MORTON ST. TRADING INVESTMENTS, LLC

Financial Statements and Supplementary Schedules

Period of May 14, 2025 Through August 31, 2025

(With Independent Auditors' Report Thereon)

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R&J

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of
Morton St. Trading Investments, LLC

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Morton St. Trading Investments, LLC (the "Company") as of August 31, 2025, the related statements of operations, changes in member's equity, and cash flows for the period May 14, 2025 to August 31, 2025, including the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Morton St. Trading Investments, LLC as of August 31, 2025, and the results of its operations and its cash flows for the period May 14, 2025 to August 31, 2025 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of Morton St. Trading Investments, LLC's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to Morton St. Trading Investments, LLC in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission, the Commodity Futures Trading Commission ("CFTC"), and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Auditor's Report on Supplemental Information

The information contained in Supplementary Schedules ("the supplemental information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including their form and content, are presented in conformity with Regulation 1.10 of the Commodity Exchange Act. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ryan & Juraska LLP

We have served as Morton St. Trading Investments, LLC's auditor since 2025.
Chicago, Illinois
September 30, 2025

MORTON ST. TRADING INVESTMENTS, LLC
BALANCE SHEET
(In thousands)

		August 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$	1,502
Total assets	$	1,502
Liabilities and Member's Equity		
Current liabilities:		
Accounts payable and accrued expenses	$	68
Due to Parent and affiliates, net		106
Total liabilities		174
Member's equity		1,328
Total liabilities and member's equity	$	1,502

See accompanying Notes to Financial Statements.

MORTON ST. TRADING INVESTMENTS, LLC
STATEMENT OF OPERATIONS
(In thousands)

	Period Ended August 31, 2025
Revenues	$ —
Operating costs:	
General and administrative expenses	174
Total operating costs	174
Loss from operations	(174)
Interest income	2
Loss before income taxes	(172)
Income tax benefit	—
Net loss	$ (172)

See accompanying Notes to Financial Statements.

MORTON ST. TRADING INVESTMENTS, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
(In thousands)

		Member's Equity
Balance, May 14, 2025	$	—
Capital contributions from Parent		1,500
Net loss		(172)
Balance, August 31, 2025	$	1,328

See accompanying Notes to Financial Statements.

MORTON ST. TRADING INVESTMENTS, LLC
STATEMENT OF CASH FLOWS
(In thousands)

		Period Ended August 31, 2025
Cash flows from operating activities		
Net loss	$	(172)
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses		68
Due to Parent and affiliates, net		106
Net cash provided by (used in) operating activities		2
Cash flows from financing activities		
Capital contributions from Parent		1,500
Net cash provided by financing activities		1,500
Net increase in cash and cash equivalents		1,502
Cash and cash equivalents at beginning of period		—
Cash and cash equivalents at end of period	$	1,502
Disclosure of cash and cash equivalents		
Cash and cash equivalents	$	1,502
Total cash and cash equivalents at end of period	$	1,502

See accompanying Notes to Financial Statements.

Note 1 – Organization and Description of Business

Morton St. Trading Investments, LLC (“Investments” or the “Company”) was formed on May 14, 2025 and is headquartered in New York, New York. The Company is a wholly owned subsidiary of Morton St. Trading Intermediate Holdco, LLC (the “Member”). Through a series of wholly owned entities, the Member is ultimately controlled by Fanatics Holdings, Inc. (“Parent” or “Parent Company”). The Financial Statements include the results of operations from the Company’s formation date. All references to the period ended August 31, 2025 relate to the period from May 14, 2025 through August 31, 2025.

As of August 31, 2025, the Company is in the initial stages of development and has not yet commenced business operations. On August 22, 2025, the Company applied for registration as a Futures Commission Merchant ("FCM") with the Commodity Futures Trading Commission (“CFTC”) and membership with the National Futures Association (“NFA”). The Company intends to provide order execution and may also engage in clearing activities for listed event contracts—binary outcome products based on specified events, occurrences, or values—traded on Designated Contract Markets ("DCMs") and cleared by Derivatives Clearing Organizations (“DCOs”). As an FCM, the Company will accept customer orders, hold customer funds and margin in segregation in accordance with the Commodity Exchange Act and CFTC regulations, and may clear the resulting transactions. Customer funds maintained in segregation and the corresponding obligations to customers will be presented on the Company's Balance Sheet in accordance with applicable regulations. However, customers will retain full legal and economic ownership of their event contracts and as a result, these positions will not be recognized as assets or liabilities of the Company.

The Company expects to generate revenue primarily through commissions and transaction-based fees associated with execution and, if applicable, clearing services provided to its customers. These fees will be recognized in accordance with the terms of the Company’s agreements with affiliated or third-party market infrastructure providers. The Company will also generate revenue from interest earned on customer funds.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Transactions between the Company and its Parent and/or Parent's subsidiaries have been included in the Company's financial statements presented herein. For those transactions between the Company and its Parent and Parent's subsidiaries that will be settled in cash, the Company has reflected such balances in the Balance Sheet and Statement of Cash Flows as Due to Parent and affiliates, net. The aggregate net effect of financing transactions between the Company and its Parent are reflected in the Balance Sheet as Member's equity and in the Statement of Cash Flows as cash flows from financing activities. Refer to Note 4 – *Related-Party Transactions* for additional information.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and related disclosures in the accompanying notes. Actual results could differ materially from those estimates.

Fair Value Measurements

The Company measures certain assets and liabilities at fair value. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

i. Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets.

ii. Level 2: Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, and model-based valuation techniques for which all significant inputs are observable in the market or can be derived from observable market data.

iii. Level 3: Unobservable inputs that are supported by little or no market activity.

The Company held no Level 1, Level 2, or Level 3 investments at August 31, 2025.

The carrying values of all of the Company's financial instruments approximate their fair values. The Company accounts for its financial assets and liabilities at fair value on a recurring basis. The Company evaluates the fair value of its non-financial assets and liabilities on a nonrecurring basis.

Cash and Cash Equivalents

The Company classifies all highly liquid instruments with maturities of three months or less from the date of purchase as cash and cash equivalents. Cash and cash equivalents primarily consists of bank deposits.

Current Expected Credit Losses

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which amends several aspects of measurement of credit losses on financial instruments, including replacing the existing incurred credit loss model and other models with the Current Expected Credit Losses ("CECL") model and amending certain aspects of accounting for purchased financial assets with deterioration in credit quality since origination. The Company has completed its analysis as of August 31, 2025, related to the financial assets within the scope of Accounting Standards Codification ("ASC") 326 and identified no material current expected credit loss to be recorded.

Concentration of Risk

The financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash and cash equivalents are deposited with a financial institution the Company believes to be of high credit quality. Such amounts were in excess of federally insured limits as of August 31, 2025; however, the Company does not believe that it is subject to unusual credit risk beyond the normal risk associated with commercial banking relationships.

Guarantees

ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee agreements. ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurence of a specified event) related to an asset, liability or equity security of a guaranteed party. The guidance also defines guarantees of the indebtedness of others. At August 31, 2025, the Company made no such guarantees.

General and Administrative Expenses

General and administrative expenses consist of organizational and initial startup costs and are expensed as incurred.

Income Taxes

The Company is a limited liability company treated as a disregarded entity and accounted for as a division of a single member. The Company does not file separate tax returns, and the single member does not elect to allocate the consolidated amount of current and deferred tax expense to its disregarded entities. As such, no income tax expense or deferred taxes have been recognized in the Statement of Operations.

Note 3 – Commitments and Contingencies

In the normal course of business, the Company may be involved in various legal and regulatory matters. As of August 31, 2025, the Company had no significant commitments or contingencies.

Note 4 – Related-Party Transactions

The Company and Parent have entered into certain intercompany agreements providing for, among other things, various support services to be made available to the Company by the Parent and its affiliates. These costs are charged to the Company and reflected in the Statement of Operations. Certain costs paid directly by the Parent and its affiliates on behalf of the Company are specifically identified and directly allocated. Additionally, internal personnel costs related to the accounting, legal, and compliance functions are shared across entities and a portion is allocated to the Company. These allocations were determined and applied on a consistent basis and are intended to reflect all costs incurred by the Company.

As of August 31, 2025, the Company held an intercompany payable due to Parent and its other affiliates representing cash paid by the Parent and its subsidiaries on behalf of the Company. Intercompany payables are settled in cash on a regular basis. During the period ended August 31, 2025, the intercompany payable due to Parent and its other affiliates increased $106 thousand which reflects the allocation of shared costs. The $106 thousand consists of $70 thousand related to third-party legal and consulting services, $24 thousand related to software and technology support, and $12 thousand related to salaries, wages and benefits.

For the period ended August 31, 2025, the Company recorded contributions from the Parent totaling $1.5 million, as included in the Statement of Changes in Member’s Equity.

Note 5 – Minimum Capital Requirements

The Company is subject to the net capital requirements under Regulation 1.17 of the Commodity Exchange Act. Under this regulation, the Company is required to maintain “net capital”, as defined, equal to the greater of $1.0 million or the sum of 8% of the customer risk maintenance margin requirements plus 8% of the non-customer risk maintenance margin requirement. As of August 31, 2025, the Company had adjusted net capital of $1.3 million which was $0.3 million in excess of the required net capital. Management has no plans to withdraw funds that would render the Company deficient of the required capital requirement.

Note 6 – Subsequent Events

The Company has evaluated subsequent events through September 30, 2025, the date on which these financial statements were available to be issued. On September 29, 2025, the Company received an additional capital contribution of $375 thousand to increase adjusted net capital above the early warning level and cover additional expenses expected to be incurred. Other than this contribution, no material subsequent events were identified that require disclosure in the accompanying financial statements.

SUPPLEMENTARY SCHEDULES

MORTON ST. TRADING INVESTMENTS, LLC
SCHEDULE I – STATEMENT OF THE COMPUTATION
OF THE MINIMUM CAPITAL REQUIREMENTS
(In thousands)

		August 31, 2025
Net Capital		
Current assets	$	1,502
Total liabilities		174
Net capital		1,328
Charges against net capital		—
Adjusted net capital	$	1,328
Minimum requirement	$	1,000
Excess net capital	$	328
Computation of Early Warning Level		
150% of capital requirements	$	1,500

There are no material differences between the above computation and the Company's internal records as of August 31, 2025.

MORTON ST. TRADING INVESTMENTS, LLC
SCHEDULE II – RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF THE COMPUTATION OF THE MINIMUM CAPITAL REQUIREMENTS
(In thousands)

		August 31, 2025
Assets		
Total assets per Balance Sheet	$	1,502
Less noncurrent assets included in total assets		—
Current assets under CFTC Regulation 1.17	$	1,502
Liabilities		
Total liabilities per Balance Sheet	$	174
Additions (deductions): Liabilities not reflected in the Balance Sheet or not considered as a liability for minimum net capital requirements		—
Liabilities under CFTC Regulation 1.17	$	174

MORTON ST. TRADING INVESTMENTS, LLC
SCHEDULE III – STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR CUSTOMERS TRADING ON U.S. COMMODITY EXCHANGES
(In thousands)

	August 31, 2025
Segregation Requirement	
Net ledger balance:	
Cash	$ —
Securities	—
Net unrealized gain (loss) in open futures contracts traded on a contract market	—
Exchange traded options	—
Net equity	—
Accounts liquidating to a deficit and accounts with debit balances	—
Amount required to be segregated	$ —
Funds in Segregated Accounts	
Total amount in segregation	$ —
Excess funds in segregation	$ —
Management target amount excess funds in segregation	—
Excess funds in segregation over management target amount excess	$ —

There are no material differences between the above computation and the Company's internal records as of August 31, 2025.

MORTON ST. TRADING INVESTMENTS, LLC
SCHEDULE IV – STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR CUSTOMERS' DEALER OPTIONS ACCOUNTS
(In thousands)

The Company does not carry customers' dealer option accounts as defined by the Commodity Exchange Act Regulation 32.6. Therefore, the Company is exempt from the provisions of such regulation.

MORTON ST. TRADING INVESTMENTS, LLC
SCHEDULE V – STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS PURSUANT TO COMMISSION REGULATION 30.7
(In thousands)

	August 31, 2025
Amount required to be held in separate accounts	$ —
Total amount in separate 30.7 accounts	—
Excess (deficiency) funds in separate 30.7 accounts	$ —

Note that the Company has no secured funds and no 30.7 secured requirements.

There are no material differences between the above computation and the Company's internal records as of August 31, 2025.

MORTON ST. TRADING INVESTMENTS, LLC
SCHEDULE VI – STATEMENT OF THE CLEARED SWAPS SEGREGATION REQUIREMENTS AND FUNDS IN CLEARED SWAPS CUSTOMER ACCOUNTS UNDER 4D(F) OF THE COMMODITY EXCHANGE ACT
(In thousands)

The Company does not carry customers' cleared swaps accounts as defined by the Commodity Exchange Act Regulation 4D(F). Therefore, the Company is exempt from the provisions of such regulation.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

To the Member and Management of
Morton St. Trading Investments, LLC

In planning and performing our audit of the financial statements of Morton St. Trading Investments, LLC (the "Company") as of and for the period May 14, 2025 to August 31, 2025, in accordance with standards of the PCAOB and the auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Regulation 1.16 of the Commodity Futures Trading Commission (the "CFTC"), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding customer and firm assets. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Regulation 1.16 in making the following:

> The periodic computations of minimum financial requirements pursuant to Regulation 1.17.
>
> The daily computations of the segregation requirements of section 4d(2) of the Commodity Exchange Act (the "CEAct") and the regulations thereunder, and the segregation of funds based on such computations.
>
> The daily computations of the foreign futures and foreign options secured amount requirements pursuant to Regulation 30.7 under the CFTC.
>
> The daily computations of cleared swaps segregation requirements and funds in cleared swaps customer accounts under 4D(F) of the CEAct.

The Company's management is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the CFTC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Regulation 1.16(d)(2) lists additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control and control activities for safeguarding securities and certain regulated commodity customer and firm assets that we consider to be material weaknesses.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the CFTC to be adequate for its purposes in accordance with the CEAct and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at August 31, 2025 to meet the CFTC's objectives.

This communication is intended solely for the information and use of the management, the sole member, others within the Company, the CFTC, the National Futures Association, and other regulatory agencies that rely on Regulation 1.16 of the CFTC in their regulation of registered futures commission merchants and is not intended to be, and should not be, used by anyone other than these specified parties.

Ryan & Juraska LLP

Chicago, Illinois
September 30, 2025