

Consolidated Audit Trail, LLC
2025 Financial and Operating Budget

Accrual Basis Budget ⁽¹⁾

Revenue Recognized	Estimated (2)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Projected Fees From Industry Members (2/3)	\$ 45,448,047	\$ 45,448,047	\$ 45,448,047	\$ 45,448,047	\$ 181,792,188
Projected Fees From SROs (1/3)	22,724,022	22,724,022	22,724,022	22,724,022	90,896,088
Total Revenue Recognized	68,172,069	68,172,069	68,172,069	68,172,069	272,688,276
Estimated Incurred Expenses					
<i>Technology Costs:</i>	Estimated (3)				Total
Cloud hosting services	39,640,542	45,205,375	46,382,724	51,365,989	182,594,630
Operating fees	7,221,522	7,221,522	7,221,522	7,221,522	28,886,088
CAIS operating fees	5,187,462	5,187,462	5,187,462	5,187,462	20,749,848
Cyber Insurance Premium Adjustment	440,748	501,498	501,498	501,498	1,945,242
Placeholder for possible change requests	-	250,000	250,000	250,000	750,000
Total Technology Costs (6)	52,490,273	58,365,857	59,543,206	64,526,470	234,925,808
<i>General and Administrative:</i>					
Legal	1,430,000	1,430,000	1,430,000	1,430,000	5,720,000
Consulting	437,500	437,500	437,500	437,500	1,750,000
Insurance	-	-	1,594,452	-	1,594,452
Professional and administration	168,750	269,460	168,750	275,496	882,456
Public relations	12,500	12,500	12,500	12,500	50,000
Total General and Administrative	2,048,750	2,149,460	3,643,202	2,155,495	9,996,908
Total Estimated Incurred Expenses	54,539,023	60,515,317	63,186,408	66,681,965	244,922,716
<i>Capitalized Developed Technology Costs</i>	1,150,000	-	-	-	1,150,000
<i>Software License Fee - 2024</i>	2,773,360	-	-	-	2,773,360
Total Expenses	58,462,385	60,515,318	63,186,408	66,681,965	248,846,076
Excess of Revenue Recognized Over Expenses	9,709,684	7,656,751	4,985,661	1,490,104	23,842,200
Add: Accrued Liquidity Reserve Balance as of Beginning of Year	27,695,385	-	-	-	27,695,385
Add: 25% Incremental Liquidity Reserve Accrued during 2025	5,960,550	5,960,550	5,960,550	5,960,550	23,842,200
Deduct: Repayment of Short-Term Loans (4)	(29,516,969)	-	-	-	(29,516,969)
Liquidity Reserve Balance	\$ 4,138,966	\$ 10,099,516	\$ 16,060,066	\$ 22,020,616	\$ 22,020,616

Estimated Inflows (Outflows) from Historical Costs: (5)

Fee collection - Historical Costs (\$212,039,879)	\$ 26,504,985	\$ 26,504,985	\$ 26,504,985	\$ 26,504,985	\$ 106,019,940
Repayment of Promissory Notes/Contributions	(26,504,985)	(26,504,985)	(26,504,985)	(26,504,985)	(106,019,940)

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(1) This accrual basis budget reflects revenues when earned and expenditures when incurred pursuant to US GAAP.

(2) Revenues of \$272,688,276 are equal to Total Expenses Incurred (\$248,846,076) plus the 25% Incremental Liquidity Reserved Accrued during 2025 (\$23,842,200). This budget assumes that total estimated expenses plus the 25% incremental liquidity reserve, will be recognized ratably as revenue over a 12 month period beginning January through Decemeber 2025

(3) The estimated expenses for this accrual basis budget are based on currently-anticipated costs. Actual results may differ from these budgeted amounts.

(4) Represents the repayment of short-term loans from SROs that were issued from July through October 2024.

(5) Represents the billings and collections of historical costs incurred through December 31, 2021 (FAM 3). Monthly billings and collections are expected to commence in November 2024 and run through October 2026 (a 24 month period).

(6) CAT LLC submitted an amendment to the CAT NMS Plan on March 27, 2024 (<https://www.catnmsplan.com/sites/default/files/2024-03/03.27.24-Proposed-CAT-NMS-Plan-Amendment-Cost-Savings-Amendment.pdf> and <https://www.catnmsplan.com/sites/default/files/2024-09/09.20.2024-Cost-Savings-Amendment-OIP-Response.pdf>) that is currently under review by the SEC. The impact of the proposed Cost Savings Amendment is not reflected in the current 2025 budget. The estimated cloud fee reductions in the amendment approximate \$21M annually, which is based on data volumes from January through June 2024, with estimated cloud fee reductions approximating \$27.5M annually, based on data volumes from the third quarter of 2024. If the proposed amendment is approved by the SEC in December 2024 and the CAT LLC Operating Committee approves the Change Order for its implementation by December 20, 2024, FINRA CAT estimates a pro-rated reduction in the 2025 cloud fees of approximately \$20.6M based on an end of April 2025 implementation of the cost savings measures.