, as the Company's obligation with respect to these warrants is capped at a fixed monetary amount of \$5.0 million and may be settled in a variable number of common shares.

The Company recorded changes in the fair value of the Junior Preferred Stock Warrants, that were converted to warrants to purchase common stock, of \$0.1 million as change in fair value of warrant liabilities in the Company's unaudited condensed consolidated statements of operations during the six months ended June 30, 2023. There was no change in fair value of warrant liabilities for the six months ended June 30, 2022.

##### Public Warrants and Private Placement Warrants

As the accounting acquirer, Legacy Forge is deemed to have assumed 7,386,667 warrants for Class A common stock that were held by Motive Capital Funds Sponsor, LLC (the "Sponsor") at an exercise price of \$11.50 ("Private (the "Private Placement Warrants"), 13,799,940 Class A common stock warrants held by MOTV's shareholders stockholders at an exercise price of \$11.50 ("Public (the "Public Warrants"), and 4,666,664 Public Warrants at an exercise price of \$11.50 that were issued in connection with the A&R FPA that was consummated upon the Closing Date. The warrants are exercisable subject to the terms of the warrant agreement, including but not limited to, the Company having an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating to them is available. The warrants expire five years after the completion of the Business Combination, or earlier upon redemption or liquidation. All of the Private Placement Warrants are still outstanding as of June 30, 2023 September 30, 2023.

Subsequent to the Merger, the Private Placement Warrants and Public Warrants met liability classification requirements since the warrants may be required to be settled in cash under a tender offer. In addition, Private Placement Warrants are potentially subject to a different settlement amount as a result of being held by the Sponsor which precludes the

#### FORGE GLOBAL HOLDINGS, INC.

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Private Placement Warrants from being considered indexed to the entity's own stock. Therefore, these warrants are classified as liabilities on the unaudited condensed consolidated balance sheets.

On June 9, 2022, the Company issued a redemption notice to warrant holders announcing that it would redeem all of its Public Warrants (including the 4,666,664 Public Warrants that were issued in connection with the A&R FPA) on July 11, 2022 at 5:00 p.m. New York City Time (the "Redemption Date") for \$0.01 per Public Warrant (the "Redemption"). After such notice and prior to the Redemption Date, warrant holders were entitled to exercise the Public Warrants at an exercise price of \$11.50 per share of the Company's common stock. Any Public Warrants not exercised by the Redemption Date were automatically redeemed by the Company at a price of \$0.01 per Public Warrant.

In connection with the Redemption, 1,994,790 Public Warrants were exercised at an exercise price of \$11.50 per share of common stock, for an aggregate of 1,994,790 shares. Total cash proceeds generated from such exercises were \$22.9 million. The change in the fair value of warrant liabilities was recorded through the date of exercise as a change in fair value of warrant liabilities within the unaudited condensed consolidated statements of operations. Additionally, the fair value of the warrant liability as of the exercise date of \$0.7 million was reclassified to additional paid-in capital within the unaudited condensed consolidated balance sheets.



On July 11, 2022, the remaining 16,471,814 Public Warrants still outstanding were redeemed at a price of \$0.01 per Public Warrant for an aggregate cash payment from the Company of \$0.2 million. On July 11, 2022, the Public Warrants were delisted from the NYSE.

## 12. Share-Based Compensation

### Prior Stock Plan

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In March 2018, Legacy Forge adopted its 2018 Equity Incentive Plan (as amended from time to time, the "2018 Plan"), which provides for grants of share-based awards, including stock options and restricted stock awards, and other forms of share-based awards. The 2018 Plan was terminated in March 2022 in connection with the adoption of the 2022 Stock Option and Incentive Plan (the "2022 Plan"). Accordingly, no shares are available for future grants under the 2018 Plan following the adoption of the 2022 Plan.

### 2022 Stock Plan

In March 2022, prior to and in connection with the Merger, the Company adopted the 2022 Plan, which provides for grants of share-based awards, including stock options and restricted stock units ("RSUs"), and other forms of share-based awards. Through June 30, 2023 September 30, 2023, the Company has authorized 18,076,331 shares of common stock for the issuance of awards under the 2022 Plan. In addition, the number of shares of common stock reserved and available for issuance under the 2022 Plan will automatically increase on January 1 of each year for a period of ten years, beginning on January 1, 2023 and on each January 1 thereafter and ending on the tenth anniversary of the adoption date of the 2022 Plan, in an amount equal to (i) 3% of the outstanding number of shares of common stock of the Company on the preceding December 31, or (ii) a lesser number of shares as approved by the Company's board of directors.

### 2022 Employee Stock Purchase Plan

In March 2022, prior to and in connection with the Merger, the Company adopted the 2022 Employee Stock Purchase Plan (the "2022 ESPP"). Through June 30, 2023 September 30, 2023, the Company has authorized the issuance of 5,797,609 shares of common stock under purchase rights granted to the Company's employees or to employees of any of its designated affiliates. The number of shares of common stock reserved for issuance will automatically increase on January 1 of each year, beginning on January 1, 2023 and each January 1 thereafter until the 2022 ESPP terminates according to its terms, by the lesser of (i) 4,072,000 shares of common stock, or (ii) 1% of the outstanding number of shares of common stock on the immediately preceding December 31. The Company's board of directors may determine that such increase will be less than the amount set forth in (i) and (ii) above.

### Reserve for Issuance

The Company has the following shares of common stock reserved for future issuance, on an as-if converted basis:

	September 30, 2023	December 31, 2022
Warrants to purchase common stock	3,282,652	3,282,652
Stock options issued and outstanding under 2018 Plan <sup>(1)</sup>	8,395,260	12,853,072
Shares available for grant under 2022 Plan <sup>(2)</sup>	2,093,403	3,310,803
RSUs issued and outstanding under 2022 Plan	18,791,002	10,884,476
Shares available for grant under 2022 ESPP	5,797,609	4,072,000
Outstanding Private Placement Warrants	7,386,667	7,386,667
Total shares of common stock reserved	45,746,593	41,789,670

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(1) Effective June 15, 2023, the Company cancelled the CEO Option (as defined below), which was granted under the 2018 Plan. As a result of such cancellation, the 3,122,931 shares of common stock underlying the CEO Option became available for future awards under the 2022 Plan.

#### NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	June 30, 2023	December 31, 2022
Warrants to purchase common stock	3,282,652	3,282,652
Stock options issued and outstanding under 2018 Plan	8,768,567	12,853,072
Shares available for grant under 2022 Plan <sup>(1)</sup>	2,710,446	4,804,751
RSUs issued and outstanding under 2022 Plan	20,037,504	10,884,476
Shares available for grant under 2022 ESPP	5,797,609	4,072,000
Outstanding Private Placement Warrants	7,386,667	7,386,667
Total shares of common stock reserved	47,983,445	43,283,618



(1) (2) To the extent outstanding options granted under the 2018 Plan are cancelled, forfeited, or otherwise terminated without being exercised and would have been returned to the share reserve under the 2018 Plan following the closing date of the Merger, the number of shares of common stock underlying such awards will be available for future awards under the 2022 Plan.

## Stock Options

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Stock options generally vest over four years and expire ten years from the date of grant. Vested stock options generally expire three months to five years after termination of employment. Stock option activity during the six nine months ended June 30, 2023 September 30, 2023 consisted of the following (in thousands, except for share and per share data):

		Stock Options	Weighted Average Exercise Price	Weighted- Average Life (Years)	Aggregate Intrinsic Value		Stock Options	Weighted Average Exercise Price	Weighted- Average Life (Years)	Aggregate Intrinsic Value
Balance as of December 31, 2022	Balance as of December 31, 2022	12,853,072	\$ 2.39	7.0	\$ 7,055	Balance as of December 31, 2022	12,853,072	\$ 2.39	7.0	\$ 7,055
Exercised	Exercised	(452,300)	0.73			Exercised	(692,220)	0.65		
Cancelled/Forfeited/Expired (1)	Cancelled/Forfeited/Expired (1)	(3,582,205)	3.72			Cancelled/Forfeited/Expired (1)	(3,759,088)	3.64		
Balance as of June 30, 2023		8,818,567	\$ 1.94	6.4	\$ 10,879					
Balance as of September 30, 2023						Balance as of September 30, 2023	8,401,764	\$ 1.97	6.0	\$ 7,055
Vested and exercisable as of June 30, 2023		6,772,837	\$ 1.76	6.0	\$ 9,096					
Vested and exercisable as of September 30, 2023						Vested and exercisable as of September 30, 2023	6,891,094	\$ 1.81	5.6	\$ 6,000

(1) Effective June 15, 2023, the Company cancelled the CEO Option (as defined below), which was granted under the 2018 Plan. As a result of such cancellation, the 3,122,931 shares of common stock underlying the CEO Option became available for future awards under the 2022 Plan.

There were no stock options granted during the six nine months ended June 30, 2023 September 30, 2023 and 2022. The total grant date fair value of stock options vested during the six nine months ended June 30, 2023 September 30, 2023 and 2022 was \$3.0 million \$4.0 million and \$9.4 million \$11.4 million, respectively. The total intrinsic value of options exercised during the six nine months ended June 30, 2023 September 30, 2023 and 2022 was \$0.4 million \$0.9 million and \$2.7 million \$4.9 million, respectively.

The Company recorded share-based compensation of \$1.3 million \$1.0 million and \$2.9 million \$3.9 million related to stock options for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. The Company recorded share-based compensation of \$2.4 million \$2.2 million and \$10.1 million \$12.3 million for the three and six nine months ended June 30, 2022 September 30, 2022, respectively. In addition, for the six nine months ended June 30, 2022 September 30, 2022, the Company recognized share-based compensation expense of \$0.6 million related to pre-close issuance of common stock for services.

Unrecognized share-based compensation expense for unvested stock options granted and outstanding as of June 30, 2023 September 30, 2023, is \$6.7 million \$5.2 million, which is to be recognized over a weighted-average period of 1.8 1.6 years.

## Performance and Market Condition Awards

In May 2021, Legacy Forge's board of directors granted the Chief Executive Officer a performance and market condition-based option (the "CEO Option") covering 3,122,931 shares of Legacy Forge's Class AA common stock with an exercise price of \$3.9760 per share. The options are divided into three tranches of 1,040,979 1,040,976 options, 1,040,979 1,040,976 options, and 1,040,979 options, corresponding to the three Aggregate Exit Proceeds Thresholds (as defined below). The awards tranches vest only upon the satisfaction of (1) certain performance conditions, which is the occurrence of an IPO, merger with a SPAC, or a secondary sale for total proceeds of at least \$250.0 million and (2) market condition, which is holders of Legacy Forge's B-1 convertible preferred stock having realized (i) aggregate exit proceeds with a fair market value of at least \$9.94, \$14.91, and

### FORGE GLOBAL HOLDINGS, INC.

#### NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

\$19.88 \$19.88 per share (the "Share Price Thresholds"); and (ii) an aggregate interest rate compounded annually which, when used as the discount rate to calculate the net present value, with respect to the occurrence of an IPO, merger with a SPAC or acquisition, that is equal to or greater than 20.0%, 30.0%, and 35.0% (the "IRR Thresholds," and together with the Share Price Thresholds, the "Aggregate Exit Proceeds Thresholds"). In the event of an IPO or a merger with a SPAC, the Aggregate Exit Proceeds Thresholds are measured on the basis of the closing price average for any trailing 20 trading day period (the "Measurement Period") that occurs following such IPO or a merger with a SPAC, with the Measurement Period commencing upon expiration of the 180-day lock-up period following such IPO or merger with a SPAC, until the options expire or the Chief Executive Officer ceases to

provide services to the Company. The options expire within 10 years less one day following the grant date. Upon consummation of the Business Combination, the performance condition was met and the Company recorded cumulative catch-up compensation expense of \$4.6 million for the three and six nine months ended June 30, 2022 September 30, 2022. Total compensation expense recognized for the CEO Option during the three and six nine months ended June 30, 2023 September 30, 2023 was \$0.2 0.5 million and \$0.5 million, respectively.

The Company used the Monte Carlo simulation model to determine the fair value of the options with performance and market-based vesting conditions for purposes of calculating share-based compensation expense if vesting conditions are

#### FORGE GLOBAL HOLDINGS, INC.

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met. The Monte Carlo simulation model incorporates the probability of satisfying performance and market conditions and uses transaction details such as stock price, contractual terms, maturity and risk-free interest rates, as well as volatility. The fair value of the performance-based stock options was \$2.27 per option share estimated using the Monte Carlo simulation methodology.

Effective June 15, 2023, and pursuant to approval by the Company's stockholders at the Company's 2023 annual stockholder meeting held on June 14, 2023 (the "Annual Meeting"), the Company cancelled the CEO Options Option and concurrently granted a market-based RSU award (the "CEO RSU") representing the right to receive up to 2,339,030 shares of the Company's common stock under the 2022 Plan based on the achievement of three specified stock price performance metrics. The CEO RSU is divided into three tranches that will vest if the average closing price of the Company's common stock meets or exceeds \$4.00, \$8.00, or \$12.00 for any trailing 20 trading day period. The CEO RSU will forfeit when the Chief Executive Officer ceases to provide services to the Company.

The Company concluded that the cancellation of the CEO Option and the concurrent grant of a replacement award was accounted for as a modification of the terms of the cancelled award. The Company concluded that the vesting condition in connection with the achievement of a target price per common stock share qualifies as a market condition, and the condition related to continuous service as the CEO Chief Executive Officer qualifies as a service condition. The Company determined that June 15, 2023 is the modification date. As the CEO RSU contains market and service conditions, the fair value of the CEO RSU was measured using the Monte Carlo simulation model. The derived service period of each tranche is the requisite service period over which the compensation expense with respect to each tranche is recognized. The Monte Carlo simulation model incorporates the probability of satisfying the market conditions and uses inputs and assumptions including stock price, contractual terms, volatility, and risk-free interest rates. The total fair value of the CEO RSU was \$4.1 million as of the modification date.

The total incremental costs related to the cancelled CEO Option and reissued CEO RSU was less than \$0.1 \$0.3 million. The incremental compensation cost is being recognized over the remaining derived service period of the CEO RSU. In addition, as the CEO Option was cancelled and not forfeited, no previously recognized compensation costs was reversed, and the unrecognized compensation cost related to the cancelled CEO Option will be recognized over the new derived service period of the CEO RSU proportionally to the fair value of each tranche. The Company recognized less than \$0.1 million in share-based compensation expense related to the cancelled CEO Option and reissued CEO RSU in the three and six nine months ended June 30, 2023 September 30, 2023.

#### Early Exercised Options

Under the 2018 Plan, certain stock option holders may have the right to exercise unvested options, subject to a repurchase right held by the Company at the original exercise price, in the event of voluntary or involuntary termination of employment of the option holders, until the options are fully vested. As of June 30, 2023 September 30, 2023 and December 31, 2022, the cash proceeds received for unvested shares of common stock recorded within accrued expenses and other current liabilities in the unaudited condensed consolidated balance sheets were \$0.4 0.3 million and \$0.6 million, respectively, which will be transferred to additional paid-in capital upon vesting.

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#### Options Granted to Directors

In July 2021, Legacy Forge's board of directors granted options to certain members of the board in connection with their services, to purchase 499,669 shares of Legacy Forge's Class AA common stock at an exercise price of \$5.43 per share. Subject to the option agreement, the options shall vest in full and become exercisable immediately prior to the consummation of a deemed liquidation event or SPAC transaction. The Upon consummation of the Business Combination, the performance-based vesting condition for the options granted to certain board members was satisfied as of March 31, 2022, met and the Company recorded \$1.2 million of share-based compensation expense related to the options granted to certain board members. options.

#### RSUs

The Company's RSUs are convertible into shares of the Company's common stock upon vesting on a one-to-one basis, and generally contain time-based vesting conditions. RSUs granted to certain executives also contain market-based vesting conditions (the "Executive Retention RSUs") or performance-based vesting conditions (the "Executive Performance RSUs"). The RSUs generally vest over the service period of one to four years.

#### FORGE GLOBAL HOLDINGS, INC.

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RSU activity during the six nine months ended June 30, 2023 September 30, 2023 was as follows:

		Total RSUs	Service-based	Performance-based	Market-based	Weighted Average Grant Date Fair Value Per Share		Total RSUs	Service-based	Performance-based	Market-based	Weighted Average Grant Date Fair Value Per Share
Unvested as of December 31, 2022	Unvested as of December 31, 2022	10,578,313	9,171,289	—	1,407,024	\$ 10.04	Unvested as of December 31, 2022	10,578,313	9,171,289	—	1,407,024	\$ 10.04
Granted	Granted	11,676,439	7,531,859	1,805,550	2,339,030	1.59	Granted	11,910,028	7,765,448	1,805,550	2,339,030	1.6
	Vested(1)	(1,416,507)	(947,497)	—	(469,010)	19.65						
	Vested(1)						Vested(1)	(2,156,251)	(1,687,241)	—	(469,010)	14.7
	Forfeited	(814,970)	(814,970)	—	—	14.29	Forfeited	(1,554,181)	(1,554,181)	—	—	9.27
Unvested as of June 30, 2023	Unvested as of June 30, 2023	20,023,275	14,940,681	1,805,550	3,277,044	\$ 4.26						
Unvested as of September 30, 2023	Unvested as of September 30, 2023						Unvested as of September 30, 2023	18,777,909	13,695,315	1,805,550	3,277,044	\$ 4.22

(1) Common stock has not been issued in connection with 14,229 13,093 vested RSUs because such RSUs were unsettled as of June 30, 2023 September 30, 2023.

During the three and six nine months ended June 30, 2023 September 30, 2023, the Company recognized share-based compensation expense of \$7.5 \$8.3 million and \$13.3 \$21.5 million, respectively, related to all its RSUs. During the three and six nine months ended June 30, 2022 September 30, 2022, the Company recognized share-based compensation expense of \$2.5 million \$24.8 million and \$33.0 million, respectively, related to its RSUs. Future share-based compensation expense for unvested RSUs as of June 30, 2023 September 30, 2023 was \$61.9 49.0 million, which is to be recognized over a weighted-average period of 2.3 2.0 years.

#### Executive Retention RSUs

On June 1, 2022, as a result of the consummation of the Merger, the Compensation Committee of the Company's board of directors (the "Compensation Committee") granted a total of 1,859,137 RSUs to certain executives (the "Executive Retention RSUs") that contained market-based vesting conditions in addition to time-based vesting conditions. The Executive Retention RSUs vest in three equal tranches on the earlier of: (1) the first, second, and third anniversaries of the consummation of the Merger, respectively, (the "Time Vesting Component") or (2) achievement of the following market-based conditions:

- in the event the Company's stock price meets or exceeds the price of \$12.50 per share during the RSU Measurement Period (defined (as defined below), the first tranche will vest immediately, and the Time Vesting Component of the second and third tranches will be accelerated by six months; and
- in the event the Company's stock price meets or exceeds the price of \$15.00 per share during the RSU Measurement Period (defined (as defined below), the second tranche will vest immediately, and the Time Vesting Component of the third tranche will be accelerated by an additional six months.

The RSU Measurement Period is equal to 20 trading days within any 30 trading day period commencing upon the expiration of a six-month lock-up period following the Merger.

The fair value per share for the Executive Retention RSUs was determined by reference to the market price of the Company's shares at the date of the grant, which was \$20.26 per share. The Company used the Monte Carlo simulation model to determine the derived service period for the Executive Retention RSUs for the purposes of calculating the respective

#### FORGE GLOBAL HOLDINGS, INC.

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share-based compensation expense. The significant inputs used in the valuation included the Company's closing stock price as of the grant date of \$20.26, cost of equity of 9.0%, dividend yield of 0.0%, volatility of 35.7%, and risk-free rate of 2.8%. The derived service period for the first, second, and third tranche of the Executive Retention RSUs was 0.4 years, 0.4 years, and 1.8 years, respectively.

In December 2022, the Company accelerated vesting of 251,364 stock options and 210,987 Executive Retention RSUs of one of its executives in connection with the termination of employment with the Company. During the three and six nine months ended June 30, 2023 September 30, 2023, 469,010 Executive Retention RSUs were vested. During the three and six nine months ended June 30, 2023 September 30, 2023, the Company recognized share-based compensation expense of \$1.3 million and \$2.6 \$3.9 million, respectively, related to the Executive Retention RSUs. During the three and six nine months ended June 30, 2022 September 30, 2022, the Company recognized share-based

compensation expense of \$5.7 million, \$17.6 million and \$23.3 million, respectively. Unrecognized share-based compensation expense for unvested Executive Retention RSUs as of June 30, 2023 September 30, 2023 was \$3.8 2.5 million, which is to be recognized over a weighted-average period of 0.7 0.5 years.

**FORGE GLOBAL HOLDINGS, INC.**  
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**Executive Performance RSUs**

On April 24, 2023, the Compensation Committee and the Board board of directors granted a total of 4.9 million RSUs to certain executives. 3.1 million of the RSUs granted are subject to time-based vesting conditions and 1.8 million of the RSUs granted are subject to performance-based vesting conditions in addition to time-based vesting conditions. The performance-based vesting RSUs will vest based on the achievement of the Company's revenue goals for the fiscal year ended December 31, 2023 (as certified by the Compensation Committee or the Board, board of directors, as applicable) and continued service through each applicable vesting date.

**13. Income Taxes**

The Company's effective tax rates from continuing operations was 1.2% (1.6)% and 1.0% (1.2)% for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and 0.7% (0.3)% and 0.2% (0.2)% for the three and six nine months ended June 30, 2022 September 30, 2022, respectively. The Company's full valuation allowance in the United States caused the year-to-date effective tax rate to be different from the U.S. federal statutory tax rate.

**14. Net Loss per Share**

The Company has one class of common stock. The diluted net loss per share attributable to common stockholders is calculated by giving effect to all potentially dilutive common stock equivalents during the period using the two-class method. The Company's stock options, warrants, and early exercised stock options are considered to be potential common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders because the holders of these securities do not have a contractual right to share in the Company's losses, and their effect would be antidilutive. anti-dilutive. Therefore, the net loss for the six nine months ended June 30, 2023 September 30, 2023 and 2022 was attributed to common stockholders only.

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders for the periods presented (in thousands, except for share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Numerator:</b>				
Net loss attributable to Forge Global Holdings, Inc., basic	\$ (18,348)	\$ (16,198)	\$ (64,425)	\$ (85,741)
Decrease in fair value of public warrants	—	(3,937)	—	(3,897)
Net loss attributable to common stockholders, diluted	<u>\$ (18,348)</u>	<u>\$ (20,135)</u>	<u>\$ (64,425)</u>	<u>\$ (89,638)</u>
<b>Denominator:</b>				
Weighted-average number of shares used to compute net loss per share attributable to common stockholders, basic	173,957,880	169,838,778	173,045,721	134,683,950
Weighted-average number of shares used to compute net loss per share attributable to common stockholders, diluted	<u>173,957,880</u>	<u>170,209,256</u>	<u>173,045,721</u>	<u>135,960,612</u>
<b>Net loss per share attributed to common stockholders:</b>				
Basic	\$ (0.11)	\$ (0.10)	\$ (0.37)	\$ (0.64)
Diluted	\$ (0.11)	\$ (0.12)	\$ (0.37)	\$ (0.66)

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**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Numerator:</b>				
Net loss attributable to Forge Global Holdings, Inc., basic	\$ (24,889)	\$ (5,119)	\$ (46,077)	\$ (69,543)
Less: Decrease in fair value of public warrants	—	(28,757)	—	(10,291)
Net loss attributable to common stockholders, diluted	<u>\$ (24,889)</u>	<u>\$ (33,876)</u>	<u>\$ (46,077)</u>	<u>\$ (79,834)</u>
<b>Denominator:</b>				
Weighted-average number of shares used to compute net loss per share attributable to common stockholders, basic	173,289,549	167,052,900	172,565,508	116,815,363

Weighted-average number of shares used to compute net loss per share attributable to common stockholders, diluted	173,289,549	173,578,093	172,565,508	120,584,585
<b>Net loss per share attributed to common stockholders:</b>				
Basic	\$ (0.14)	\$ (0.03)	\$ (0.27)	\$ (0.60)
Diluted	\$ (0.14)	\$ (0.20)	\$ (0.27)	\$ (0.66)

The following potentially dilutive shares were excluded in the calculation of diluted shares outstanding as the effect would have been anti-dilutive:

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Outstanding options	Outstanding options	8,768,567	12,853,072	Outstanding options	8,401,764	12,853,072
Common stock and preferred stock	Common stock and preferred stock			Common stock and preferred stock		
warrants	warrants	3,282,652	3,282,652	warrants	3,282,652	3,282,652
Private Placement	Private Placement			Private Placement		
Warrants issued upon	Warrants issued upon			Warrants issued upon		
Merger	Merger	7,386,667	7,386,667	Merger	7,386,667	7,386,667
Common stock subject to repurchase	Common stock subject to repurchase	772,581	1,064,323	Common stock subject to repurchase	505,104	1,064,323
Restricted stock units	Restricted stock units	20,023,275	10,884,476	Restricted stock units	18,777,909	10,884,476
Total	Total	40,233,742	35,471,190	Total	38,354,096	35,471,190

## 15. Related Party Transactions

On September 7, 2022, the Company and DBAG formed a subsidiary, Forge Europe GmbH. DBAG is a **shareholder stockholder** of the Company and one of the Company's directors is affiliated with this entity. See Note 1, "Organization and Description of Business," for additional information.

Financial Technology Partners LP ("Financial Technology Partners"), a **shareholder stockholder** of the Company and affiliated entity of **Steven McLaughlin**, one of the Company's former directors, previously served as financial and strategic advisor to the Company on its financing, merger, and acquisition transactions. During the **six** nine months ended **March 31, 2022** **September 30, 2022**, the Company incurred \$18.3 million in fees to Financial Technology Partners, of which \$17.4 million was related to common stock issued during the Merger and was recorded as a reduction to additional paid-in capital. The remaining \$0.9 million was related to issuance of Public and Private Placement Warrants, including warrants issued to A&R FPA investors, and was expensed immediately upon consummation of the Merger as acquisition-related transaction cost in the unaudited condensed consolidated statements of operations. **During** Mr. McLaughlin resigned from the **six months** Company's board of directors on May 27, 2022. As a result, each of Mr. McLaughlin and Financial Technology Partners ceased being a related party in the quarter ended **June 30, 2023**, the Company did not have transactions with this related party **June 30, 2022**.

James Herbert, II, one of the Company's directors during the three months ended March 31, 2023, through the James and Cecilia Herbert 1994 Revocable Trust, purchased 75,000 shares of the Company's common stock (for a purchase price of \$0.8 million) in the PIPE Investment, concurrently and in connection with the closing of the Business Combination. Mr. Herbert's transaction was on the same terms as the other investors who purchased shares in the PIPE Investment pursuant to certain subscription agreements dated September 13, 2021. Mr. Herbert resigned from the Company's board of directors in April 2023. **As a result, Mr. Herbert ceased being a related party in the quarter ended June 30, 2023.**

### FORGE GLOBAL HOLDINGS, INC.

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Prior to the Business Combination, one of Legacy Forge's directors was also a director of Temasek Holding (Private) Limited ("Temasek"). **Such director did not remain on the Company's board of directors following the closing of the Business Combination.** Temasek, through its wholly-owned subsidiary, Ossa Investments Pte. Ltd, purchased 1,000,000 shares of the Company's common stock (for a purchase price of \$10.0 million) in the PIPE Investment, concurrently and in connection with the closing of the Business Combination. This transaction was on the same terms as the other investors who purchased shares in the PIPE Investment pursuant to certain subscription agreements dated September 13, 2021. **During the six months ended June 30, 2023,** Prior to November 2022, Temasek was a 5% stockholder of the Company **did not have transactions with this and thus a related party.** **Effective November 2022, Temasek ceased being a 5% stockholder and thus a related party based on the Company's outstanding stock.**

The Company has entered into client engagement agreements with certain companies to serve as the exclusive transaction agent to help facilitate private purchases of shares of issuers. These companies are identified as related parties as they are holders of the Company's common stock. The Company recognized placement fee revenue for trades executed with these companies in the unaudited condensed consolidated statements of operations. The Company recognized associated revenue of \$0.6 million for the three and **six** nine months ended **June 30, 2022** **September 30, 2022**. There was no associated revenue recognized for the three and **six** nine months ended **June 30, 2023** **September 30, 2023.**

A family member of one of the Company's executive officers is a portfolio manager for investment funds that engage in secondary transactions with the Company in the ordinary course of business. Such transactions became related party transactions upon the employee's appointment to executive officer in April 2023. For the three and **nine** months ended **June 30, 2023,**

**FORGE GLOBAL HOLDINGS, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2023, the total value of such transactions was \$1.3 million, \$10.0 million and \$11.3 million, respectively, and the aggregate placement fee revenue (less transaction-based expenses) that the Company received from the funds for such transactions was less than \$0.1 million, \$0.2 million and \$0.3 million, respectively.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following discussion and analysis provide information that our management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. This discussion and analysis should be read together with the unaudited condensed consolidated financial statements and related notes to those statements in this Report, as well as our audited consolidated financial statements and related notes to those statements included in our Annual Report on Form 10-K filed with the SEC on March 1, 2023. This discussion and analysis contains forward-looking statements based upon current expectations that involve risks, uncertainties, and assumptions, as described under the heading "Forward-Looking Statements." Actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" or elsewhere in this Report.*

*Unless the context otherwise requires, references in this section to "Forge," the "Company," "we," "us," and "our," refer to Forge Global Holdings, Inc. and its subsidiaries following the Business Combination (as defined below).*

**Business Overview**

Forge is building the private market of the future - a more accessible, transparent, and liquid market for participating in private market growth. We offer a trusted trading platform, proprietary data, and insights to inform investment strategies, along with custody services to help companies, shareholders, stockholders, institutions, and accredited investors confidently navigate and transact in the private market. Our scaled and integrated business model is at the nexus of the private market ecosystem, which we believe creates a sustaining competitive advantage fueling our clients' participation in the private market and our growth. The key solutions offered by our platform include:

- **Trading Solutions** — Forge Markets is our platform that connects potential investors with private company shareholders and stockholders and enables them to efficiently facilitate private share transactions.
- **Custody Solutions** — Forge Trust is our non-depository trust company that enables clients to securely custody and manage assets through a robust and user-friendly online portal.
- **Data Solutions** — Forge Data is our data business that provides market participants the information and insight to confidently navigate, analyze, and make investment decisions in the private market.

**Corporate History and Background**

On March 21, 2022 (the "Closing Date"), we consummated our business combination pursuant to the terms of the Agreement and Plan of Merger, dated September 13, 2021 (the "Merger Agreement"), by and among Motive Capital Corp, a blank check company incorporated as a Cayman Islands exempted company in 2020 ("MOTV"), FGI Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of MOTV ("Merger Sub"), and Forge Global, Inc., a Delaware corporation ("Legacy Forge").

Pursuant to the Merger Agreement, on the Closing Date, immediately prior to the consummation of the Business Combination (as defined below), MOTV changed its jurisdiction of incorporation from the Cayman Islands to the State of Delaware and changed its corporate name to "Forge Global Holdings, Inc." (the "Domestication"). On the Closing Date, Merger Sub merged with and into Legacy Forge (the "Merger"), with Legacy Forge surviving the Merger as a direct, wholly-owned subsidiary of the Company (together with the Merger, the Domestication, and the other transactions contemplated by the Merger Agreement, the "Business Combination").

Legacy Forge is considered the Company's accounting predecessor. The Merger was accounted for as a reverse recapitalization with Legacy Forge as the accounting acquirer and MOTV as the acquired company for accounting purposes. Accordingly, all historical financial information presented in the unaudited condensed consolidated financial statements represents the accounts of Legacy Forge.

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**Key Factors Affecting our Performance**

The key factors affecting our performance described below are not the only ones applicable to us. We believe that the growth of our business and our future success are dependent upon a number of key factors, including the following:



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### **Growing our Customer Base**

Sustaining our growth requires continued adoption of our platform by new customers and increased usage by current customers. We plan to continue to introduce products and features to attract and retain current and new customers, and we plan to seek to increase brand awareness and customer adoption of our platform through digital and broad-scale advertising. The circumstances that we believe can accelerate the growth of our customer base may not continue in the future.

### **Expanding our Relationship with Existing Customers**

Our revenue has grown historically as we have introduced new products and features to our customers and as our customers have increased their usage of our platform. However, certain circumstances that have accelerated the growth of our business may not continue in the future. We aim to grow with our customers over time and to grow our relationship with our customers as they build and manage their wealth. Through our customer-centric and complementary solutions, we seek a future where sellers become buyers, buyers become custody account holders, and account holders continue to participate in the private market. Our ability to expand our relationship with our customers is therefore an important contributor to our long-term growth.

### **Investing in our Platform**

We intend to continue to invest in our platform capabilities and regulatory and compliance functions to support new and existing customers and products that we believe will drive our growth. As our customer base and platform functionalities expand, areas of investment priority include product innovation, automation, technology and infrastructure improvements, and customer support. We believe these investments will contribute to our long-term growth. Additionally, we strive to strengthen our relationships with our customers by responding to customer feedback not only through the introduction of new products, but also through improvements to our existing products and services. In this period of market disruption, we are focused on building by improving our platform to drive down the cost and time of trading.

### **Market Trends**

Our results of operations are impacted by the overall health of the economy, and consumer and institutional investing patterns, which include the following key drivers:

- **Private Market Trends.** As private market investing continues and the number of venture-backed companies and late-stage private growth companies fluctuate, our supply and demand will shift accordingly as such factors affect the number of existing shareholders looking for liquidity as well as potential investors interested in obtaining equity in such companies while they remain private. Although our operating history has coincided with a period periods of general macroeconomic growth in the United States, particularly in the U.S. private equity markets, which has previously stimulated generally stimulate growth in overall investment activity on our platform, we have such activity has been and may continue to be negatively impacted by any slowdowns, in growth or downturns, and volatility in the macroeconomic environment and private equity markets.
- **Consumer Behavior.** Buyers' and sellers' behaviors vary over time and are affected by numerous conditions. For example, behavior may be impacted by social or economic factors such as changes in disposable income levels and the need for liquidity, employee tenure, at a venture-backed firm, general interest in investing, interest rate levels, and reaction to stock market volatility. There may also be high profile IPOs, SPACs, or idiosyncratic events impacting single companies that impact consumer behavior. These shifts in consumer behavior may influence interest in our products over time.
- **Macroeconomic Events.** Customer and business behavior and risk appetite is impacted by the overall macroeconomic environment. Monetary response measures by the Federal Reserve to tackle inflation continue with interest rate increases (425 basis points in 2022 and an additional 100 basis points, increases. As of the filing of this Report, the Federal Reserve has raised the federal funds rate to 5.33%, in 2023), and signals that additional raises are possible, a range of 5.25% - 5.50%. The higher interest rate environment has led to volatility in asset valuations risks across public and private equity, real estate, and credit markets. The economy has shown resilience in the face of lowered economic growth forecasts and inverted yield curves, and the risk of a potential recession has reduced; however, a period of prolonged market uncertainty continues. Increased volatility and liquidity risks to private equity valuations, as well as

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uncertainty around settlement prices for illiquid assets, continue to negatively impact investor appetite and investment preferences across the alternative investment and private markets space. The ongoing military conflict between conflicts in Russia and Ukraine, Israel and Palestine, and increased geopolitical tensions continue to affect energy and commodity prices. Duration risk, exposure to fixed rate assets, and concentrated deposits continue to weigh on regional and global banks, as well as

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asset managers, vulnerable to rapid customer flight. Liquidity and funding risks for public and private markets continue to be high, even as financial institutions tighten lending and underwriting standards.

### **Custodial administration fees**

We generate revenues through fees for performing custodial account administrative and maintenance services for our customers, including quarterly or monthly account fees, asset fees, and transaction fees. We assess a flat fee per account, with additional fees based on the number and types of assets held and services purchased by account holders. We also receive cash administration fees for facilitating customers' transactions with Federal Deposit Insurance Corporation ("FDIC") banks, with fees contingent on prevailing interest rates and cash balances in custodial accounts. Our revenues depend on the number of Total Custodial Accounts, which include accounts clients open directly with us and the activity within these accounts as well as accounts we custody on behalf of partners. Our business depends on maintaining and growing the number of Total Custodial Accounts.

#### Types of Structures

We have facilitated direct trades, trades in both our own special purpose vehicles (each, an "Investment Fund") and other firms' funds, and certain forward agreements. We may adjust placement fees to account for the operational costs of these transaction types, and we incur certain transaction-based costs depending on the structure. The mix of trades in different structures will impact our overall take rate and revenues.

#### Types of Buyers/Sellers

The type of client may influence our placement fee revenue. Examples of a type of client are institutional and individual clients, who may receive various placement fee rates depending on different factors. Having clients that come to our platform through external brokers or our private company solutions may also impact our placement fee revenue. The mix of clients in any given period will impact our overall take rate and revenues.

#### Use of External Brokers and Referral Partners

When working with an external broker or partner, we share a portion of the placement fees, which are recognized in our unaudited condensed consolidated financial statements under transaction-based expenses. The mix of fees paid to external brokers and partners fluctuates each time period, which we expect to continue based on the size of our order book and our number of partners, as well as changes in the market overall.

#### Segment Information

We operate as a single operating segment and reportable segment. Our chief operating decision maker is our Chief Executive Officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, allocating resources, and evaluating our financial performance. Accordingly, we have concluded that we consist of a single operating segment and reportable segment for accounting and financial reporting purposes.

#### Key Business Metrics

We monitor the following key business metrics to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions. The tables below reflect period-over-period changes in our key business metrics, along with the percentage change between such periods. We believe the following business metrics are useful in evaluating our business:

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Dollars in thousands		Three Months Ended				YoY				Dollars in thousands	Three Months Ended				Nine Months Ended			
		QoQ		Six Months Ended		YoY		YoY			QoQ		YoY		YoY			
		June 30, 2023	March 31, 2023	Change	% Change	June 30, 2023	June 30, 2022	Change	% Change		September 30, 2023	June 30, 2023	Change	% Change	September 30, 2023	September 30, 2022	Change	
TRADING BUSINESS	TRADING BUSINESS									TRADING BUSINESS								
Trades	Trades	448	306	142	46 %	754	1,226	(472)	(38) %	Trades	567	448	119	27 %	1,321	1,652	(331)	
Volume	Volume	\$153,182	\$128,163	\$25,019	20 %	\$281,345	\$749,755	\$(468,410)	(62) %	Volume	\$234,141	\$153,182	\$80,959	53 %	\$515,486	\$975,984	\$(460,498)	
Net Take Rate	Net Take Rate	3.7 %	3.6 %	0.1 %	2.8 %	3.6 %	3.4 %	0.2 %	5.9 %	Net Take Rate	3.0 %	3.7 %	(0.7)%	(19) %	3.4 %	3.4 %	—	
Placement fee revenues, less transaction-based expenses	Placement fee revenues, less transaction-based expenses	\$5,640	\$4,613	\$1,027	22 %	\$10,253	\$25,225	\$(14,972)	(59) %	Placement fee revenues, less transaction-based expenses	\$ 7,135	\$5,640	\$1,495	27 %	\$ 17,388	\$ 33,366	\$(15,978)	

- Trades are defined as the total number of orders executed by us and acquired entities buying and selling private stocks on behalf of private investors and shareholders. Increasing the number of orders is critical to increasing our revenue and, in turn, to achieving profitability.
- Volume is defined as the total sales value for all securities traded through our Forge Markets platform. Volume is defined as the aggregate value of the issuer company's equity attributed to both the buyer and seller in a trade and as such a \$100 trade of equity between buyer and seller would be captured as \$200 of volume for us. Although we typically capture a commission on each side of a trade, we may not in certain cases due to factors such as the use of an external broker by one of the parties or supply



factors that would not allow us to attract sellers of shares of certain issuers. Volume is influenced by, among other things, the pricing and quality of our services as well as market conditions that affect private company valuations, such as increases in valuations of comparable companies at IPO.

- Net Take Rates are defined as our placement fee revenues, less transaction-based expenses (defined below), divided by Volume. These represent the percentage of fees earned by our platform on any transactions executed from the commission we charged on such transactions (less transaction-based expenses), which is a determining factor in our revenue. The Net Take Rate can vary based upon the service or product offering and is also affected by the average order size and transaction frequency.

Dollars in thousands	Dollars in thousands	As of		QoQ		YoY		Dollars in thousands	Dollars in thousands	As of		QoQ		YoY	
		June 30, 2023	March 31, 2023	June 30, 2022	% Change	% Change	% Change			September 30, 2023	June 30, 2023	September 30, 2022	% Change	% Change	% Change
<b>CUSTODY BUSINESS</b>	<b>CUSTODY BUSINESS</b>							<b>CUSTODY BUSINESS</b>	<b>CUSTODY BUSINESS</b>						
Total	Total							Total	Total						
Custodial Accounts	Custodial Accounts	1,970,617	1,937,248	1,739,838	33,369	2 %	230,779	13 %	Custodial Accounts	2,023,756	1,970,617	1,811,774	53,139	3 %	211,982
Assets Under Custody	Assets Under Custody	\$ 15,299,816	\$ 14,828,350	\$ 15,274,252	\$ 471,466	3 %	\$ 25,564	— %	Assets Under Custody	\$ 15,148,480	\$ 15,299,816	\$ 14,967,314	\$ (151,336)	(1) %	\$ 181,166

- Total Custodial Accounts, previously called Billable Core and Platform Accounts are defined as our customers' custodial accounts that are established on our platform and billable. These relate to our Custodial Administration fees revenue stream and are an important measure of our business as the number of Total Custodial Accounts is an indicator of our future revenues from certain account maintenance, transaction, and sub-account fees.
- Assets Under Custody is the reported value of all client holdings held under our agreements, including cash submitted to us by the responsible party. These assets can be held at various financial institutions, issuers, and in our vault. As the custodian of the accounts, we collect all interest and dividends, handle all fees and transactions, and any other considerations for the assets concerned. Our fees are earned from the overall maintenance activities of all assets and are not charged on the basis of the dollar value of Assets Under Custody, but we believe that Assets Under Custody is a useful metric for assessing the relative size and scope of our business.

## Non-GAAP Financial Measures

In addition to our financial results determined in accordance with generally accepted accounting principles in the United States ("GAAP"), we present Adjusted EBITDA, a non-GAAP financial measure. We use Adjusted EBITDA to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Adjusted EBITDA, when taken together with the corresponding GAAP financial measure, provides meaningful supplemental information regarding our performance by excluding specific financial items that have less bearing on our core operating performance. We consider

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Adjusted EBITDA to be an important measure because it helps illustrate underlying trends in our business and our historical operating performance on a more consistent basis.

However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of Adjusted EBITDA as a tool for comparison. A reconciliation is provided below for Adjusted EBITDA to net loss, the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review Adjusted EBITDA and the reconciliation of Adjusted EBITDA to net loss, and not to rely on any single financial measure to evaluate our business.

We defined Adjusted EBITDA as net loss, adjusted to exclude: (i) interest expense, net, (ii) provision for or benefit from income taxes, (iii) depreciation and amortization, (iv) share-based compensation expense, (v) change in fair value of warrant liabilities, (vi) acquisition-related transaction costs, and (vii) other significant gains, losses, and expenses (such as impairments or transaction bonus) that we believe are not indicative of our ongoing results.

The following table reconciles net loss to our Adjusted EBITDA for the periods presented below (in thousands):

		Three Months Ended		Six Months Ended			Three Months Ended		Nine Months Ended	
		June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2022		September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022
<b>Net loss</b>	<b>Net loss</b>	<b>\$ (25,100)</b>	<b>\$ (21,261)</b>	<b>\$ (46,361)</b>	<b>\$ (69,543)</b>	<b>Net loss</b>	<b>\$ (18,957)</b>	<b>\$ (25,100)</b>	<b>\$ (65,318)</b>	<b>\$ (85,741)</b>
Add:	Add:					Add:				
Interest income (expense), net	Interest income (expense), net	(1,319)	(1,509)	(2,828)	(287)	Interest income (expense), net	(1,725)	(1,319)	(4,553)	(1,161)
Provision for (benefit from) income taxes	Provision for (benefit from) income taxes	293	185	478	158	Provision for (benefit from) income taxes	291	293	769	206

Depreciation and amortization	Depreciation and amortization	1,747	1,789	3,536	3,103	Depreciation and amortization	1,710	1,747	5,246	4,531
Loss or impairment on long lived assets	Loss or impairment on long lived assets	—	536	536	446	Loss or impairment on long lived assets	—	—	536	446
Share-based compensation expense	Share-based compensation expense	8,809	7,401	16,210	19,262	Share-based compensation expense	9,233	8,809	25,443	45,974
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	3,790	(168)	3,622	5,402	Change in fair value of warrant liabilities	(907)	3,790	2,715	(19,808)
Acquisition-related transaction costs (1)	Acquisition-related transaction costs (1)	—	—	—	4,398	Acquisition-related transaction costs (1)	—	—	—	5,219
Transaction bonus (2)	Transaction bonus (2)	—	—	—	17,735	Transaction bonus (2)	—	—	—	17,735
<b>Adjusted EBITDA</b>	<b>Adjusted EBITDA</b>	<b>\$ (11,780)</b>	<b>\$ (13,027)</b>	<b>\$ (24,807)</b>	<b>\$ (19,326)</b>	<b>Adjusted EBITDA</b>	<b>\$ (10,355)</b>	<b>\$ (11,780)</b>	<b>\$ (35,162)</b>	<b>\$ (32,599)</b>

- (1) Acquisition-related transaction costs include transaction costs related to the Business Combination, which consisted of legal, accounting, and other professional services directly related to the Merger, direct and incremental expenses in connection with business acquisitions, which consist primarily of professional services fees for investment banking advisors, legal services, accounting advisory, and other external costs directly related to acquisitions and other strategic opportunities, including the formation of Forge Europe.
- (2) Represents a one-time transaction bonus to certain executives as a result of consummation of the Business Combination, included in the compensation and benefits in the unaudited condensed consolidated statements of operations.

Some of the limitations of Adjusted EBITDA include: (i) Adjusted EBITDA does not properly reflect capital commitments to be paid in the future, and (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures. In evaluating Adjusted EBITDA, be aware that in the future we will incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. We compensate for these limitations by providing specific information regarding the GAAP items excluded from Adjusted EBITDA. When evaluating our performance, consider Adjusted EBITDA in addition to, and not a substitute for, other financial performance measures, including our net loss and other GAAP results.

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### Basis of Presentation

The unaudited condensed consolidated financial statements and accompanying notes included elsewhere in this Report include our accounts and accounts of our consolidated subsidiaries and were prepared in accordance with GAAP.

### Components of Results of Operations

#### Revenue

We generate revenue from providing private market services, which include fees charged for private placements on our platform, and fees charged for account and asset management to customers.

We categorize our services into the following three categories:

**Placement fees** — We maintain a platform which generates revenues through our Forge Markets offering with volume-based fees sourced from institutions, individual investors, and private equity holders. Placement fees represent fees charged by us for executing a private placement on our platform. We earn agency placement fees in non-underwritten transactions, such as private placements of equity securities. We enter into arrangements with individual accredited customers or Investment Funds to execute private placements in the secondary market. We anticipate placement fees to grow in the long run as the secondary market continues to grow and we continue to execute trades more efficiently. Revenues generated from our data solutions are classified as part of **Placement placement** fees in our unaudited condensed consolidated statements of operations.

**Custodial administration fees** — We generate revenues primarily through fees for performing custodial account administrative and maintenance services for our customers, including quarterly or monthly account fees, asset fees, and transaction fees. We assess a flat fee per account, with additional fees based on the number and types of assets held

and services purchased by account holders. We also receive cash administration fees for facilitating customers' transactions with FDIC banks, with fees contingent on prevailing interest rates and cash balances in custodial accounts. Our revenues depend on the number of Total Custodial Accounts, which include accounts clients opened directly with us and the activity within these accounts as well as accounts we custody on behalf of partners. Revenues from custodial administration fees are recognized either over time as underlying performance obligations are met and day-to-day maintenance activities are performed for custodial accounts, or at a point in time upon completion of transactions requested by custodial account holders.

**Subscription Fees** — We generate revenues through our Forge Data offering with subscription fees earned from our data product, Forge Intelligence, and through our private company solutions fees. We anticipate subscription fees to continue to grow as we expand our sales and marketing efforts and develop more features and products. Subscription fees for the periods presented were included as part of placement fees in the unaudited condensed consolidated statements of operations.

#### **Transaction-based expenses**

Transaction-based expenses represent fees incurred to support placement activities. These include, but are not limited to, those for fund management, fund and trade settlement, external broker fees, and transfer fees. We generally expect these expenses to increase in absolute dollars as our placement fee revenue grows.

#### **Compensation and benefits**

Compensation and benefits expense is our most significant operating expense and includes employee wages, bonuses, share-based compensation, severance costs, benefits, and employer taxes. The incentive component of our compensation and benefits expense consists of amounts paid based on the achievement of sales targets and discretionary bonuses, which are based on both our financial performance and individual employee performance. While we expect our compensation and benefits expense to increase as our revenue grows and we hire additional personnel to support new products and services, in the near term, we are focused on aligning our headcount with current business needs and making strategic headcount additions to support growth. The share-based compensation component of compensation and benefits expense may or may not increase as we continue to align our headcount with current and future business needs.

#### **Professional services**

Professional services expense includes fees for accounting, tax, auditing, legal and regulatory services, as well as consulting services received in connection with strategic and technology initiatives. We have and may continue to incur additional professional services expenses as we continue implementing procedures and processes to address public company regulatory requirements and customary practices.

#### **Acquisition-related transaction costs**

Acquisition-related transaction costs consist primarily of professional services fees for investment banking advisors, legal services, accounting advisory, and other external costs directly related to acquisitions and other strategic opportunities. While acquisition-related transaction costs may be significant they are non-recurring in nature. Acquisition-related transaction costs in the **six nine** months ended **June 30, 2022** **September 30, 2022**, include costs related to the Business Combination, which consisted of legal, accounting, and other professional services directly related to the Business Combination, but not considered as part of issuance cost. We may explore and pursue acquisitions and other strategic opportunities and as a result, may incur acquisition-related transaction costs in future periods.

#### **Advertising and market development**

Advertising and market development is an important driver of our value and we intend to continue making meaningful investments in the Forge brand and growth marketing. This includes brand advertising, thought leadership, content marketing, public relations, partnerships, and other strategies that amplify our brand. We have a rigorous approach to measuring customer lifetime value and optimizing our customer acquisition investments according to market dynamics and effective return on investment ("ROI"). We manage our discretionary expenses in growth marketing in real-time, as audience-specific dynamics show positive ROI. We generally expect our marketing expenses to increase in the long term in absolute dollars but manage our spend judiciously and adapt as market conditions evolve.

#### **Rent and occupancy**

Rent and occupancy expense is related to our leased property and includes rent, maintenance, real estate taxes, utilities, and other related costs.

#### **Technology and communications**

Technology and communications consist of costs for our hosting fees paid to third-party data centers, software development engineers, and maintenance of our computer hardware and software required to support our technology and cybersecurity. Technology and communications also include costs for network connections for our electronic platforms and telecommunications. We generally expect our technology and communications expense to increase, over the long term, as we continue to increase our headcount and innovate on our offerings and services.

#### **General and administrative**

General and administrative includes insurance, travel and entertainment, reserves for contingent losses, including allowances for bad debts and legal proceedings, and other general and administrative costs.

#### **Depreciation and amortization**

Depreciation and amortization is attributable to property and equipment, intangible assets, and capitalized internal-use software.

### Interest income and other income (expense)

Interest income primarily includes interest income earned on our cash and cash equivalents.

### Change in fair value of warrant liabilities

Changes in the fair value of warrant liabilities, including Public Warrants and Private Placement Warrants, are related to warrant liabilities that are marked-to-market each reporting period with the change in fair value recorded in the

accompanying unaudited condensed consolidated statements of operations until the warrants are exercised, expire, or other facts and circumstances lead the warrant liabilities to be reclassified to stockholders' equity or deficit.

### Other income (expenses), net

Other income (expenses), net, includes loss on an equity method investment, and other non-operating income and expenditures.

### Provision for (benefit from) income taxes

Income tax expense consists of federal, state, and foreign income taxes. We maintain a valuation allowance against deferred tax assets except as relate to our indefinite-lived deferred tax liabilities as we have concluded it is not more likely than not that we will realize our net deferred tax assets.

### Results of Operations

The following table sets forth our unaudited condensed consolidated statements of operations for the interim periods indicated (in thousands):

		Three Months Ended		Six Months Ended				Three Months Ended		Nine Months Ended	
		June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2022			September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022
<b>Revenues:</b>						<b>Revenues:</b>					
Total revenues, less transaction-based expenses	Total revenues, less transaction-based expenses	\$ 16,637	\$ 15,460	\$ 32,097	\$ 36,351	Total revenues, less transaction-based expenses		\$ 18,415	\$ 16,637	\$ 50,512	\$ 52,165
Operating expenses:	Operating expenses:					Operating expenses:					
Compensation and benefits	Compensation and benefits	25,154	25,762	50,916	71,024	Compensation and benefits		27,650	25,154	78,566	115,064
Other	Other	14,036	12,666	26,702	30,126	Other		12,278	14,036	38,980	44,336
Total operating expenses	Total operating expenses	39,190	38,428	77,618	101,150	Total operating expenses		39,928	39,190	117,546	159,400
<b>Operating loss</b>	<b>Operating loss</b>	<b>\$ (22,553)</b>	<b>\$ (22,968)</b>	<b>\$ (45,521)</b>	<b>\$ (64,799)</b>	<b>Operating loss</b>		<b>\$ (21,513)</b>	<b>\$ (22,553)</b>	<b>\$ (67,034)</b>	<b>\$ (107,235)</b>
Total interest income and other income (expenses)	Total interest income and other income (expenses)	(2,254)	1,892	(362)	(4,586)	Total interest income and other income (expenses)		2,847	(2,254)	2,485	21,700
<b>Loss before provision for income taxes</b>	<b>Loss before provision for income taxes</b>	<b>\$ (24,807)</b>	<b>\$ (21,076)</b>	<b>\$ (45,883)</b>	<b>\$ (69,385)</b>	<b>Loss before provision for income taxes</b>		<b>\$ (18,666)</b>	<b>\$ (24,807)</b>	<b>\$ (64,549)</b>	<b>\$ (85,535)</b>
Provision for income taxes	Provision for income taxes	293	185	478	158	Provision for income taxes		291	293	769	206
<b>Net loss</b>	<b>Net loss</b>	<b>\$ (25,100)</b>	<b>\$ (21,261)</b>	<b>\$ (46,361)</b>	<b>\$ (69,543)</b>	<b>Net loss</b>		<b>\$ (18,957)</b>	<b>\$ (25,100)</b>	<b>\$ (65,318)</b>	<b>\$ (85,741)</b>
Net loss attributable to noncontrolling interest	Net loss attributable to noncontrolling interest	(211)	(73)	(284)	—	Net loss attributable to noncontrolling interest		(609)	(211)	(893)	—
<b>Net loss attributable to Forge Global Holdings, Inc.</b>	<b>Net loss attributable to Forge Global Holdings, Inc.</b>	<b>\$ (24,889)</b>	<b>\$ (21,188)</b>	<b>\$ (46,077)</b>	<b>\$ (69,543)</b>	<b>Net loss attributable to Forge Global Holdings, Inc.</b>		<b>\$ (18,348)</b>	<b>\$ (24,889)</b>	<b>\$ (64,425)</b>	<b>\$ (85,741)</b>

## Revenue

		Three Months Ended				Six Months Ended					Three Months Ended				Nine Months Ended			
				QoQ				YoY					QoQ					
		June 30, 2023	March 31, 2023	Change	% Change	June 30, 2023	June 30, 2022	Change	% Change		September 30, 2023	June 30, 2023	Change	% Change	September 30, 2023	September 30, 2022	Change	% Change
(in thousands)	(in thousands)									(in thousands)								
Placement fees	Placement fees	\$ 5,723	\$ 4,632	\$ 1,091	24 %	\$ 10,355	\$ 25,536	\$ (15,181)	(59) %	Placement fees	\$ 7,283	\$ 5,723	\$ 1,560	27 %	\$ 17,638	\$ 33,763	\$ (16,125)	(48) %
Custodial administration fees	Custodial administration fees	10,997	10,847	150	1	21,844	11,126	10,718	96	Custodial administration fees	11,280	10,997	283	3	33,124	18,799	14,325	76
Total revenues	Total revenues	\$ 16,720	\$ 15,479	\$ 1,241	8 %	\$ 32,199	\$ 36,662	\$ (4,463)	(12) %	Total revenues	\$ 18,563	\$ 16,720	\$ 1,843	11 %	\$ 50,762	\$ 52,562	\$ (1,800)	(3) %
Transaction-based expenses	Transaction-based expenses	(83)	(19)	(64)	337	(102)	(311)	209	(67)	Transaction-based expenses	(148)	(83)	(65)	78	(250)	(397)	147	37
Total revenues, less transaction-based expenses	Total revenues, less transaction-based expenses	\$ 16,637	\$ 15,460	\$ 1,177	8 %	\$ 32,097	\$ 36,351	\$ (4,254)	(12) %	Total revenues, less transaction-based expenses	\$ 18,415	\$ 16,637	\$ 1,778	11 %	\$ 50,512	\$ 52,165	\$ (1,653)	(3) %

Comparison of Three Months Ended **June 30, 2023**, **September 30, 2023** and **March 31, 2023**, **June 30, 2023**

Total revenues, less transaction-based expenses, increased **\$1.2 million** **\$1.8 million**, or **8%** **11%**.

Placement fees revenue increased by **\$1.1** **1.6** million, or **24%**, driven by a 46% increase in trading volumes and a modest improvement in net take rate **27%** in the three months ended **June 30, 2023**, **September 30, 2023**, driven by a 53% increase in trading volumes, partially offset by a 0.7% decrease in net take rate primary attributable to the difference in the mix of clients between the two quarters. Custodial administration fees increased by **\$0.2 million** **\$0.3 million**, or **1%**. Assets under custody increased **\$471.5 million** to **\$15.3 billion** as of **June 30, 2023**, as compared to

**March 31, 2023**, consistent **3%** with the increase in custodial accounts during cash administration fees more than offsetting the impact of the decline in assets under custody. **three** months ended **June 30, 2023**. Total custodial accounts increased **2%** **3%**, to **1,970,617**, **2,023,756**, as of **June 30, 2023**, **September 30, 2023**. Cash deposits, a component of assets under custody, continued to trend downward in the three months ended **June** **September 30, 2023**, as customers shift balances to higher yielding investments. To the extent this trend continues, and interest rates stabilize or decline, custodial administration fee revenue could decline.

Comparison of **Six** **Nine Months Ended** **June 30, 2023**, **September 30, 2023** and **June 30, 2022**, **September 30, 2022**

Total revenues, less transaction-based expenses, decreased **\$4.3 million** **\$1.7 million**, or **12%** **3%**.

Placement fees decreased by **\$15.2** **16.1** million, or **59%** **48%**, driven by lower trading volume. Custodial administration fees increased by **\$10.7** **14.3** million, or **96%** **76%**, driven by rate increases in the cash administration fees for these services and increased revenue from cash administration services. Total custodial accounts increased **13%** **12%** as compared to **June 30, 2022**, **September 30, 2022**. Transaction-based expenses decreased by **\$0.2** **0.1** million, or **67%** **37%**, driven by the cessation of forward fund trades which carry fund insurance costs.

## Compensation and benefits

	Three Months									Three Months						
	Ended				QoQ	Six Months Ended			YoY	Ended				QoQ	Nine Months Ended	
	June 30,	March	Change	%	June 30,	June 30,	Change	%		September	June 30,	%		September	September	
(in thousands)	(in thousands)	2023	31, 2023	Change	Change	2023	2022	Change	(in thousands)	30, 2023	2023	Change	Change	30, 2023	30, 2022	
Salary	Salary	\$ 13,230	\$ 13,529	\$ (299)	(2)%	\$ 26,759	\$ 22,104	\$ 4,655	21%	Salary	\$ 13,694	\$ 13,230	\$ 464	4%	\$ 40,453	\$ 33,861
Incentive compensation and other bonus	Incentive compensation and other bonus	1,563	3,261	(1,698)	(52)	4,824	26,971	(22,147)	(82)	Incentive compensation and other bonus	3,171	1,563	1,608	103	7,995	31,287

Share-based compensation	Share-based compensation	8,809	7,401	1,408	19	16,210	19,262	(3,052)	(16)	Share-based compensation	9,233	8,809	424	5	25,443	45,974
Benefits and other	Benefits and other	1,552	1,571	(19)	(1)	3,123	2,687	436	16	Benefits and other	1,552	1,552	—	—	4,675	3,940
<b>Total compensation and benefits</b>	<b>Total compensation and benefits</b>	<b>\$25,154</b>	<b>\$25,762</b>	<b>\$ (608)</b>	<b>(2)%</b>	<b>\$50,916</b>	<b>\$71,024</b>	<b>\$(20,108)</b>	<b>(28)%</b>	<b>Total compensation and benefits</b>	<b>\$ 27,650</b>	<b>\$25,154</b>	<b>\$ 2,496</b>	<b>10%</b>	<b>\$ 78,566</b>	<b>\$ 115,064</b>

Comparison of Three Months Ended June 30, 2023, September 30, 2023 and March 31, 2023, June 30, 2023

Compensation and benefits expense decreased \$0.6 million, increased \$2.5 million, or 2% 10%.

Incentive compensation and other bonus decreased \$1.7 million, increased \$1.6 million as a result of lower attainment of Company performance targets offset, in part, by an increase in commissions in connection with higher placement fee revenue in the three months ended September 30, 2023 and the impact of a reduction in the Company's discretionary bonus accrual rate in the three months ended June 30, 2023, in line with the Company's cost management initiatives. Share-based compensation expense increased \$1.4 million, \$0.4 million primarily due to new grants of RSUs including executive performance RSUs.

granted under our 2022 Plan in the three months ended June 30, 2023, September 30, 2023. Refer to Note 12, "Share-Based Compensation," to our unaudited condensed consolidated financial statements included elsewhere in this Report.

Comparison of Six Nine Months Ended June 30, 2023, September 30, 2023 and June 30, 2022, September 30, 2022

Compensation and benefits expense decreased \$20.1 million, \$36.5 million, or 28% 32%.

Incentive compensation and other bonus expense decreased \$22.1 million, \$23.3 million, primarily due to one-time transaction bonuses for certain executives of \$17.7 million related to the consummation of the Business Combination in the six nine months ended June 30, 2022, September 30, 2022, and \$3.9 million, \$4.7 million due to the lower attainment of Company performance targets in the six nine months ended June 30, 2023, September 30, 2023. Share-based compensation decreased \$3.1 million, \$20.5 million primarily due to \$5.8 million from \$24.6 million decrease of the cumulative catch-up compensation expense recognized in connection with certain executive performance and/or market condition-based RSUs and options in the six nine months ended June 30, 2022, September 30, 2023, offset by \$1.6 million, \$3.9 million from new RSUs granted during the six nine months ended June, September 30, 2023. These decreases were partially offset by increases in headcount from organic growth of our business operations which drove increases in salaries and benefits of \$4.7 million, \$6.6 million and \$0.4 million, \$0.7 million, respectively.

#### Other operating expenses

(in thousands)	(in thousands)	Three Months Ended		QoQ		Six Months Ended		YoY		(in thousands)	Three Months Ended		QoQ		Nine Months Ended	
		June 30, 2023	March 31, 2023	Change	% Change	June 30, 2023	June 30, 2022	Change	% Change		September 30, 2023	June 30, 2023	Change	% Change	September 30, 2023	September 30, 2022
Professional services	Professional services	\$ 3,265	\$ 2,736	\$ 529	19 %	6,001	7,370	\$(1,369)	(19) %	Professional services	\$ 2,883	\$ 3,265	\$( 382)	(12) %	8,884	11,165
Acquisition-related transaction costs	Acquisition-related transaction costs	—	—	—	—	—	4,398	(4,398)	(100) %	Acquisition-related transaction costs	—	—	—	—	—	5,215
Advertising and market development	Advertising and market development	876	677	199	29	1,553	2,945	(1,392)	(47) %	Advertising and market development	910	876	34	4	2,463	3,873
Rent and occupancy	Rent and occupancy	1,148	1,326	(178)	(13) %	2,474	2,706	(232)	(9) %	Rent and occupancy	1,142	1,148	(6)	(1) %	3,616	3,803
Technology and communications	Technology and communications	3,475	3,390	85	3	6,865	4,832	2,033	42	Technology and communications	3,763	3,475	288	8	10,628	8,368
General and administrative	General and administrative	3,525	2,748	777	28	6,273	4,772	1,501	31	General and administrative	1,870	3,525	(1,655)	(47) %	8,143	7,373

Depreciation and amortization	Depreciation and amortization	1,747	1,789			3,536	3,103			Depreciation and amortization	1,710	1,747			5,246	4,531
				(42)	(2)			433	14				(37)	(2)		
<b>Total other operating expenses</b>	<b>Total other operating expenses</b>	<b>\$14,036</b>	<b>\$12,666</b>			<b>\$26,702</b>	<b>\$30,126</b>			<b>Total other operating expenses</b>	<b>\$ 12,278</b>	<b>\$14,036</b>			<b>\$ 38,980</b>	<b>\$ 44,336</b>
				<b>\$ 1,370</b>	<b>11 %</b>			<b>\$ (3,424)</b>	<b>(11) %</b>				<b>\$ (1,758)</b>	<b>(13) %</b>		

Comparison of Three Months Ended June 30, 2023, September 30, 2023 and March 31, 2023

Other operating expenses increased \$1.4 million, or 11%.

Increases in professional services, primarily attributable to a \$0.3 million increase in legal fees and a \$0.2 million increase in accounting and finance costs, and \$0.2 million higher advertising and market development in connection with the Company's Forge Data solutions, were offset by declines of \$0.2 million and \$0.8 million in rent and occupancy and general and administrative expenses, respectively, as compared to the three months ended March 31, 2023. The decline in rent and occupancy is attributable to the Company's rationalization of its office space needs, which resulted in a reduction of space. The increase in general and administrative expenses was primarily attributable to a \$1.5 million increase in contingent loss liability partially offset by lower company liability insurance costs and \$0.5 million in impairment losses on internally developed software recognized during the three months ended March 31, 2023.

Comparison of Six Months Ended June 30, 2023 and June 30, 2022

Other operating expenses decreased \$3.4 million \$1.8 million, or 11% 13%.

General and administrative expenses decreased \$1.7 million primarily due to a \$1.5 million contingent loss liability recorded in the three months ended June 30, 2023 and a \$0.4 million reduction in contingent loss liability recorded in the three months ended September 30, 2023, partially offset by \$0.4 million increase in bad debt reserve due higher accounts receivable in the three months ended September 30, 2023. Professional services expenses declined as the prior quarter included higher legal costs in connection with litigation and public company reporting matters. Technology and communications expenses increased primarily due to Forge Europe platform investments.

Comparison of Nine Months Ended September 30, 2023 and September 30, 2022

Other operating expenses decreased \$5.4 million, or 12%.

Professional fees decreased by \$2.3 million primarily as a result of lower legal expenses as the nine months ended September 30, 2022 included costs related to the Business Combination and public company requirements. Acquisition-related transaction costs of \$4.4 million \$5.2 million related to the Business Combination were recognized in the six nine months ended June 30, 2022 September 30, 2022. Cost containment efforts also in the nine months ended September 30, 2023 resulted in a decline in advertising occupancy, and third-party software engineer engineers expenses reported in technology and communications expenses of \$1.4 million, \$0.2 million, and \$0.7 million \$1.5 million, respectively. These costs savings were partially offset by higher technology and communications of \$1.6 million from the impact of lower capitalizable capitalization of software development costs of \$2.3 million and \$1.3 million \$1.7 million for software licensing fees to support business growth. General and administrative expenses increased \$1.5 million \$0.8 million primarily due to a \$1.5 million an increase in contingent losses and \$0.3 million higher company liability insurance in the six months ended June 30, 2023, partially offset by a \$0.4 million decrease in bad debt reserves as the Company focused on improving collections.losses.

#### Total interest income and other income (expenses)

		Three Months				Six Months				Nine Months Ended								
		Ended		QoQ		Ended		YoY		Three Months Ended		QoQ		YoY		YoY		
		June																
		June 30,	March		%	30,	June 30,		%	September	June 30,		%	September	September		%	
(in thousands)	(in thousands)	2023	31, 2023	Change	Change	2023	2022	Change	Change	(in thousands)	30, 2023	2023	Change	Change	30, 2023	30, 2022	Change	Change
Interest income	Interest income	\$ 1,319	\$ 1,509			2,828	\$ 287			Interest income	\$ 1,725	\$ 1,319			4,553			
				\$ (190)	(13) %		\$ 2,541	885 %				\$ 406	31 %		\$ 1,161	\$ 3,392	292 %	
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	(3,790)	168	(3,958)	n/m	(3,622)	(5,402)	1,780	(33)	Change in fair value of warrant liabilities	907	(3,790)	4,697	(124)	(2,715)	19,808	(22,523)	(114)
Other income (expenses), net	Other income (expenses), net	217	215			432	529			Other income (expenses), net	215	217			647			
				2	1		(97)	(18)				(2)	(1)		731	(84)	(11)	



Comparison of Three Months Ended June 30, 2023 September 30, 2023 and March 31, 2023 June 30, 2023

Comparison of Six Nine Months Ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022

## Liquidity and Capital Resources

Our future capital requirements will depend on many factors including our revenue growth rate, the timing, and extent of spending to support further sales, and marketing and research and development efforts. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, results of operations, and financial condition would be materially and adversely affected.

The following table summarizes our cash flows for the periods presented (in thousands):

### Operating Activities



Cash used in operating activities for the six nine months ended June 30, 2023 September 30, 2023 of \$31.3 million \$34.9 million was primarily driven by our net loss of \$25.1 million \$65.3 million, adjusted for non-cash charges of \$25.7 million \$36.8 million, and net cash outflows of \$10.6 million \$6.4 million in connection with changes in our operating assets and liabilities. Non-cash charges primarily consisted of share-based compensation of \$16.2 million \$25.4 million, change depreciation and amortization of \$5.2 million, and changes in fair value of warrant liabilities of \$3.6 million and depreciation and amortization of \$3.5 million \$2.7 million. The main driver of the cash outflows from the changes in operating assets and liabilities was related to a decrease in accrued compensation and benefits of \$7.5 million \$4.5 million attributable to the payments made during the six nine months ended June 30, 2023, September 30, 2023 for incentive compensation related to the prior year.

Cash used in operating activities for the six nine months ended June 30, 2022 September 30, 2022 of \$48.4 million \$59.8 million was primarily related to our net loss of \$69.5 million \$85.7 million, adjusted for non-cash charges of \$39.1 million \$42.9 million and net cash outflows of \$17.9 million \$16.9 million related to changes in our operating assets and liabilities. Non-cash charges primarily consisted of share-based compensation of \$19.3 million, changes in fair value of warrant liabilities of \$5.4 million \$46.0 million, settlement of related party promissory notes of \$5.5 million, depreciation and amortization of \$4.5 million, and transaction expenses related to the Business Combination of \$3.1 million, partially offset by changes in fair value of warrant liabilities of \$19.8 million. The main drivers of the cash outflows were derived from the changes in operating assets and liabilities were driven by a decrease in accrued compensation and benefits of \$12.7 million \$11.1 million and an increase in prepaid expenses and other assets of \$4.3 million.

#### Investing Activities

Cash used in investing activities was \$2.8 million \$3.3 million for the six nine months ended June 30, 2023 September 30, 2023. During the period, the Company invested \$2.7 million \$3.2 million in certificate certificates of deposits deposit with maturities greater than 90 days. Investments with maturities of 90 days or less are classified as cash and cash equivalents on the unaudited condensed consolidated balance sheets. Consistent with delivering customer-centric platform capabilities, our technology development cycles have become shorter and more fluid, with a heavier focus on the preliminary project stages including feasibility and proof-of-concept. Activities that occur during the preliminary project stage are expensed as incurred. We do not anticipate incurring material development costs that would meet the capitalization criteria. There were no amounts capitalized in connection with internal-use software during the six nine months ended June 30, 2023 September 30, 2023.

Cash used in investing activities was \$3.4 million \$4.8 million for the six nine months ended June 30, 2022 September 30, 2022, which consisted primarily of cash paid for capitalized internal-use software. This was primarily due to cash paid for capitalized internal-use software of \$4.6 million.

#### Financing Activities

Cash used in financing activities was \$0.2 million for the six nine months ended June 30, 2023 September 30, 2023, as activities have normalized subsequent to the Business Combination.

Cash provided by financing activities was \$182.2 million \$192.8 million for the six nine months ended June 30, 2022 September 30, 2022, which consisted primarily of proceeds of \$208.0 million from PIPE investment and A&R FPA investors, proceeds from the exercise of Public Warrants of \$22.9 million, proceeds from the formation of Forge Europe of \$9.5 million and proceeds from completion of the Business Combination of \$7.9 million, and proceeds of \$208.0 million from PIPE investment and A&R FPA investors, partially offset by payments for offering costs of \$56.4 million \$56.9 million.

#### Contractual Obligations

Our contractual obligations have not changed materially outside of the normal course of business since December 31, 2022. For further information, see Part II, Item 7, "Liquidity and Capital Resources" in Item 7 of Part II of our Annual Report on Form 10-K filed with the SEC on March 1, 2023.

#### Off-Balance Sheet Arrangements

Refer to Note 9, "Off Balance Sheet Items," to our unaudited condensed consolidated financial statements included elsewhere in this Report.

#### 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 our audited annual consolidated financial statements and accompanying notes. We base our estimates on historical experience, current business factors, and various other assumptions that we believe are necessary to consider forming a basis for making judgments about the carrying values of assets and liabilities, the recorded amounts of revenue and expenses and the disclosure of contingent assets and liabilities. We are subject to uncertainties such as the impact of future events, economic and political factors, and changes in our business environment; therefore, actual results could differ from these estimates. Accordingly, the accounting estimates used in the preparation of our audited annual consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. Changes in estimates are made when circumstances warrant. Such changes in estimates and refinements in estimation methodologies are reflected in reported results of operations; if material, the effects of changes in estimates are disclosed in the notes to our unaudited condensed consolidated financial statements.

On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions. The most significant judgments, estimates, and assumptions relate to the critical accounting policies, as discussed in more detail below.

There have been no material changes to our critical accounting policies and estimates as compared to those described in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in our Annual Report on Form 10-K filed with the SEC on March 1, 2023.

#### Impairment of Long-Lived Assets

The Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company also evaluates the period of depreciation and amortization of long-lived assets to determine whether events or circumstances warrant revised estimates of useful lives. When indicators of impairment are present, the Company determines the recoverability of its long-lived assets by comparing the carrying value of its long-lived assets to future undiscounted net cash flows expected to result from the use of the assets and their eventual disposition. If the estimated future undiscounted cash flows

demonstrate the long-lived assets are not recoverable, an impairment loss would be calculated based on the excess of the carrying amounts of the long-lived assets over their fair value. No impairment charges were recognized during the **six** **three** months ended **June 30, 2023** **September 30, 2023**.

#### **Goodwill and Other Intangible Assets, Net**

Goodwill represents the excess of the aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. Goodwill is not amortized but is tested for impairment annually on October 1, or more frequently if events or changes in circumstances indicate the goodwill may be impaired. These events or circumstances could include a significant change in the business climate, regulatory environment, established business plans, operating performance indicators or competition. Potential impairment indicators may also include, but are not limited to, (i) the results of the Company's most recent annual or interim impairment testing, (ii) downward revisions to internal forecasts, (iii) declines in the Company's market capitalization below its book value, and the magnitude and duration of those declines, (iv) a reorganization resulting in a change to the Company's operating segments, and (v) other macroeconomic factors, such as increases in interest rates that may affect the weighted average cost of capital or volatility in the equity and debt markets. No impairment charges were recognized during the **six** **nine** months ended **June 30, 2023** **September 30, 2023**.

In-process research and development ("IPR&D") assets acquired in a business combination are considered indefinite lived until the completion or abandonment of the associated research and development efforts. Upon conclusion of the relevant research and development project, the Company will amortize the acquired IPR&D over its estimated useful life or expense the acquired IPR&D should the research and development project be unsuccessful with no future alternative use.

Acquired intangible assets also consist of identifiable intangible assets, primarily software technology, trade name and customer relationships, resulting from business acquisitions. Finite-lived intangible assets are recorded at fair value on the date of acquisition and are amortized over their estimated useful lives. The Company bases the useful lives and related amortization expense on its estimate of the period that the assets will generate revenues or otherwise be used.

#### **Recent Accounting Pronouncements**

See the section titled "Summary of Significant Accounting Policies" in Note 2 of our Annual Report on Form 10-K filed with the SEC on March 1, 2023.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

#### **Quantitative and Qualitative Disclosures about Market Risk**

Market risk generally represents the risk of loss that may result from the potential change in the value of a financial instrument as a result of fluctuations in interest rates and market prices. Information relating to quantitative and qualitative disclosures about these market risks is described below.

##### *Interest Rate Risk*

Our exposure to changes in interest rates relates to interest earned on our cash and cash equivalents, term deposits, and interest incurred in relation to our debts. In addition, changes in interest rates could drive a significant impact to our custodial administration fees. If the Federal Reserve lowers interest rates, our customers receive reduced interest payments on their uninvested cash balances, which in turn limits the portion of sub-account fees we collect in exchange for facilitating the acquisition of FDIC insurance on behalf of the customer.

We perform a net interest sensitivity analysis to evaluate the effect that changes in interest rates might have on our revenue. The analysis assumes that the asset and liability structure of our unaudited condensed consolidated balance sheets would not be changed as a result of a simulated change in interest rates. The results of the analysis based on our financial position for the three months ended **June 30, 2023** **September 30, 2023** indicate that a hypothetical 50 basis point increase or decrease in interest rates would have impacted our custodial administration fee revenues by \$0.7 million. Additionally, we perform a net interest sensitivity analysis to evaluate the effect that a hypothetical increase or decrease in risk-free rates would have on our interest income. The results of the analysis based on our financial position for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** indicate that a hypothetical 100 basis point increase or decrease in risk-free rates would not have a material effect on our financial results.

Our measurement of interest rate risk involves assumptions that are inherently uncertain and, as a result, cannot precisely estimate the impact of changes in interest rates on net interest revenues. Actual results may differ from simulated results due to balance growth or decline and the timing, magnitude, and frequency of interest rate changes, as well as changes in market conditions and management strategies, including changes in asset and liability mix.

##### *Foreign Exchange Rate Risk*

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Currently, substantially all of our revenue and expenses are denominated in U.S. dollars.

Revenue and expenses are remeasured each day at the exchange rate in effect on the day the transaction occurred. Our results of operations and cash flows in the future may be adversely affected due to an expansion of non-U.S. dollar denominated contracts and changes in foreign exchange rates. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would have affected the carrying amount of our net assets by approximately **\$1.0 million** **\$0.9 million** and **\$1.5 million** as of **June 30, 2023** **September 30, 2023** and December 31, 2022, **respectively**. To date, we have not engaged in any hedging strategies. As our international activities grow, we will continue to reassess our approach to manage the risk relating to fluctuations in currency rates.

## Item 4. Controls and Procedures

### *Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that such disclosure controls and procedures were effective as of the end of the period covered by this Report and designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the requisite time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

### *Changes in Internal Control over Financial Reporting*

There have not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### *Inherent Limitations on Effectiveness of Controls*

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## Part II - Other Information

### Item 1. Legal Proceedings

Information regarding legal proceedings is available in Note 8, "Commitments and Contingencies," to the unaudited condensed consolidated financial statements in this Report.

### Item 1A. Risk Factors

In addition to the factors discussed elsewhere in this Report, the following risks and uncertainties, some of which have occurred and any of which may occur in the future, could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, financial condition, results of operations, and cash flows. Our actual results may differ materially from any future results expressed or implied by such forward-looking statements as a result of various factors, including, but not limited to, those discussed in the sections of this Report titled "Cautionary Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

### Risk Factor Summary

An investment in our securities is subject to numerous risks and uncertainties, and the following is a summary of key risk factors when considering an investment. You should read this summary together with the more detailed description of each risk factor contained in the subheadings further below.

- We have a history of losses and may not achieve or maintain profitability in the future.
- Our customers may encounter difficulties with investing through our platform, and face risks including those related to a lack of information available about private companies, liquidity concerns, and potential transfer or sale restrictions with respect to securities offered on our platform.
- There is no assurance that our revenue and business models will be successful.
- If we are unable to develop new solutions or adapt to technological changes, our revenue may not grow as expected.
- If we fail to attract new customers, or fail to do so in a cost-effective manner, our business may be harmed.
- We face intense and increasing competition and, if we do not compete effectively, our competitive positioning and our operating results will be harmed.
- Macroeconomic, market, public health, and geopolitical conditions may harm our business and our reputation.

- We rely on our management team and will require additional key personnel to grow our business, and the loss of key management members or key personnel, or an inability to hire key personnel, could harm our business.
  - Our business is subject to extensive laws and regulations promulgated by U.S. state, U.S. federal, and non-U.S. laws, including those applicable to broker dealers, investment advisers, and alternative trading systems, such as regulation by the SEC and FINRA in the jurisdictions in which we operate. Compliance with laws and regulations require significant expense and devotion of resources, which may adversely affect our ability to operate profitably.
  - We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights, any of which could reduce our competitiveness and harm our business and operating results.
  - We collect, store, share, disclose, transfer, use, and otherwise process customer information and other data, including personal information, and an actual or perceived failure by us or our third-party service providers to protect such information and data or respect customers' privacy could damage our reputation and brand, negatively affect our ability to retain customers, and harm our business, financial condition, operating results, cash flows, and prospects.
  - We depend on third parties for a wide array of services, systems, and information technology applications, and a breach or violation of law by one of these third parties could disrupt our business or provide our competitors with an opportunity to enhance their position at our expense. Additionally, the loss of any of those service providers could materially and adversely affect our business, results of operations, and financial condition.
- 
- Cyber incidents or attacks directed at us and to our systems could result in unauthorized access, information theft, data corruption, operational disruption, and/or financial and reputational loss, and we may not be able to insure against such risk.
  - We have previously completed and may continue to evaluate and complete acquisitions in the future, which could require significant management attention, result in additional dilution to our stockholders, increase expenses, and disrupt our business and adversely affect our financial results.

## Risks Related to Our Business

### ***We have a history of losses and may not achieve or maintain profitability in the future.***

Our net loss was \$25.1 \$19.0 million and \$5.1 \$16.2 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively. As of June 30, 2023 September 30, 2023, we had an accumulated deficit of \$236.5 \$254.8 million. We may continue to incur net losses in the future. We will need to generate and sustain significant revenue for our business generally in future periods in order to achieve and maintain profitability. We also expect general and administrative expenses to continue to increase to meet the increased compliance and other requirements associated with operating as a public company and evolving regulatory requirements.

Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue sufficiently to offset our higher operating expenses. We may continue to incur losses, and we may not achieve or maintain future profitability due to a number of reasons, including the risks described in this Report, unforeseen expenses, difficulties, complications and delays, and other unknown events. Furthermore, if our future growth and operating performance fail to meet investor or analyst expectations, or if we have future negative cash flow or losses resulting from expanding our operations, this could make it difficult for you to evaluate our current business and our future prospects and have a material adverse effect on our business, financial condition, and results of operations.

### ***We face intense and increasing competition and, if we do not compete effectively, our competitive positioning and our operating results will be harmed.***

We expect our competition to continue to increase. In addition to established enterprises and global banks, we may also face competition from early-stage companies attempting to capitalize on the same, or similar, opportunities as we are. Some of our current and potential competitors have longer operating histories, significantly greater financial, technical, marketing, and other resources and a larger customer base than we do. Any of these advantages would allow competitors to potentially offer more competitive pricing or other terms or features, a broader range of investment and financial products, or a more specialized set of specific products or services, as well as respond more quickly than we can to new or emerging technologies and changes in customer preferences, among other items. Our existing or future competitors may develop products or services that are similar to our products and services or that achieve greater market acceptance than our products and services, which could attract new customers away from our services and reduce our market share in the future. Additionally, when new competitors seek to enter our markets, or when existing market participants seek to increase their market share, these competitors sometimes undercut, or otherwise exert pressure on, the pricing terms prevalent in that market, which could adversely affect our revenues, market share, or ability to capitalize on new market opportunities.

### ***Our customers may encounter difficulties with investing through our platform, and face risks including those related to a lack of information available about private companies, liquidity concerns, and potential transfer or sale restrictions with respect to securities offered on our platform.***

Institutions and individual investors face significant risk when buying securities on our platform, which may make our product offerings generally less attractive. These risks include the following:

- private companies may exercise their right of first refusal over the securities or otherwise prohibit the transfer of the securities, and therefore certain securities on our platform may not be available to certain investors;
- private companies are not required to make periodic public filings, and therefore certain capitalization, operational, and financial information may not be available for evaluation;

- an investment may only be appropriate for investors with a long-term investment horizon and a capacity to absorb a loss of some or all of their investment;

- the securities, when purchased, are generally highly illiquid, are often subject to further transfer restrictions, and no public market exists for such securities;
- post-IPO transfer restrictions, including lock-up restrictions, may ultimately limit the ability to sell the securities on the open market; and
- transactions may fail to settle, which could harm our reputation.

***We have been or are involved in, and may in the future become involved in, disputes or litigation matters between customers with respect to failed transactions on our platform (such as in the event of delayed delivery or a failure to deliver securities).***

We have been or are involved in, and may in the future become involved in, disputes and litigation matters between customers with respect to transactions on our platform. The high notional value of transactions on our platform makes us a target for clients to engage in lawsuits between one another and/or with us. There is a risk that clients may increasingly look to us to make them whole for delayed and/or broken trades. Customers may litigate over a failure of sellers to deliver securities or over the untimely deliveries of securities. Any litigation to which we are a party could be expensive and time consuming, regardless of the ultimate outcome, and the potential costs and risks of such litigation may incentivize us to settle. Additionally, we may agree to forego commissions in a failed settlement situation even if we are not at fault or do not have an obligation to do so for customer relations or other reasons. If we reduce or forego commissions on behalf of clients, it would lead to a reduction in profits.

***There is no assurance that our revenue and business models will be successful.***

The majority of our revenue is derived from commissions earned on securities-based transactions, or placement fees. We maintain a platform which generates revenue through our Forge Markets offering by volume-based fees sourced from institutions, individual investors, and **shareholders, stockholders**. Furthermore, although we continue to invest and develop our platform to complete transactions in a more automated and tech enabled manner, portions of our platform rely upon manual procedures carried out by our private market specialists who help facilitate trades between buyers and sellers. We also generate revenues through our Forge Trust offering with account fees, cash management fees, and custody-as-a-service fees through custodial offerings, or custodial administration fees for all Forge customers and also through our Forge Intelligence and our private company solutions.

With respect to placement fees, a decline in the price of securities transactions brokered by us, a decline in the financial markets generally, or a decline in fee rates could negatively impact our revenue and overall financial position. Additionally, if we fail to acquire and retain new institutions, individual investors and **shareholders, stockholders**, or fail to do so in a cost-effective manner, we may be unable to increase revenue and achieve profitability for our Forge Markets and Forge Trust offerings. Additionally, our Forge Intelligence and private company solutions may not gain market acceptance or prove to be profitable in the long term. While some of our issuer customers may prefer that we not publish the transaction prices for transactions in their securities, which could impact our Forge Intelligence and Forge Markets offerings, we maintain that such prices are, by definition, information belonging to us. We negotiate exceptions to this policy on a case-by-case basis, and such exceptions have historically been very limited.

We are continually refining our revenue and business model, which is premised on creating a virtuous cycle for our clients to engage in more products across our platform. We promote our complementary offerings such as Forge Intelligence and our private company solutions to the institutions, individual investors, and **shareholders, stockholders** who partake in our Forge Markets offering. There is no assurance that these efforts will be successful or that we will generate revenues commensurate with our efforts and expectations, or become profitable. We may be forced to make significant changes to our revenue and business model to compete with our competitors' offerings, and even if such changes are undertaken, there is no guarantee that they will be successful. Additionally, we will likely be required to hire, train, and integrate qualified personnel to meet and further our business objectives, and our ability to successfully do so is uncertain.

***If we are unable to develop new solutions or adapt to technological changes, our revenue may not grow as expected.***

We operate in a dynamic industry characterized by rapidly evolving technology, frequent product introductions, and competition based on pricing and other differentiators. Our scalability could be contingent on us successfully building a mobile app for our services, which may be expensive and time consuming, and the success of which is not guaranteed. In

addition, we may increasingly rely on technological innovation as we introduce new types of products, expand our current products into new markets, and continue to streamline our platform. The process of developing new technologies and products is complex, and if we are unable to successfully innovate and continue to deliver a superior experience, demand for our products may decrease and our growth and operations may be harmed.

***If we fail to attract new customers, or fail to do so in a cost-effective manner, our business may be harmed.***

Our continued business and revenue growth is dependent on our ability to attract new customers, retain existing customers, and increase their use of our products, and we cannot be sure that we will be successful in these efforts. As we expand our business operations and potentially enter new markets, new challenges in attracting and retaining customers will arise that we may not successfully address. Our success, and our ability to increase revenues and operate profitably, depends in part on our ability to cost-effectively acquire new customers, retain existing customers, and keep existing customers engaged so that they continue to use our products and services.

***If we fail to effectively manage any future growth, our business, operating results, and financial condition could be adversely affected.***

We have and expect to continue to experience growth, and intend to continue to expand our operations. This growth has placed, and will continue to place, significant demands on our management and operational and financial infrastructure, and our business, financial condition, and results of operations could be materially and adversely affected if we are unable to manage such growth.

In addition, we are required to continuously develop and adapt our systems and infrastructure in response to the increasing sophistication of the financial services market, evolving fraud and information security landscape, and regulatory developments relating to existing and projected business activities. Our future growth will depend, among other things, on our ability to maintain an operating platform and management system apt to address such growth, and will require us to incur significant additional expenses, expand our workforce, and commit additional senior management and operational resources.

To manage our growth effectively, we must continue to improve our operational, financial, and management systems and controls by, among other things:

- effectively attracting, training, integrating, and retaining new personnel;
- further improving our key business systems, processes, and information technology infrastructure, including our and third-party services, to support our business needs;
- enhancing our information, training, and communication systems to ensure that our personnel are well-coordinated and can effectively communicate with each other and our customers; and
- improving our internal control over financial reporting and disclosure controls and procedures to ensure timely and accurate reporting of our operational and financial results.

If we fail to manage our expansion, implement improvements, or maintain effective internal controls and procedures, our costs and expenses may increase more than we plan and we may lose the ability to develop new solutions, satisfy our customers, respond to competitive pressures, or otherwise execute our business plan.

***Our projections and key performance metrics are subject to significant risks, assumptions, estimates, judgments, and uncertainties. As a result, our financial and operating results may differ materially from our expectations.***

We operate in a competitive industry, and our projections and calculations of key performance metrics are subject to the risks and assumptions made by management with respect to our industry. Operating results are difficult to forecast because they generally depend on a number of factors, including the competition we face, as well as our ability to attract and retain customers while generating sustained revenues through our services. We may be unable to adopt measures in a timely manner to compensate for any unexpected shortfall in income. Any of these factors could cause our operating results in a given quarter to be higher or lower than expected, which makes creating accurate forecasts and budgets challenging. As a result, we may fall materially short of our forecasts and expectations, including with respect to our key performance metrics,

which could cause our stock price to decline and investors to lose confidence in us and our business, financial condition, and results of operations.

***We may require additional capital to satisfy our liquidity needs and support business growth and objectives, and this capital might not be available to us on reasonable terms, if at all, and may be delayed or prohibited by applicable regulations.***

Maintaining adequate liquidity is crucial to our securities brokerage business operations, including key functions such as transaction settlement and custody requirements. We meet our liquidity needs primarily from working capital and cash generated by customer activity, as well as from external equity financing. Increases in the number of customers, fluctuations in customer cash or deposit balances, as well as market conditions or changes in regulatory treatment of customer deposits, may affect our ability to meet our liquidity needs. Our broker-dealer subsidiary, Forge Securities LLC ("Forge Securities"), is subject to Rule 15c3-1 under the Exchange Act, which specifies minimum capital requirements intended to ensure the general financial soundness and liquidity of broker-dealers, and broker-dealers. Accordingly, Forge Securities is subject to Rule 15c3-3 under the Exchange Act, which requires broker-dealers to maintain certain liquidity reserves, reserves unless such broker-dealer qualifies for an exemption. Additionally, our trust company subsidiary, Forge Trust, is subject to minimum capital requirements of the State of South Dakota, in which it is chartered.

A reduction in our liquidity position could reduce our customers' confidence in us, which could result in the withdrawal of customer assets and loss of customers, or could cause us to fail to satisfy broker-dealer or other regulatory capital guidelines, which may result in immediate suspension of securities activities, regulatory prohibitions against certain business practices, increased regulatory inquiries and reporting requirements, increased costs, fines, penalties, or other sanctions, including suspension or expulsion by the SEC, FINRA, or other self-regulatory organizations or state regulators, and could ultimately lead to the liquidation of our broker-dealers or other regulated entities.

In addition to requiring liquidity for our securities brokerage business and our other regulated businesses, we may also require additional capital to continue to support the growth of our business and respond to competitive challenges, including the need to promote our products and services, develop new products and services, enhance our existing products, services, and operating infrastructure, and acquire and invest in complementary companies, businesses, and technologies.



When available cash is not sufficient for our liquidity and growth needs, we may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such additional funding will be available on terms attractive to us, or at all, and our inability to obtain additional funding when needed could have an adverse effect on our business, financial condition, and results of operations. If additional funds are raised through the issuance of equity or convertible debt securities, our stockholders could suffer significant dilution, and any new shares we issue in connection therewith could have rights, preferences, and privileges superior to those of our current stockholders. Any debt financing secured by us in the future 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 future business opportunities. In addition, the current market environment with rising term structures of rates, increasing credit spreads, and a lull in capital raise activities generally, could make it challenging to raise capital or shore up additional liquidity.

***We have previously completed and may continue to evaluate and complete acquisitions in the future, which could require significant management attention, result in additional dilution to our stockholders, increase expenses, and disrupt our business, and adversely affect our financial results.***

Our success will depend, in part, on our ability to expand our business. In some circumstances, we may determine to do so through the acquisition of complementary assets, businesses, and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete or integrate acquisitions. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- poor quality or misleading performance data available during due diligence, and resultant inability to realize the projected benefits of such acquisitions;
- coordination of technology, product development, risk management, and sales and marketing functions;
- retention of personnel from the acquired company, and retention of our personnel who were attracted to us because of our smaller size or for other reasons;
- cultural challenges associated with integrating personnel from the acquired company into our organization;
- integration of the acquired company's accounting, management information, human resources, and other administrative systems;
- the need to implement or improve controls, procedures, and policies at a business that prior to the acquisition may have lacked effective controls, information security safeguards, procedures, and policies;
- potential write-offs or impairments of goodwill, other intangible assets, or long-lived assets;
- liability for activities of the acquired company before the acquisition, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, subscribers, former shareholders, stockholders, or other third parties; and
- geographic expansion that may expose our business to known and unknown regulatory compliance risks including elevated risk factors for tax compliance, money laundering controls, and supervisory controls oversight.

Our failure to address these risks or other problems encountered in connection with our acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, regulatory obligations to further capitalize our business, and goodwill and intangible asset impairments, any of which could harm our financial condition and negatively impact our shareholders, stockholders. To the extent we pay the consideration for any future acquisitions or investments in cash, it would reduce the amount of cash available to us for other purposes. In addition, to the extent we issue equity securities to pay for any such acquisitions or investments, any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

***Macroeconomic, market, public health, and geopolitical conditions may harm our business and our reputation.***

As a financial services company, our business, results of operations, and reputation are directly affected by elements beyond our control, such as macroeconomic and geopolitical conditions that might affect the volatility in financial markets. Capital markets are experiencing a period of economic uncertainty, and disruption, given have been further disrupted by the monetary responses of U.S. and global regulators to tame inflation through means such as interest rate hikes. The Federal Reserve increased interest rates by 425 basis points, to 4.33%, in 2022. As of the filing of this Report, the Federal Reserve has raised interest rates by an additional 100 basis points, the federal funds rate to 5.33%, in

2023, and has signaled a range of 5.25% - 5.50%. Additional macroeconomic factors remain that additional, albeit limited, raises are impending. This has led to increased may negatively impact our business. These include volatility and liquidity risks to private equity valuations as well as given uncertainty around settlement prices for illiquid assets, growing systemic credit risk concerns, and has negatively impacted investor appetite and investment preferences across the alternative investment and private markets space. The U.S. economy has shown resilience to potential financial vulnerabilities; however, systemic asset valuation risks persist across public and private equity markets, as well as the real estate and credit sectors. Lowered Furthermore, the ongoing conflicts in Russia and Ukraine, Israel and Palestine, and increased geopolitical tensions generally continue to affect energy and commodity prices, inflation, and could affect both global business' and individuals' market response and behavior. Any such effects could also potentially harm our business, financial condition, and results of operations. In addition, lowered economic growth forecasts and inverted yield curves have strengthened potential recession markers, which indicates continue to indicate a period of continued uncertainty. A Furthermore, a prolonged weakness in the U.S. equity markets could also cause our existing customers to incur losses, which in turn could cause our brand and reputation to suffer. If our reputation is harmed, the willingness of such customers to continue engaging with our platform could decrease, which would further adversely affect our business, financial condition, and results of operations.

The ongoing military conflict between Russia and Ukraine and increased geopolitical tensions continue to affect energy and commodity prices, inflation, and could affect both global business' and individuals' market response and behavior. Any such effects could also potentially harm our business, financial condition, and results of operations.

***Potential disruptions and instability in the banking industry and other parts of the financial services sector could adversely affect our business operations, funding and liquidity risks.***

Duration risk, exposure to fixed rate assets, and concentrated deposits have recently made a few regional and global banks, as well as asset managers, vulnerable to rapid customer flight. Earlier events in the banking industry such as the Silicon Valley Bank collapse and similar banking failures have increased liquidity and funding risks for public and private markets, even as financial institutions have tightened lending and underwriting standards. Any negative effects from these events could potentially harm our business, financial condition, and results of operations.

***Our business depends on our trusted brand, and failure to maintain and protect our brand, or any damage to our reputation, or the reputation of our partners, could adversely affect our business, financial condition, or results of operations.***

We believe we are developing a trusted brand that has contributed to the success of our business. We believe that maintaining and promoting our brand in a cost-effective manner is critical to achieving widespread acceptance of our products and services and expanding our base of customers. Maintaining, promoting, and positioning our brand and reputation will depend on our ability to continue to provide useful, reliable, secure, and innovative products and services; to maintain trust and remain a financial services leader; and to provide a consistent, high-quality customer experience.

We may introduce, or make changes to, features, products, services, privacy practices, or terms of service that customers do not like, which may materially and adversely affect our brand. Our brand promotion activities may not generate customer awareness or increase revenue, and even if they do, any increase in revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand or if we incur excessive expenses in this effort, our business could be materially and adversely harmed.

Harm to our brand can arise from many sources, including failure by us or our partners and service providers to satisfy expectations of service and quality, inadequate protection or actual or perceived misuse of personally identifiable information, compliance failures and claims, regulatory inquiries and enforcement, rumors, litigation, and other claims, misconduct by our partners, personnel, or other counterparties, and actual or perceived failure to adequately address the environmental, social, and governance expectations of our various stakeholders, any of which could lead to a tarnished reputation and loss of customers. We may in the future be the target of incomplete, inaccurate, and misleading or false statements about our company and our business that could damage our brand and deter customers from adopting our services. Any negative publicity about our industry or our company, the quality and reliability of our products and services, our compliance and risk management processes, changes to our products and services, our privacy, data protection, and information security practices, litigation, regulatory licensing, and infrastructure, and the experience of our customers with our products or services could adversely affect our reputation and the confidence in and use of our products and services. If we do not successfully maintain a strong and trusted brand, our business, financial condition, and results of operations could be materially and adversely affected.

***We conduct our brokerage and other business operations through subsidiaries and may in the future rely on dividends from our subsidiaries for a substantial amount of our cash flows.***

We may in the future depend on dividends, distributions, and other payments from our subsidiaries to fund payments on our obligations, including any debt obligations we may incur. Regulatory and other legal restrictions may limit our ability to transfer funds to or from certain subsidiaries, including Forge Securities. In addition, certain of our subsidiaries are subject to laws and regulations that authorize regulatory bodies to block or reduce the flow of funds to us, or that prohibit such transfers altogether in certain circumstances. These laws and regulations may hinder our ability to access funds that we may need to make payments on our obligations, including any debt obligations we may incur and otherwise conduct our business by, among other things, reducing our liquidity in the form of corporate cash. In addition to negatively affecting our business, a significant decrease in our liquidity could also reduce investor confidence in us. Certain rules and regulations of the SEC and FINRA may limit the extent to which our broker-dealer subsidiary may distribute capital to us. For example, under SEC rules applicable to Forge Securities, a dividend in excess of 30% of a member firm's excess net capital may not be paid without Forge Securities providing prior written notice. Compliance with these rules may impede our ability to receive dividends, distributions, and other payments from Forge Securities.

***Fluctuations in interest rates could impact our business.***



Fluctuations in interest rates may adversely impact our customers' general spending levels and risk appetite and ability and willingness to invest through our platform. Sustained high interest rates could shift investment preferences and affect fund redemption rates. Additionally, some of our services, such as our Forge Trust services, are affected by interest rate changes. Low interest rates directly reduce our ability to earn custodial administration fees from our Forge Trust services, which would adversely affect our business, financial condition, results of operations, cash flows, and future prospects.

***Any failure by us to maintain effective internal controls over financial reporting could have an adverse effect on our business, financial condition, and results of operations.***

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to develop and refine our internal controls over financial reporting. Some members of our management team have limited or no experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies, and we have limited accounting and financial reporting personnel and other resources with which to address our internal controls and related procedures. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, changes in accounting principles or interpretations, such as generally accepted accounting principles in the United States, could also challenge our internal controls and require that we establish new business processes, systems, and controls to accommodate such changes. We have limited experience with implementing the systems and controls that are necessary to operate as a public company, as well as adopting changes in accounting principles or interpretations mandated by the relevant regulatory bodies. Additionally, if these new systems, controls, or standards and the associated process changes do not give rise to the benefits that we expect or do not operate as intended, it could adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports or the effectiveness of our internal controls over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise.

Further, weaknesses in our disclosure controls and internal controls over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our business or cause us to fail to meet our reporting obligations and may result in a restatement of our consolidated financial statements for prior periods. Any failure to implement and maintain effective internal controls over financial reporting could also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal controls over financial reporting that we may eventually be required to include in our periodic reports that will be filed with the SEC. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal controls over financial reporting is documented, designed, or operating.

Ineffective disclosure controls and procedures or internal controls over financial reporting could harm our business and also cause investors to lose confidence in the accuracy and completeness of our reported financial and other information, which would likely have a negative effect on the trading price of our **shares, common stock**. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the NYSE. Furthermore, we could become subject to investigations by the NYSE, the SEC, or other regulatory authorities, which could require additional financial and management resources. These events could have a material and adverse effect on our business, results of operations, financial condition, and prospects.

***If our goodwill, or other intangible assets, or fixed assets become impaired, we may be required to record a charge to our earnings.***

We are required to test goodwill for impairment at least annually or earlier if events or changes in circumstances indicate the carrying value may not be recoverable. As of **June 30, 2023** **September 30, 2023**, we had recorded a total of approximately **\$131.9** **\$130.9** million of goodwill and other intangible assets. An adverse change in domestic or global market conditions, and/or declines in our stock price, particularly if such change has the effect of changing one of our critical assumptions or estimates made in connection with the impairment testing of goodwill or intangible assets, could result in a change to the estimation of fair value that could result in an impairment charge to our goodwill or other intangible assets. Any such material charges may have a negative impact on our operating results or financial condition.

## **Regulatory, Tax, and Legal Risks**

***Our business is subject to extensive laws and regulations promulgated by U.S. state, U.S. federal, and non-U.S. laws, including those applicable to broker-dealers, investment advisers, and alternative trading systems, such as regulation by the SEC and FINRA in the jurisdictions in which we operate. Compliance with laws and regulations require significant expense and devotion of resources, which may adversely affect our ability to operate profitably.***

We offer investment management services through Forge Global Advisors ("FGA"), an investment adviser registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), which is subject to regulation by the SEC. Forge Securities is an affiliated registered broker-dealer and FINRA member.

Investment advisers are subject to the anti-fraud provisions of the Advisers Act and to fiduciary duties derived from these provisions, which apply to our relationships with the funds we manage. These provisions and duties impose restrictions and obligations on us with respect to our dealings with our customers, fund investors, and our investments; including, for example, restrictions on transactions with our affiliates. Accordingly, FGA is subject to periodic SEC examinations and other requirements under the Advisers Act and related regulations primarily intended to benefit advisory customers. These additional requirements relate to matters including maintaining effective and comprehensive compliance programs, record-keeping, and reporting and disclosure requirements. The Advisers Act generally grants the SEC broad administrative powers, including the power to

limit or restrict an investment adviser from conducting advisory activities in the event it fails to comply with federal securities laws. Additional sanctions that may be imposed for failure to comply with applicable requirements include the prohibition of individuals from associating with an investment adviser, the revocation of registrations, and other censures and fines. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding, or imposition of these sanctions could harm our reputation and cause us to lose existing customers or fail to gain new customers.

Our subsidiary, Forge Securities, is a registered broker-dealer and FINRA member and operates an alternative trading system which files reports with the SEC. The securities industry is highly regulated, including under federal, state, and other applicable laws, rules, and regulations, and we may be adversely affected by regulatory changes related to suitability of financial products, supervision, sales practices, advertising, private placements, application of fiduciary standards, best execution, and market structure, any of which could limit our business and damage our reputation. FINRA has adopted extensive regulatory requirements relating to sales practices, advertising, registration of personnel, compliance and supervision, and compensation and disclosure, to which Forge Securities and its personnel are subject. FINRA and the SEC also have the authority to conduct periodic examinations of Forge Securities, and may also conduct administrative proceedings. Additionally, material expansions of the business in which Forge Securities engages are subject to approval by FINRA. This could delay, or even prevent, the firm's ability to expand its securities and brokerage offerings in the future.

***We are subject to extensive, complex, and evolving laws, rules, and regulations, which are subject to change and which are interpreted and enforced by various federal, state, and local government authorities and self-regulatory organizations. The ultimate impact of these laws and regulations remains uncertain, but may adversely affect our ability to operate profitably.***

We are subject to various federal, state, and local regulatory regimes. The principal policy objectives of these regulatory regimes are to protect borrowers, investors, and other financial services customers and to prevent fraud, money laundering, and terrorist financing. Laws and regulations, among other things, impose licensing and qualifications requirements; require various disclosures and consents; mandate or prohibit certain terms and conditions for various financial products; prohibit discrimination based on certain prohibited bases; prohibit unfair, deceptive, or abusive acts or practices; require us to submit to examinations by federal, state, and local regulatory regimes; and require us to maintain various policies, procedures, and internal controls, including in some cases, internal information barriers. There is a risk that our affiliated entities will not maintain proper information barriers if we fail to develop and enforce appropriate policies and procedures regarding information barriers between entities. The introduction of new laws and regulations related to our businesses, and changes in the enforcement of existing laws and regulations, could have a negative impact on our results and ability to operate.

For example, recent news articles and statements from SEC commissioners have raised the possibility of additional transparency from large private companies. The reports indicate that the SEC will consider plans to require more private companies to routinely disclose information about their finances and operations. Currently, federal statute requires companies with more than 2,000 **shareholders** **stockholders** "of record" to register their securities with the SEC, but the SEC also allows an unlimited number of people to own shares in "street name" (through the same broker or investment vehicle) and count as one **shareholder** **stockholders**. The reports indicate that the SEC may decide to look through certain vehicles and count underlying investors as distinct **shareholders** **stockholders**.

We facilitate investments in certain issuers by way of pooled investment vehicles (each, an "Investment Fund"). If these Investment Funds were to be "looked through" to their underlying investors, issuers may be less amenable to funding from Investment Funds, including those facilitated on our platform. If new laws and regulations require certain private companies to publicly report, those companies may be incentivized to go public, which could decrease the number of issuers on our platform. On the other hand, if increased disclosure obligations do not drive impacted issuers to go public, the increased transparency could drive growth and interest in our platform.

As another example, Forge Trust Co., our South Dakota non-depository trust company and one of our wholly-owned subsidiaries, is authorized to act as a custodian of self-directed individual retirement accounts. The United States Congress has recently proposed draft legislation that would significantly limit the types of investments and amounts that may be held in individual retirement accounts which, if enacted as proposed or substantially similar form, could negatively impact our current and future Forge Trust account holders and have an adverse effect on our Forge Trust custody business, which may in turn have an adverse effect on our consolidated financial condition and results of operations.

We are subject to overview by multiple regulators. Forge Trust Co. is subject to regulation and examinations by the South Dakota Division of Banking. Forge Trust Co. is also subject to the Bank Secrecy Act, the regulations promulgated by FinCEN, as well as the economic and trade sanction programs administered by OFAC. Additionally, Forge Lending LLC, our licensed lender with the State of California and one of our wholly-owned subsidiaries, is subject to regulation and examinations by the Department of Financial Protection and Innovation pursuant to the California Finance Lending Laws.

Monitoring and complying with all applicable laws, regulations, and regulators can be difficult and costly. Failure to comply with any of these requirements may result in, among other things, enforcement action by governmental authorities, lawsuits, monetary damages, fines or monetary penalties, restitution or other payments to investors, modifications to business practices, revocation of required licenses or registrations, voiding of loan contracts, and reputational harm, all of which could materially harm our results of operations.

***The regulatory requirements to which we are subject result in substantial compliance costs, and our business would be adversely affected if any applicable authorities determine we are not in compliance with those requirements.***

We must comply with state licensing requirements and varying compliance requirements in all the states in which we operate and the District of Columbia. In addition, we rely on certain exemptions from licensing requirements in other jurisdictions where we conduct business. Changes in licensing and registration laws may result in increased disclosure requirements, increased fees, or may impose other conditions to licensing or registrations that we or our personnel are unable to meet. In most states and jurisdictions in which we operate, a regulatory agency or agencies regulate and enforce laws relating to loan servicers, brokers, originators, collection agencies, and money services businesses. We are subject to periodic examinations by state and other regulators in the jurisdictions in which we conduct business, which can result in increases in our administrative costs and refunds to borrowers of certain fees earned by us, and we may be required to pay substantial and material penalties imposed by those regulators due to compliance errors, including any failures to properly register for applicable licenses or registrations, or we may lose our license or our ability to do business in the jurisdiction otherwise may be impaired. Fines and penalties incurred in one jurisdiction may cause investigations or other actions by regulators in other jurisdictions.

We may not be able to acquire or maintain all requisite licenses, registrations, and permits. If we change or expand our business activities, such as through our recent establishment of Forge Europe, we may be required to obtain additional licenses before we can engage in those activities. When we apply for a new license, the applicable regulator may determine that we were required to do so at an earlier point in time, and as a result, may impose substantial and material penalties or refuse to issue the license, which could require us to modify or limit our activities in the relevant jurisdiction.

In addition, the jurisdictions that currently do not provide extensive regulation of our business may later choose to do so, and if such jurisdictions so act, we may not be able to obtain or acquire or maintain all requisite licenses, registrations, and permits, which could require us to modify or limit our activities in the relevant jurisdictions. The failure to satisfy those and other regulatory requirements could have a material adverse effect on our business, financial condition, and results of operations.

***We have expanded and may continue to expand into international markets, which exposes us to significant new risks, and our international expansion efforts may not be successful.***

We operate and serve investors in foreign jurisdictions, and our business is subject to the laws and requirements of each jurisdiction in which we operate. Issuers, buyers, and sellers from over 70-80 jurisdictions use our platform. While our operations are chiefly located in the United States and the majority of our trading revenues are derived from transactions involving U.S. issuers, we have and may continue to expand our operations internationally in order to match the global demand for our products and services.

There is risk that local regulators may determine we are not in compliance with applicable local laws and regulations. In such cases, we may be subject to material fines and penalties, and may need to materially modify, limit, or cease operations in that jurisdiction. In addition, if we change or expand our business activities, such as through our recent establishment of Forge Europe, we may be required to obtain additional licenses or registrations before we can engage in those activities in each jurisdiction, which could cause us to incur substantial compliance costs. If we apply for a new license or registration, a regulator may determine that we were required to do so at an earlier point in time, and as a result, may impose penalties or refuse to issue the license, which could require us to materially modify, limit, or cease our activities in the relevant jurisdiction. We may be required to pay substantial penalties imposed by those regulators due to compliance errors, or we may lose our license or our ability to do business in the jurisdiction otherwise may be impaired. Fines and penalties incurred in one jurisdiction may cause investigations or other actions by regulators in other jurisdictions. This could be detrimental to our business, resulting in lost revenue, fines, or other adverse consequences. In addition, the jurisdictions that currently do not provide extensive regulation of our business may later choose to do so, and if such jurisdictions so act, we could incur substantial compliance costs and may not be able to obtain or maintain all requisite licenses and permits, which could require us to modify, limit, or cease our activities in the relevant jurisdiction or jurisdictions.

In addition to regulatory risks, there are significant risks and costs inherent in doing business in international markets, including:

- difficulty establishing and managing international operations and the increased operations, travel, infrastructure, and legal and compliance costs associated with locations in different countries or regions;
- difficulties or delays in obtaining and/or maintaining the regulatory permissions, authorizations, licenses, or consents that may be required to offer certain products in one or more international markets;
- difficulties in managing multiple regulatory relationships across different jurisdictions on complex legal and regulatory matters;
- difficulties in identifying and obtaining appropriate local foreign counsel in the jurisdictions in which we operate or plan to operate;
- if we were to engage in any merger or acquisition activity internationally, this is complex and would be new for us and subject to additional regulatory scrutiny;
- the need to vary products, pricing, and margins to effectively compete in international markets;
- the need to adapt and localize products for specific countries, including obtaining rights to third-party intellectual property used in each country;
- increased competition from local providers of similar products and services;
- the challenge of positioning our products and services to meet a demand in the local market;
- the ability to obtain, maintain, protect, defend, and enforce intellectual property rights abroad;
- the need to offer customer support and other aspects of our offering (including websites, articles, blog posts, and customer support documentation) in various languages;
- compliance with anti-bribery laws and the potential for increased complexity due to the requirements on us as a group to follow multiple rule sets;
- maintaining risk management frameworks, adherence to appropriate global and local regulatory risk management guidelines, prudential rules, and control standards.

- complexity and other risks associated with current and future legal requirements in other countries, including laws, rules, regulations, and other legal requirements related to cybersecurity and data privacy frameworks and labor and employment laws;
- the need to enter into new business partnerships with third-party service providers in order to provide products and services in the local market, which we may rely upon to be able to provide such products and services or to meet certain regulatory obligations;
- varying levels of internet technology adoption and infrastructure, and increased or varying network and hosting service provider costs and differences in technology service delivery in different countries;
- fluctuations in currency exchange rates and the requirements of currency control regulations, which might restrict or prohibit conversion of other currencies into U.S. dollars;
- taxation of our international earnings and potentially adverse tax consequences due to requirements of or changes in the income and other tax laws of the United States or the international jurisdictions in which we operate; and
- political or social unrest or economic instability in a specific country or region in which we operate.

We have limited experience with international regulatory environments and market practices, and we may not be able to penetrate or successfully operate in the markets we choose to enter. In addition, we may incur significant expenses as a result of our international expansion, and we may not be successful. We also may fail to sufficiently adapt our offerings in terms of language, culture, issuer operations, **shareholder stockholder** behaviors, investor preferences, or otherwise, which would limit or prevent our success in entering new markets.

**We have in the past, and will continue to be, subject to inquiries, exams, investigations, or enforcement matters, any of which could have an adverse effect on our business.**

The financial services industry is subject to extensive regulation under federal, state, and applicable international laws. From time to time, we have been threatened with or named as a defendant in lawsuits, arbitrations, and/or administrative claims involving securities, consumer financial services, and other matters.

For example, in 2016, we became subject to a SEC Order (in the Matter of Equidate, Inc. and Equidate Holdings LLC, Release No. 10262) pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act (the "Order"). The Order required us to cease and desist from committing or causing any violations or future violations of Section 5(e) of the Securities Act and Section 6(l) of the Exchange Act and required us to pay civil money penalties in the amount of \$80,000. Following a request by us, the SEC determined that we had made a showing of good cause under Rule 506(d)(2)(ii) of Regulation D and Rule 262(b)(2) of Regulation A and the SEC granted a waiver regarding any bad-actor disqualification by reason of the entry of the Order. Following the Order, we have completely ceased the transactions described in the Order that were found to be security-based swaps and have implemented new transaction contracts and fund structures.

We are also subject to periodic regulatory examinations and inspections. Compliance and trading problems or other deficiencies or weaknesses that are reported to regulators, such as the SEC, FINRA, the CFPB, or state regulators, by dissatisfied customers or others, or that are identified by regulators themselves, are investigated by such regulators, and may, if pursued, result in formal claims being filed against us by customers or disciplinary action being taken against us or our employees by regulators or enforcement agencies. To resolve issues raised in examinations or other governmental actions, we may be required to take various corrective actions, including changing certain business practices, making refunds, or taking other actions that could be financially or competitively detrimental to us. We expect to continue to incur costs to comply with governmental regulations. Any such claims or disciplinary actions that are decided against us could have a material impact on our financial results.

**Employee misconduct, including insider trading violations (given the nature of our business), can be difficult to detect and deter, and could harm our reputation and subject us to significant legal liability. We cannot ensure that all of our employees and agents will comply with our internal policies and procedures and applicable law, including anti-corruption, anti-bribery, and similar laws. We may ultimately be held responsible for any such non-compliance.**

We operate in an industry in which integrity and the confidence of our customers is of critical importance. We are subject to risks of errors and misconduct by our employees that could adversely affect our business, including:

- engaging in misrepresentation or fraudulent activities when marketing or performing brokerage and other services to our customers;
- improperly using or disclosing confidential information of our customers or other parties;
- concealing unauthorized or unsuccessful activities; or
- otherwise not complying with applicable laws and regulations or our internal policies or procedures, including those related to insider trading.

There have been numerous highly-publicized cases of fraud and other misconduct by financial services industry employees. The precautions that we take to detect and deter employee misconduct might not be effective. If any of our employees engage in illegal, improper, or suspicious activity or other misconduct, we could suffer serious harm to our reputation, financial condition, member relationships, and our ability to attract new customers. We also could become subject to regulatory sanctions and significant legal liability, which could cause serious harm to our financial condition, reputation, member relationships, and prospects of attracting additional customers.

**Litigation, regulatory actions, and compliance issues could subject us to significant fines, penalties, judgments, remediation costs, negative publicity, changes to our business model, and requirements resulting in increased expenses.**

Our business is subject to increased risks of litigation and regulatory actions as a result of a number of factors and from various sources, including as a result of the highly regulated nature of the financial services industry and the focus of state and federal enforcement agencies on the financial services industry.

From time to time, we are also involved in, or the subject of, reviews, requests for information, and investigations and proceedings (both formal and informal) by state and federal governmental agencies and self-regulatory organizations, regarding our business activities and our qualifications to conduct our business in certain jurisdictions, which could subject us to significant fines, penalties, obligations to change our business practices, and other requirements resulting in increased expenses and diminished earnings. Our involvement in any such matter also could cause significant harm to our reputation and divert management attention from the operation of our business, even if the matters are ultimately determined in our favor. Moreover, any settlement, or any consent order or adverse judgment in connection with any formal or informal proceeding or investigation by a government agency, may prompt litigation or additional investigations or proceedings as other litigants or other government agencies begin independent reviews of the same activities.

The current regulatory environment, increased regulatory compliance efforts, and enhanced regulatory enforcement have resulted in significant operational and compliance costs and may prevent us from providing certain products and services. There is no assurance that these regulatory matters or other factors will not affect how we conduct our business and, in turn, have a material adverse effect on our business. In particular, legal proceedings brought under state consumer protection statutes or under several of the various federal consumer financial services statutes may result in a separate fine for each violation of the statute, which, particularly in the case of class action lawsuits, could result in damages substantially in excess of the amounts we earned from the underlying activities.

***Our risk management and regulatory compliance framework may not be fully effective in identifying or mitigating risk exposures in evolving market and regulatory environments or against all types of risk.***

As a financial services company operating in the securities industry, among others, our business model exposes us to various risks, including capital adequacy and liquidity risk, strategic risk, operational risk, information technology risk, cybersecurity risk, vendor/third party risk, financial risk, and reputational risk. Our risk management and compliance processes, policies, and procedures may not be fully effective in identifying or mitigating all exposures and particularly against emerging risks. We have devoted significant resources to develop our compliance and risk management policies and procedures and will continue to do so, but there can be no assurance these are sufficient or that we will not sustain unexpected losses, especially as our business is growing and evolving.

Our limited operating history, evolving business, and growth make it difficult to predict all of the risks and challenges we may encounter and the level of resources needed to address them, particularly when compared with more mature financial services companies. It also makes it difficult to predict completely the landscape of risks we will face as we introduce new products and services and expand into new jurisdictions. Insurance and other traditional risk mitigating tools may be held by or available to us in order to manage certain exposures, but they are subject to terms such as deductibles, coinsurance, limits, and policy exclusions, as well as risk of counterparty denial of coverage, default, or insolvency. Any perceived or actual breach of laws and regulations could also negatively impact our business, financial condition, and results of operations.

***We are subject to stringent laws, rules, regulations, policies, industry standards, and contractual obligations regarding data privacy and security and may be subject to additional related laws and regulations in jurisdictions into which we expand. Many of these laws and regulations are subject to change and reinterpretation and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or other harm to our business.***

We are subject to a variety of federal, state, local, and non-U.S. laws, directives, rules, policies, industry standards, and regulations, as well as contractual obligations, relating to privacy and the collection, protection, use, retention, security, disclosure, transfer, and other processing of personal information and other data, including the Gramm-Leach-Bliley Act of 1999 ("GLBA"), Section 5(c) of the Federal Trade Commission Act (the "FTC Act") and the California Consumer Privacy Act (the "CCPA"). The regulatory framework for data privacy and security worldwide is continuously evolving and developing and, as a result, interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. New laws, amendments to or reinterpretations of existing laws, regulations, standards, and other obligations may require us to incur additional costs and restrict our business operations, and may require us to change how we use, collect, store, transfer, or otherwise process certain types of personal information and to implement new processes to comply with those laws and our customers' exercise of their rights thereunder.

In the United States, federal law, such as the GLBA and its implementing regulations, restricts certain collection, processing, storage, use, and disclosure of personal information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. Additionally, the FTC Act imposes standards for the online collection, use, and dissemination of personal information. The U.S. government, including Congress, the Federal Trade Commission, and the Department of Commerce, has expressed the need for greater regulation for the collection, use, and other processing of information concerning consumer behavior on the internet, including regulation aimed at restricting certain targeted advertising practices. There is also a risk of enforcement actions in response to rules and regulations promulgated under the authority of federal agencies and state attorneys general and legislatures and consumer protection agencies. In addition, privacy advocates and industry groups have proposed and may propose new and different self-regulatory standards that either legally or contractually may apply to our business operations. If we fail to follow these security standards, even if no personal information is compromised, we may incur significant fines or experience a significant increase in costs.

Numerous states have enacted or are in the process of enacting state-level data privacy laws and regulations governing the collection, use, and other processing of state residents' personal information. For example, the CCPA, which took effect on January 1, 2020, established a new privacy framework for covered businesses such as ours, and may require us to modify our data processing practices and policies and incur compliance related costs and expenses. The CCPA provides certain data privacy rights to California residents, such as affording California residents the right to access and delete their information and to opt out of certain sharing and sales of personal information. The law also prohibits covered businesses from discriminating against California residents (for example, charging more for services) for exercising any of their rights under the CCPA. The CCPA allows for severe civil penalties and statutory damages as well as a private right of action for certain data breaches involving personal information. This private right of action is expected to increase the likelihood of, and risks associated with, data breach litigation. In November 2020, California voters passed the California Privacy Rights Act of 2020 ("CPRA"). Effective in most material respects as of January 1, 2023, the CPRA imposes additional obligations on companies covered by the legislation and significantly amends the CCPA,

including by expanding the CCPA with additional data privacy compliance requirements that may impact our business. The CPRA also establishes a regulatory agency dedicated to enforcing the CCPA, as amended by the CPRA. The effects of the CCPA, as amended by the CPRA, other similar state or federal laws, and other future changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations that require enhanced protection of certain types of data or new obligations with regard to data retention, **transfer**, **transfer**, or disclosure, are significant and may require us to modify our data processing practices and policies and could greatly increase the cost of providing our offerings, require significant changes to our operations, or even prevent us from providing certain offerings in jurisdictions in which we currently operate and in which we may operate in the future or incur potential liability in an effort to comply with such legislation.

The CPRA and the CCPA have led other states to pass comparable legislation, with potentially greater penalties and more rigorous compliance requirements relevant to our business, and additional states may follow suit. For example, many state legislatures have adopted comprehensive legislation that would apply to the online collection of personal information of a broad number of U.S. state residents, including measures relating to privacy, data security, data breaches, and the protection of sensitive and personal information. We also may be subject to laws in all 50 states which require businesses to provide notice to customers whose personally identifiable information has been disclosed as a result of a data breach. These laws are inconsistent with one another, as certain state laws may be more stringent, broader in scope, or offer greater individual rights with respect to sensitive and personal information. Privacy laws at the federal or international level may also impose differing obligations, which could make our compliance efforts more complex, costly, and may increase the likelihood that we become subject to enforcement actions or other liabilities for noncompliance.

The NYDFS also imposes Cybersecurity Requirements for Financial Services Companies, and which require banks, insurance companies, and other financial services institutions regulated by the NYDFS, including Forge Securities, to establish and maintain a cybersecurity program designed to protect personal information of consumers and ensure the safety and soundness of New York State's financial services industry. The cybersecurity regulation adds specific requirements for these institutions' cybersecurity compliance programs and imposes an obligation to conduct ongoing, comprehensive risk assessments. Further, on an annual basis, each institution is required to submit a certification of compliance with these requirements. We have in the past and may in the future be subject to investigations and examinations by the NYDFS regarding, among other things, our cybersecurity practices.

Additionally, we are subject to the EU General Data Protection Regulation (the "EU GDPR"), which imposes additional obligations and risk upon our business, including substantial expenses and changes to business operations that are required to comply with the EU GDPR. Further, following the withdrawal of the U.K. from the EU, we are required to comply separately with the EU GDPR as implemented in the U.K. (the "U.K. GDPR," and together with the EU GDPR, the "GDPR"), which may lead to additional compliance costs and could increase our overall risk. Failure to comply with the GDPR, and any supplemental European Economic Area country's national data protection laws which may apply by virtue of the location of the individuals whose personal information we may collect, may result in significant fines and other administrative penalties. For example, non-compliance with the GDPR, and the related national data protection laws of European Economic Area countries, may result in monetary penalties of up to €20,000,000 (£17.5 million) or 4% of worldwide annual revenue, whichever is higher.

We make public statements about our use, collection, disclosure, and other processing of personal information through our privacy policies, information provided on our website and press statements. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Any failure or perceived failure by us or our third-party service providers to comply with our posted privacy policies or with any applicable federal, state, or similar foreign laws, rules, regulations, industry standards, policies, certifications, or orders relating to data privacy and security, or any compromise of security that results in the theft, unauthorized access, acquisition, use, disclosure, or misappropriation of personal information or other customer data, could result in significant awards, fines, civil and/or criminal penalties or judgments, proceedings or litigation by governmental agencies or customers, including class action privacy litigation in certain jurisdictions and negative publicity and reputational harm, one or all of which could have an adverse effect on our reputation, business, financial condition, and results of operations.

***We collect, store, share, disclose, transfer, use, and otherwise process customer information and other data, including personal information, and an actual or perceived failure by us or our third-party service providers to protect such information and data or respect customers' privacy could damage our reputation and brand, negatively affect our ability to retain customers, and harm our business, financial condition, operating results, cash flows, and prospects.***

The operation of our platform involves the use, collection, storage, sharing, disclosure, transfer, and other processing of customer information, including personal information. Despite our implementation of security measures, security breaches and other security incidents in our internal computer systems, and those of our contractors and consultants, could expose us to a risk of loss or exposure of this information, which could result in potential liability, investigations, regulatory fines, penalties for violation of applicable laws or regulations, litigation, and remediation costs, as well as reputational harm. Further, it may not be possible for us to know all potential ramifications of a disruption event and it is possible that certain risks created may remain undetected for an extended period of time.

Successful and attempted attacks upon information technology systems are increasing in their frequency, levels of persistence, sophistication, and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. Such attacks can include third parties gaining access to systems and confidential information, including personal information of our employees or customers, including through the use of stolen or inferred credentials, computer malware, viruses, spamming, phishing attacks, ransomware, card skimming code, business email compromises, and other deliberate attacks and attempts to gain unauthorized access or otherwise compromise or disrupt our systems or those of our third-party providers. We may also face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Furthermore, because the techniques used to obtain unauthorized access to, compromise or to sabotage our networks, platforms or systems, and those of our third-party providers change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We or our third-party providers may also experience security breaches or other incidents that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate additional incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence.



Any or all of the issues above could adversely affect our ability to attract new customers and continue our relationship with existing customers, cause our customers to stop using our products and services, result in negative publicity or subject us to governmental, regulatory or third-party lawsuits, disputes, investigations, orders, regulatory fines, penalties for violation of applicable laws or regulations or other actions or liability, thereby harming our business, financial condition, operating results, cash flows, and prospects. Any accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of, or modification of data, including personal information, cybersecurity breach or other security incident that we, our customers or our third-party service providers experience or the perception that one has occurred or may occur, could harm our reputation, reduce the demand for our products and services, and disrupt normal business operations. In addition, it may require us to expend significant financial and operational resources in response to a security breach, including repairing system damage, increasing security protection costs by deploying additional personnel, and modifying or enhancing our protection technologies, investigating, remediating, or correcting the breach and any security vulnerabilities, defending against and resolving legal and regulatory claims, and preventing future security breaches and incidents, all of which could expose us to uninsured liability, increase our risk of regulatory scrutiny, expose us to legal liabilities, including litigation, regulatory enforcement, indemnity obligations, or damages for contract breach, divert resources and the attention of our management and key personnel away from our business operations, and cause us to incur significant costs, any of which could materially adversely affect our business, financial condition, and results of operations.

***We are subject to anti-money laundering and anti-terrorism financing laws and regulations, and failure to comply with these obligations could have significant adverse consequences for us, including subjecting us to criminal or civil liability and harm to our business.***

Various laws and regulations in the United States and abroad, such as the Bank Secrecy Act, the Dodd-Frank Act, the USA PATRIOT Act, and the Credit Card Accountability Responsibility and Disclosure Act, impose certain anti-money laundering requirements on companies that are financial institutions or that provide financial products and services. Under these laws and regulations, financial institutions are broadly defined to include money services businesses such as money transmitters. In 2013, FinCEN issued guidance regarding the applicability of the Bank Secrecy Act to administrators and exchangers of convertible virtual currency, clarifying that they are money service businesses, and more specifically, money transmitters. The Bank Secrecy Act requires money services businesses ("MSBs") to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records, among other requirements. State regulators may impose similar requirements on licensed money transmitters. In addition, our contracts with financial institution partners and other third parties may contractually require us to maintain an anti-money laundering program.

We are also subject to economic and trade sanctions programs administered by OFAC, which prohibit or restrict transactions to or from or dealings with specified countries, their governments, and in certain circumstances, their nationals, and with individuals and entities that are specially-designated nationals of those countries, narcotics traffickers, terrorists or terrorist organizations, and other sanctioned persons and entities. Our failure to comply with anti-money laundering, economic and trade sanctions regulations, and similar laws could subject us to substantial civil and criminal penalties, or result in the loss or restriction of our MSB or broker-dealer registrations and state licenses, or liability under our contracts with third parties, which may significantly affect our ability to conduct some aspects of our business. Changes in this regulatory environment, including changing interpretations and the implementation of new or varying regulatory requirements by the government.

***We are subject to anti-corruption, anti-bribery, and similar laws, and non-compliance with such laws can subject us to significant adverse consequences, including criminal or civil liability and harm our business.***

We are subject to the FCPA, U.S. domestic bribery laws, and other U.S. and foreign anti-corruption laws. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees and their third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public sector. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. The failure to comply with any such laws could subject us to criminal or civil liability, cause us significant reputational harm, and have an adverse effect on our business, financial condition, and results of operations.

***We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights, any of which could reduce our competitiveness and harm our business and operating results.***

Our ability to service our customers depends, in part, upon our proprietary technology. We may be unable to protect our proprietary technology effectively, which would allow competitors to duplicate our business processes and know-how, and adversely affect our ability to compete with them. A third party may attempt to reverse engineer or otherwise obtain and use our proprietary technology without our consent. The pursuit of a claim against a third party for infringement of our intellectual property could be costly, and there can be no guarantee that any such efforts would be successful.

In addition, our platform may infringe upon claims of third-party intellectual property, and we may face intellectual property challenges from such other parties. We may not be successful in defending against any such challenges or in obtaining licenses to avoid or resolve any intellectual property disputes. The costs of defending any such claims or litigation could be significant and, if we are unsuccessful, could subject us to substantial liability, prevent us from using the relevant technology or providing related products or services, or result in a requirement that we pay significant damages or licensing fees. Furthermore, our technology may become obsolete, and there is no guarantee that we will be able to successfully develop, obtain, or use new technologies to adapt our platform to stay competitive in the future. If we cannot protect our proprietary technology from intellectual property challenges, or if our platform becomes obsolete, our business, financial condition, and results of operations could be adversely affected.

***Accusations of infringement of third-party intellectual property rights could materially and adversely affect our business.***

Our success depends upon our ability to refrain from infringing upon the intellectual property rights of others. Some companies, including some of our competitors, may own large numbers of patents, copyrights, and trademarks, which they may use to assert claims against us. As we grow and enter new markets, we will face a growing number of competitors. As the number of competitors in our industry grows and the functionality of products in different industry segments overlaps, we expect that software and other solutions in our industry may be subject to such claims by third parties. Third parties may in the future assert claims of infringement, misappropriation, or other violations of intellectual property rights against us. We cannot assure you that infringement claims will not be asserted against us in the future, or that, if asserted, any infringement claim will be successfully defended. A successful claim against us could require that we pay substantial damages, prevent us from offering our services, or require that we comply with other unfavorable terms. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.

***Changes in tax laws, differences in interpretation of tax laws and regulations, and proposed legislation that would impose taxes on certain financial transactions could have a material adverse effect on our business, financial condition, and results of operations.***

We operate in multiple jurisdictions and are subject to tax laws and regulations of the U.S. federal, state, and local and non-U.S. governments. U.S. federal, state, and local and non-U.S. tax laws and regulations are complex and subject to change (possibly with retroactive effect) and to varying interpretations. U.S. federal, state, and local and non-U.S. tax authorities may interpret tax laws and regulations differently than we do and challenge tax positions that we have taken. This may result in differences in the treatment of revenues, deductions, credits, and/or differences in the timing of these items. The differences in treatment may result in payment of additional taxes, interest, or penalties that could have an adverse effect on our financial condition and results of operations. Further, future changes to U.S. federal, state, and local and non-U.S. tax laws and regulations could increase our tax obligations in jurisdictions where we do business or require us to change the manner in which we conduct some aspects of our business.

On August 16, 2022, the Inflation Reduction Act ("IRA") was enacted in the United States, which introduced, among other provisions, a new minimum corporate income tax on certain large corporations, an excise tax of 1% on certain share repurchases by corporations, and increased funding for the Internal Revenue Service ("IRS"). Although we do not anticipate the new corporate minimum income tax will currently apply to us, changes in our business and any future regulations or other guidance on the interpretation and application of the new corporate minimum tax, as well as the potential application of the share repurchase excise tax, may result in additional taxes payable by us, which could materially and adversely affect our financial results and operations.

We have in the past recorded, and may in the future record, significant valuation allowances on our deferred tax assets, which may have a material impact on our results of operations and cause fluctuations in such results. As of [June 30, 2023](#) [September 30, 2023](#), we had a valuation allowance for deferred tax assets in the United States and in other countries. Our net deferred tax assets relate predominantly to the U.S. federal and state tax jurisdictions. The need for a valuation allowance requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable; such assessment is required on a jurisdiction-by-jurisdiction basis. In making such an assessment, significant weight is given to evidence that can be objectively verified. We continue to monitor the likelihood that we will be able to recover our deferred tax assets in the future. Future adjustments in our valuation allowance may be required. The recording of any future increases in our valuation allowance could have a material impact on our reported results, and both the recording and release of the valuation allowance could cause fluctuations in our quarterly and annual results of operations.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its net operating loss carryforwards ("NOLs") to offset future taxable income. Future changes in our stock ownership as well as other changes that may be outside of our control, could result in additional ownership changes under Section 382 of the Code. Our NOLs may also be impaired under similar provisions of state law. Further, additional changes to federal or state tax laws or technical guidance relating to such laws that would further reduce the corporate tax rate could operate to effectively reduce or eliminate the value of any deferred tax asset. Our tax attributes as of [June 30, 2023](#) [September 30, 2023](#) may expire unutilized or underutilized, which could prevent us from offsetting future taxable income.

#### **Personnel and Business Continuity Risks**

***We rely on our management team and will require additional key personnel to grow our business, and the loss of key management members or key personnel, or an inability to hire key personnel, could harm our business.***

We believe our success has depended, and continues to depend, on the efforts and talents of our senior management, including our Chief Executive Officer Kelly Rodriques, who have significant experience in industries we operate, are responsible for our core competencies and would be difficult to replace. Our future success depends on our continuing ability to attract, develop, motivate, and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. In addition, the loss of any of our senior management or key employees could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. Our executive officers and other employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business could be materially and adversely affected.

***We may not be able to secure adequate insurance to cover all known risks and our insurance policies may not be sufficient to cover all potential claims.***

Our systems and operations, as well as those of the third parties on whom we rely to conduct certain key functions, are vulnerable to disruptions from natural disasters, power outages, computer and telecommunications failures, software bugs, cyber-attacks, computer viruses, malware, distributed denial of service attacks, spam attacks, phishing or other social engineering, ransomware, security breaches, credential stuffing, technological failure, human error, terrorism, and other similar events. If our technology is disrupted, we may have to make significant investments to upgrade, repair, or replace our technology infrastructure and may not be able to make such investments on a timely basis, if at all. While we have made significant investments designed to enhance the reliability and scalability of our operations, we cannot assure that we will be able to maintain, expand, and upgrade our systems and infrastructure to meet future requirements and mitigate future risks on a timely basis. Disruptions in service and slower system response times could interrupt our business and result in substantial losses, decreased customer service and satisfaction, customer attrition, fines, litigation, and harm to our reputation. Our insurance coverage may be insufficient to protect us against all losses and costs stemming from operational and technological failures and we cannot be certain that such insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material and adverse effect on our business, financial condition, and results of operations.

#### **Information Technology and Data Risks**



***We depend on third parties for a wide array of services, systems, and information technology applications, and a breach or violation of law by one of these third parties could disrupt our business or provide our competitors with an opportunity to enhance their position at our expense. Additionally, the loss of any of those service providers could materially and adversely affect our business, results of operations, and financial condition.***

We rely on third-party service providers to perform various functions relating to operational functions, cloud infrastructure services, and information technology. We do not have control over the operations of any of the third-party service providers that we utilize. In the event that a third-party service provider for any reason fails to perform functions properly, including through negligence, willful misconduct, or fraud, our ability to process billings and perform other operational functions for which we currently rely on such third-party service providers will suffer and our business, cash flows, and future prospects may be negatively impacted.

Additionally, if one or more key third-party service providers were to cease to exist, or to terminate its relationship with us, there could be delays in our ability to process transactions and perform other operational functions for which we are currently relying on such third-party service providers for, and we may not be able to promptly replace such third-party service provider with a different third-party service provider that has the ability to promptly provide the same services in the same manner and on the same economic terms. In many cases, we rely on a single third party to provide such services, and we may not be able to replace that provider on the same terms or at all. As a result of any such delay or inability to replace such key third-party service provider, our ability to process investments and perform other business functions could suffer and our business, financial condition, and results of operations could be materially and adversely affected.

Because we rely on third parties to provide services, we could also be adversely impacted if they fail to fulfill their obligations or if our arrangements with them are terminated and suitable replacements cannot be found on commercially reasonable terms or at all.

***Our products and internal systems rely on software that is highly technical, and if these systems contain errors, bugs, or vulnerabilities, or if we are unsuccessful in addressing or mitigating technical limitations or vulnerabilities in our systems, our business could be adversely affected.***

Our products and internal systems rely on software, including software developed or maintained internally and by third parties, that is highly technical and complex. In addition, our platform and our internal systems depend on the ability of such software to collect, store, retrieve, transmit, manage, and otherwise process immense amounts of data. The software on which we rely may contain errors, bugs, or vulnerabilities, and our systems are subject to certain technical limitations that may compromise our ability to meet our objectives. Some errors, bugs, or vulnerabilities inherently may be difficult to detect and may only be discovered after code has been released for external or internal use. Errors, bugs, vulnerabilities, design defects, or technical limitations within the software on which we rely may lead to negative customer experiences (including the communication of inaccurate information to customers), compromised ability of our products to perform in a manner consistent with customer expectations, delayed product introductions, compromised ability to protect the data (including personal information) of our customers and our intellectual property, or an inability to provide some or all of our services. Such errors, bugs, vulnerabilities, or defects could also be exploited by malicious actors and result in exposure of data of customers on our platform, or otherwise result in a security breach or other security incident. We may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, bugs, vulnerabilities, or defects in the software on which we rely, and any associated degradations or interruptions of service, could result in damage to our reputation, loss of customers, loss of revenue, regulatory or governmental inquiries, civil litigation, or liability for damages, any of which could have an adverse effect on our business, financial condition, and results of operations.

Certain of our systems also rely on older programming languages and are dependent upon hardware that may soon be in need of replacement. A breakdown or shutdown of our operating systems could cause a major disruption to the business, and our attempts to modernize our systems or implement new hardware or software may not be successful, and may otherwise be costly and time-consuming.

***Cyber incidents or attacks directed at us and to our systems could result in unauthorized access, information theft, data corruption, operational disruption, and/or financial and reputational loss, and we may not be able to insure against such risk.***

We depend on digital technologies, including information systems, infrastructure, and cloud applications and services, including those of third parties with which we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information, and sensitive or confidential data. Our platform may make an attractive target for hacking and may be vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions. It is possible that we may not be able to anticipate or to implement effective preventive measures against all security threats of these types, in which case there would be an increased risk of fraud or identity theft. Security incidents could occur from outside our company, and also from the actions of persons inside our company who may have authorized or unauthorized access to our technology systems. We may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that any of these occurrences, or a combination of them, could have adverse consequences on our business and lead to financial loss.

Financial services providers like us, as well as our customers, colleagues, regulators, vendors, and other third parties, have experienced a significant increase in fraudulent activity in recent years and will likely continue to be the target of increasingly sophisticated criminal activity in the future.

We develop and maintain systems and processes aimed at detecting and preventing fraudulent activity, which require significant investment, maintenance, and ongoing monitoring and updating as technologies and regulatory requirements change and as efforts to overcome security and anti-fraud measures become more sophisticated. Despite our efforts, the possibility of fraudulent or other malicious activities and human error or malfeasance cannot be eliminated entirely and will evolve as new and emerging technology is deployed, including the increasing use of personal mobile and computing devices that are outside of our network and control environments. Risks associated with each of these include theft of funds and other monetary loss, the effects of which could be compounded if not detected quickly. Indeed, fraudulent activity may not be detected until well after it occurs and the severity and potential impact may not be fully known for a substantial period of time after it has been discovered. Additionally, if hackers were able to access our secure data, they might be able to gain access to the personal information of our customers. If we are unable to prevent such activity, we may be subject to significant liability, negative publicity, and a material loss of customers, all of which may materially and adversely affect our business, financial condition, and results of operations.

***Fraudulent activity and other actual or perceived failures to maintain a product's integrity and/or security has led to increased regulatory scrutiny and negative assessments of us.***

Fraudulent activity and other related incidents related to the actual or perceived failures to maintain the integrity of our processes and controls could negatively affect us, including harming the market perception of the effectiveness of our security measures or harming the reputation of the financial system in general, which could result in reduced use of our products and services. Such events could also result in legislation and additional regulatory requirements. Although we maintain insurance, there can be no assurance that liabilities or losses we may incur will be covered under such policies or that the amount of insurance will be adequate. Any of the foregoing could materially and adversely affect our business, financial condition, and results of operations.

#### **Risks Related to Being a Public Company**

***The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business, particularly since we are no longer an “emerging growth company.”***

As a public company, we are incurring legal, accounting, and other expenses that we did not previously incur. We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the listing requirements of the NYSE, and other applicable securities rules and regulations. Compliance with these rules and regulations could continue to increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on our systems and resources, particularly since we are no longer an “emerging growth company.” The Exchange Act requires that we file annual, quarterly, and current reports with respect to our business, financial condition, and results of operations. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting. Furthermore, the need to establish the corporate infrastructure demanded of a public company may divert our management's attention from implementing our growth strategy, which could prevent us from improving our business, financial condition, and results of operations. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. In addition, these rules and regulations could continue to increase our legal and financial compliance costs and make some activities more time consuming and costly. These additional obligations could have a material adverse effect on our business, financial condition, and results of operations.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We have and intend to continue investing resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of our management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and there could be a material adverse effect on our business, financial condition, and results of operations.

#### ***Our management team has limited experience managing a public company.***

Our management has limited prior experience in managing a publicly traded company. As such, our management team may encounter difficulties in managing a public company and in complying with our reporting and other obligations under federal securities laws and other regulations and in connection with operating as a public company. Their lack of prior experience in dealing with the reporting and other obligations and laws pertaining to public companies could result in our management being required to devote significant time to these activities which may result in less time being devoted to our management and growth. In addition, we have and may continue to hire additional personnel with the appropriate level of knowledge, experience, and training in the accounting policies, practices, and internal controls over financial reporting required of public companies. We may be required to incur significant expense in connection with these efforts.

***Delaware law, our Certificate of Incorporation, and our Bylaws contain certain provisions, including anti-takeover provisions that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.***

Delaware law, our Certificate of Incorporation, and our Bylaws contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares, and therefore depress the trading price of our common stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of our board of directors or taking other corporate actions, including effecting changes in our management. Among other things, our Certificate of Incorporation and our Bylaws include provisions regarding:

- providing for a classified board of directors with staggered, three-year terms;
- the ability of our board of directors to issue shares of preferred stock, including “blank check” preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the prohibition of cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the limitation of the liability of, and the indemnification of, our directors and officers;
- the ability of our board of directors to amend our Bylaws, which may allow our board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend our Bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our board of directors and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our board of directors or management.

***The provisions of our Bylaws requiring exclusive forum in the Court of Chancery of the State of Delaware for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers.***

Our Bylaws provide that, to the fullest extent permitted by law, unless we consent in writing to an alternative forum, (a) the Delaware Court of Chancery (or, if such court does not have, or declines to accept, jurisdiction, another state court or a federal court located in Delaware) will be the exclusive forum for any complaint asserting any internal corporate claims, including claims in the right of Forge based upon a violation of a duty by a current or former director, officer, employee, or stockholder in such capacity, or as to which the Delaware General Corporation Law confers jurisdiction upon the Court of Chancery and (b) the federal district courts of the United States will be the exclusive forum for any complaint asserting a cause of action arising under the Securities Act. The choice of forum provision may limit the ability of our **shareholders stockholders** to bring a claim in a forum that they find favorable for disputes with us or our directors, officers, or other employees, and may discourage such lawsuits. There is uncertainty as to whether a court would enforce this provision. If a court ruled the choice of forum provision was inapplicable or unenforceable in an action, we may incur additional costs to resolve such action in other jurisdictions. The choice of forum provision is intended to apply to the fullest extent permitted by law to the above-specified types of actions and proceedings, including any derivative actions asserting claims under state law or the federal securities laws, and is intended to require, in each case, to the fullest extent permitted by law, that (i) any Securities Act claims be brought in the federal district courts of the United States in accordance with clause (b) of the choice of forum provision and (ii) suits brought to enforce any duty or liability created by the Exchange Act be brought in the United States District Court for the District of Delaware. The provision does not apply to any direct claims brought by our **shareholders stockholders** on their own behalf, or on behalf of any class of similarly situated **shareholders, stockholders**, under the Exchange Act. Our **shareholders stockholders** will not be deemed, by operation of the choice of forum provision, to have waived our obligation to comply with all applicable federal securities laws and the rules and regulations thereunder.

***An active, liquid trading market for our common stock may not be sustained, which may make it difficult to sell the shares of our common stock you purchase.***

An active trading market for our common stock may not be sustained which would make it difficult for you to sell your shares of our common stock at an attractive price (or at all). A public trading market having the desirable characteristics of depth, liquidity, and orderliness depends upon the existence of willing buyers and sellers at any given time, and its existence is dependent upon the individual decisions of buyers and sellers over which neither we nor any market maker has control. The failure of an active and liquid trading market to develop and continue would likely have a material adverse effect on the value of our common stock. The market price of our common stock may decline below your purchase price, and you may not be able to sell your shares of our common stock at or above the price you paid for such shares (or at all).

***Our operating results and stock price may be volatile.***

Stock markets, including the NYSE, the NYSE Amex, and the Nasdaq Stock Market, have from time to time experienced significant price and volume fluctuations. Even if an active, liquid, and orderly trading market develops and is sustained for our common stock, the market price of our common stock may be volatile and could decline significantly. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to resell your shares. We cannot assure you that the market price of our common stock will not fluctuate widely or decline significantly in the future in response to a number of factors, including, among others, the following:

- the realization of any of the risk factors presented in this Report;
- actual or anticipated differences in our estimates, or in the estimates of analysts, for our revenues, results of operations, level of indebtedness, liquidity, or financial condition;
- additions and departures of key personnel;
- failure to comply with the requirements of the NYSE;
- failure to comply with the Sarbanes-Oxley Act or other laws or regulations;
- future issuances, sales or resales, or anticipated issuances, sales, or resales, of common stock;
- perceptions of the investment opportunity associated with common stock relative to other investment alternatives;
- the performance and market valuations of other similar companies;
- future announcements concerning our business or our competitors' businesses;
- broad disruptions in the financial markets, including sudden disruptions in the credit markets;

- speculation in the press or investment community;
- actual, potential, or perceived control, accounting, or reporting problems;
- changes in accounting principles, policies, and guidelines; and
- general economic and political conditions, such as the effects of ongoing geopolitical tensions related to the military conflict between ongoing conflicts in Russia and Ukraine, Israel and Palestine, recessions, interest rates, local and national elections, fuel prices, international currency fluctuations, corruption, political instability, and acts of war or terrorism.

In addition, as a result of substantial redemptions by the holders of MOTV's Class A ordinary shares in connection with the Business Combination, since the Closing of the Business Combination there have been a limited number of shares of our common stock available for trading, and the price of our common stock has experienced substantial volatility in trading price. Accordingly, there is the potential for rapid and substantial decreases in the price of our common stock, including decreases unrelated to our operating performance or prospects.

In the past, securities class-action litigation has often been instituted against companies following periods of volatility in the market price of their securities. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on us.

***If our operating and financial performance in any given period does not meet the guidance provided to the public or the expectations of investment analysts, the market price of our common stock may decline.***

We have in the past, and we may, but are not obligated to, provide public guidance on our expected operating and financial results for future periods. Any such guidance consists of forward-looking statements, subject to the risks and uncertainties described in this Report and in our other public filings and public statements. The ability to provide this public guidance, and the ability to accurately forecast our results of operations, are inherently uncertain and subject to numerous risks and uncertainties, including those described in this Report, many of which may be beyond our control. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty, such as the current global economic uncertainty being experienced as a result of the ongoing geopolitical tensions related to the military conflict between ongoing conflicts in Russia and Ukraine, Israel and Palestine, and recent events in the banking industry such as the Silicon Valley Bank collapse and similar bank failures. If, in the future, our operating or financial results for a particular period do not meet any guidance provided or the expectations of investment analysts, or if we reduce our guidance for future periods, the market price of our common stock may decline as well. Even if we do issue public guidance, there can be no assurance that we will continue to do so in the future.

***If securities or industry analysts do not publish research, publish inaccurate or unfavorable research, or cease publishing research about us, our share price and trading volume could decline significantly.***

The market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts may not publish research on us. If no or few securities or industry analysts commence coverage of us, the market price and liquidity for our common stock could be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade their opinions about common stock, publish inaccurate or unfavorable research about us, or cease publishing about us regularly, demand for our common stock could decrease, which might cause our share price and trading volume to decline significantly.

***Future sales, or the perception of future sales, by us or our stockholders in the public market could cause the market price for our common stock to decline.***

The sale of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that it deems appropriate. Future resales of common stock may cause the market price of our securities to drop significantly, even if our business is doing well. 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.

***Future issuances of debt securities and equity securities may adversely affect us, including the market price of common stock and may be dilutive to existing shareholders. stockholders.***

While we have not previously incurred indebtedness to finance our business in the past and do not currently intend to do it in the future, there is no assurance that we will not incur debt or issue equity ranking senior to common stock. Those securities will generally have priority upon liquidation. Such securities also may be governed by an indenture or other instrument containing covenants restricting its operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock. Because our decision to issue debt or equity in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature, or success of our future capital raising efforts. As a result, future capital raising efforts may reduce the market price of our common stock and be dilutive to existing shareholders. stockholders.

***We do not intend to pay cash dividends for the foreseeable future.***

We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects, and such other factors as our board of directors deems relevant.

***We may be subject to securities litigation, which is expensive and could divert management attention.***

The market price of our common stock may be volatile and, 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. Securities litigation against us could result in substantial costs and divert management's attention from other business concerns, which could seriously harm our business.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

### **None. Issuer Purchases of Equity Securities**

During the three months ended September 30, 2023, we repurchased 194,400 shares of our common stock for an aggregate repurchase price of \$99,598.89, which represented early exercised but unvested stock options from a member of our board of directors.

## **Item 3. Defaults Upon Senior Securities**

None.

## **Item 4. Mine Safety Disclosures**

None.

## **Item 5. Other Information**

### **Rule 10b5-1**

#### **Securities Trading Arrangements Plans of Directors and Executive Officers**

On May 25, 2023 During the three months ended September 30, 2023, Kelly Rodriques, the Company's Chief Executive Officer, terminated a trading plan intended to satisfy the affirmative defense conditions of no director or officer, as defined in Rule 10b5-1(c) 16a-1(f) under the Exchange Act, (a "10b5-1 Plan"). Such adopted or terminated a "Rule 10b5-1 Plan was adopted on September 18, 2022 and provided for the potential sale of up to 612,812 shares of the Company's common stock. Following the termination of this previous trading arrangement" or a "non-Rule 10b5-1 Plan, Mr. Rodriques entered into a new 10b5-1 Plan on June 2, 2023. This new 10b5-1 Plan provides for the potential sale of up to 1,109,104 shares of the Company's common stock. trading arrangement," each as defined in Regulation S-K Item 408.

## **Item 6. Exhibits**

The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Report.

### **Exhibit Index**

Exhibit Number	Description	Incorporated by	
		Incorporated by Reference From Form	Reference From Exhibit Number
			Date Filed
10.1+	<a href="#">10.1+ Sublease, dated August 22, 2023, by and between Jones Lang LaSalle Americas, Inc. and Forge Global, Inc.</a>	Filed herewith	
10.2#	<a href="#">Amended and Restated Employment Agreement, effective June 21, 2023, dated September 21, 2023, by and between Kelly Rodriques Mark Lee and the registrant.</a>	Filed herewith	
10.3#	<a href="#">Amended and Restated Employment Agreement, dated September 20, 2023, by and between Drew Sievers and the registrant.</a>	Filed herewith	
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</a>	Filed herewith	
31.2	<a href="#">Certification of the Chief Finance Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</a>	Filed herewith	
32.1*	<a href="#">Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act.</a>	Furnished herewith	
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).	Filed herewith	
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	Filed herewith	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	Filed herewith	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	Filed herewith	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	Filed herewith	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	Filed herewith	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	Filed herewith	

+ Certain of the information, exhibits and schedules, as applicable, to this Exhibit have been omitted in accordance with Regulation S-K Item 601. The registrant agrees to furnish a copy with all omitted information, exhibits and schedules, as applicable, to the SEC upon its request.

# Indicates a management contract or compensatory plan, contract or arrangement.

\* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Report and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

### Signatures

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

**Forge Global Holdings, Inc.**

Date: August 8, 2023

By: /s/ Kelly Rodriques

Kelly Rodriques

Date: November 7, 2023

By: /s/ Kelly Rodriques

Kelly Rodriques

Chief Executive Officer (Principal Executive Officer)

Date: August 8, 2023 November 7, 2023

By: /s/ Mark Lee

Mark Lee

Chief Financial Officer (Principal Financial Officer)

[CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL. [\*\*\*] INDICATES THAT INFORMATION HAS BEEN REDACTED.

### **SUBLEASE**

**THIS SUBLEASE** is dated as of August 22, 2023, and is made by and between Jones Lang LaSalle Americas, Inc., a Maryland corporation ("Sublandlord"), and Forge Global, Inc., a Delaware corporation ("Subtenant"). Sublandlord and Subtenant hereby agree as follows:

**1. Recitals:** Four Embarcadero Center Venture, a California general partnership, as landlord ("Master Landlord"), and Sublandlord, as tenant, are parties to that certain Lease Agreement dated July 31, 2021 (the "Master Lease") with respect to those certain premises consisting of approximately 21,795 rentable square feet (the "Premises") commonly known as Suite 1500 on the 15th floor in that certain building (the "Building") commonly known as Four Embarcadero Center, San Francisco, California. The Master Lease, among other things, incorporates by reference the terms of (a) that certain Sublease dated as of December 13, 2019 (the "Original Sublease"), by and between Eaze Technologies, Inc. ("Original Sublandlord") and Sublandlord and (b) that certain Office Lease dated December 11, 2018 (the "Original Master Lease") between Master Landlord and Original Sublandlord. A redacted copy of the Master Lease (including, but not limited to, the Original Sublease and the Original Master Lease) is attached hereto as Exhibit A. Capitalized terms used and not defined herein shall have the meaning ascribed to them in the Master Lease.

**2. Subleased Premises:** Subject to the terms and conditions of this Sublease, Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, the entire Premises (hereinafter, the "Subleased Premises").

**3. Term:**

**A. Initial Term.** The term (the "Initial Term") of this Sublease shall be for the period commencing on the date upon which the Conditions are satisfied (the "Commencement Date"), and ending on December 31, 2025 (the "Expiration Date"), unless this Sublease is sooner terminated pursuant to its terms or the Master Lease is sooner terminated pursuant to its terms. The "Conditions" are all of the following: (1) full execution and delivery of this Sublease by Sublandlord and Subtenant; (2) delivery by Subtenant of the Security Deposit and first month's rent as required hereunder and (3) the receipt of the consent of Master Landlord to this Sublease (the "Consent") and (4) delivery of possession of the Subleased Premises to Subtenant on the Commencement Date vacant but for the FF&E with all improvements and Building Systems located therein in their "as-is" condition. To Sublandlord's knowledge without duty of investigation, the building systems are in good working order. Sublandlord shall keep Subtenant informed as to the timing of submission of the Sublease for Consent, and shall submit the fully-signed Sublease for Consent to Landlord within three (3) days of Sublandlord's receipt of the same, together with the Security Deposit and first month's rent.

**B. Extension Option.** If Subtenant and Master Landlord enter into a direct lease which commences on February 1, 2026 (the "Direct Lease"), Subtenant may elect to extend the Initial Term to January 31, 2026 (the "Extension Term", together with the Initial Term, the "Sublease Term") by providing written notice thereof to Sublandlord no later than September 30, 2025, provided that such notice shall include written confirmation from Master Landlord that such Direct Lease has been

entered into. All terms of the Sublease shall apply during the Extension Term (if exercised), except the Base Rent payable during the Extension Term shall be the same as the Base Rent for the immediately preceding calendar month.

**C. Early Occupancy.** Subject to Section 14 hereof, (i) Sublandlord shall deliver possession of the Subleased Premises to Subtenant on the Commencement Date and (ii) from and after the Commencement Date, Subtenant and Subtenant's representatives may enter the Subleased Premises for the purpose of performing alterations, installing Subtenant's personal property and equipment, furniture, fixtures and voice and data cabling and occupying the Subleased Premises for Subtenant's business operations. All of Subtenant's obligations under this Sublease (other than Subtenant's obligation to pay Base Rent and Additional Rent as such terms hereinafter defined) shall commence on the Commencement Date; provided, however, Subtenant shall not be responsible for paying the cost of utility service to the Premises until December 1, 2023 (other than after-hours utility usage), provided that prior to such date Subtenant does not use the Subleased Premises for general commercial purposes (as opposed to preparation for occupancy).



#### 4. **Rent:**

A. **Base Rent.** Commencing on May 1, 2024 (the "Rent Commencement Date") and continuing each month thereafter, Subtenant shall pay to Sublandlord as base rent ("Base Rent") for the Subleased Premises monthly installments as follows:

Period	Rate of Annual Base Rent per RSF	Rate of Annual Base Rent	Monthly Installments of Base Rent
Rent Commencement Date – 11/30/24	\$53.00	\$1,155,135.00	\$96,261.25
12/1/24 – 11/30/25	\$54.59	\$1,189,789.05	\$99,149.09
12/1/25 – 12/31/25	\$56.23	\$1,225,532.85	\$102,127.74

B. Notwithstanding the foregoing, if Sublandlord fails to deliver possession of the Subleased Premises in the condition required in this Sublease within seven (7) days of receipt of the fully executed Consent, Subtenant shall be granted a rent credit equal to one day of Base Rent for each day of delay, until the Commencement Date occurs, which credit(s) shall be applied toward the first payments of Base Rent due under this Sublease.

C. **Additional Rent.** Notwithstanding any provision in the Master Lease or in this Sublease to the contrary, in addition to the Base Rent, Subtenant shall also pay each month for (i) Subtenant's electricity usage in accordance with Section 4.6 of the Master Lease, (ii) Prop C Taxes associated with Subtenant's payments under this Sublease (it being understood and agreed that Sublandlord shall retain all responsibility for paying Prop C Taxes associated with Sublandlord's payments under the Master Lease) and (iii) commencing on January 1, 2025, Tenant's Proportionate Share of increases in Direct Expenses over the Direct Expenses attributable to calendar year 2024 (the "Base Year"), as calculated and provided by Sublandlord based upon the estimates and annual reconciliation provided by Master Landlord, pursuant to Section 4.6 of the Master Lease. Subject to the foregoing, all monies other than Base Rent required to be paid by Subtenant under this Sublease, including, without limitation, all amounts payable by Sublandlord under the Master Lease shall be

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deemed additional rent (the "Additional Rent"). Without limiting the foregoing, in the event any Additional Rent is incurred exclusively for Subtenant's benefit or as a result of Subtenant's request for certain services beyond standard Building services (such as extra hours' charges, etc.) or otherwise, Subtenant shall pay the entire cost thereof. Notwithstanding the foregoing, "Additional Rent" under this Sublease shall not include, and Subtenant shall have no responsibility or liability for (i) the payment of any cost, expense, and/or charge arising from Sublandlord's breach of the Master Lease, (ii) costs arising from Sublandlord's failure to perform any condition or obligation under the Master Lease, or (iii) any costs, expense or fee imposed by Master Landlord as a result of this Sublease (including any consent fees or attorneys' fees incurred by Master Landlord as a result of this Sublease). Subtenant shall be entitled to receive the same regular weekday janitorial services provided to Sublandlord under the Master Landlord.

D. **Prepayment of Rent.** Upon execution hereof by Subtenant, Subtenant shall pay to Sublandlord the sum of \$96,261.25, which shall constitute Base Rent for the first month of the Term for which Rent is payable hereunder.

E. **Abatement.** Notwithstanding the foregoing, and on the express condition that Subtenant abides by all of the terms and conditions of this Sublease and is not in default hereunder beyond any applicable notice or cure period, Subtenant shall be entitled to an abatement of Base Rent from the Commencement Date through April 30, 2024 (the "Abated Rent Period"), such that the Base Rent rate for the Subleased Premises for the Abated Rent Period shall be \$0.00. Notwithstanding such concession of Base Rent, Sublandlord and Subtenant agree that in the event Subtenant is in default of its obligations under this Sublease beyond any applicable notice and cure period, then all Base Rent not collected by Sublandlord due to the foregoing Base Rent abatement shall, as of the date of Subtenant's default, become immediately due and payable with interest on such sums at the lesser of twelve percent (12%) per annum or the maximum rate permitted by law from the date such Base Rent was originally due to the date of payment.

5. **Security Deposit:** Upon execution hereof by Subtenant, Subtenant shall deposit with Sublandlord the sum of \$300,425.91 (the "Security Deposit") in cash, as security for the performance by Subtenant of the terms and conditions of this Sublease. If Subtenant fails to pay Rent or other charges due under this Sublease or otherwise defaults with respect to any provision of this Sublease, then Sublandlord may draw upon, use, apply or retain all or any portion of the Security Deposit for the payment of any Rent or other charge in default, for the payment of any other sum which Sublandlord has become obligated to pay by reason of Subtenant's default, or to compensate Sublandlord for any loss or damage which Sublandlord has suffered thereby. If Sublandlord so uses or applies all or any portion of the Security Deposit, then Subtenant, within ten (10) days after demand by Sublandlord therefor, shall deposit cash with Sublandlord in the amount required to restore the Security Deposit to the full amount stated above. Sublandlord may commingle the Security Deposit with its own funds and Subtenant shall not be entitled to interest on the Security Deposit. Upon the expiration of this Sublease and



Subtenant's vacation of the Subleased Premises, provided Subtenant is not in default under the terms of this Sublease, Sublandlord shall return to Subtenant so much of the Security Deposit as has not been applied by Sublandlord pursuant to this Paragraph, or which is not otherwise required to cure Subtenant's defaults.

**6. Late Charge:** If Subtenant fails to pay Sublandlord any amount due hereunder after the expiration of applicable grace or cure periods, Subtenant shall pay to Sublandlord upon demand a late charge equal to five percent (5%) of the delinquent amount without the requirement of notice of nonpayment. Notwithstanding the foregoing, Subtenant shall be entitled to a grace period of three (3) business days after notice from Sublandlord with respect to the first late payment in any twelve (12) month period of the Term, and such first late payment in each such period will not be considered a default

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under this Sublease and will not be subject to a late charge. Additionally, Subtenant shall pay interest on any delinquent amounts at the rate of ten percent (10%) per annum beginning on the tenth day after its due date (or, if less, the highest rate allowed by law). Sublandlord's acceptance of any interest or late charge shall not waive Subtenant's default in failing to pay the delinquent amount.

**7. Holdover:** Subtenant shall have no right to hold over in the Subleased Premises beyond the Expiration Date, and Subtenant hereby waives all such rights. Subtenant acknowledges that it is critical that Subtenant surrender the Subleased Premises on or before the Expiration Date of this Sublease in accordance with the terms of this Sublease. Accordingly, Subtenant shall indemnify, defend and hold harmless Sublandlord from and against all losses, costs, claims, liabilities and damages resulting from Subtenant's failure to surrender the Subleased Premises on the Expiration Date in the condition required under the terms of this Sublease (including, without limitation, any liability or damages sustained by Sublandlord as a result of a holdover of the Subleased Premises by Sublandlord occasioned by the holdover of the Subleased Premises by Subtenant). If Subtenant holds over after the expiration of the Term of this Sublease or earlier termination thereof, with or without the express or implied consent of Sublandlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Rent shall be payable at a monthly rate equal to (i) one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Term under this Sublease for the first (1st) month of such holdover, and (ii) two hundred percent (200%) thereafter. Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. In addition, Subtenant shall pay Sublandlord one hundred percent (100%) of Additional Rent payable hereunder for any period from the Expiration Date through the date Subtenant surrenders the Subleased Premises in the condition required hereunder.

**8. Repairs:** The parties acknowledge and agree that Subtenant is subleasing the Subleased Premises on an "AS IS" basis, and that Sublandlord has made no representations or warranties, express or implied, whatsoever, with respect to the Subleased Premises, including, without limitation, any representation or warranty as to the suitability of the Subleased Premises for Subtenant's intended use. Sublandlord shall have no obligation whatsoever to make or pay the cost of any alterations, improvements or repairs to the Subleased Premises for Subtenant's use and occupancy thereof, including, without limitation, any improvement or repair required to comply with any law, regulation, building code or ordinance (including the Americans with Disabilities Act of 1990, as may be amended). In addition, Sublandlord shall have no obligation to perform any repairs, or any other obligation of Master Landlord required to be performed by Master Landlord under the terms of the Master Lease. Sublandlord shall, however, demand performance of the same in writing from Master Landlord promptly after being requested to do so by Subtenant and shall use commercially reasonable efforts to obtain Master Landlord's performance; provided, however, if Master Landlord defaults under the Master Lease or fails to perform any of its obligations under the Master Lease after receipt of written notice from Sublandlord of such failure, Sublandlord will, at Subtenant's request and at no material cost to Sublandlord, assign Sublandlord's rights under the Master Lease to Subtenant to the extent necessary to permit Subtenant to institute legal proceedings against the Master Landlord to obtain performance of Master Landlord's obligations under the Master Lease, provided that Subtenant shall be responsible for all costs and expenses related to such action, and shall indemnify Sublandlord from any claims arising therefrom. If Sublandlord fails to abide by the provision set forth in the previous sentence, Subtenant will have the right to take such action and institute legal proceedings in the name of Sublandlord, and for the purpose and to such extent, all rights and remedies of Sublandlord under the Master Lease are hereby conferred upon and assigned to Subtenant. Subtenant expressly waives any rights it may have to make repairs at the expense of Sublandlord.

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**9. Right to Cure Defaults:** If Subtenant fails to pay any sum of money to Sublandlord or fails to perform any other act on its part to be performed hereunder beyond any applicable notice or cure period, then Sublandlord may, but shall not be obligated to, make such payment or perform such act. All such sums paid, and all reasonable costs and expenses of performing any such act, shall be deemed Additional Rent payable by Subtenant to Sublandlord upon demand, together with interest thereon at the lesser of (i) ten percent (10%) per annum or (ii) the maximum rate allowable under law (the "Interest Rate") from the date of the expenditure until repaid.

**10. Assignment and Subletting:** Subtenant may not assign any interest in this Sublease, sublet any of the Subleased Premises, transfer any interest of Subtenant therein or permit any use of the Subleased Premises by another party (collectively, "Transfer"), except as permitted under, and in compliance with, all of the terms and conditions of the Master Lease (including those transfers expressly permitted pursuant to Section 14.8). Subtenant shall be responsible for any fees due to Master Landlord for a Transfer of this Sublease.

**11. Use:**

A. Subtenant may use the Subleased Premises for general office purposes only and any other use permitted by Article 5 of the Original Master Lease and for no other purpose whatsoever.

B. Subtenant shall comply with all reasonable rules and regulations promulgated from time to time by Master Landlord to the extent Sublandlord is obligated to do so under the Master Lease. Subtenant shall at all times comply with the Rules and Regulations provided in the Master Lease to the extent Sublandlord is obligated to do so under the Master Lease.

**12. Parking:** During the Term, Subtenant shall be permitted to use all of the parking spaces allocated to Sublandlord in the Master Lease.

**13. Delivery and Acceptance:** Sublandlord shall deliver the Subleased Premises in broom-clean condition. This Sublease shall not be void or voidable, nor shall Sublandlord be liable to Subtenant for any loss or damage, by reason of delays in the Commencement Date or delays in Sublandlord delivering the Subleased Premises to Subtenant for any reason whatsoever; provided, however, that Rent shall abate until Sublandlord delivers possession of the Subleased Premises to Subtenant. By taking possession of the Subleased Premises, Subtenant conclusively shall be deemed to have accepted the Subleased Premises in its then-existing, "AS IS" condition, without any representation or warranty whatsoever from Sublandlord with respect thereto.

**14. Improvements:** Subtenant shall not make any alterations or improvements to the Subleased Premises (i) without the prior written consent of both Master Landlord and Sublandlord and (ii) except in accordance with the Master Lease, if required thereunder; provided that subject to review of final plans and specifications, and Master Landlord's consent, Sublandlord approves of Subtenant constructing seven (7) perimeter offices within the Subleased Premises, and provided that Master Landlord does not require restoration of such initial work, Sublandlord hereby waives its right to require any restoration thereof. Sublandlord shall reasonably facilitate communications between Subtenant and Master Landlord to the extent necessary to assist Subtenant to obtain Master Landlord's consent to any such alterations or improvements. Subtenant shall not be entitled to any portion of any allowance or sum to be provided to Sublandlord by Master Landlord under the Master Lease or otherwise (other than the pass through of any abatements to which Sublandlord is entitled under the Master Lease). Subtenant shall not have any obligation to remove any Improvements performed by Subtenant other to the extent (x)

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Master Landlord requires removal thereof, pursuant to Section 8.5 of the Master Lease. Sublandlord shall be solely responsible for removal of any improvements performed by Sublandlord as tenant prior to the Sublease Commencement Date and required to be removed by Master Landlord, pursuant to Section 8.5 of the Master Lease.

**15. Release and Waiver of Subrogation:** Notwithstanding anything to the contrary in this Sublease, Sublandlord and Subtenant hereby release each other from any damage to property or loss of any kind which is caused by or results from any risk that normally would be insured against under any property insurance policy required to be carried by either party. This release shall be in effect only so long as the applicable insurance policy contains a clause to the effect that this release shall not affect the right of the insured to recover under the policy. Each party shall use its reasonable efforts to cause each property insurance policy obtained by it to provide that the insurer waives all right of recovery against the other party and its agents and employees in connection with any damage or injury covered by the policy, and each party shall notify the other party if it is unable to obtain a waiver of subrogation. Sublandlord shall not be liable to Subtenant, nor shall Subtenant be entitled to terminate this Sublease or to abate Rent for any reason, including, without limitation, (i) failure or interruption of any utility system or service or (ii) failure of Master Landlord to maintain the Subleased Premises as may be required under the Master Lease; except that in the event that Sublandlord receives an abatement or diminution of Base Rent or Additional Rent from Master Landlord that relates to a casualty, condemnation or interruption or abatement of Building services to the Subleased Premises, Subtenant

shall be entitled to an equivalent or proportionate abatement or diminution of Base Rent or Additional Rent. The obligations of Sublandlord shall not constitute the personal obligations of the officers, directors, trustees, partners, joint venturers, members, owners, stockholders or other principals or representatives of the business entity.

**16. Insurance:** Subtenant shall obtain and keep in full force and effect, at Subtenant's sole cost and expense, during the Term the insurance required to be carried by the "Tenant" pursuant to Article 10 of the Original Master Lease. Subtenant shall include Sublandlord and Master Landlord and any other parties required under the Master Lease as additional insureds in every policy of insurance carried by Subtenant in connection with this Sublease and shall provide Sublandlord with certificates of insurance no later than one (1) business day prior to the date Subtenant takes possession of the Subleased Premises.

**17. Default:** Subtenant shall be in default of its obligations under this Sublease if any of the following events occur:

A. Subtenant fails to pay any Rent when due which failure is not cured within three (3) business days after written notice from Sublandlord that said amount was not paid when due, provided that if Subtenant has previously received one (1) or more notice from Sublandlord during the immediately preceding twelve (12) month period stating that Subtenant failed to pay any amount required to be paid by Subtenant under this Sublease when due, then Sublandlord shall not be required to deliver any notice to Subtenant and a default shall immediately occur upon any failure by Subtenant to pay any Rent or any other charge required to be paid under his Sublease when due; or

B. Subtenant fails to perform any term, covenant or condition of this Sublease (except those requiring payment of Rent) and fails to cure such breach within fifteen (15) days after delivery of a written notice specifying the nature of the breach; provided, that if the nature of such default is such that the same cannot reasonably be cured within a fifteen (15) day period, Subtenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event later than thirty (30) days after the initial 15-day cure period.

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C. Subtenant files any petition or action for relief under any creditor's law (including bankruptcy, reorganization, or similar action), either in state or federal court, or has such a petition or action filed against it which is not stayed or vacated within fifty (50) days after filing;

D. Subtenant makes any transfer in fraud of creditors as defined in Section 548 of the United States Bankruptcy Code (11 U.S.C. 548, as amended or replaced), has a receiver appointed for a substantial part of its assets (and the appointment is not stayed or vacated within twenty (20) days); or makes an assignment for the benefit of creditors;

E. The levy upon this Sublease or any estate of Subtenant hereunder by any attachment or execution and the failure within ten (10) days thereafter to have such attachment or execution vacated; or

F. Subtenant commits any other act or omission which would constitute a default under the Master Lease.

**18. Remedies:** In the event of any default by Subtenant hereunder, Sublandlord shall have all remedies provided to the "Landlord" in the Master Lease as if a default by Tenant had occurred thereunder and all other rights and remedies otherwise available at law and in equity, except to the extent such rights are related to terms not incorporated into this Sublease. Sublandlord may resort to its remedies cumulatively or in the alternative.

**19. Surrender:** On or before the Expiration Date or any sooner termination of this Sublease, Subtenant shall remove all of its trade fixtures, personal property and all alterations to the extent constructed by Subtenant in the Subleased Premises which are required to be removed under the terms of the Master Lease and shall surrender the Subleased Premises to Sublandlord in good condition, order and repair, reasonable wear and tear and damage by casualty excepted. Subtenant shall repair any damage to the Subleased Premises caused by Subtenant's removal of its personal property, furnishings and equipment. If the Subleased Premises are not so surrendered, then Subtenant shall be liable to Sublandlord for all costs incurred by Sublandlord in returning the Subleased Premises to the required condition, plus interest thereon at the Interest Rate. In addition, Sublandlord shall not require Subtenant to remove alterations constructed by Subtenant unless Master Landlord requires such removal pursuant to the Master Lease.

**20. Broker:** Sublandlord and Subtenant each represent to the other that they have dealt with no real estate brokers, finders, agents or salesmen in connection with this transaction other than Jones Lang LaSalle ("Sublandlord's Broker") and Raise ("Subtenant Broker", together with Sublandlord's Broker, the "Brokers"). Sublandlord and Subtenant agree to indemnify and hold the other harmless from and against all claims for brokerage commissions, finder's fees or other compensation made by any other agent, broker, salesman or finder as a consequence of the indemnifying party's actions or dealings

with such other agent, broker, salesman, or finder. Sublandlord shall pay a brokerage commission in connection with this Sublease to the Brokers as provided in a separate commission agreement between such parties.

**21. Notices:** Unless at least fifteen (15) days' prior written notice is given in the manner set forth in this paragraph, the address of each party for all purposes connected with this Sublease shall be that address set forth below their signatures at the end of this Sublease. Notwithstanding any provision of Article 28 of the Master Lease to the contrary, all notices, demands or communications between Sublandlord and Subtenant in connection with this Sublease shall be delivered to the addresses following

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the parties' signatures on this Sublease as follows: (a) personally delivered; or (b) submitted to an overnight courier service, charges prepaid. Notices shall be deemed delivered upon receipt or refusal by addressee. All notices given to Master Landlord under the Master Lease shall be considered received only when delivered in accordance with the Master Lease.

**22. Other Sublease Terms:**

A. **Incorporation By Reference.** Except as set forth below and except as otherwise provided in this Sublease, the terms and conditions of this Sublease shall include all of the terms of the Master Lease and such terms are incorporated into this Sublease as if fully set forth herein, except that: (i) each reference in such incorporated sections to "Lease" shall be deemed a reference to this "Sublease"; (ii) each reference to the "Premises" shall be deemed a reference to the "Subleased Premises"; (iii) each reference to "Landlord" and "Tenant" shall be deemed a reference to "Sublandlord" and "Subtenant", respectively, except as otherwise expressly set forth herein; (iv) with respect to work, services, utilities, electricity, repairs, restoration, insurance, indemnities, reimbursements, representations, warranties or the performance of any other obligation of "Landlord" under the Master Lease, whether or not incorporated herein, the sole obligation of Sublandlord shall be to request the same in writing from Master Landlord as and when requested to do so by Subtenant, and to use Sublandlord's reasonable efforts to obtain Master Landlord's performance; (v) with respect to any approval required to be obtained from the "Landlord" under the Master Lease, such approval must be obtained from both Master Landlord and Sublandlord, and Sublandlord's withholding of approval shall in all events be deemed reasonable if for any reason Master Landlord's approval is not obtained; (vi) in any case where the "Landlord" reserves or is granted the right to manage, supervise, control, repair, alter, regulate the use of, enter or use the Premises or any areas beneath, above or adjacent thereto, such reservation or grant of right of entry shall be deemed to be for the benefit of both Master Landlord and Sublandlord; (vii) in any case where "Tenant" is to indemnify, release or waive claims against "Landlord", such indemnity, release or waiver shall be deemed to run from Subtenant to both Master Landlord and Sublandlord, except to the extent any such claim for indemnification was caused by or due to the willful acts or negligence of Sublandlord, or default by Sublandlord under the Master Lease or this Sublease; (viii) in any case where "Tenant" is to execute and deliver certain documents or notices to "Landlord", such obligation shall be deemed to run from Subtenant to both Master Landlord and Sublandlord; and (ix) the following modifications shall be made to the Master Lease as incorporated herein:

The following provisions of the Original Master Lease are excluded from this Sublease: Sections 1, 3, 4, 5, 8, 9, 11 and 12 of the Summary of Basic Lease Information; Article 2, Article 3, Article 16, Article 19, Article 21, Article 25, Exhibit B, and Exhibit H of the Original Master Lease; Sections 1, 2, 3(a), 4, 6, 11, 12, 14, 15, 18, 19, 20, Exhibit B and Exhibit C of the Original Sublease; Section 1, 4 and 5 of the Master Lease. In addition, to the extent that the time frame stated for providing notice or consents or performing any repairs is shorter in the Sublease than in the Master Lease, the time frame stated in the Sublease shall control; provided, however, for the avoidance of doubt, if no time frame is expressly provided in this Sublease, with respect to any obligation of Subtenant to be performed under this Sublease, wherever the Master Lease grants to "Tenant" a specified number of days to perform its obligations under the Master Lease, including, without limitation, curing any defaults, the time frame shall be presumed to be: (i) if the applicable cure period under the Master Lease is no less than five (5) business days and no more than ten (10) business days, truncated by two (2) days, (ii) if the applicable cure period under the Master Lease is no less than eleven (11) business days and no more than fifteen (15) business days, truncated by five (5) days, and (iii) if the applicable cure period under the Master Lease is sixteen (16) business days or more, truncated by five (5) business days. If the applicable cure period is

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less than five (5) business days, the cure period under the Master Lease shall apply, without any adjustment.

**B. Assumption of Obligations.** This Sublease is and at all times shall be subject and subordinate to the Master Lease and the rights of Master Landlord thereunder. Subtenant hereby expressly assumes and agrees: (i) to comply with all provisions of the Master Lease with respect to the Subleased Premises except to the extent such provisions are excluded from incorporation herein or remain the obligation of Sublandlord hereunder; and (ii) to perform all the obligations on the part of the "Tenant" to be performed under the terms of the Master Lease with respect to the Subleased Premises during the term of this Sublease except for those obligations which are excluded from incorporation hereunder or remain the obligation of Sublandlord hereunder. In the event the Master Lease is terminated for any reason whatsoever, this Sublease shall terminate simultaneously with such termination without any liability of Sublandlord to Subtenant. In the event of a conflict between the provisions of this Sublease and the Master Lease, as between Sublandlord and Subtenant, the provisions of this Sublease shall control.

**C. Sublandlord Indemnity; Limitation of Liability.** Sublandlord shall indemnify, defend and hold harmless Subtenant from and against all losses, costs, claims, liabilities and damages resulting from a breach or default by Sublandlord of its obligations under the Master Lease to the extent not caused by Subtenant's actions. As between Sublandlord and Subtenant, in no event will Sublandlord be liable to Subtenant for any consequential, special or punitive damages.

**D. Defaults under the Master Lease.** If Sublandlord receives any notice of default from Master Landlord under the Master Lease with respect to the Subleased Premises, Sublandlord shall promptly deliver a true and correct copy of the same to Subtenant.

**23. Right to Contest:** If Sublandlord does not have the right to contest any matter in the Master Lease due to expiration of any time limit that may be set forth therein or for any other reason, then notwithstanding any incorporation of any such provision from the Master Lease in this Sublease, Subtenant shall also not have the right to contest any such matter.

**24. Status of Master Lease:** Sublandlord represents that to its current actual knowledge, (i) the Master Lease attached hereto as Exhibit A is a true and complete copy of its entire agreement with the Master Landlord relating to the Master Premises; (ii) the Master Lease is in full force and effect; and (iii) no condition exists and no event has occurred, which, with the giving of notice, the passage of time, or both, would constitute a default by either party to the Master Lease. Sublandlord shall fully perform all of its obligations under the Master Lease to the extent Subtenant has not expressly agreed to perform such obligations under this Sublease. Sublandlord shall not terminate or take any actions giving rise to a termination right under the Master Lease, amend or waive any provisions under the Master Lease or make any elections, exercise any right or remedy or give any consent or approval under the Master Lease without, in each instance, Subtenant's prior written consent, in its reasonable discretion.

**25. Covenant of Quiet Enjoyment:** Subtenant peacefully shall have, hold and enjoy the Subleased Premises, subject to the terms and conditions of this Sublease, provided that Subtenant pays all Rent imposed hereunder and otherwise performs all of Subtenant's covenants and agreements contained herein.

**26. Conditions Precedent:** Notwithstanding anything to the contrary in this Sublease, this Sublease and Sublandlord's obligations hereunder are conditioned upon Sublandlord's receipt of the written Consent of Master Landlord to this Sublease. If such condition is not met within sixty (60) days

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after execution of this Sublease by Sublandlord, then either Sublandlord or Subtenant may terminate this Sublease by giving the other written notice thereof prior to the receipt of such consent, and upon such termination, Sublandlord shall return to Subtenant its payment of the first month's Base Rent paid by Subtenant pursuant to Paragraph 4 hereof.

**27. Amendment:** This Sublease may not be amended except by the written agreement of all parties hereto.

**28. Counterparts:** This Sublease may be executed in one (1) or more counterparts each of which shall be deemed an original but all of which together shall constitute one (1) and the same instrument. Signature copies may be detached from the counterparts and attached to a single copy of this Sublease physically to form one (1) document.

**29. Time is of the Essence:** Time is of the essence in the performance of the provisions of this Lease.

**30. FF&E:**

A. Sublandlord is the owner of the furniture, cabling, fixtures, AV hardware, phone booths and equipment currently in the Subleased Premises and listed on Exhibit C hereto (the "FF&E"). Any of Sublandlord's personal items that are not included on the list in Exhibit C must be removed prior to the Commencement Date. Title to the FF&E shall remain with Sublandlord during the period commencing on the Commencement Date and ending on the Rent Commencement Date. Upon the Rent Commencement Date, title to the FF&E shall pass to Subtenant for consideration of \$1.00, and Subtenant shall have full rights and responsibilities therefor, including removal thereof from the Subleased Premises in accordance with the Master Lease and this Sublease. Sublandlord makes no representations or warranties whatsoever as to the condition of the FF&E; however, Sublandlord represents that it holds 100% of all right, title and interest to the FF&E, free of all encumbrances. Subtenant has examined the FF&E as accepts it in its "as is" condition in all respects;

**31. Miscellaneous:** This Sublease represents the complete and final understanding between Sublandlord and Subtenant with respect to the subject matter hereof and may not be waived, amended, or modified by either party, unless such waiver, amendment or modification is in writing and signed by both parties. If any provision of this Sublease is invalid under applicable law, such invalidity shall not affect the other provisions of this Sublease. This Agreement shall be governed by the laws of the state where the Subleased Premises are located.

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IN WITNESS WHEREOF, the parties have executed this Sublease as of the day and year first above written.

**SUBLANDLORD:**

**SUBTENANT:**

JONES LANG LASALLE AMERICAS, INC.,      FORGE GLOBAL, INC.

a Maryland corporation      a Delaware corporation

By: /s/ Marcellus Parker      By: /s/ Mark Lee

Print Name: Marcellus Parker      Print Name: Mark Lee

Title: Head of Corporate Real Estate and Workplace, Americas      Title: CFO

SUBLANDLORD'S ADDRESS:	SUBTENANT'S ADDRESS:
Jones Lang LaSalle Americas, Inc. Attn: Lease Administratio Tower 260 260 Forbes Avenue Suite 1200 Pittsburgh, PA 15222  With a copy of default notices only, to:  Jones Lang LaSalle Americas, Inc. Attn: Marcellus Parker, Head of Real Estate & Workplace, America 3344 Peachtree Road NE, Suite 1200 Atlanta, GA 30326  Jones Lang LaSalle Americas, Inc. Attn: Director of Real Estate 200 E. Randolph Drive Chicago, IL 6060  and  Jones Lang LaSalle Americas, Inc. Attn: General Counsel – Corporate Leases 200 E. Randolph Drive Chicago, IL 6060	Forge Global, Inc. 415 Mission Street, Suite 5510 San Francisco, CA 94105 Attn: Legal Department

**CONSENT TO SUBLEASE**

[To Come]

**EXHIBIT A**

**MASTER LEASE**

[See attached]



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**EXHIBIT B**

**SUBLEASED PREMISES**

[See attached]

[\*\*\*]

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**EXHIBIT C**

**FF&E**

[\*\*\*]

**Exhibit 10.2**

**FORGE GLOBAL HOLDINGS, INC.  
AMENDED AND RESTATED EMPLOYMENT AGREEMENT  
FOR  
KELLY RODRIQUES MARK LEE**

This is an Amended and Restated Employment Agreement entered into between Forge Global Holdings, Inc., a Delaware corporation, or “**Forge**”, and Kelly Rodriques, **MARK LEE**, or “**Executive**” (the “**Employment Agreement**”), which amends and supersedes in its entirety the Amended and Restated Employment Agreement between Executive and Forge Global, Inc., dated September 9, 2021, and as amended on February 25, 2022 (as amended, the “**Prior Agreement**”). The terms and conditions of the Employment Agreement are as follows:

**1. TERM OF EMPLOYMENT**

**1.1 Initial Term.** Subject to the terms and conditions set forth in this Employment Agreement, Forge agrees to employ Executive and Executive agrees to be employed by Forge for an initial term of three (3) years, which initial term shall start commencing on the date this Employment Agreement is signed on behalf of Forge (the “**Effective Date**”) and shall end on the third anniversary of continuing until such date. Forge and Executive further agree that such initial term shall be subject to extensions employment is terminated in accordance with the rules set forth in § 1.2.

**1.2 Extensions provisions hereof (the “**

**(a) General Rule Term**”). The initial term of this Employment Agreement as set forth in § 1.1 Executive's employment with Forge shall be extended every six (6) months so “at will,” meaning that the remaining term of this Employment Agreement is never more than three (3) years or less than

two and one half (2 1/2) years unless Executive's employment may be terminated by Forge or Executive delivers written notice at any time and for any reason subject to the other before the effective date terms of any such extension that there will be no such extension, in which event there will be no extension and no further extensions of such initial term.

**(b) Effective Date for Extensions.**

**(1) First Effective Date.** The first effective date for an extension described in § 1.2(a) shall be the last day of the six (6) month period which starts on the date Forge signs this Employment Agreement.

**(2) Second Effective Date.** The second effective date for an extension described in § 1.2(a) shall be the first anniversary of the date Forge signs this Employment Agreement.

**(3) Subsequent Effective Dates.** Starting with the second effective date for an extension described in § 1.2(a) there shall be two effective dates for extensions in each year, one of

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Forge Global Holdings, Inc. Executive Employment Agreement

which shall be the second effective date for extensions or an anniversary of such date and the other of which shall be an anniversary of the first effective date for extensions.

**(c) Extensions.** If the initial term is extended on the effective date for an extension under § 1.2(b), the extension shall be for a period required to extend the remaining term of this Employment Agreement to three (3) years.

**1.3 Term.** The initial term described in § 1.1 plus any extension of such initial term under § 1.2 shall be referred to in this Employment Agreement as the "Term".

## **2. TITLE, DUTIES AND RESPONSIBILITIES AND POWERS AND WORK SITE**

**2.1 Title.** Executive's title shall be Chief Executive Financial Officer.

**2.2 Duties and Responsibilities and Powers.** Executive's duties and responsibilities include overall authority for financial accounting and powers shall be those reporting, including supervisory authority and decision making over the financial team (which includes Accounting, External Reporting, FP&A, Investor Relations, Risk Management, Corporate Development, and SOX). Other aspects include financial planning, annual budgeting and forecasting, and tracking cash flow; analyzing the company's financial strengths and weaknesses and guiding strategic direction; aligning financials with Forge's overall strategic vision and producing long term (3 – 5 years) as well as short term (3 – 12 months) goals in conjunction with business partners; fostering a high performing culture and leveraging our core values of being bold, accountable, and humble; being a public face for Forge on external messaging for the benefit of recruiting and market positioning; along with all other duties and responsibilities commensurate with Executive's position that are as set from time to time by Forge's Board of Directors Chief Executive Officer (the "Board CEO"), and . Executive shall report exclusively directly to the CEO, and shall be accountable exclusively to the Board. All other officers and employees of Forge shall report directly or indirectly exclusively to Executive while Executive is Forge's Chief Executive Officer, that executive. Executive shall undertake to perform all Executive's duties and responsibilities and exercise all Executive's powers in good faith and on a full-time basis during Forge's normal work week for senior executives and shall at all times act in the course of Executive's employment under this Employment Agreement in the best interest of Forge.

**2.3 Primary Work Site.** Executive's primary work site for the Term shall be at San Francisco, CA. However, if Executive's primary work site is not Forge's then-current primary offices in San Francisco, California. However, California, or New York, New York, Executive shall undertake such travel away from Executive's primary work site and shall work from Forge's offices in San Francisco, California and New York, New York and as reasonably required by Forge, as well as travel to such other temporary work sites as reasonably necessary or appropriate to fulfill Executive's duties and responsibilities and exercise Executive's powers under the terms of this Employment Agreement.

**2.4 Outside Activities.** Executive shall have the right to continue to serve on the board of directors of those business, civic and charitable organizations on which Executive is serving on the date Forge signs this Employment Agreement, in each case, as set forth on **Exhibit A** to this Employment Agreement ("**Outside Activities List**"), as long as doing so has no significant and adverse effect on the performance of Executive's duties and responsibilities or the exercise of Executive's powers under this Employment Agreement. Executive shall not serve on any other boards of directors and shall not provide services (whether as an employee or independent contractor) to any for-profit organization on or after the date Forge signs this Employment Agreement absent the written consent of the **Compensation Committee of the Board (the "Committee")**, **CEO**, provided that in no event shall Executive serve on the board of directors of or otherwise assist any competitors of Forge.

**2.5 Board Membership** **3.** **Forge during the Term shall use Forge's best efforts to cause Executive to be nominated for re-election to the Board and to continue to be elected a member of the Board. Upon termination of Executive's employment under this Employment Agreement, Executive immediately shall tender Executive's resignation as a member of the Board and any Forge affiliate's board of directors effective as of the date Executive's employment so terminates.**

### **3. COMPENSATION AND BENEFITS**

**3.1 Base Salary.** Executive's initial base salary shall be **\$575,000.00** **\$420,000** per year, which base salary shall be payable in accordance with Forge's standard payroll practices and policies for senior executives and shall be subject to such withholdings as required by law or as otherwise permissible under such practices or policies. Executive's base salary shall be subject to annual review and periodic increases as determined by the **CEO** and approved by the **Compensation Committee** or at the direction (the "**Committee**") of the **Forge's Board as a whole**, of **Directors (the "Board")**.

**3.2 Annual Bonus.** During the Term, Executive shall be eligible to receive an annual bonus each year, which amount and the metrics of which will be determined by the **Committee, or at CEO and approved by the direction of the Board as a whole, Committee**, and which shall be communicated in writing to Executive. Executive's annual target bonus opportunity shall be equal to **150%** **78%** of Executive's base salary. Such bonus shall be paid in accordance with the terms of the applicable plan or program under which the bonus is determined, subject to Executive's continued service to Forge through the date of payment, which shall in all events be paid no later than two-and-one-half (2 ½) months after the end of the taxable year to which the bonus relates.

**3.3 Equity Compensation.** During the Term, Executive shall be eligible to receive an annual grant of options to purchase common stock and/or restricted stock units of Forge and such other forms of Forge equity in accordance with Forge's equity compensation plan, the amount and metrics of which will be determined by the **Committee, or at CEO and approved by the direction of the Board as a whole, Committee**, and which shall be communicated in writing to Executive.

**3.4 Employee Benefit Plans, Programs and Policies.** Executive shall be eligible to participate in the employee benefit plans, programs and policies maintained by Forge for similarly situated senior executives in accordance with the terms and conditions to participate in such plans, programs and policies as in effect from time to time.

**3.5 Vacation and Other Similar Benefits.** Executive shall have such paid holidays, sick leave and personal and other time off as called for under Forge's standard policies and practices for executives with respect to paid holidays, sick leave and personal and other time off.

**3.6 Business Expenses.** Executive shall have a right to be reimbursed for Executive's reasonable and appropriate business expenses which Executive actually incurs in connection with the performance of Executive's duties and responsibilities under this Employment Agreement in accordance with Forge's expense reimbursement policies and procedures for its senior executives.

## 4. TERMINATION OF EMPLOYMENT

**4.1 General.** Forge shall have the right to terminate Executive's employment at any time, and Executive shall have the right to resign at any time. However, any notice to the effect that there will be no extension of this Employment Agreement pursuant to § 1.2 shall not constitute a termination of Executive's employment or a resignation by Executive under § 4 of this Employment Agreement.

### 4.2 Termination By Forge Other Than For Cause, Disability or Death, or By Executive For Good Reason.

**(a) Outside the Change in Control Period.** If outside a Change in Control Period (as defined in § 4.2(e)), (i) Forge terminates Executive's employment other than (x) in connection with his Disability (as defined in § 4.2(d)) or (y) for Cause (as defined in § 4.2(c)) (a "Without Cause Termination") or (ii) Executive resigns for

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Forge Global Holdings, Inc. Executive Employment Agreement

Good Reason (as defined in § 4.2(f)) (a "Good Reason Termination"), Forge shall (in lieu of any severance pay under any severance pay plans, programs or policies, and subject to applicable withholdings and § 6.9):

(1) pay Executive a lump sum cash payment equal to the amount of Executive's his or her base salary as (as in effect on the date Executive's employment terminates, terminates) for a period equal to the following: (x) in the case of a Without Cause Termination, the lesser of 12 months and the number of whole months that Executive would have received as if Executive had remained was employed for by Forge prior to such termination or (y) in the remainder case of a Good Reason Termination, 18 months (such relevant time period from (x) or (y)), the Term in accordance with § 3.1, "Severance Period";

(2) pay Executive a lump sum cash payment an amount equal to three (3) the Multiplier (defined as the quotient of the number of months in the Severance Period divided by 12) times the greater of (i) the average of the last three two annual bonuses received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates, and (ii) the last annual bonus received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates, and (iii) if Executive has been continuously employed with Forge for less than two years as of the date Executive's employment terminates, the average of (x) the last annual bonus received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates and (y) Executive's target annual bonus for the year in which Executive's employment terminates (it being understood and agreed that if Executive has not yet received a bonus as described in (x), Executive's target bonus alone will be deemed the "average" hereunder);

(3) except with respect to the CEO RSUs (as defined in § 6.4) which shall be governed by their terms, with respect to options to purchase Forge common stock or other equity or equity-based grants made to Executive:

(A) for time-vested options or equity-based grants (including performance-based grants for which actual performance achievement has already been certified as of the date of employment termination), accelerate (i) Executive's right to exercise all such options that would have become exercisable through the end of the Severance Period, and (ii) vest in all such equity grants that would have vested through the end of the Severance Period;

(B) for performance-based grants for which performance has not been certified as of the date of employment termination, determine and certify performance based on actual performance achieved after completion of the performance period in accordance with the terms of such grants, and vest all tranches of such performance grants on the date of such performance certification; and

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(C) treat Executive as if Executive had remained employed by Forge until the end of the Severance Period so that the time period over which Executive has the right to exercise such options shall be the same as if there had been no termination of Executive's employment until the end of the Severance Period; and

(4) (A) reimburse on an after-tax basis Executive for the premium expense Executive incurs to participate in the health care continuation coverage under the plans, programs and policies described in § 3.4 which provide health care, life insurance and accidental death and dismemberment benefits under which Executive was covered immediately before Executive's employment terminated as if Executive had remained employed by Forge for the duration of the Severance Period. Health care benefits under this § 4.2(a)(4)(A) shall be provided in the form of continued group health coverage under COBRA for the duration of the Severance Period (such amount, the "Continuation Coverage"). Notwithstanding the foregoing, in the event Executive becomes reemployed with another employer and becomes eligible to receive health care benefits from such employer, the health care benefits described herein shall be secondary to such benefits during the period of Executive's eligibility, but only to the extent that Forge reimburses Executive for any increased cost and provides any additional benefits necessary to give Executive the benefits provided hereunder.

(B) Notwithstanding anything to the contrary contained herein, if Forge determines that it cannot pay or otherwise provide the Continuation Coverage without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then Forge shall convert such payments to payroll payments directly to the Executive on an after-tax basis for the Severance Period and such payments to the Executive shall be paid on Forge's regular payroll dates.

The amount payable under § 4.2(a)(1) shall be paid to Executive in substantially equal installments in accordance with the Company's payroll practice during the Severance Period commencing within 60 days following the date Executive's employment terminates; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such amount, to the extent it qualifies as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the date Executive's employment terminates.

The amount payable under § 4.2(a)(2) shall be paid to Executive in a lump sum at the same time as Forge's regularly-scheduled annual bonus payments are made to Forge's executives, but in no event will such amount be paid later than March 15 of the calendar year following the year Executive's employment terminates.

(b) **During a Change in Control Period.** If Executive resigns for Good Reason or Executive's employment is terminated (other than for Cause or a Disability), in each case during a Change in Control Period, Forge shall (in lieu of any severance pay under any severance pay plans, programs or policies, and subject to applicable withholdings and § 6.12):

(1) pay Executive a lump sum cash payment in an amount equal to 18 months of Executive's base salary as in effect on the date Executive's employment terminates;

Forge Global Holdings, Inc. Executive Employment Agreement

(2) pay Executive a lump sum cash payment equal to one and one-half times the greater of (i) the average of the last two annual bonuses paid to Executive by Forge or any of its affiliates prior to the date Executive's employment terminates, (ii) the last annual bonus paid to Executive by Forge or its affiliates prior to the effective date of a Change in Control, (iii) the last annual bonus received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates, and (iv) if Executive has been continuously employed with Forge for less than two years as of the date Executive's employment terminates, the average of (x) the last annual bonus received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates and (y) Executive's target annual bonus for the year in which Executive's employment terminates (it being understood and agreed that if Executive has not yet received a bonus as described in (x), Executive's target bonus alone will be deemed the "average" hereunder);

(3) with respect to options to purchase Forge common stock or other equity or equity-based grants made to Executive (A) for time-vested options or equity based equity-based grants (including performance based performance-based grants for which actual performance achievement has already been certified as of the date of employment termination), accelerate Executive's right to exercise 100% of such options and vest in 100% of such equity grants so that Executive has the right to exercise 100% of such options and receive 100% of such equity grants, (B) for performance based performance-based grants for which performance has not been certified as of the date of employment termination, determine and certify performance based on actual performance achieved after completion of the performance period in accordance with the terms of such grants, and vest all tranches of such performance grants on the date of such performance certification, and (C) treat Executive as if Executive had remained employed by Forge until the end of the Term 18-month period following the date Executive's employment terminates (the "Change in Control Severance Period") so that the time period over which Executive has the right to exercise such options shall be the same as if there had been no termination of Executive's employment until the end of the Term, such Change in Control Severance Period; and

(4)(A) reimburse on an after tax after-tax basis Executive for the premium expense Executive incurs to participate in the health care continuation coverage under the plans, programs and policies described in § 3.4 which provide health care, life insurance and accidental death and dismemberment benefits under which Executive was covered immediately before Executive's employment terminated as if Executive had remained employed by Forge for the Welfare Benefit Continuation Period (as defined duration of the Change in § 4.2(a)(4)(B)), Control Severance Period. Health care benefits under this § 4.2(a) § 4.2(b)(4) shall be provided in the form of continued group health coverage under COBRA for the first 18 months duration of the Welfare Benefit Continuation Change in Control Severance Period and thereafter for the remainder of the Welfare Benefit Continuation Period, as

payment on an after tax basis of an allowance, for the remainder of the Welfare Benefit Continuation Period, in lieu of reimbursing Executive for participating in such arrangements as are described in § 3.4 (such amount, the “**Continuation Coverage**”). Notwithstanding the foregoing, in the event Executive becomes reemployed with another employer and becomes eligible to receive health care benefits from such employer, the health care benefits described herein shall be secondary to such benefits during the period of Executive’s eligibility, but only to the extent that Forge reimburses Executive for any increased cost and provides any additional benefits necessary to give Executive the benefits provided hereunder.

(B) For purposes herein, the term “**Welfare Benefit Continuation Period**” means the shorter of (i) the two (2) year period which starts on the date Executive’s employment terminates under this Employment Agreement or (ii) the period which starts on the date Executive’s employment terminates under this Employment Agreement and ends on the last day of the Term.

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Forge Global Holdings, Inc. Executive Employment Agreement

(C) Notwithstanding anything to the contrary contained herein, if Forge determines that it cannot pay or otherwise provide the Continuation Coverage without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then Forge shall convert such payments to payroll payments directly to the Executive on an after tax after-tax basis for the time period specified above Change in Control Severance Period and such payments to the Executive shall be paid on Forge’s regular payroll dates.

**(b) During a Change in Control Period. If**

Forge Global Holdings, Inc. Executive resigns for Good Reason or Executive’s employment is terminated (other than for Cause or a Disability), in each case during a Change in Control Period, Forge shall (in lieu of any severance pay under any severance pay plans, programs or policies, and subject to applicable withholdings and § 6.12): Employment Agreement

(1) pay Executive a lump sum cash payment equal to three (3) times Executive’s base salary as in effect on the date Executive’s employment terminates,

(2) pay Executive a lump sum cash payment equal to three (3) times the greater of (i) the average of the last three annual bonuses paid to Executive by Forge or any of its affiliates prior to the date Executive’s employment terminates, (ii) the last annual bonus paid to Executive by Forge or its affiliates prior to the effective date of a Change in Control and (iii) the last annual bonus received by Executive from Forge or any of its affiliates prior to the date Executive’s employment terminates,

(3) except with respect to the CEO RSUs (as defined in § 6.4) which shall be governed by their terms, with respect to options to purchase Forge common stock or other equity or equity based grants made to Executive (A) for time-vested options or equity based grants (including performance based grants for which actual performance achievement has already been certified as of the date of employment termination), accelerate Executive’s right to exercise 100% of such options and vest in 100% of such equity grants so that Executive has the right to exercise 100% of such options and receive 100% of such equity grants, (B) for performance based grants for which performance has not been certified as of the date of employment termination, determine and certify performance based on actual performance achieved after completion of the performance period in accordance with the terms of such grants, and vest all tranches of such performance grants on the date of such performance certification, and (C) treat Executive as if Executive had remained employed by Forge until the end of the three (3) year period which starts on the date Executive’s employment terminates so that the time period over which Executive has the right to exercise such options shall be the same as if there had been no termination of Executive’s employment until the end of such three (3) year period, and

(4) Provide the Continuation Coverage.

(c) **Cause.** The term “**Cause**” as used in this Employment Agreement shall (subject to § 4.2(c)(5)) mean:

(1) Executive is convicted of, pleads guilty to, or confesses or otherwise admits to any felony or any act of fraud, misappropriation or embezzlement;

(2) Executive knowingly engages in any act or course of conduct or knowingly fails to engage in any act or course of conduct (a) which is reasonably likely to adversely affect Forge’s right or qualification under applicable laws, rules or regulations to serve as an exchange or other form of a marketplace for trading or (b) which violates any rules or regulations of a regulated market or business

operated by Forge or its affiliates and which is reasonably likely to lead to a denial of Forge's right or qualification to operate;

(3) there is any act or omission by Executive in the performance of Executive's duties and responsibilities under § 2 or the exercise of Executive's powers under § 2 involving malfeasance or gross negligence, in each case to the material detriment of Forge; or

(4) (A) Executive materially breaches any term of the PICA (as defined in § 5 below) or any provision of any code of conduct adopted by Forge which applies to Executive, in each case to the material detriment of Forge; provided, however,

(5) no such act or omission or event shall be treated as "Cause" under this Employment Agreement unless (A) Executive has been provided a detailed, written statement of the basis for Forge's belief such act or omission or event constitutes "Cause" and an opportunity to meet with the Board CEO (together with Executive's counsel if Executive chooses to have Executive's counsel present at such meeting) after Executive has had a reasonable period in which to review such statement and, if the act or omission or event is one which can be cured by Executive, Executive has had at least a thirty (30) day 30-day period to take corrective action, and (B) the Board after such meeting (if Executive exercises Executive's right to have a meeting) and after the end of such thirty (30) day 30-day correction period (if applicable), CEO determines reasonably and in good faith and by the affirmative vote of at least a majority or, after the effective date of a Change in Control, at least three fourths of the members of the Board then in office at a meeting called and held for such purpose that "Cause" does exist under this Employment Agreement; provided, however, if Executive is a member of the Board, Executive shall have no right to participate in such vote, and the number of members needed to constitute a majority of, or three-fourths of, whichever is applicable, the members of the Board shall be determined without counting Executive as a member of the Board. Agreement.

(d) **Disability.** The term "Disability" as used in this Employment Agreement means any physical or mental condition which renders Executive unable even with reasonable accommodation by Forge to perform the essential functions of Executive's job for at least a one hundred and eighty (180) 180 consecutive day period and which makes Executive eligible to receive benefits under Forge's long term disability plan as of the date that Executive's employment terminates.

(e) **Change in Control.**

(1) The term "Change in Control Period" shall refer to the six (6) months prior to and the twelve (12) 18 months following a Change in Control.

(2) The term "Change in Control" as used in this Employment Agreement means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events: (i) the sale of all or substantially all of the assets of Forge on a consolidated basis to an unrelated person or entity, entity; (ii) a merger, reorganization, statutory share exchange, consolidation, or similar transaction pursuant to which the holders of Forge's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, transaction; (iii) the sale of all of the stock of Forge to

an unrelated person, entity or group thereof acting in concert, concert; (iv) any other transaction in which the owners of Forge's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of Forge or any successor entity immediately upon completion



of the transaction other than as a result of the acquisition of securities directly from Forge; (v) the approval by the stockholders of Forge of a complete liquidation or dissolution of Forge; or (vi) during any period of 24 months, individuals who, at the beginning of such period, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new member of the Board subsequent to the date hereof was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Employment Agreement, be considered as a member of the Incumbent Board. Notwithstanding anything in the foregoing to the contrary, with respect to compensation (A) that is subject to Section 409A (as defined below) and (B) for which a Change in Control would accelerate the timing of payment thereunder, the term "Change in Control" shall mean an event that is both (I) a Change in Control (as defined above) and (II) a "change in control event" (within the meaning of Section 409A).

(f) **Good Reason.** The term "Good Reason" as used in this Employment Agreement shall (subject to § 4.2(f)(9)(7)) mean:

(1) there is a material reduction in Executive's base salary under § 3.1 or there is a material reduction in Executive's opportunity to receive any annual bonus and equity grants without Executive's express written consent;

(2) there is a material adverse change in Executive's title or position with Forge, or a material reduction in the scope or importance of Executive's duties, responsibilities or authorities or Executive's reporting relationships with respect to who reports to Executive and whom Executive reports to at Forge without Executive's express written consent;

(3) Executive is transferred from Executive's primary work site described above or, if Executive subsequently consents in writing to such a transfer under this Employment Agreement, from the primary work site which was the subject of such consent, to a new primary work site which is more than thirty-five (35) miles from Executive's then current primary work site unless such new primary work site is closer to Executive's primary residence than Executive's then current primary work site;

(4) after the effective date of a Change in Control, Executive is no longer provided the same or substantially equivalent plans, programs and policies pursuant to § 3.4 as made available before such Effective Date effective date absent Executive's express written consent;

(5) during the Change in Control Period, Executive receives notice that the Term of this Employment Agreement will not be extended in accordance with § 1.2;

(6) the failure of any successor to all or substantially all of the business or assets of Forge to expressly assume this Employment Agreement pursuant to § 6.3; or

(7)(6) there is a material breach of this Employment Agreement by Forge or its successor; or

(8)(7) Forge fails to nominate Executive for re-election to Notwithstanding the Board; provided, however;

(9) foregoing in § 4.2(f)(1)-(6) above, no such act or omission shall be treated as "Good Reason" under this Employment Agreement unless:

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Forge Global Holdings, Inc. Executive Employment Agreement

(A) (i) Executive delivers to the Chair of the Committee CEO a written statement of the basis for Executive's belief that such act or omission constitutes Good Reason; (ii) Executive delivers such statement before the end of the ninety (90) 90 day period which starts on the date there is an act or omission which

Forge Global Holdings, Inc. Executive Employment Agreement

forms the basis for Executive's belief that Good Reason exists; (iii) Executive gives the Board CEO a thirty (30) day 30-day period after the delivery of such statement to cure the basis for such belief; and (iv) Executive actually submits Executive's written resignation to the Chair of the Committee CEO during the sixty (60) day 60-day period which begins immediately after the end of such thirty (30) day 30-day period if Executive reasonably and in good faith determines that Good Reason continues to exist after the end of such thirty (30) day 30-day period; or

(B) Forge either (i) states in writing to Executive that Executive has the right to treat any such act or omission as Good Reason under this Employment Agreement and Executive resigns during the sixty (60) day 60-day period which starts on the date such statement is actually

delivered to Executive; Executive or (ii) issues a notice for a termination without Cause within 60 days following written or oral correspondence with Executive in which Forge requested or made one of the changes described in § 4.2(f)(1) through (6) above, which change Executive disputed in a written statement delivered to the CEO within 24 hours following such written or oral correspondence between Forge and Executive (whether or not such written statement was delivered pursuant to § 4.2(f)(7) above, it being understood that the 60-day time period described herein shall start from the date Executive delivers such written notice to the CEO); or

(C) If Executive consents in writing to any reduction described in § 4.2(f)(1) or § 4.2(f)(2), to any transfer described in § 4.2(f)(3) or to any change or failure described in § 4.2(f)(4) in lieu of exercising Executive's right to resign for Good Reason and delivers such consent to the Chair of the Committee, CEO, the date such consent is so delivered thereafter shall be treated under this definition as the date of a Change in Control for purposes of measuring the Change in Control Period in the event Executive subsequently has Good Reason under this Employment Agreement to resign as a result of any such subsequent reduction, transfer or change or failure.

**4.3 Termination By Forge For Cause or By Executive Other Than For Good Reason.** If Forge terminates Executive's employment for Cause or Executive resigns other than for Good Reason, Forge's only obligation to Executive under this Employment Agreement shall (subject to applicable withholdings) be to pay Executive's base salary and annual bonus, if any, which were due and payable on the date Executive's employment terminated and to reimburse Executive for expenses Executive had already incurred and which would have otherwise been reimbursed but for such termination of employment.

#### 4.4 Termination for Disability or Death.

(a) **General.** Forge shall have the right to terminate Executive's employment on or after the date Executive has a Disability, and Executive's employment shall terminate at Executive's death.

(b) **Base Salary and Bonus.** If Executive's employment terminates under this § 4.4, Forge's only obligation under this Employment Agreement shall (subject to applicable withholdings) be (1) to pay Executive or, if Executive dies, Executive's estate the base salary and annual bonus, if any, which were due and payable on the date Executive's employment terminated and (2) to reimburse Executive or, if Executive dies, Executive's estate for any expenses which Executive had already incurred and which would have otherwise been reimbursed but for such termination of employment.

**4.5 Benefits at Termination of Employment.** Executive, upon Executive's termination of employment, shall have the right to receive any benefits payable under Forge's employee benefit plans, programs and policies which Executive otherwise has a nonforfeitable right to receive under the terms of such plans, programs and policies independent of Executive's rights under this Employment Agreement;

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Forge Global Holdings, Inc.

Executive Employment Agreement

however, if a payment is made to Executive under § 4.2(a) or § 4.2(b), such payment shall be in lieu of any severance pay under any severance pay plan, program or policy.

## 5. COVENANTS BY EXECUTIVE

**5.1** As of the effective date of this Employment Agreement under §1.1 above, Effective Date, Executive is a party to the Proprietary Information and Additional Covenants Agreement between Executive and Forge dated July 6, 2018 (the "PICA"). A true and correct copy of the PICA is attached as Exhibit B to this Employment Agreement. Subject to § 5.9 below, Executive shall comply with all applicable terms and conditions of the PICA throughout the Term hereof, and hereby agrees to execute and comply with any amendments to or updated versions of the PICA that Forge may require of its officers and employees from time to time (which Executive shall have the right to approve on behalf of Forge in his role as Chief Executive Officer). Future amendments or updated versions will be automatically incorporated into this Employment Agreement upon execution thereof and will revise or replace the previous PICA, each such amended or new version of the PICA subject to § 5.9 below, and all references to "PICA" in this § 5 Employment Agreement will be interpreted as referring to the then-current version of the PICA executed by the Executive; provided, however, references to "PICA" in Section § 4.2(c)(4) shall refer to the PICA in effect on the date hereof or any subsequent form of the PICA which Executive explicitly agrees to incorporate into Section § 4.2(c)(4). Capitalized terms used in this § 5 but not defined in this Employment Agreement will have the meaning provided in the PICA. If there is a conflict between this § 5 and the PICA, this § 5 will control but only with respect to the conflicting provisions and to the extent necessary to resolve the conflict.

**5.2** Executive will be subject to a "Restricted Period" beginning on the effective date of the termination or expiration of this Employment Agreement and continuing for 24 18 months thereafter (or, in the case of Section 5.5, for a period of 18 12 months thereafter). For purposes of §§ 5.3-5.5 below, Forge expressly includes its successors and assigns, direct and indirect subsidiaries, or any other entity or person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Forge.

#### 5.3 Confidentiality.

(a) Executive agrees that they shall keep and hold **ForgeForge's** Proprietary Information in a fiduciary capacity, and that Executive shall keep all of Forge's Proprietary Information confidential, and exercise at least as great a degree of care for Forge's Proprietary Information as Executive exercises for their own most sensitive or important information, but in no event less than reasonable care. Executive shall not use or disclose such Proprietary or confidential information for their own purposes or for the benefit of third parties, except: (1) as Forge may direct; (2) on a "need to know" basis to people designated by Forge or who are under written confidentiality agreements with or under similar obligations to Forge or Executive; or (3) subject to a valid legal demand for disclosure, provided that Executive must first notify Forge so that it has an opportunity to challenge the demand, and that Executive may disclose it only upon a court order or other final legally binding order. Forge may grant Executive standing or specific authority to publicly or privately disclose or use certain of its Proprietary Information for purposes of lectures, presentations, press releases, product announcements, negotiations with third parties, or other purposes for the benefit of Forge. Any authority of this nature is valid only when granted explicitly and in writing. Forge may adopt and update policies regarding making statements to researchers, investigators, or the press, or other public statements. If no policy is in place, or in case of any doubts or concerns regarding what **youExecutive** may say, **youExecutive** must first seek approval from Forge. Executive's obligations under this § 5.3 will survive expiration or termination of this Employment Agreement.

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Forge Global Holdings, Inc.

Executive Employment Agreement

(b) Executive will have no duty of confidentiality with respect to any information that: (1) is readily available to the public; (2) Executive rightfully receives from a third party that has no duty of confidentiality to Forge or a Forge affiliate; or (3) Executive develops without benefit of Forge's Proprietary Information or a duty of assignment to Forge; provided that such exception only applies, respectively, as of the date of such availability, receipt, or development. These exceptions are to be interpreted narrowly as applying only to confidentiality obligations, and do not lessen Executive's obligation to comply with Forge's directives and supervision as part of Executive's performance under this Employment Agreement, if applicable.

#### 5.4 Non-Solicitation of Customers & Employees.

(a) During the Term of this Employment Agreement and until the end of the **RestrictiveRestricted** Period, Executive shall not, on **histheir** own behalf or on behalf of any other person, firm, partnership, association, corporation or business organization, entity or enterprise, call on or solicit for the purpose of competing with Forge, any customers of Forge with whom Executive had contact at any time during Executive's employment with Forge.

(b) During the Term of this Employment Agreement and until the end of the **RestrictiveRestricted** Period, Executive shall neither: (A) directly or indirectly, call on, solicit or attempt to induce any other officer, employee or independent contractor of Forge with whom Executive had contact at any time during Executive's employment with Forge, to terminate their employment or business relationship with Forge; nor (B) assist any other person or entity in such a solicitation.

#### 5.5 Non-Compete.

(a) Executive and Forge agree that: (1) Forge is engaged in providing marketplace infrastructure, data services, and technology solutions for private market participants, and an alternative trading system (such business, together with any other products or services that may in the future during the pendency of **Employee'sExecutive's** employment be offered by Forge or any entity that is then an affiliate of Forge, herein being collectively referred to as the "**Business**"); (2) Forge is one of a limited number of entities that have developed such a Business; (3) while the Business can be and is available to any person or entity that has access to the internet and desires to trade in, monitor, or otherwise engage in the private securities marketplace, the Business is primarily conducted in, and Forge has offices in, the United States, the European Union, the United Kingdom, and Singapore; (4) Executive is, and is expected to continue to be during the Term, intimately involved in the Business wherever it operates, and Executive will have access to certain confidential, proprietary information of Forge; (5) this § 5.5 is intended to provide fair and reasonable protection to Forge in light of the unique circumstances of the Business; and (6) Forge would not have entered into this Employment Agreement but for the covenants and agreements set forth in this § 5.5.

(b) Pursuant to § 5.5(a) above, Executive therefore agrees that Executive shall not, during the Term and the Restricted Period, assume or perform, directly or indirectly, any executive, management or supervisory responsibilities or duties, or act as a management consultant or strategic consultant, for or on behalf of any other corporation, partnership, venture, or other business entity that engages in the Business in the geographic areas identified in § 5.5(a)(3) above or 5.5(c) below; provided, however, Executive may own up to two percent (2%) of the stock of a publicly traded company that engages in the Business so long as Executive is only a passive investor and is not actively involved in such company in any way.

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Forge Global Holdings, Inc.

Executive Employment Agreement

(c) Executive acknowledges that the geographic areas identified in § 5.5(a)(3) above are those primary geographic areas of the Business as of the effective date of this Employment Agreement, Effective Date, and agrees that Executive's obligations under § 5.5(b) will extend to any other country in which Forge has established an office or in which Forge conducts the Business in a regular, systematic manner during the Term or Restricted Period.

**5.6 Nondisparagement.** During the Term and the Restricted Period, to the fullest extent permitted by law, (1) Executive agrees that he they shall refrain from publishing or otherwise making any disparaging, derogatory or defamatory statements to any third party (including by way of online content sites) concerning Forge, including, among other things, its brand, company culture, products and services, or personnel and (2) Forge agrees that it will instruct its directors, officers and managers to refrain from publishing or otherwise making any disparaging, derogatory or defamatory statements to any third party (including by way of online content sites) concerning Executive.

**5.7 Permitted Disclosures.** § 5.3 and 5.6, above, are not intended to, nor shall they in any way prohibit, limit, or otherwise interfere with any protected rights Executive may have under federal, state, or local law, including, without limiting the foregoing, the Defend Trade Secrets Act, codified at 18 USC 1836 et seq. (the "DTSA"). Per the DTSA, Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret if Executive (1) makes such disclosure in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law; or (2) such disclosure was made in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal. Further, nothing in this Employment Agreement is intended to, and shall not in any way prohibit, limit or otherwise interfere with any protected rights Executive may have under federal, state or local law, to, without notice to Forge: (1) communicate information, including good faith allegations of unlawful activity, or file a charge with a government regulator, including, but not limited to, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, a local commission on human rights, or any self-regulatory organization; (2) participate in an investigation or proceeding conducted by a government regulator, including providing truthful testimony or accurate information in connection with any investigation being conducted into the business or operations of Forge, or otherwise providing information to the appropriate government regulator regarding conduct or action undertaken or omitted to be taken by Forge that Executive reasonably believes is illegal or in material non-compliance with any financial disclosure or other regulatory requirement applicable to Forge, or in connection with any dispute between the parties; (3) receive an award paid by a government regulator for information; or (4) communicate with an attorney retained by Executive.

**5.8 Reasonable and Continuing Obligations.** Executive acknowledges that survival of their obligations under this § 5 are reasonable and necessary to protect Forge's legitimate business interests and that, pursuant to § 6.14 below, Forge may enforce its rights or otherwise compel compliance with the provisions of this § 5 after expiration or termination of this Employment Agreement, including but not limited to obtaining equitable or injunctive relief under § 5.9(b) below.

#### **5.9 Construction & Enforcement; Remedies.**

(a) Notwithstanding anything to the contrary in the PICA, the rights and obligations of Forge and the Executive under the PICA will be constructed and enforced under the laws of the state of Delaware, and any dispute or controversy arising out of or relating to the PICA or enforcement thereof will be subject to the provisions of § 6.7.

Forge Global Holdings, Inc.

Executive Employment Agreement

(b) Executive agrees that the remedies at law, including but not limited to money damages, for Forge for any actual or threatened breach by Executive of the covenants in this § 5 and the PICA would be inadequate, and that Forge shall be entitled to specific performance of the covenants in this § 5 and the PICA, including but not limited to entry of an ex parte, temporary restraining order in the state or federal courts identified in § 6.7 below, preliminary and permanent injunctive relief against activities in violation of this § 5, or both, or other appropriate judicial remedy, writ or order, without requirement of posting a bond or other security, in addition to any damages and legal expenses arising from its enforcement of this § 5 and the PICA, including reasonable outside attorney fees, which Forge may be legally entitled to recover. Executive acknowledges and agrees that the covenants in this § 5 and the PICA will be construed as agreements independent of any other provision of this or any other agreement between Forge and Executive, and that the existence of any claim or cause of action by Executive against Forge, whether predicated upon this Employment Agreement, the PICA, or any other agreement, will not constitute a defense to the enforcement by Forge of the covenants in this § 5 or the PICA.

## **6. MISCELLANEOUS**

**6.1 Notices.** Notices and all other communications shall be in writing and shall be deemed to have been duly given when personally delivered (which may be through email) or when mailed by United States registered or certified mail. Notices to Forge shall be sent to its General Counsel. Notices and communications to Executive shall be sent to the address Executive most recently provided to Forge.

**6.2 No Waiver.** Except for the notice described in § 6.1, no failure by either Forge or Executive at any time to give notice of any breach by the other of, or to require compliance with, any condition or provision of this Employment Agreement shall be deemed a waiver of any provisions or conditions of this Employment Agreement.

**6.3 Assignment and Binding Effect.** This Employment Agreement shall be binding upon and inure to the benefit of Forge and any successor to all or substantially all of the business or assets of Forge. Except as set forth above, this Employment Agreement shall not be assignable by either party without the consent of the other party, except that no such consent will be required for Forge to assign its rights and obligations under this Employment Agreement to an affiliate in connection with a corporate reorganization or Change in Control. Any assignment or attempted assignment not permitted hereunder will be null, void, and of no legal effect.

**6.4 Other Agreements.** This Employment Agreement, together with the PICA and any award documentation reflecting outstanding Forge equity awards granted to Executive, replaces any and all previous agreements and understandings regarding all the terms and conditions of Executive's employment relationship with Forge or its affiliates, and constitute the entire agreement of Forge and Executive with respect to such terms and conditions.

**6.5 Amendment.** Except as provided in § 6.6 below, no amendment or modification to this Employment Agreement shall be effective unless it is in writing and signed by Forge and by Executive.

**6.6 Severability.** If any provision of this Employment Agreement (including but not limited to any covenant contained in the PICA) is found invalid or unenforceable, in whole or in part, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render such provision valid and enforceable, or shall be deemed excised from this Employment

Forge Global Holdings, Inc. Executive Employment Agreement

Agreement, as may be required under applicable law, and this Employment Agreement shall be construed and enforced to the maximum extent permitted by applicable law, as if such provision had been originally incorporated in this Employment Agreement as so modified or restricted, or as if such provision had not been originally incorporated in this Employment Agreement, as the case may be.

**6.7 Choice of Law; Dispute Resolution.**

(a) This Employment Agreement shall be constructed and enforced according to Delaware law.

(b) Other than as specifically provided for in § 6.7(c) below, any controversy or claim arising out of or relating to this Employment Agreement or the PICA, any alleged breach of this Employment Agreement or the PICA, or any other claim arising out of or relating to Executive's employment by Forge, shall be resolved through binding arbitration in New York, New York in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes, and a judgment upon the arbitration award may be entered by any court of competent jurisdiction. The arbitration shall be conducted by a single arbitrator selected in accordance with the applicable rules of the American Arbitration Association. The arbitrator shall be empowered to award any category of damages that would be available to the parties under applicable law. Forge shall be responsible for paying the reasonable fees of the arbitrator, unless the fees are otherwise allocated by the arbitrator consistent with applicable law.

(c) The state or federal courts of New York County, New York will have exclusive jurisdiction over any claim or controversy arising out of or relating to this Employment Agreement that is subject to § 5.9(b) above, and the parties hereto irrevocably waive any objection to that jurisdiction under *forum non conveniens* or any other theory.

(d) Executive acknowledges and agrees that they have been individually represented by legal counsel in negotiating the terms of this Employment Agreement, including with respect to designating the venue or forum in which a controversy arising from this Agreement may be adjudicated and the choice of law to be applied.

Initials of the parties expressly assenting to the provisions in § 6.7:

/s/ ML

Executive's initials

/s/ KR

Initials of Forge representative

**6.8 Executive's Legal Fees and Expenses.**

(a) **Claims Related to this Employment Agreement.** Forge shall reimburse Executive for Executive's reasonable legal fees and expenses which Executive incurs in connection with the review and execution of this Employment Agreement up to \$3,000.00. Any such reimbursement shall be made subject to applicable withholdings.

(b) **Claims Related to a Change in Control.** Forge shall reimburse Executive for all Executive's reasonable legal fees and expenses which Executive incurs in connection with any claim made with respect to Executive's rights under § 4.2(b). Any such reimbursement shall be made subject to applicable withholdings.

Forge Global Holdings, Inc. Executive Employment Agreement

**6.9 Release.** As a condition to Forge's making any payments to Executive after Executive's termination of employment under this Employment Agreement (other than the compensation earned before such termination and the benefits due under Forge's employee benefit plans without regard to the terms of this Employment Agreement), Executive or, if Executive is deceased, Executive's estate shall execute and not revoke, within 60 days following Executive's termination of employment, a release in a form to be provided by Forge that is reasonably acceptable to Forge and Executive, and Forge shall provide such payments or benefits, if applicable, promptly after Executive (or Executive's estate) delivers such release to Forge, but no later than 60 days after the date of Executive's termination of employment.

**6.10 Counterparts.** This Employment Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same Employment Agreement.

**6.11 Headings; References.** The headings and captions used in this Employment Agreement are used for convenience only and are not to be considered in construing or interpreting this Employment Agreement. Any reference to a section (§) shall be to a section (§) of this Employment Agreement absent an express statement to the contrary in this Employment Agreement.

**6.12 Section 409A.**

The intent of the parties is that payments and benefits under this Employment Agreement comply with, or be exempt from, Section 409A of the Code ("**Section 409A**"), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Employment Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, Executive shall not be considered to have terminated employment with Forge for purposes of any payments under this Employment Agreement which are subject to Section 409A until Executive would be considered to have incurred a "separation from service" from Forge within the meaning of Section 409A. Each amount to be paid or benefit to be provided under this Employment Agreement shall be construed as a separate identified payment for purposes of Section 409A. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Employment Agreement or any other arrangement between Executive and Forge during the six-month period immediately following Executive's separation from service shall instead be paid on the first business day after the date that is six months following Executive's separation from service (or, if earlier, Executive's date of death). To the extent required to avoid an accelerated or additional tax under Section 409A, amounts reimbursable to Executive under this Employment Agreement shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in kind benefits provided to Executive) during one year may not affect amounts reimbursable or provided in any subsequent year. Forge makes no representation that any or all of the payments described in this Employment Agreement shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment.

**6.13 Clawback Policy Acknowledgement.** In consideration of this Agreement and the payments hereunder, Executive hereby agrees and acknowledges that all "Incentive-Based Compensation" (as defined in the Company's Clawback Policy (as amended from time to time, the "**Clawback Policy**")) received by Executive after the "effective date" (as defined in the Clawback Policy) is subject to recovery pursuant to the Clawback Policy.

Forge Global Holdings, Inc. Executive Employment Agreement

**6.14 Survival.** Each party acknowledges and agrees that the following sections of this Employment Agreement include rights and obligations that reasonably extend beyond the Term hereof and will survive termination or expiration of this Employment Agreement: §§ 4.2-4.4; § 5; § 6.2; § 6.3; §§ 6.6-6.9; § 6.12; § 6.13; § 6.14; and any other provision that by its terms or reasonable operation require extension beyond the Term.

*[signature page follows]*

Forge Global Holdings, Inc. Executive Employment Agreement

**IN WITNESS WHEREOF,** Forge and Executive have executed this Employment Agreement in multiple originals to be effective on the Effective Date.



FORGE GLOBAL HOLDINGS, INC.

EXECUTIVE

**By:** /s/ Kelly Rodriques  
**Name:** Kelly Rodriques  
**Title:** Chief Executive Officer  
**Date:** 9/20/2023

**By:** /s/ Mark Lee  
**Name:** Mark Lee  
**Title:** Chief Financial Officer  
**Date:** 9/21/2023

Forge Global Holdings, Inc. Executive Employment Agreement

## EXHIBIT A

### OUTSIDE ACTIVITIES LIST

[to come]

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Exhibit 10.3

## FORGE GLOBAL HOLDINGS, INC. AMENDED AND RESTATED EMPLOYMENT AGREEMENT FOR DREW SIEVERS

This is an Amended and Restated Employment Agreement entered into between Forge Global Holdings, Inc., a Delaware corporation, or “**Forge**”, and **DREW SIEVERS**, or “**Executive**” (the “**Employment Agreement**”). The terms and conditions of the Employment Agreement are as follows:

### 1. TERM OF EMPLOYMENT

Subject to the terms and conditions set forth in this Employment Agreement, Forge agrees to employ Executive and Executive agrees to be employed by Forge commencing on the date this Employment Agreement is signed on behalf of Forge (the “**Effective Date**”) and continuing until such employment is terminated in accordance with the provisions hereof (the “**Term**”). Executive’s employment with Forge shall be “at will,” meaning that Executive’s employment may be terminated by Forge or Executive at any time and for any reason subject to the terms of this Employment Agreement.

### 2. TITLE, DUTIES AND RESPONSIBILITIES AND WORK SITE

**2.1 Title.** Executive’s title shall be Chief Delivery Officer.

**2.2 Duties and Responsibilities.** Executive’s duties and responsibilities shall be defining and executing Forge’s long term Delivery vision and strategy in close partnership with the CEO and Executive team; aligning with Forge’s overall strategic vision and ensuring all Delivery strategies meet short and long-term goals; producing long term (3 – 5 years) as well as short term (3 – 12 months) goals with business partners; building and mentoring a diverse enterprise team; fostering a culture of innovation and collaboration leveraging our core values of being bold, accountable, and humble; managing a budget and annual resource planning; shall be defining and executing Forge’s long term Delivery vision and strategy in close partnership with the CEO and Executive team; aligning with Forge’s overall strategic vision and ensuring all Delivery strategies meet short and long-term goals; producing long term (3 – 5 years) as well as short term (3 – 12 months) goals with business partners; building and mentoring a diverse enterprise team; fostering a culture of innovation and collaboration leveraging our core values of being bold, accountable, and humble; managing a budget and annual resource planning; unless otherwise agreed by the parties, continuing in Executive’s role as President of Trust; along with all other duties and responsibilities commensurate with Executive’s position as set from time to time by Forge’s Chief Executive Officer (the “**CEO**”). Executive shall report directly to the CEO, and shall be accountable exclusively to that executive. Executive shall undertake to perform all Executive’s duties and responsibilities and exercise all Executive’s



powers in good faith and on a full-time basis during Forge's normal work week for senior executives and shall at all times act in the course of Executive's employment under this Employment Agreement in the best interest of Forge.

**2.3 Primary Work Site.** Executive's primary work site for the Term shall be San Francisco, CA. However, if Executive's primary work site is not Forge's primary offices in San Francisco, California, or New York, New York, Executive shall undertake such travel away from Executive's primary work site and shall work from Forge's offices in San Francisco, California and New York, New York as reasonably required by Forge, as well as travel to such other temporary work sites as

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Forge Global Holdings, Inc. Executive Employment Agreement

reasonably necessary or appropriate to fulfill Executive's duties and responsibilities and exercise Executive's powers under the terms of this Employment Agreement.

**2.4 Outside Activities.** Executive shall have the right to continue to serve on the board of directors of those business, civic and charitable organizations on which Executive is serving on the date Forge signs this Employment Agreement, in each case, as set forth on **Exhibit A** to this Employment Agreement ("**Outside Activities List**"), as long as doing so has no significant and adverse effect on the performance of Executive's duties and responsibilities or the exercise of Executive's powers under this Employment Agreement. Executive shall not serve on any other boards of directors and shall not provide services (whether as an employee or independent contractor) to any for-profit organization on or after the date Forge signs this Employment Agreement absent the written consent of the CEO, provided that in no event shall Executive serve on the board of directors of or otherwise assist any competitors of Forge.

### 3. COMPENSATION AND BENEFITS

**3.1 Base Salary.** Executive's initial base salary shall be \$400,000 per year, which base salary shall be payable in accordance with Forge's standard payroll practices and policies for senior executives and shall be subject to such withholdings as required by law or as otherwise permissible under such practices or policies. Executive's base salary shall be subject to annual review and periodic increases as determined by the CEO and approved by the Compensation Committee (the "**Committee**") of Forge's Board of Directors (the "**Board**").

**3.2 Annual Bonus.** During the Term, Executive shall be eligible to receive an annual bonus each year, which amount and the metrics of which will be determined by the CEO and approved by the Committee, and which shall be communicated in writing to Executive. Executive's annual target bonus opportunity shall be equal to 75% of Executive's base salary. Such bonus shall be paid in accordance with the terms of the applicable plan or program under which the bonus is determined, subject to Executive's continued service to Forge through the date of payment, which shall in all events be paid no later than two-and-one-half (2 ½) months after the end of the taxable year to which the bonus relates.

**3.3 Equity Compensation.** During the Term, Executive shall be eligible to receive an annual grant of options to purchase common stock and/or restricted stock units of Forge and such other forms of Forge equity in accordance with Forge's equity compensation plan, the amount and metrics of which will be determined by the CEO and approved by the Committee, and which shall be communicated in writing to Executive.

**3.4 Employee Benefit Plans, Programs and Policies.** Executive shall be eligible to participate in the employee benefit plans, programs and policies maintained by Forge for similarly situated senior executives in accordance with the terms and conditions to participate in such plans, programs and policies as in effect from time to time.

**3.5 Vacation and Other Similar Benefits.** Executive shall have such paid holidays, sick leave and personal and other time off as called for under Forge's standard policies and practices for executives with respect to paid holidays, sick leave and personal and other time off.

**3.6 Business Expenses.** Executive shall have a right to be reimbursed for Executive's reasonable and appropriate business expenses which Executive actually incurs in connection with the performance of Executive's duties and responsibilities under this Employment Agreement in accordance with Forge's expense reimbursement policies and procedures for its senior executives.

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Forge Global Holdings, Inc. Executive Employment Agreement

## 4. TERMINATION OF EMPLOYMENT

**4.1 General.** Forge shall have the right to terminate Executive's employment at any time, and Executive shall have the right to resign at any time.

### 4.2 Termination By Forge Other Than For Cause, Disability or Death, or By Executive For Good Reason.

**(a) Outside the Change in Control Period.** If outside a Change in Control Period (as defined in § 4.2(e)), (i) Forge terminates Executive's employment other than (x) in connection with his Disability (as defined in § 4.2(d)) or (y) for Cause (as defined in § 4.2(c)) (a "Without Cause Termination") or (ii) Executive resigns for Good Reason (as defined in § 4.2(f)) (a "Good Reason Termination"), Forge shall (in lieu of any severance pay under any severance pay plans, programs or policies, and subject to applicable withholdings and § 6.9):

**(1)** pay Executive his or her base salary (as in effect on the date Executive's employment terminates) for a period equal to the following: (x) in the case of a Without Cause Termination, the lesser of 12 months and the number of whole months that Executive was employed by Forge prior to such termination or (y) in the case of a Good Reason Termination, 18 months (such relevant time period from (x) or (y), the "**Severance Period**");

**(2)** pay Executive an amount equal to the Multiplier (defined as the quotient of the number of months in the Severance Period divided by 12) times the greater of (i) the average of the last two annual bonuses received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates, (ii) the last annual bonus received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates, and (iii) if Executive has been continuously employed with Forge for less than two years as of the date Executive's employment terminates, the average of (x) the last annual bonus received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates and (y) Executive's target annual bonus for the year in which Executive's employment terminates (it being understood and agreed that if Executive has not yet received a bonus as described in (x), Executive's target bonus alone will be deemed the "average" hereunder);

**(3)** with respect to options to purchase Forge common stock or other equity or equity-based grants made to Executive:

**(A)** for time-vested options or equity-based grants (including performance-based grants for which actual performance achievement has already been certified as of the date of employment termination), accelerate (i) Executive's right to exercise all such options that would have become exercisable through the end of the Severance Period, and (ii) vest in all such equity grants that would have vested through the end of the Severance Period;

**(B)** for performance-based grants for which performance has not been certified as of the date of employment termination, determine and certify performance based on actual performance achieved after completion of the performance period in accordance with the terms of

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such grants, and vest all tranches of such performance grants on the date of such performance certification; and

**(C)** treat Executive as if Executive had remained employed by Forge until the end of the Severance Period so that the time period over which Executive has the right to exercise such options shall be the same as if there had been no termination of Executive's employment until the end of the Severance Period; and

**(4) (A)** reimburse on an after-tax basis Executive for the premium expense Executive incurs to participate in the health care continuation coverage under the plans, programs and policies described in § 3.4 which provide health care, life insurance and accidental death and dismemberment benefits under which Executive was covered immediately before Executive's employment terminated as if Executive had remained employed by Forge for the duration of the Severance Period. Health care benefits under this § 4.2(a)(4)(A) shall be provided in the form of continued group health coverage under COBRA for the duration of the Severance Period (such amount, the "**Continuation Coverage**"). Notwithstanding the foregoing, in the event Executive becomes reemployed with another employer and becomes eligible to receive health care benefits from such employer, the health care benefits described herein shall be secondary to such benefits during the period of Executive's eligibility, but only to the extent that Forge reimburses Executive for any increased cost and provides any additional benefits necessary to give Executive the benefits provided hereunder.

**(B)** Notwithstanding anything to the contrary contained herein, if Forge determines that it cannot pay or otherwise provide the Continuation Coverage without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then Forge shall convert such payments to payroll payments directly to the Executive on an after-tax basis for the Severance Period and such payments to the Executive shall be paid on Forge's regular payroll dates.

The amount payable under § 4.2(a)(1) shall be paid to Executive in substantially equal installments in accordance with the Company's payroll practice during the Severance Period commencing within 60 days following the date Executive's employment terminates; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such amount, to the extent it qualifies as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), shall begin to be paid in the second

calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the date Executive's employment terminates.

The amount payable under § 4.2(a)(2) shall be paid to Executive in a lump sum at the same time as Forge's regularly-scheduled annual bonus payments are made to Forge's executives, but in no event will such amount be paid later than March 15 of the calendar year following the year Executive's employment terminates.

**(b) During a Change in Control Period.** If Executive resigns for Good Reason or Executive's employment is terminated (other than for Cause or a Disability), in each case during a Change in Control Period, Forge shall (in lieu of any severance pay under any severance pay plans, programs or policies, and subject to applicable withholdings and § 6.12):

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**(1)** pay Executive a lump sum cash payment in an amount equal to 18 months of Executive's base salary as in effect on the date Executive's employment terminates;

**(2)** pay Executive a lump sum cash payment equal to one and one-half times the greater of (i) the average of the last two annual bonuses paid to Executive by Forge or any of its affiliates prior to the date Executive's employment terminates, (ii) the last annual bonus paid to Executive by Forge or its affiliates prior to the effective date of a Change in Control, (iii) the last annual bonus received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates, and (iv) if Executive has been continuously employed with Forge for less than two years as of the date Executive's employment terminates, the average of (x) the last annual bonus received by Executive from Forge or any of its affiliates prior to the date Executive's employment terminates and (y) Executive's target annual bonus for the year in which Executive's employment terminates (it being understood and agreed that if Executive has not yet received a bonus as described in (x), Executive's target bonus alone will be deemed the "average" hereunder);

**(3)** with respect to options to purchase Forge common stock or other equity or equity-based grants made to Executive (A) for time-vested options or equity-based grants (including performance-based grants for which actual performance achievement has already been certified as of the date of employment termination), accelerate Executive's right to exercise 100% of such options and vest in 100% of such equity grants so that Executive has the right to exercise 100% of such options and receive 100% of such equity grants, (B) for performance-based grants for which performance has not been certified as of the date of employment termination, determine and certify performance based on actual performance achieved after completion of the performance period in accordance with the terms of such grants, and vest all tranches of such performance grants on the date of such performance certification, and (C) treat Executive as if Executive had remained employed by Forge until the end of the 18-month period following the date Executive's employment terminates (the "**Change in Control Severance Period**") so that the time period over which Executive has the right to exercise such options shall be the same as if there had been no termination of Executive's employment until the end of such Change in Control Severance Period; and

**(4) (A)** reimburse on an after-tax basis Executive for the premium expense Executive incurs to participate in the health care continuation coverage under the plans, programs and policies described in § 3.4 which provide health care, life insurance and accidental death and dismemberment benefits under which Executive was covered immediately before Executive's employment terminated as if Executive had remained employed by Forge for the duration of the Change in Control Severance Period. Health care benefits under this § 4.2(b)(4) shall be provided in the form of continued group health coverage under COBRA for the duration of the Change in Control Severance Period (such amount, the "**Continuation Coverage**"). Notwithstanding the foregoing, in the event Executive becomes reemployed with another employer and becomes eligible to receive health care benefits from such employer, the health care benefits described herein shall be secondary to such benefits during the period of Executive's eligibility, but only to the extent that Forge reimburses Executive for any increased cost and provides any additional benefits necessary to give Executive the benefits provided hereunder.

**(B)** Notwithstanding anything to the contrary contained herein, if Forge determines that it cannot pay or otherwise provide the Continuation Coverage without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then Forge shall convert such payments to payroll payments directly to the Executive on an after-tax basis

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for the Change in Control Severance Period and such payments to the Executive shall be paid on Forge's regular payroll dates.

**(c) Cause.** The term "**Cause**" as used in this Employment Agreement shall (subject to § 4.2(c)(5)) mean:

**(1)** Executive is convicted of, pleads guilty to, or confesses or otherwise admits to any felony or any act of fraud, misappropriation or embezzlement;

(2) Executive knowingly engages in any act or course of conduct or knowingly fails to engage in any act or course of conduct (a) which is reasonably likely to adversely affect Forge's right or qualification under applicable laws, rules or regulations to serve as an exchange or other form of a marketplace for trading or (b) which violates any rules or regulations of a regulated market or business operated by Forge or its affiliates and which is reasonably likely to lead to a denial of Forge's right or qualification to operate;

(3) there is any act or omission by Executive in the performance of Executive's duties and responsibilities under § 2 or the exercise of Executive's powers under § 2 involving malfeasance or gross negligence, in each case to the material detriment of Forge; or

(4) Executive materially breaches any term of the PICA (as defined in § 5 below) or any provision of any code of conduct adopted by Forge which applies to Executive, in each case to the material detriment of Forge; provided, however,

(5) no such act or omission or event shall be treated as "Cause" under this Employment Agreement unless Executive has been provided a detailed, written statement of the basis for Forge's belief such act or omission or event constitutes "Cause" and an opportunity to meet with CEO (together with Executive's counsel if Executive chooses to have Executive's counsel present at such meeting) after Executive has had a reasonable period in which to review such statement and, if the act or omission or event is one which can be cured by Executive, Executive has had at least a 30-day period to take corrective action, and after the end of such 30-day correction period (if applicable), CEO determines reasonably and in good faith that "Cause" does exist under this Employment Agreement.

(d) **Disability.** The term "Disability" as used in this Employment Agreement means any physical or mental condition which renders Executive unable even with reasonable accommodation by Forge to perform the essential functions of Executive's job for at least a 180 consecutive day period and which makes Executive eligible to receive benefits under Forge's long term disability plan as of the date that Executive's employment terminates.

(e) **Change in Control.**

(1) The term "Change in Control Period" shall refer to the six months prior to and the 18 months following a Change in Control.

(2) The term "Change in Control" as used in this Employment Agreement means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events: (i) the sale of all or substantially all of the assets of Forge on a consolidated basis to an unrelated person or entity; (ii) a merger, reorganization, statutory share exchange, consolidation, or similar transaction pursuant to which the holders of Forge's outstanding voting power and outstanding

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stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction; (iii) the sale of all of the stock of Forge to an unrelated person, entity or group thereof acting in concert; (iv) any other transaction in which the owners of Forge's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of Forge or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from Forge; (v) the approval by the stockholders of Forge of a complete liquidation or dissolution of Forge; or (vi) during any period of 24 months, individuals who, at the beginning of such period, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new member of the Board subsequent to the date hereof was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Employment Agreement, be considered as a member of the Incumbent Board. Notwithstanding anything in the foregoing to the contrary, with respect to compensation (A) that is subject to Section 409A (as defined below) and (B) for which a Change in Control would accelerate the timing of payment thereunder, the term "Change in Control" shall mean an event that is both (I) a Change in Control (as defined above) and (II) a "change in control event" (within the meaning of Section 409A).

(f) **Good Reason.** The term "Good Reason" as used in this Employment Agreement shall (subject to § 4.2(f)(7)) mean:

(1) there is a material reduction in Executive's base salary under § 3.1 or there is a material reduction in Executive's opportunity to receive any annual bonus and equity grants without Executive's express written consent;

(2) there is a material adverse change in Executive's title or position with Forge, or a material reduction in the scope or importance of Executive's duties, responsibilities or authorities or Executive's reporting relationships with respect to who reports to Executive and whom Executive reports to at Forge without Executive's express written consent;

(3) Executive is transferred from Executive's primary work site described above or, if Executive subsequently consents in writing to such a transfer under this Employment Agreement, from the primary work site which was the subject of such consent, to a new primary work site which is

more than 35 miles from Executive's then current primary work site unless such new primary work site is closer to Executive's primary residence than Executive's then current primary work site;

(4) after the effective date of a Change in Control, Executive is no longer provided the same or substantially equivalent plans, programs and policies pursuant to § 3.4 as made available before such effective date absent Executive's express written consent;

(5) the failure of any successor to all or substantially all of the business or assets of Forge to expressly assume this Employment Agreement pursuant to § 6.3; or

(6) there is a material breach of this Employment Agreement by Forge or its successor.

(7) Notwithstanding the foregoing in § 4.2(f)(1)-(6) above, no such act or omission shall be treated as "Good Reason" under this Employment Agreement unless:

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(A) (i) Executive delivers to CEO a written statement of the basis for Executive's belief that such act or omission constitutes Good Reason; (ii) Executive delivers such statement before the end of the 90 day period which starts on the date there is an act or omission which forms the basis for Executive's belief that Good Reason exists; (iii) Executive gives CEO a 30-day period after the delivery of such statement to cure the basis for such belief; and (iv) Executive actually submits Executive's written resignation to the CEO during the 60-day period which begins immediately after the end of such 30-day period if Executive reasonably and in good faith determines that Good Reason continues to exist after the end of such 30-day period; or

(B) Forge either (i) states in writing to Executive that Executive has the right to treat any such act or omission as Good Reason under this Employment Agreement and Executive resigns during the 60-day period which starts on the date such statement is actually delivered to Executive or (ii) issues a notice for a termination without Cause within 60 days following written or oral correspondence with Executive in which Forge requested or made one of the changes described in § 4.2(f)(1) through (6) above, which change Executive disputed in a written statement delivered to the CEO within 24 hours following such written or oral correspondence between Forge and Executive (whether or not such written statement was delivered pursuant to § 4.2(f)(7) above, it being understood that the 60-day time period described herein shall start from the date Executive delivers such written notice to the CEO); or

(C) If Executive consents in writing to any reduction described in § 4.2(f)(1) or § 4.2(f)(2), to any transfer described in § 4.2(f)(3) or to any change or failure described in § 4.2(f)(4) in lieu of exercising Executive's right to resign for Good Reason and delivers such consent to CEO, the date such consent is so delivered thereafter shall be treated under this definition as the date of a Change in Control for purposes of measuring the Change in Control Period in the event Executive subsequently has Good Reason under this Employment Agreement to resign as a result of any such subsequent reduction, transfer or change or failure.

**4.3 Termination By Forge For Cause or By Executive Other Than For Good Reason.** If Forge terminates Executive's employment for Cause or Executive resigns other than for Good Reason, Forge's only obligation to Executive under this Employment Agreement shall (subject to applicable withholdings) be to pay Executive's base salary and annual bonus, if any, which were due and payable on the date Executive's employment terminated and to reimburse Executive for expenses Executive had already incurred and which would have otherwise been reimbursed but for such termination of employment.

#### **4.4 Termination for Disability or Death.**

(a) **General.** Forge shall have the right to terminate Executive's employment on or after the date Executive has a Disability, and Executive's employment shall terminate at Executive's death.

(b) **Base Salary and Bonus.** If Executive's employment terminates under this § 4.4, Forge's only obligation under this Employment Agreement shall (subject to applicable withholdings) be (1) to pay Executive or, if Executive dies, Executive's estate the base salary and annual bonus, if any, which were due and payable on the date Executive's employment terminated and (2) to reimburse Executive or, if Executive dies, Executive's estate for any expenses which Executive had already incurred and which would have otherwise been reimbursed but for such termination of employment.

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**4.5 Benefits at Termination of Employment.** Executive, upon Executive's termination of employment, shall have the right to receive any benefits payable under Forge's employee benefit plans, programs and policies which Executive otherwise has a nonforfeitable right to receive under the terms of such plans, programs and policies independent of Executive's rights under this Employment Agreement; however, if a payment is made to Executive under § 4.2(a) or § 4.2(b), such payment shall be in lieu of any severance pay under any severance pay plan, program or policy.

## 5. COVENANTS BY EXECUTIVE

**5.1** As of the Effective Date, Executive is a party to the Proprietary Information and Additional Covenants Agreement between Executive and Forge (the “PICA”). Subject to § 5.9 below, Executive shall comply with all applicable terms and conditions of the PICA throughout the Term hereof, and hereby agrees to execute and comply with any amendments to or updated versions of the PICA that Forge may require of its officers and employees from time to time. Future amendments or updated versions will be automatically incorporated into this Employment Agreement upon execution thereof and will revise or replace the previous PICA, each such amended or new version of the PICA subject to § 5.9 below, and all references to “PICA” in this Employment Agreement will be interpreted as referring to the then-current version of the PICA executed by the Executive; provided, however, references to “PICA” in § 4.2(c)(4) shall refer to the PICA in effect on the date hereof or any subsequent form of the PICA which Executive explicitly agrees to incorporate into § 4.2(c)(4). Capitalized terms used in this § 5 but not defined in this Employment Agreement will have the meaning provided in the PICA. If there is a conflict between this § 5 and the PICA, this § 5 will control but only with respect to the conflicting provisions and to the extent necessary to resolve the conflict.

**5.2** Executive will be subject to a “Restricted Period” beginning on the effective date of the termination or expiration of this Employment Agreement and continuing for 18 months thereafter (or, in the case of Section 5.5, for a period of 12 months thereafter). For purposes of §§ 5.3-5.5 below, Forge expressly includes its successors and assigns, direct and indirect subsidiaries, or any other entity or person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Forge.

### 5.3 Confidentiality.

(a) Executive agrees that they shall keep and hold Forge’s Proprietary Information in a fiduciary capacity, and that Executive shall keep all of Forge’s Proprietary Information confidential, and exercise at least as great a degree of care for Forge’s Proprietary Information as Executive exercises for their own most sensitive or important information, but in no event less than reasonable care. Executive shall not use or disclose such Proprietary or confidential information for their own purposes or for the benefit of third parties, except: (1) as Forge may direct; (2) on a “need to know” basis to people designated by Forge or who are under written confidentiality agreements with or under similar obligations to Forge or Executive; or (3) subject to a valid legal demand for disclosure, provided that Executive must first notify Forge so that it has an opportunity to challenge the demand, and that Executive may disclose it only upon a court order or other final legally binding order. Forge may grant Executive standing or specific authority to publicly or privately disclose or use certain of its Proprietary Information for purposes of lectures, presentations, press releases, product announcements, negotiations with third parties, or other purposes for the benefit of Forge. Any authority of this nature is valid only when granted explicitly and in writing. Forge may adopt and update policies regarding making statements to researchers, investigators, or the press, or other public statements. If no policy is in place, or in case of any doubts or concerns regarding what Executive may say, Executive must first seek approval from

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Forge. Executive’s obligations under this § 5.3 will survive expiration or termination of this Employment Agreement.

(b) Executive will have no duty of confidentiality with respect to any information that: (1) is readily available to the public; (2) Executive rightfully receives from a third party that has no duty of confidentiality to Forge or a Forge affiliate; or (3) Executive develops without benefit of Forge’s Proprietary Information or a duty of assignment to Forge; provided that such exception only applies, respectively, as of the date of such availability, receipt, or development. These exceptions are to be interpreted narrowly as applying only to confidentiality obligations, and do not lessen Executive’s obligation to comply with Forge’s directives and supervision as part of Executive’s performance under this Employment Agreement, if applicable.

### 5.4 Non-Solicitation of Customers & Employees.

(a) During the Term of this Employment Agreement and until the end of the Restricted Period, Executive shall not, on their own behalf or on behalf of any other person, firm, partnership, association, corporation or business organization, entity or enterprise, call on or solicit for the purpose of competing with Forge, any customers of Forge with whom Executive had contact at any time during Executive’s employment with Forge.

(b) During the Term of this Employment Agreement and until the end of the Restricted Period, Executive shall neither: (A) directly or indirectly, call on, solicit or attempt to induce any other officer, employee or independent contractor of Forge with whom Executive had contact at any time during Executive’s employment with Forge, to terminate their employment or business relationship with Forge; nor (B) assist any other person or entity in such a solicitation.

### 5.5 Non-Compete.

(a) Executive and Forge agree that: (1) Forge is engaged in providing marketplace infrastructure, data services, and technology solutions for private market participants, and an alternative trading system (such business, together with any other products or services that may in the future during the pendency of Executive’s employment be offered by Forge or any entity that is then an affiliate of Forge, herein being collectively referred to as the “Business”); (2) Forge is one of a limited number of entities that have developed such a Business; (3) while the Business can be and is available to any



person or entity that has access to the internet and desires to trade in, monitor, or otherwise engage in the private securities marketplace, the Business is primarily conducted in, and Forge has offices in, the United States, the European Union, the United Kingdom, and Singapore; (4) Executive is, and is expected to continue to be during the Term, intimately involved in the Business wherever it operates, and Executive will have access to certain confidential, proprietary information of Forge; (5) this § 5.5 is intended to provide fair and reasonable protection to Forge in light of the unique circumstances of the Business; and (6) Forge would not have entered into this Employment Agreement but for the covenants and agreements set forth in this § 5.5.

(b) Pursuant to § 5.5(a) above, Executive therefore agrees that Executive shall not, during the Term and the Restricted Period, assume or perform, directly or indirectly, any executive, management or supervisory responsibilities or duties, or act as a management consultant or strategic consultant, for or on behalf of any other corporation, partnership, venture, or other business entity that engages in the Business in the geographic areas identified in § 5.5(a)(3) above or 5.5(c) below; provided, however, Executive may own up to two percent (2%) of the stock of a publicly traded company that

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engages in the Business so long as Executive is only a passive investor and is not actively involved in such company in any way.

(c) Executive acknowledges that the geographic areas identified in § 5.5(a)(3) above are those primary geographic areas of the Business as of the Effective Date, and agrees that Executive's obligations under § 5.5(b) will extend to any other country in which Forge has established an office or in which Forge conducts the Business in a regular, systematic manner during the Term or Restricted Period.

**5.6 Nondisparagement.** During the Term and the Restricted Period, to the fullest extent permitted by law, (1) Executive agrees that they shall refrain from publishing or otherwise making any disparaging, derogatory or defamatory statements to any third party (including by way of online content sites) concerning Forge, including, among other things, its brand, company culture, products and services, or personnel and (2) Forge agrees that it will instruct its directors, officers and managers to refrain from publishing or otherwise making any disparaging, derogatory or defamatory statements to any third party (including by way of online content sites) concerning Executive.

**5.7 Permitted Disclosures.** § 5.3 and 5.6, above, are not intended to, nor shall they in any way prohibit, limit, or otherwise interfere with any protected rights Executive may have under federal, state, or local law, including, without limiting the foregoing, the Defend Trade Secrets Act, codified at 18 USC 1836 et seq. (the "DTSA"). Per the DTSA, Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret if Executive (1) makes such disclosure in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law; or (2) such disclosure was made in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal. Further, nothing in this Employment Agreement is intended to, and shall not in any way prohibit, limit or otherwise interfere with any protected rights Executive may have under federal, state or local law, to, without notice to Forge: (1) communicate information, including good faith allegations of unlawful activity, or file a charge with a government regulator, including, but not limited to, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, a local commission on human rights, or any self-regulatory organization; (2) participate in an investigation or proceeding conducted by a government regulator, including providing truthful testimony or accurate information in connection with any investigation being conducted into the business or operations of Forge, or otherwise providing information to the appropriate government regulator regarding conduct or action undertaken or omitted to be taken by Forge that Executive reasonably believes is illegal or in material non-compliance with any financial disclosure or other regulatory requirement applicable to Forge, or in connection with any dispute between the parties; (3) receive an award paid by a government regulator for information; or (4) communicate with an attorney retained by Executive.

**5.8 Reasonable and Continuing Obligations.** Executive acknowledges that survival of their obligations under this § 5 are reasonable and necessary to protect Forge's legitimate business interests and that, pursuant to § 6.14 below, Forge may enforce its rights or otherwise compel compliance with the provisions of this § 5 after expiration or termination of this Employment Agreement, including but not limited to obtaining equitable or injunctive relief under § 5.9(b) below.

#### **5.9 Construction & Enforcement; Remedies.**

(a) Notwithstanding anything to the contrary in the PICA, the rights and obligations of Forge and the Executive under the PICA will be constructed and enforced under the laws of the state of

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Delaware, and any dispute or controversy arising out of or relating to the PICA or enforcement thereof will be subject to the provisions of § 6.7.



(b) Executive agrees that the remedies at law, including but not limited to money damages, for Forge for any actual or threatened breach by Executive of the covenants in this § 5 and the PICA would be inadequate, and that Forge shall be entitled to specific performance of the covenants in this § 5 and the PICA, including but not limited to entry of an ex parte, temporary restraining order in the state or federal courts identified in § 6.7 below, preliminary and permanent injunctive relief against activities in violation of this § 5, or both, or other appropriate judicial remedy, writ or order, without requirement of posting a bond or other security, in addition to any damages and legal expenses arising from its enforcement of this § 5 and the PICA, including reasonable outside attorney fees, which Forge may be legally entitled to recover. Executive acknowledges and agrees that the covenants in this § 5 and the PICA will be construed as agreements independent of any other provision of this or any other agreement between Forge and Executive, and that the existence of any claim or cause of action by Executive against Forge, whether predicated upon this Employment Agreement, the PICA, or any other agreement, will not constitute a defense to the enforcement by Forge of the covenants in this § 5 or the PICA.

## 6. MISCELLANEOUS

**6.1 Notices.** Notices and all other communications shall be in writing and shall be deemed to have been duly given when personally delivered (which may be through email) or when mailed by United States registered or certified mail. Notices to Forge shall be sent to its General Counsel. Notices and communications to Executive shall be sent to the address Executive most recently provided to Forge.

**6.2 No Waiver.** Except for the notice described in § 6.1, no failure by either Forge or Executive at any time to give notice of any breach by the other of, or to require compliance with, any condition or provision of this Employment Agreement shall be deemed a waiver of any provisions or conditions of this Employment Agreement.

**6.3 Assignment and Binding Effect.** This Employment Agreement shall be binding upon and inure to the benefit of Forge and any successor to all or substantially all of the business or assets of Forge. Except as set forth above, this Employment Agreement shall not be assignable by either party without the consent of the other party, except that no such consent will be required for Forge to assign its rights and obligations under this Employment Agreement to an affiliate in connection with a corporate reorganization or Change in Control. Any assignment or attempted assignment not permitted hereunder will be null, void, and of no legal effect.

**6.4 Other Agreements.** This Employment Agreement, together with the PICA and the any award documentation reflecting outstanding Forge equity awards granted to Executive, replaces any and all previous agreements and understandings regarding all the terms and conditions of Executive's employment relationship with Forge or its affiliates, (including the Prior Agreement), and constitute the entire agreement of Forge and Executive with respect to such terms and conditions. Notwithstanding the foregoing, nothing herein shall alter the terms of the award of 2,339,030 restricted stock units to Executive described in Proposal Five to Forge's proxy statement filed with the Securities and Exchange Commission on April 28, 2023 (and as may be amended from time to time) (the "CEO RSUs"), which CEO RSUs will continue in accordance with their terms. For the avoidance of doubt and without limitation, none of the acceleration provisions described in § 4.2(a)(3) or 4.2(b)(3) herein shall have any effect on the CEO RSUs.

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**6.5 Amendment.** Except as provided in § 6.6 below, no amendment or modification to this Employment Agreement shall be effective unless it is in writing and signed by Forge and by Executive.

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**6.6 Severability.** If any provision of this Employment Agreement (including but not limited to any covenant contained in the PICA) is found invalid or unenforceable, in whole or in part, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render such provision valid and enforceable, or shall be deemed excised from this Employment Agreement, as may be required under applicable law, and this Employment Agreement shall be construed and enforced to the maximum extent permitted by applicable law, as if such provision had been originally incorporated in this Employment Agreement as so modified or restricted, or as if such provision had not been originally incorporated in this Employment Agreement, as the case may be.

### 6.7 Choice of Law; Dispute Resolution.

(a) This Employment Agreement shall be constructed and enforced according to Delaware law.

(b) Other than as specifically provided for in § 6.7(c) below, any controversy or claim arising out of or relating to this Employment Agreement or the PICA, any alleged breach of this Employment Agreement or the PICA, or any other claim arising out of or relating to Executive's employment by Forge, shall be resolved through binding arbitration in New York, New York in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes, and a judgment upon the arbitration award may be entered by any court of competent jurisdiction. The arbitration shall be conducted by a single arbitrator selected in accordance with the applicable rules of the American Arbitration Association. The arbitrator shall be empowered to award any category of damages that would be available to the parties under applicable law. Forge shall be responsible for paying the reasonable fees of the arbitrator, unless the fees are otherwise allocated by the arbitrator consistent with applicable law.

(c) The state or federal courts of New York County, New York will have exclusive jurisdiction over any claim or controversy arising out of or relating to this Employment Agreement that is subject to § 5.9(b) above, and the parties hereto irrevocably waive any objection to that jurisdiction under *forum non conveniens* or any other theory.

(d) Executive acknowledges and agrees that they have been individually represented by legal counsel in negotiating the terms of this Employment Agreement, including with respect to designating the venue or forum in which a controversy arising from this Agreement may be adjudicated and the choice of law to be applied.

Initials of the parties expressly assenting to the provisions in § 6.7:

/s/ DS

/s/ KR

Executive's initials

Initials of Forge representative

SG

## 6.8 Executive's Legal Fees and Expenses.

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(a) **Claims Related to this Employment Agreement.** Forge shall reimburse Executive for Executive's reasonable legal fees and expenses which Executive incurs in connection with the negotiation review and execution of this Employment Agreement and related agreements up to \$35,000.00. \$3,000.00. Any such reimbursement shall be made subject to applicable withholdings.

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Executive Employment Agreement

(b) **Claims Related to a Change in Control.** Forge shall reimburse Executive for all Executive's reasonable legal fees and expenses which Executive incurs in connection with any claim made with respect to Executive's rights under § 4.2(b). Any such reimbursement shall be made subject to applicable withholdings.

**6.9 Release.** As a condition to Forge's making any payments to Executive after Executive's termination of employment under this Employment Agreement (other than the compensation earned before such termination and the benefits due under Forge's employee benefit plans without regard to the terms of this Employment Agreement), Executive or, if Executive is deceased, Executive's estate shall execute and not revoke, within forty-eight (48) 60 days following Executive's termination of employment, a release in a form to be provided by Forge that is reasonably acceptable to Forge and Executive, and Forge shall provide such payments or benefits, if applicable, promptly after Executive (or Executive's estate) delivers such release to Forge, but no later than sixty (60) 60 days after the date of Executive's termination of employment.

**6.10 Counterparts.** This Employment Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same Employment Agreement.

**6.11 Headings; References.** The headings and captions used in this Employment Agreement are used for convenience only and are not to be considered in construing or interpreting this Employment Agreement. Any reference to a section (§) shall be to a section (§) of this Employment Agreement

absent an express statement to the contrary in this Employment Agreement.

#### 6.12 Section 409A.

The intent of the parties is that payments and benefits under this Employment Agreement comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder ("Section 409A"), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Employment Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, Executive shall not be considered to have terminated employment with Forge for purposes of any payments under this Employment Agreement which are subject to Section 409A until Executive would be considered to have incurred a "separation from service" from Forge within the meaning of Section 409A. Each amount to be paid or benefit to be provided under this Employment Agreement shall be construed as a separate identified payment for purposes of Section 409A. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Employment Agreement or any other arrangement between Executive and Forge during the six-month period immediately following Executive's separation from service shall instead be paid on the first business day after the date that is six months following Executive's separation from service (or, if earlier, Executive's date of death). To the extent required to avoid an accelerated or additional tax under Section 409A, amounts reimbursable to Executive under this Employment Agreement shall be paid to Executive on or before the last day of the

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Forge Global Holdings, Inc. Executive Employment Agreement

year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in kind benefits provided to Executive) during one year may not affect amounts reimbursable or provided in any subsequent year. Forge makes no representation that any or all of the payments described in this Employment Agreement shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment.

Forge Global Holdings, Inc. Executive Employment Agreement

**6.13 Clawback Policy Acknowledgement.** In consideration of this Agreement and the payments hereunder, Executive hereby agrees and acknowledges that all "Incentive-Based Compensation" (as defined in the Company's Clawback Policy (as amended from time to time, the "Clawback Policy")) received by Executive after the "effective date" (as defined in the Clawback Policy) is subject to recovery pursuant to the Clawback Policy.

**6.13 6.14 Survival.** Each party acknowledges and agrees that the following sections of this Employment Agreement include rights and obligations that reasonably extend beyond the Term hereof and will survive termination or expiration of this Employment Agreement: §§ 4.2-4.4; § 5; § 6.2; § 6.3; §§ 6.6-6.9; § 6.12; § 6.13; § 6.14; and any other provision that by its terms or reasonable operation require extension beyond the Term.

*[signature page follows]*

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Forge Global Holdings, Inc. Executive Employment Agreement

**IN WITNESS WHEREOF,** Forge and Executive have executed this Employment Agreement in multiple originals to be effective on the date this Employment Agreement is signed by Forge. Effective Date.

FORGE GLOBAL HOLDINGS, INC.

By: /s/ Stephen George  
Name: Stephen George  
Title: Director  
Date: 6/21/2023

EXECUTIVE [KELLY RODRIQUES]

By: /s/ Kelly Rodriques  
Name: Kelly Rodriques  
Title: Chief Executive Officer  
Date: 6/20/2023

By: /s/ Kelly Rodriques  
Name: Kelly Rodriques  
Title: Chief Executive Officer  
Date: 9/20/2023

By: /s/ Drew Sievers  
Name: Drew Sievers  
Title: Chief Delivery Officer  
Date: 9/20/2023

Forge Global Holdings, Inc. Executive Employment Agreement

EXHIBIT A

OUTSIDE ACTIVITIES LIST

[\*\*\*]

Forge Global Holdings, Inc. Executive Employment Agreement

EXHIBIT B [

PICA to come

[\*\*\*]

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kelly Rodriques, certify that:

- 1. I have reviewed this Quarterly Report on Form 10-Q of Forge Global Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023 November 7, 2023

By: /s/ Kelly Rodriques

Kelly Rodriques

Chief Executive Officer (Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Mark Lee, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Forge Global Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023 November 7, 2023

By: /s/ Mark Lee

Mark Lee

Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kelly Rodriques, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Forge Global Holdings, Inc. for the fiscal quarter ended June 30, 2023 September 30, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Forge Global Holdings, Inc.

Date: August 8, 2023 November 7, 2023

By: /s/ Kelly Rodriques

Kelly Rodriques

Chief Executive Officer (Principal Executive Officer)

I, Mark Lee, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Forge Global Holdings, Inc. for the fiscal quarter ended June 30, 2023 September 30, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Forge Global Holdings, Inc.

Date: August 8, 2023 November 7, 2023

By: /s/ Mark Lee

Mark Lee

Chief Financial Officer (Principal Financial Officer)





#### DISCLAIMER

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