

Performance Predictions II, LLC

NFA ID Number: 0571411

As of December 31, 2025

PERFORMANCE PREDICTION II, LLC
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Performance Predictions II LLC
1055 Howell Mill Rd NW
Suite 1400
Atlanta, GA 30318

Oath or Affirmation

Performance Predictions II LLC, a registered futures commissions merchant, is submitting this audited annual report as of and for the period May 1, 2025 through December 31, 2025, and its attachments. The person whose signature appears below represents that, to the best of their knowledge, all information contained therein is true, correct, and complete.

Signed by:

74CF812A73754C5...

Marcus Sanford
Chief Financial Officer
Performance Predictions II LLC



Report of Independent Registered Public Accounting Firm

To Members of Performance Predictions II LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Performance Predictions II LLC as of December 31, 2025 and 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 Performance Predictions II LLC as of December 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 Performance Predictions II LLC's management. Our responsibility is to express an opinion on Performance Predictions II LLC'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 Performance Predictions II LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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. 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.

Supplemental Information

The supplemental information listed in the accompanying table of contents has been subjected to audit procedures performed in conjunction with the audit of Performance Predictions II LLC's financial statements. The supplemental information is the responsibility of Performance Predictions II LLC'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 its form and content, is presented in conformity with CFTC Regulation 1.10. In our opinion, the supplemental information listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as Performance Predictions II LLC's auditor since 2025.

Michael Coglianes CPA, P.C.

Lincolnshire, IL
February 17, 2026

PERFORMANCE PREDICTIONS II, LLC
STATEMENT OF FINANCIAL CONDITION

<i>(in thousands)</i>	As of December 31, 2025
ASSETS	
Current assets:	
Cash	\$4,564
Cash segregated under federal and other regulations	24,518
Receivables from an exchange	380
Total current assets	<u>29,462</u>
 Other assets	 852
Total assets	<u>\$30,314</u>
 LIABILITIES AND MEMBERS' EQUITY	
Current liabilities:	
Payable to users	\$642
Due to parent, net	897
Total current liabilities	<u>1,539</u>
 Members' equity:	
Total member's equity	<u>28,775</u>
Total liabilities and members' equity	<u>\$30,314</u>

The accompanying notes to the financial statements are an integral part of these statements

PERFORMANCE PREDICTIONS II, LLC

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Description of business

Performance Predictions II, LLC (the “Company”) is a wholly-owned subsidiary of SidePrize LLC (the “Parent”). The Company is registered with the Commodity Futures Trading Commission (“CFTC”) as a Futures Commission Merchant (“FCM”) and a swap firm for trading cleared swaps. The Company is also a member of the National Futures Association (the “NFA”).

On June 30, 2025, the Company entered into a Master Service Agreement with Parent by which Parent agreed to provide to the Company administrative and development Services.

In November 2025, the Company launched events contracts for various sports and culture events.

Note 2 - Summary of significant accounting policies

Basis of Accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Financial Accounting Standards Board (“FASB”) has established the Accounting Standards Codification (“ASC”) as the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with U.S. GAAP.

Use of Estimates – The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. The Company bases estimates on historical experience and other assumptions the Company believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Cash – Cash includes an interest bearing deposit with banks. The Company maintains cash in bank accounts at a financial institution that exceeds federally insured limits. The Company is subject to credit risk to the extent the financial institution with which the Company conducts business is unable to fulfill contractual obligations on its behalf. As the Company has not experienced any losses in such accounts and believes that cash on deposit has been placed with financial institutions which are financially stable, the Company does not have an expectation of credit losses for these arrangements.

Cash Segregated Under Federal and Other Regulations - The Company is required to segregate cash for the exclusive benefit of customers, as defined by customer segregation provisions under Commodity Exchange Act (CEA) Section 4d(2). Segregated cash includes collateral held with the exchange associated with unsettled event contracts and is restricted for the Company’s use in operations. The Company continually reviews the credit quality of its counterparties and has not experienced a default. As a result, the Company does not have an expectation of credit losses for these arrangements.

Receivables from an Exchange – Receivables from an exchange primarily include rebates and interest due from collateral held with the exchange associated with unsettled event contracts. These receivables are short term and settle within thirty days. The Company continually reviews the credit quality of the exchange and has not experienced a default. As a result, the Company does not have an expectation of credit losses for this arrangement.

PERFORMANCE PREDICTIONS II, LLC

NOTES TO THE FINANCIAL STATEMENTS

Other Assets - The Company capitalizes eligible costs to develop internal-use software that are incurred subsequent to the preliminary project stage through the development stage. Other Assets include the carrying value of capitalized software development costs, which are amortized over a useful life of three years.

Payable to Users - Payable to users represent amounts due to users for collateral on unsettled events contracts.

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

Due to Parent - The Company has a balance due to its Parent, which represents amounts owed arising from normal operating activities provided under a Master Services Agreement. This liability is non-interest bearing and is settled in the normal course of business.

Net Capital Requirement - The Company is subject to CFTC Regulation 1.17, administered by the CFTC and the NFA, which requires the maintenance of minimum net capital, as defined by CFTC Regulation 1.17. As of December 31, 2025, the Company had net capital of \$27.9 million, which was \$26.9 million in excess of its required net capital of \$1 million.

Fair Value of Assets and Liabilities – 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.

Note 3 - Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

There were no new accounting pronouncements adopted during the period May 1, 2025 through December 31, 2025.

Note 4 - Subsequent Events

The Company has evaluated events subsequent to the date of the statement of financial condition for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 17, 2026, the date the financial statements were available to be issued. No event took place that requires recording or disclosure in our financial statements.

Supplemental Information

PERFORMANCE PREDICTIONS II, LLC

Schedule I: Reconciliation of Statement of Financial Condition to Net Capital Computation

	December 31, 2025
<i>(In thousands)</i>	
Total Assets	
Total assets reflected in the Statement of Financial Condition	\$30,314
Less non-current assets	(852)
Net current assets (as defined)	<u>\$29,462</u>
Total Liabilities	
Total liabilities reflected in the Statement of Financial Condition	1,539
Add items not reflected in the Statement of Financial Condition	-
Total Liabilities	<u>\$1,539</u>

PERFORMANCE PREDICTIONS II, LLC

Schedule II: Statement of the Computation of the Minimum Capital Requirements

	December 31,
	2025
<i>(In thousands)</i>	
Net Capital Calculation:	
Net Current Assets, as defined (see Supplemental Schedule I)	\$29,462
Less: Total Liabilities (see Supplemental Schedule I)	(1,539)
Net capital before deductions	<u>27,923</u>
Less: Deductions	-
Adjusted Net Capital	<u>27,923</u>
Charges Against Net Capital	
Charges on open and cleared positions	-
Total charges	-
Minimum dollar amount required	1,000
Amount required	<u>1,000</u>
Excess Net Capital	<u><u>\$26,923</u></u>
Computation of Early Warning Level	
150% of minimum dollar amount required	\$1,500

There were no material differences between this audited computation of the minimum capital requirements and the corresponding computation included in the Company's unaudited December 31, 2025 CFTC Form-1 filed on January 20, 2026.

PERFORMANCE PREDICTIONS II, LLC

Schedule III: Statement of Cleared Swaps Customer Segregation Requirements and Funds in Cleared Swaps Customer Accounts Under 4D(F) of CEA

	December 31, 2025
<i>(In thousands)</i>	
Cleared Swaps Customer Requirements:	
Net ledger balance:	
Cash	\$ -
Securities (at market)	-
Net unrealized profit (loss) in open cleared swaps	-
Cleared swaps options:	
Market value of open cleared swaps option contracts purchased	642
Market value of open cleared swaps option contracts granted (sold)	-
Net Equity (deficit) (add lines 1, 2, and 3)	<hr/> 642
Accounts liquidating to a deficit and accounts with debit balances - gross amount	-
Less: amount offset by customer owned securities	-
Amount required to be segregated for cleared swaps customers	<hr/> 642
 Funds in Cleared Swaps Customer Segregated Accounts	
Deposited in cleared swaps customer segregated accounts at banks:	
Cash	5,028
Securities representing investments of cleared swaps customers' funds (at market)	-
Securities held for particular cleared swaps customers in lieu of cash (at market)	-
Margins on deposit with derivatives clearing organizations in cleared swaps	-
Customer segregated accounts:	
Cash	18,848
Securities representing investments of cleared swaps	-

PERFORMANCE PREDICTIONS II, LLC

Schedule III: Statement of Cleared Swaps Customer Segregation Requirements and Funds in Cleared Swaps Customer Accounts Under 4D(F) of CEA

customers' funds (at market)	
Securities held for particular cleared swaps customers in lieu of cash (at market)	-
Net settlement from (to) derivatives clearing organizations	-
Cleared swaps options:	
Value of open cleared swaps long option contracts	642
Value of open cleared swaps short option contracts	-
Net equities with other futures commissions merchants:	
Net liquidating equity	-
Securities representing investments of cleared swaps customers' funds (at market)	-
Securities held for particular cleared swaps customers in lieu of cash (at market)	-
Cleared swaps customer funds on hand	-
Total amount in cleared swaps customer segregation	24,518
Excess (deficiency) funds in cleared swaps customer segregation	23,876
Management Target Amount for Excess funds in cleared swaps segregated accounts	500
Excess funds in cleared swaps customer segregated accounts over Management Target Amount (unaudited)	\$23,376

There were no material differences between this audited statement of cleared swaps customer segregation requirements and funds in cleared swaps customer accounts and the corresponding statement included in the Company's unaudited December 31, 2025 CFTC Form-1 filed on January 20, 2026