

## SECTION B

### CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF THE GROUP FOR THE THREE YEARS ENDED 31 DECEMBER 2024

#### Consolidated statements of profit or loss and other comprehensive income

	Note	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2024
USD '000 (except per share data)				
Trading income		76,792	49,657	50,148
<b>Revenue</b>	4	<u>76,792</u>	<u>49,657</u>	<u>50,148</u>
Selling and marketing expenses	5	(46,861)	(37,602)	(35,897)
Administrative and general expenses	5	<u>(2,896)</u>	<u>(3,855)</u>	<u>(6,625)</u>
<b>Profit from operations</b>		27,035	8,200	7,626
Finance income	7	28	101	256
Finance expense	7	<u>(919)</u>	<u>(731)</u>	<u>(1,858)</u>
<b>Profit before tax</b>		26,144	7,570	6,024
Taxes on income	8	<u>(33)</u>	<u>(816)</u>	<u>(904)</u>
<b>Profit for the period</b>		<u><u>26,111</u></u>	<u><u>6,754</u></u>	<u><u>5,120</u></u>
<b>Profit attributable to:</b>				
Owners of the parent		21,744	5,625	3,931
Non-controlling interests		<u>4,367</u>	<u>1,129</u>	<u>1,189</u>
		<u><u>26,111</u></u>	<u><u>6,754</u></u>	<u><u>5,120</u></u>
<b>Other comprehensive income:</b>				
(Loss)/gain on foreign currency translation		<u>(357)</u>	<u>525</u>	<u>(521)</u>
<b>Total comprehensive income</b>		<u><u>25,754</u></u>	<u><u>7,279</u></u>	<u><u>4,599</u></u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		21,453	6,058	3,476
Non-controlling interests		<u>4,301</u>	<u>1,221</u>	<u>1,123</u>
		<u><u>25,754</u></u>	<u><u>7,279</u></u>	<u><u>4,599</u></u>
<b>Earnings per share attributable to the parent:</b>				
Basic and diluted	10	217,440	56,250	39,310

## Consolidated statements of financial position

		<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>Note</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
		<i>2022</i>	<i>2023</i>	<i>2024</i>
		<i>USD '000</i>	<i>USD '000</i>	<i>USD '000</i>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant, and equipment	11	669	714	593
Right of use assets	12	219	1,871	1,622
<b>Total non-current assets</b>		<u>888</u>	<u>2,585</u>	<u>2,215</u>
<b>Current assets</b>				
Trade and other receivables	14	7,841	3,862	9,295
Other current financial assets	13	–	940	–
Cash and cash equivalents	15	11,739	17,810	8,613
<b>Total current assets</b>		<u>19,580</u>	<u>22,612</u>	<u>17,908</u>
<b>Total assets</b>		<u><u>20,468</u></u>	<u><u>25,197</u></u>	<u><u>20,123</u></u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Bank overdrafts	15	30	43	43
Lease liabilities	12	55	400	314
Trade and other payables	18	7,071	2,650	8,306
Tax liabilities	8	6	172	–
<b>Total current liabilities</b>		<u>7,162</u>	<u>3,265</u>	<u>8,663</u>
<b>Non-current liabilities</b>				
Lease liabilities	12	165	1,512	1,411
<b>Total non-current liabilities</b>		<u>165</u>	<u>1,512</u>	<u>1,411</u>
<b>Total liabilities</b>		<u>7,327</u>	<u>4,777</u>	<u>10,074</u>
<b>Net assets</b>		<u><u>13,141</u></u>	<u><u>20,420</u></u>	<u><u>10,049</u></u>
<b>Equity</b>				
Share capital	19	–	–	–
Reserve for transactions with non-controlling interests	19	–	–	(1,630)
Translation reserve		407	840	385
Retained earnings		10,536	16,161	8,370
<b>Total</b>		<u>10,943</u>	<u>17,001</u>	<u>7,125</u>
Non-controlling interest		<u>2,198</u>	<u>3,419</u>	<u>2,924</u>
<b>Total equity</b>		<u><u>13,141</u></u>	<u><u>20,420</u></u>	<u><u>10,049</u></u>

## Consolidated statements of changes in equity

	Share capital USD '000	Reserve for transactions with non- controlling interests USD '000	Translation reserve USD '000	Retained earnings USD '000	Total USD '000	Non- controlling interests USD '000	Total equity USD '000
<b>Balance as at 1 January 2022</b>	–	–	698	2,761	3,459	699	4,158
<b>Comprehensive Income for the year</b>							
Profit for the year	–	–	–	21,744	21,744	4,367	26,111
<b>Other comprehensive income</b>							
Loss on foreign currency translation	–	–	(291)	–	(291)	(66)	(357)
<b>Total comprehensive income for the year</b>	–	–	(291)	21,744	21,453	4,301	25,754
<b>Transactions with owners</b>							
Dividends (Note 9)	–	–	–	(13,969)	(13,969)	(2,802)	(16,771)
<b>Balance as at 31 December 2022</b>	–	–	407	10,536	10,943	2,198	13,141
<b>Balance as at 1 January 2023</b>	–	–	407	10,536	10,943	2,198	13,141
<b>Comprehensive Income for the year</b>							
Profit for the year	–	–	–	5,625	5,625	1,129	6,754
<b>Other comprehensive income</b>							
Gain on foreign currency translation	–	–	433	–	433	92	525
<b>Total comprehensive income for the year</b>	–	–	433	5,625	6,058	1,221	7,279
<b>Balance as at 31 December 2023</b>	–	–	840	16,161	17,001	3,419	20,420
<b>Balance as at 1 January 2024</b>	–	–	840	16,161	17,001	3,419	20,420
<b>Comprehensive Income for the year</b>							
Profit for the year	–	–	–	3,931	3,931	1,189	5,120
Share based payment charge of subsidiary (Note 19)	–	252	–	–	252	5	257
<b>Other comprehensive income</b>							
Loss on foreign currency translation	–	–	(455)	–	(455)	(66)	(521)
<b>Total comprehensive income for the year</b>	–	252	(455)	3,931	3,728	1,128	4,856
Issuance of restricted shares by subsidiary	–	(1,882)	–	–	(1,882)	1,882	–
Dividends (Note 9)	–	–	–	(11,722)	(11,722)	(3,505)	(15,227)
<b>Balance as at 31 December 2024</b>	–	(1,630)	385	8,370	7,125	2,924	10,049

## Consolidated statements of cash flows

		Year ended 31 December 2022 USD '000	Year ended 31 December 2023 USD '000	Year ended 31 December 2024 USD '000
<b>Cash flows from operating activities</b>				
Profit for the period		26,111	6,754	5,120
<i>Adjustments required to reflect the cash flows from operating activities:</i>				
Depreciation of property, plant, and equipment and amortisation of right of use assets	11/12	172	483	553
Share based payment charge	19	–	–	257
Finance income	7	(28)	(101)	(256)
Finance expense	7	3	100	153
Income tax expense	8	33	816	904
<b>Net cash generated from operating activities before changes in working capital</b>		26,291	8,052	6,731
(Increase)/decrease in trade and other receivables		(5,241)	3,963	(4,558)
Increase/(decrease) in trade and other payables		930	(4,148)	(276)
<b>Cash generated from operations</b>		21,980	7,867	1,897
Tax paid		(35)	(650)	(1,951)
<b>Net cash flows from operating activities</b>		21,945	7,217	(54)
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	11	(326)	(327)	(82)
(Purchase)/return of investment financial assets	13	–	(912)	950
Interest received	7	28	101	256
<b>Net cash (used)/received from investing activities</b>		(298)	(1,138)	1,124
<b>Cash flow from financing activities</b>				
Dividends paid	9	(14,004)	–	(5,791)
Dividend paid to non-controlling shareholders		(2,767)		(3,504)
Payments of lease liabilities		(14)	(100)	(293)
Interest paid	7	(3)	(100)	(153)
<b>Net cash used in financing activities</b>		(16,788)	(200)	(9,741)
Net increase/(decrease) in cash and cash equivalents		4,859	5,880	(8,671)
Effect of foreign exchange rate changes		(542)	178	(526)
Cash and cash equivalents at beginning of the period	15	7,392	11,709	17,767
<b>Cash and cash equivalents at end of period</b>	15	11,709	17,767	8,570
<b>Cash and cash equivalents are defined as:</b>				
Cash at bank and in hand	15	11,739	17,810	8,613
Bank overdrafts	15	(30)	(43)	(43)
		11,709	17,767	8,570
<b>The principal non-cash transactions comprise:</b>				
Recognition of right of use assets against lease liabilities	12	215	1,802	125
		215	1,802	125

## Notes to the historical financial information

### 1 GENERAL INFORMATION

iFOREX Financial Trading Holdings Ltd. (the “**Company**”) was originally incorporated in the British Virgin Islands (“**BVI**”) on 30 June 2009 under the registered name “IPEC Holdings Ltd.” as a BVI business company (registered number 1536671) under the BVI Business Company Act, 2004, as amended.

On 9 April 2025 the Company redomiciled to Guernsey whilst still under the name of “IPEC Holdings Ltd.” and registered under the laws of Guernsey (registration number 75570). Its registered office is at c/o New Street Management Limited, Les Echelons Court, Les Echelons, St Peter Port, Guernsey, GY1 1AR.

On 6 May 2025, the Company changed its name from “IPEC Holdings Ltd.” to its current registered name, “iFOREX Financial Trading Holdings Ltd.”.

The principal place of business is 85 Medinat Hayehudim, 4676670, Herzliya, Israel.

The Company together with its subsidiaries (the “**Group**”) has developed and operates a proprietary online and mobile contract for difference (“**CFD**”) trading platform (the “**Trading Platform**”) enabling its primarily retail clients to trade CFDs across hundreds of financial instruments comprising currencies, commodities, indices, cryptocurrencies, stocks and exchange traded funds.

#### 1.1 *Effects of Swords of Iron War*

On 7 October 2023, following a surprise attack by the Hamas terrorist organisation from the Gaza Strip, the Government of Israel declared the “Swords of Iron” war (the “**War**”). The overall impact of the War on the Company's financial results for the three years ended 31 December 2024 was not material. In October 2025, after two years of hostilities, a ceasefire agreement was reached, including the release of the living hostages and the return of the deceased.

As of the date of this Prospectus, the IDF remains on heightened alert for security-related events. Notwithstanding the foregoing, as of the date of this Prospectus, the security situation has not had a material effect on the Company's financial results.

The Company continues to monitor on an ongoing basis the potential implications of these events on its operations.

### 2 ACCOUNTING POLICIES

#### 2.1 *Basis of preparation*

The consolidated historical financial information of the Group is for the years ended 31 December 2022, 31 December 2023 and 31 December 2024, and has been prepared for the purposes of this Prospectus.

The historical financial information has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”), and the requirements of the PRM. This historical financial information is the responsibility of the Directors of the Group (the “**Directors**”).

The historical financial information is prepared on a going concern basis, under the historical cost convention. The historical financial information is presented in United States Dollar (USD) and all values are rounded to the nearest thousand (USD '000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the historical financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Historical Financial Information does not constitute statutory accounts within the meaning of Companies (Guernsey) Law 2008, as amended, and has been prepared specifically for the purpose of this Prospectus.

## 2.2 **Basis of consolidation**

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiary reporting periods are the same as those of the Company, using consistent accounting policies.

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the Company (the “**Parent**”). When changes in ownership of a subsidiary do not result in a loss of control, the non-controlling shareholders’ interests are initially measured at the non-controlling interests’ proportionate share of the subsidiaries net assets. Subsequent to this, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## 2.3 **Going concern**

The Group has continued to trade throughout the historical financial period in a net asset position. The Directors are pleased with progress of trading to date.

The Directors have assessed the ability of the Group to continue as a going concern until the end of September 2026 using cash flow forecasts prepared from 1 June 2025. With the continued encouraging current trading results the Directors are satisfied that there are sufficient resources to continue in business for the foreseeable future and for at least 12 months from the date of approving this historical financial information.

Furthermore, there are no material uncertainties that may cast significant doubt upon the Group to continue as a going concern. Therefore, the historical financial information is prepared on a going concern basis.

## 2.4 **New standards and amendments to International Financial Reporting Standards**

*Standards, amendments and interpretations issued but not yet effective:*

### **IFRS 18 Presentation and Disclosures in Financial Statements**

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024. IFRS 18 is effective on 1 January 2027, and is required to be applied retrospectively to comparative periods presented, with early adoption permitted. IFRS 18, upon adoption replaces IAS Standards 1 – Presentation of Financial Statements.

IFRS 18 sets out new requirements focused on improving financial reporting by:

- requiring additional defined structure to the statement of profit or loss (i.e. consolidated statement of income), to reduce diversity in the reporting, by requiring five categories (operating, investing, financing, income taxes and discontinued operations) and defined subtotals and totals (operating income, income before financing, income taxes and net income);
- requiring disclosures in the notes to the financial statements about management-defined performance measures (i.e. non-IFRS measures); and
- adding new principles for aggregation and disaggregation of information in the primary financial statements and notes.

IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’, due to the classification of certain income and expense items between the five categories of the consolidated income statement. It might also change what an entity reports as operating activities, investing activities and financing activities within the statement of cash flows, due to the change in classification of certain cash flow items between these three categories of the cash flows statement. The Group is currently assessing the impact of adopting IFRS 18.

## 2.5 **Trading income**

Trading income represents revenue generated from Customer Income, which includes spreads and overnight charges, and Customer Trading Performance, comprising gains and losses on customers' trading positions arising from client trading activity.

Open client positions are carried at fair value through profit or loss, with gains or losses arising from these valuations recognised as trading income, as well as gains or losses realised on positions that have closed.

Trading income is accounted for under the provisions of IFRS 9, at fair value in accordance with IFRS 13, Fair Value Measurements, as the Company is a broker-dealer, and its operations are based on generating profits from variation in price of broker-traders' margin and fair value adjustments of client trading positions on currencies, commodities, indices, cryptocurrencies, stocks and exchange traded funds.

## 2.6 **Foreign currency translation**

### (i) *Functional currencies*

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which each entity operates ("**the functional currency**").

The historical financial information is presented in USD which is also the functional currency of the Company.

### (ii) *Transactions and balances*

Foreign currency transactions are translated into respective functional currencies of the Group companies using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss and presented within finance expenses.

### (iii) *Foreign operations*

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated into USD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the average exchange rates.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

## 2.7 **Technology costs**

Technology related expenditures are recognised in profit or loss when incurred.

Costs incurred in an internal development project are recognised as an intangible asset only if the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale; the Group's intention to complete the intangible asset and use or sell it; the ability to use or sell the intangible asset; how the intangible asset will generate future economic benefits; the availability of adequate technical, financial and other resources to complete the intangible asset; and the ability to measure reliably the expenditures attributable to the intangible asset during its development.

When an internally developed intangible asset cannot be recognised, the development costs are recognised as an expense in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. For all reporting periods presented, the above criteria have not been met and therefore all development costs have been recognised as an expense in profit or loss.

## 2.8 **Current and deferred taxation**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

### *Current tax*

Tax liabilities and assets for all periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

### *Deferred tax*

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## 2.9 **Property plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised in profit or loss on the straight-line method over the useful lives of each part of an item of property, plant and equipment.

The annual depreciation rates used for the current and comparative periods are as follows:

	<i>Per cent.</i>
Leasehold improvements	10
Motor vehicles	15
Furnitures, fixtures and office equipment	7-15
Computer equipment	20-33

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

## 2.10 **Leased assets**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

### *The Group as lessee*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets (i.e. IT equipment, office equipment etc.). The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

## 2.11 **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the consolidated statement of cash flows.

## 2.12 **Segregated client funds**

The Group's clients maintain funds in the Group's bank accounts for their trading purposes.

iCFD Ltd. and Formula Investment House Ltd. are required to manage client funds in accordance with the applicable client money rules, ensuring these funds are segregated within a fiduciary capacity supported by law and cannot be used for any other purpose.

These arrangements are subject to regulation, as well as industry custom and practice. These assets are not included in the Group's statement of financial position as the ability to control the assets is restricted. The determination of control is based on several indicators that mainly examine who is entitled to the economic benefits derived from the cash flows arising from these assets, and if clients have a secured claim in case of the insolvency of iCFD Ltd. or Formula Investment House Ltd.

This determination is re-examined when there is a change in circumstances, laws, regulations and contracts with the client.

## 2.13 **Financial instruments**

### *Recognition and initial measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### *Classification and subsequent measurement*

#### Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or at FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest, are recognised in profit or loss.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method and are subject to impairment. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. The Group holds medium term bond notes which are recorded at amortised cost.
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#### *Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## 2.14 **Impairment of financial assets**

The Group has short-term financial assets such as trade receivables in respect of which the Group applies the simplified approach in IFRS 9 and measures the loss allowance in an amount equal to the lifetime expected credit losses.

### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

## 2.15 **Impairment of non-financial assets**

Assets (other than deferred tax assets) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or cash generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 2.16 **Employee benefits**

The Group operates an employee benefit plan whereby employees are granted the right to cash payments based on a pre-determined number of shares without owning those shares under the terms and conditions agreed with the employee in a Phantom Award Agreement.

#### 2.17 **Segmental reporting**

IFRS 8 'Operating segments' requires the Group to determine its operating segments based on information which is provided internally. Based on the internal reporting information and management structures within the group, it has been determined that there is only one operating segment being from the online trading on CFDs through the Group's internally developed platform.

#### 2.18 **Share based payments**

Employees of the Group and the Company's Board of Directors receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 19.

The cost of equity-settled transactions is recognized as expense, together with a corresponding increase in equity, over the period during which the relevant employees become entitled to the award, and where applicable, the performance conditions are fulfilled (the "**vesting period**"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether the market condition is satisfied, provided that all other vesting conditions (service and/or performance) are satisfied.

### **3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the historical financial information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Group management to exercise judgement and use assumptions in applying the Group's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the historical financial information are reasonable and prudent.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the historical financial information are discussed below:

#### *Key accounting estimates*

The following are the areas requiring the use of estimates that may significantly impact the historical financial information.

#### **Fair value of derivatives**

The Group carries open client positions at fair value and gains and losses arising on this valuation are recognised in revenue as unrealised fair value gains or losses. Realised gains or losses arising from trading in derivatives are recognised in revenue on the day that the financial instrument to which they relate is closed.

The Group determines the fair value of derivatives financial instruments, in accordance with IFRS 9 and IFRS 13. Open client positions are measured at fair value through profit or loss, with unrealised gains or losses recorded as trading income.

Determining fair value requires significant judgment due to the complexity and variability of the inputs involved, including:

- Market volatility: Fluctuations in prices of underlying assets, such as commodities and cryptocurrencies, can materially impact valuations within short timeframes; and
- Liquidity and bid-ask spreads: In less liquid markets, observable inputs may be limited, requiring reliance on estimates.

## **4 TRADING INCOME**

No single customer makes up 10 per cent. or more of revenue in any period. The Group generates revenue primarily from the online trading on CFDs through its internally developed platform.

	<i>Year ended 31 December 2022 USD '000</i>	<i>Year ended 31 December 2023 USD '000</i>	<i>Year ended 31 December 2024 USD '000</i>
Net gain realised on trading	68,000	41,003	45,715
Net gains on financial assets at fair value through profit or loss	8,792	8,654	4,433
<b>Trading income</b>	<u>76,792</u>	<u>49,657</u>	<u>50,148</u>

#### **Geographical reporting**

	<i>Year ended 31 December 2022 USD '000</i>	<i>Year ended 31 December 2023 USD '000</i>	<i>Year ended 31 December 2024 USD '000</i>
Middle East and Africa	18,223	14,372	15,123
South Asia	12,454	8,558	8,370
East Asia	26,853	19,349	19,621
Europe	9,107	2,602	2,607
Latin America	10,155	4,776	4,427
	<u>76,792</u>	<u>49,657</u>	<u>50,148</u>

## 5 EXPENSES BY NATURE

Profit from operations is stated after charging:

	<i>Year ended</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
<i>Selling and marketing expenses:</i>			
Staff costs	4,392	3,807	4,683
Information technology	1,060	765	897
Commissions expense (Note 21)	11,732	7,473	5,842
Technology costs	9,758	9,732	8,188
Media expenses	6,190	5,614	5,470
Clearing charges	13,729	10,211	10,817
	<u>46,861</u>	<u>37,602</u>	<u>35,897</u>
<i>Administrative and general expenses:</i>			
Rent and utilities	614	465	511
Sundry expenses	291	468	1,099
Staff expenses	–	705	1,509
Legal fees	763	413	1,474
Consulting fees	932	1,118	1,173
Office and other expenses	125	339	307
Depreciation	171	347	552
	<u>2,896</u>	<u>3,855</u>	<u>6,625</u>

## 6 EMPLOYEE BENEFIT EXPENSE

Employee benefit expenses comprise:

	<i>Year ended</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
Wages and salaries	3,980	3,842	5,517
Social security and taxes	395	448	551
Other pension costs	17	222	124
	<u>4,392</u>	<u>4,512</u>	<u>6,192</u>

### *Director emoluments:*

None of the Directors of the Company were employed by any entity of the Group during the year ended 31 December 2024 (2022: none; 2023: none). The Directors received no remuneration for their services in the year ended 31 December 2024 (2022: USD Nil; 2023: USD Nil).

As of the date of this Prospectus, Mr. Eyal Carmon holds 100 per cent. of the shares in the Company. In the year ended 31 December 2024 he received USD 11,722 (2022: USD 13,398k; 2023: USD Nil) in respect of dividend payable.

Key management personnel include all the Directors, who together have authority and responsibility for planning, directing, and controlling the activities of the Group's business. During the years 2022, 2023, and 2024, there were no key management personnel other than the Directors of the Group.

## 7 NET FINANCE INCOME AND EXPENSES

	<i>Year ended</i> 31 December 2022 USD '000	<i>Year ended</i> 31 December 2023 USD '000	<i>Year ended</i> 31 December 2024 USD '000
<i>Finance Income</i>			
Interest income	28	98	218
Interest from deposits	–	3	38
	<u>28</u>	<u>101</u>	<u>256</u>
<i>Finance Expenses</i>			
Interest expense on lease liabilities	3	100	151
Bank charges	209	313	364
Net foreign exchange loss	707	318	1,343
	<u>919</u>	<u>731</u>	<u>1,858</u>

## 8 TAXES ON INCOME

### Tax rates applicable of the main entities in the Group:

	<i>Country of incorporation</i>	<i>Applicable tax rate – %</i>
iFOREX Financial Trading Holdings Ltd.	British Virgin Islands	23*
iFOREX Holding Ltd.	British Virgin Islands	23*
Formula Investment House Ltd.	British Virgin Islands**	0
iCFD Ltd.	Cyprus	12.5
I For Fintech Ltd.	Israel***	23
FIH – Athens Office	Greece	22

\* The Company and iFOREX Holding Ltd. are Israeli resident for tax purposes commencing from 2023.

\*\* Under the laws in the BVI Formula Investment House Ltd. is not subject to corporate tax.

\*\*\* The statutory corporate tax rate in Israel is 23 per cent. The Company received a pre-ruling from the Israeli Tax Authority (the “ITA”) approving its eligibility to be classified, commencing from 2023, as PTE (see below) for which the tax rate is 12 per cent. Any other income that is not considered as PTE will be subject to ordinary income tax rate of 23 per cent.

### Tax laws applicable in Israel

*Amendment to the Law for the Encouragement of Capital Investments, 1959 (Amendment 73) (the “Encouragement Law”):*

Amendment 73 to the Encouragement Law prescribes a special tax regime for technological enterprises as follows:

Preferred Technological Enterprise (“PTE”) as defined in the Encouragement Law will be subject to tax at a rate of 12 per cent. on profits deriving from intellectual property which meets the conditions of being treated as “Preferred Technological Income.”

Any dividends distributed from PTE to non-Israeli shareholders or individuals, sourced in the income from the technological enterprise is subject to reduced Israeli withholding tax rate of 20 per cent. (or lower rate under the applicable tax treaty). No withholding tax will be remitted upon distribution of dividend sourced from preferred technological income to an Israeli corporation.

## Analysis of charge

	<i>Year ended</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
Total current tax	19	791	983
Adjustments in respect of prior periods	–	11	–
Other taxes	14	14	(79)
Current tax charge for the period	<u>33</u>	<u>816</u>	<u>904</u>
<b>Tax charge per statement of comprehensive income</b>	<b><u><u>33</u></u></b>	<b><u><u>816</u></u></b>	<b><u><u>904</u></u></b>

Reconciliation of tax expense and tax based on accounting profits:

	<i>Year ended</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
Profit from ordinary activities before tax	<u>26,144</u>	<u>7,570</u>	<u>6,024</u>
Tax calculated on applicable domestic tax rate (2022 – 0 per cent. and 2023 and 2024 – 23 per cent.)	13	1,741	1,386
Effects of:			
Tax benefit arising from PTE	–	(708)	(745)
Different tax rates in other countries and jurisdictions	(25)	(339)	(214)
Expenses not deductible for tax purposes	18	18	35
Losses for which no tax benefit was recorded	–	74	411
Prior year tax adjustments and other tax differences	13	10	–
Other	<u>14</u>	<u>20</u>	<u>31</u>
<b>Tax charge</b>	<b><u><u>33</u></u></b>	<b><u><u>816</u></u></b>	<b><u><u>904</u></u></b>

## Current tax assets and liabilities

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
Corporation tax assets (payable)	<u>(6)</u>	<u>(172)</u>	<u>867</u>
	<b><u><u>(6)</u></u></b>	<b><u><u>(172)</u></u></b>	<b><u><u>867</u></u></b>

## 9 DIVIDEND

	<i>Year ended</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>Year ended</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
Final dividend	<u>13,969</u>	<u>–</u>	<u>11,722</u>
	<b><u><u>13,969</u></u></b>	<b><u><u>–</u></u></b>	<b><u><u>11,722</u></u></b>

## 10 EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue. Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

	<i>Year ended</i> <i>31 December</i> <i>2022</i>	<i>Year ended</i> <i>31 December</i> <i>2023</i>	<i>Year ended</i> <i>31 December</i> <i>2024</i>
Profit used in calculating basic and diluted EPS (USD '000)	21,744	5,625	3,931
Weighted average number of shares	100	100	100
Diluted weighted average number of shares	100	100	100
Earnings per share (USD)	<u>217,440</u>	<u>56,250</u>	<u>39,310</u>
Diluted earnings per share (USD)	<u><u>217,440</u></u>	<u><u>56,250</u></u>	<u><u>39,310</u></u>

## 11 PROPERTY, PLANT AND EQUIPMENT

	<i>Leasehold improvement USD '000</i>	<i>Furniture, Fixtures and office equipment USD '000</i>	<i>Computer equipment USD '000</i>	<i>Total USD '000</i>
<b>Cost</b>				
Balance at 1 January 2022	–	419	2,824	3,243
Additions	73	5	248	326
Disposals	–	–	(1)	(1)
Exchange differences	1	(19)	(18)	(36)
At 31 December 2022	<u>74</u>	<u>405</u>	<u>3,053</u>	<u>3,532</u>
<b>Depreciation</b>				
At 1 January 2022	–	(382)	(2,361)	(2,743)
Depreciation for the year	(7)	(9)	(141)	(157)
Exchange differences	–	18	19	37
Balance at 31 December 2022	<u>(7)</u>	<u>(373)</u>	<u>(2,483)</u>	<u>(2,863)</u>
<b>Net book amount</b>				
Balance at 31 December 2022	<u>67</u>	<u>32</u>	<u>570</u>	<u>669</u>
<b>Cost</b>				
Balance at 1 January 2023	74	405	3,053	3,532
Additions	1	–	326	327
Exchange differences	3	10	9	22
At 31 December 2023	<u>78</u>	<u>415</u>	<u>3,388</u>	<u>3,881</u>
<b>Depreciation</b>				
At 1 January 2023	(7)	(373)	(2,483)	(2,863)
Depreciation for the year	(8)	(7)	(273)	(288)
Exchange differences	–	(10)	(6)	(16)
Balance at 31 December 2023	<u>(15)</u>	<u>(390)</u>	<u>(2,762)</u>	<u>(3,167)</u>
<b>Net book amount</b>				
Balance at 31 December 2023	<u>63</u>	<u>25</u>	<u>626</u>	<u>714</u>
<b>Cost</b>				
Balance at 1 January 2024	78	415	3,388	3,881
Additions	–	1	81	82
Exchange differences	(16)	(4)	(15)	(35)
At 31 December 2024	<u>62</u>	<u>412</u>	<u>3,454</u>	<u>3,928</u>
<b>Depreciation</b>				
At 1 January 2024	(15)	(390)	(2,762)	(3,167)
Depreciation for the year	(8)	(1)	(190)	(199)
Exchange differences	13	5	13	31
Balance at 31 December 2024	<u>(10)</u>	<u>(386)</u>	<u>(2,939)</u>	<u>(3,335)</u>
<b>Net book amount</b>				
Balance at 31 December 2024	<u>52</u>	<u>26</u>	<u>515</u>	<u>593</u>

## 12 LEASED ASSETS

The Group leases a number of assets in the jurisdictions from which it operates in with all lease payments, in-substance, fixed over the lease term. All expected future cash out flows are reflected within the measurement of the lease liabilities at each period end.

	<i>As at</i> <i>31 December</i> <i>2022</i>	<i>As at</i> <i>31 December</i> <i>2023</i>	<i>As at</i> <i>31 December</i> <i>2024</i>
Number of active leases	<u>1</u>	<u>2</u>	<u>3</u>

The Groups leases include leasehold properties for commercial and head office use. The leases range in length from three to seven years.

### ***Extension, termination, and break options***

The Group sometimes negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term;
- The economic stability of the environment in which the property is located; and
- Whether the location represents a new area of operations for the Group.

### ***Incremental borrowing rate***

The Group has estimated a rate with a range of 4.83 – 9 per cent. as its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. This rate is used to reflect the risk premium over the borrowing cost of the Group measured by reference to the Groups facilities.

<b>Right of use assets</b>	<i>Leasehold properties USD '000</i>
<b>Cost</b>	
Balance at 1 January 2022	–
Additions	215
	<hr/>
Exchange difference	19
	<hr/>
Balance at 31 December 2022	234
	<hr/>
<b>Depreciation</b>	
Balance at 1 January 2022	–
Depreciation for the year	(15)
	<hr/>
Balance at 31 December 2022	(15)
	<hr/>
<b>Net book amount</b>	
Balance at 31 December 2022	219
	<hr/>
<b>Cost</b>	
Balance at 1 January 2023	234
Additions	1,802
Exchange difference	61
	<hr/>
Balance at 31 December 2023	2,097
	<hr/>
<b>Depreciation</b>	
Balance at 1 January 2023	(15)
Depreciation for the year	(195)
Exchange difference	(16)
	<hr/>
Balance at 31 December 2023	(226)
	<hr/>
<b>Net book amount</b>	
Balance at 31 December 2023	1,871
	<hr/> <hr/>
<b>Cost</b>	
Balance at 1 January 2024	2,097
Additions	125
Exchange difference	(30)
	<hr/>
Balance at 31 December 2024	2,192
	<hr/>
<b>Depreciation</b>	
Balance at 1 January 2024	(226)
Depreciation for the year	(354)
Exchange differences	10
	<hr/>
Balance at 31 December 2024	(570)
	<hr/>
<b>Net book amount</b>	
Balance at 31 December 2024	1,622
	<hr/> <hr/>

<b>Lease liabilities</b>	<i>Leasehold properties USD '000</i>
At 1 January 2022	–
Additions	215
Interest expense	3
Lease payments	(17)
Exchange differences	19
At 31 December 2022	<u>220</u>
At 1 January 2023	220
Additions	1,802
Interest expense	101
Lease payments	(201)
Exchange differences	(10)
At 31 December 2023	<u>1,912</u>
At 1 January 2024	1,912
Additions	125
Interest expense	151
Lease payments	(444)
Exchange differences	(19)
At 31 December 2024	<u><u>1,725</u></u>

*Reconciliation of minimum lease payments and present value:*

	<i>As at 31 December 2022 USD '000</i>	<i>As at 31 December 2023 USD '000</i>	<i>As at 31 December 2024 USD '000</i>
Within 1 year	64	410	398
Later than 1 year and less than 5 years	177	1,505	1,444
More than 5 years	–	563	208
Total including interest cash flows	<u>241</u>	<u>2,478</u>	<u>2,050</u>
Less: interest cash flows	<u>(21)</u>	<u>(566)</u>	<u>(325)</u>
Total principal cash flows	<u><u>220</u></u>	<u><u>1,912</u></u>	<u><u>1,725</u></u>

*Reconciliation of current and non-current lease liabilities:*

	<i>As at 31 December 2022 USD '000</i>	<i>As at 31 December 2023 USD '000</i>	<i>As at 31 December 2024 USD '000</i>
Current	55	400	314
Non-current	<u>165</u>	<u>1,512</u>	<u>1,411</u>
Total	<u><u>220</u></u>	<u><u>1,912</u></u>	<u><u>1,725</u></u>

### 13 OTHER CURRENT FINANCIAL ASSETS

	<i>Total USD '000</i>
At 1 January 2023	–
Additions	912
Interest received	16
Exchange differences	12
At 31 December 2023	<u>940</u>
At 1 January 2024	940
Redemption	(950)
Interest received	12
Exchange differences	(2)
At 31 December 2023	<u>–</u>

Other assets held represented 3 per cent. EURO medium term notes issued by BHP Billiton Finance Limited with a maturity date of 29 May 2024.

### 14 TRADE AND OTHER RECEIVABLES

	<i>As at 31 December 2022 USD '000</i>	<i>As at 31 December 2023 USD '000</i>	<i>As at 31 December 2024 USD '000</i>
Trade receivables	4,260	593	6,904
Receivables from related parties (Note 21)	12	–	–
Advances and prepayments	3,440	3,086	1,248
Other receivables	82	173	200
Refundable VAT	47	3	76
Refundable tax	–	7	867
	<u>7,841</u>	<u>3,862</u>	<u>9,295</u>

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in Note 22 of the historical financial information.

Deposits are held in various banks and are denominated in USD and EUR. These deposits bear interest at varying rates dependent on the term, and bank.

### 15 CASH AND CASH EQUIVALENTS

	<i>As at 31 December 2022 USD '000</i>	<i>As at 31 December 2023 USD '000</i>	<i>As at 31 December 2024 USD '000</i>
Cash in hand	7	12	107
Cash at bank	11,548	17,628	8,022
Short term deposits	184	170	484
	<u>11,739</u>	<u>17,810</u>	<u>8,613</u>

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include the following:

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
Cash and cash equivalents	11,739	17,810	8,613
Bank overdrafts	(30)	(43)	(43)
	<u>11,709</u>	<u>17,767</u>	<u>8,570</u>

The Group's clients maintain funds in the Group's bank accounts which are used for their trading purposes. As the funds cannot be used for the Group's own purposes and are designated as client's accounts, client funds are not included in the consolidated statement of financial position of the Group (Note 17).

The exposure of the Group to credit risk and impairment loss in relation to cash and cash equivalents is reported in Note 22 to the consolidated financial statements.

## 16 CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while increasing the return to owners through the strive to improve the debt/equity ratio. The Group's overall strategy remains unchanged in each period presented in the historical financial information.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owners, return capital to owners or issue new shares.

Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

iCFD Ltd., a subsidiary of the Group, must maintain adequate capital and liquidity requirements, as the Cyprus Securities and Exchange Commission regulated firm. Management prepares a capital plan, and review this on an on-going basis to ensure that future capital needs are aligned with its strategic plans. Internal processes ensure ongoing compliance with capital adequacy and liquidity needs in iCFD Ltd.

The Group's subsidiary Formula Investment House Ltd. maintains a liquidity cushion of at least USD 10 million to ensure compliance with regulations set by the Financial Services Commission in the British Virgin Islands.

The Internal Capital Adequacy Risk Assessment process includes liquidity adequacy assessment, stress testing, and wind-down planning. This ensures adequate capital and liquidity to cover risks.

## 17 CLIENT FUNDS

The Group's clients maintain funds in the Group's bank accounts which are used for their trading purposes. In cases when the funds cannot be used for Group's own purposes, they are kept in bank accounts which are designated as Clients' Accounts. Consequently, clients' funds with such limitations are not included in the consolidated statement of financial position of the Group. The funds held on behalf of clients are as follows:

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
EUR	6,835	6,229	11,646
USD	1,509	1,454	1,389
GBP	821	1,275	45
PLN	417	393	416
CHF	446	79	78
JPY	326	14	143
CZK	144	16	34
HUF	197	382	398
SEK	1	5	4
	<u>10,696</u>	<u>9,847</u>	<u>14,153</u>

## 18 TRADE AND OTHER PAYABLES

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
Trade payables	1,143	1,270	598
Other payables	1,920	812	744
Accruals	217	309	879
Payables to related parties (Note 21)	3,791	259	6,085
	<u>7,071</u>	<u>2,650</u>	<u>8,306</u>

The exposure of the Group to liquidity risk in relation to financial instruments is reported in Note 22 to the historical financial information.

## 19 SHARE CAPITAL

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD</i>
<b>Allotted, called up and fully paid</b>			
Ordinary shares of no-par value	<u>100</u>	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>	<u>100</u>

100 ordinary shares in the Company were allotted for USD 1 per share, as at each year end presented in the Historical Financial Information.

### **Employee share incentive plan**

iFOREX Holding Ltd., a subsidiary of the Company, adopted the 2024 Plan on 26 September 2024. The 2024 Plan provides for the grant of options, and restricted shares to its employees, directors, office holders, service providers and consultants of the Group. On and with effect from Admission, the 2024 Plan will be

amended so that it is adopted by the Company and, following Admission, the grant of the options and restricted shares will be in respect of Shares.

On 26 November 2024 the Group granted 141,800 restricted shares in iFOREX and on 29 December 2024 the Group granted 54,200 options on 29 December 2024, with an exercise price of USD 0.01, over ordinary shares in iFOREX. The exercise period ends on the 10th anniversary of the date of grant.

The vesting period, unless otherwise approved by the Board, is as follows:

- 1 Twenty-five per cent. (25 per cent.) of the shares covered by the award, on the 2nd anniversary of the grant date.
- 2 Additional twenty-five per cent. (25 per cent.) of the shares covered by the award, on the 4th anniversary of the grant date.
- 3 Additional fifty per cent. (50 per cent.) of the shares covered by the award, on the 5th anniversary of the grant date.

**Voting Rights:** Shares granted under the 2024 Plan are subject to an irrevocable proxy and power of attorney until the shares are listed for trading on a stock exchange or market. This proxy allows the designated person or persons, as determined by the committee, to receive notices, vote, and take other actions in respect of the shares. The proxy holder will vote the shares in the same proportion as the result of the vote at the shareholders' meeting or written consent, unless directed otherwise by the Board.

**Dividend Rights:** grantees are entitled to receive dividends distributed with respect to the shares, subject to certain provisions of the iFOREX articles of association and applicable laws. If a cash dividend is distributed with respect to restricted shares during the restricted period, the Trustee will transfer the dividend payment to the grantee after withholding any applicable taxes, and the amount withheld will be remitted to the taxing authority upon the earlier of the lapse of the restricted period, termination of employment, or the grantee's death, disability, or retirement.

As of the 31 December 2024 there were 141,800 restricted shares and 54,200 outstanding options with a weighted average exercise price of USD 0.01.

The fair value of restricted shares granted in 2024 was estimated based on an independent valuation of the fair value of the shares on the date of the grant.

The fair value of options granted in 2024 was estimated using the Black-Scholes option-pricing model with the following assumptions:

	<i>As at 31 December 2024</i>
Weighted average expected term (years)	7
Risk free interest rate	4.71%
Volatility	35.96%
Dividend yield	17.8%
Estimated share price (USD)	62.9

These assumptions and estimates were determined as follows:

**Expected Volatility.** Since iFOREX has no trading history of its ordinary shares, the expected volatility is derived from the average historical share volatilities of several unrelated public companies within the iFOREX industry that iFOREX considers to be comparable to its own business over a period equivalent to the option's expected term.

**Risk-Free Interest Rate.** The risk-free rate for the expected term of the options is based on the Black-Scholes option-pricing model on the yields of U.S. Treasury securities with maturities appropriate for the expected term of employee share option awards.

The share-based payment expense was recorded in the statement of profit or loss as follows:

	<i>Year ended 31 December 2024 USD '000</i>
Selling and marketing	103
General, administrative and operating	154
	<u>257</u>

## 20 SUBSIDIARIES AND OWNERSHIP

The Group is ultimately controlled by Mr. Eyal Carmon who holds 100 per cent. of the shares in the Company.

The Company has one direct subsidiary, iFOREX Holding Ltd., of which it owns 73 per cent. of the issued shares, as at 31 December 2024 (2022: 83 per cent; 2023: 83 per cent.).

The remainder of the shares are held by IBI Trust Management on behalf of the Employee Shareholders, further details of which are set out in Part XIII: "Additional Information".

iFOREX Holding Ltd. directly and indirectly owns 100 per cent. of the issued shares of all other subsidiaries of the Group as at 31 December 2023.

The table below sets out the details of the active subsidiaries of the Company during the historical financial period.

<i>Active subsidiaries</i>	<i>Activity</i>	<i>Country of incorporation</i>
iFOREX Holding Ltd.	Holdings	BVI
Formula Investment House Ltd.	Trading	BVI
iCFD Ltd.	Trading	Cyprus
Formula Investment House B.O.S Ltd.	Trading	Cyprus
I For Fintech Ltd.	Trading	Israel
Athens Office (of Formula Investment House Ltd.)	Ancillary Services	Greece

## 21 RELATED PARTY TRANSACTIONS

The transactions and balances with related parties are as follows:

### i. Commission and Management fee expense (Note 5)

		<i>Year ended 31 December 2022 USD '000</i>	<i>Year ended 31 December 2023 USD '000</i>	<i>Year ended 31 December 2024 USD '000</i>
Directors	Commission	3,300	2,606	2,803
Directors	Management Fee	407	386	455
		<u>3,707</u>	<u>2,992</u>	<u>3,258</u>

The above commission fees are in respect of governance, legal, and customer employee support service recharges, billed to the Group on a monthly basis. Historically, where appropriate, the Group enter into short term service agreements for these services which are then subsequently rolled over, or terminated, at the discretion of the Directors.

ii. **Receivables from related companies (Note 14)**

		<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
	<b>Nature of transactions</b>			
Director	Trade	12	–	–
		<u>12</u>	<u>–</u>	<u>–</u>

iii. **Dividend payable to Shareholder (Note 18)**

		<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
	<b>Nature of transactions</b>			
Shareholder	Dividend payable	3,614	111	5,932
		<u>3,614</u>	<u>111</u>	<u>5,932</u>

iv. **Payables to related parties (Note 18)**

		<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
	<b>Nature of transactions</b>			
Director	Commission	177	148	153
		<u>177</u>	<u>148</u>	<u>153</u>

**Compensation of key management personnel of the group recognized as an expense:**

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
<b>Short-term employee benefits</b>	864	814	890
<b>Share-based payment</b>	–	–	41
Total compensation	<u>864</u>	<u>814</u>	<u>931</u>

## 22 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### Financial risk factors

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Group's activities

i. **Credit Risk**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that transactions are conducted with counterparties with an appropriate credit history. Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution. The carrying amount of financial assets represents the maximum credit exposure.

The Group relies on third party credit card clearers, payment institutions and payment service providers including cryptocurrency exchanges in order to allow clients to fund their accounts with the Group. Such credit card clearers, payment institutions and payment service providers may hold funds owed to the Group for different durations, including between the time the client payment transaction is approved and when settlement is received by the Group. The Group credits the full amount of the client's transaction to the client's account with the Group, and therefore, the Group is exposed to a risk that such third-party provider will fail to make settlement of such funds to the Group. Failure to make settlement may have an adverse effect on the Group's financial results and operations.

To minimise such risks the Group operates a fully integrated proprietary cashier system (the Group's payment system) enabling client deposits to be made in multiple currencies across a wide range of payment methods for both online and offline transactions. The Cashier system was developed for the Group's clientele and designed to cater to clients across different locations with clients able to see the most compatible payment options. The cashier allows the Group to manage the flow of transactions between various payment service providers, prioritising providers based on fees, reliability and settlement timing, thus reducing costs, increasing efficiencies and reducing credit risk

ii. **Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk is managed centrally and, on a Group wide basis. The Group's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its financial liabilities when due, under both normal circumstances and stressed conditions. The Group has procedures with the object of minimising losses such as maintaining sufficient cash and other highly liquid current assets.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

	<i>Carrying Amount USD '000</i>	<i>Contractual cash flows USD '000</i>	<i>Within 1 year USD '000</i>	<i>Between 1-5 years USD '000</i>	<i>More than 5 years USD '000</i>
<b>31 December 2022</b>					
Lease liabilities	220	(241)	(64)	(177)	–
Bank overdrafts	30	(30)	(30)	–	–
Trade and other payables	7,071	(7,071)	(7,071)	–	–
Payables to related parties	3,791	(3,791)	(3,791)	–	–
	<u>11,112</u>	<u>(11,133)</u>	<u>(10,956)</u>	<u>(177)</u>	<u>–</u>
<b>31 December 2023</b>					
Lease liabilities	1,912	(2,478)	(410)	(1,505)	(563)
Bank overdrafts	43	(43)	(43)	–	–
Trade and other payables	2,650	(2,650)	(2,650)	–	–
Payables to related parties	259	(259)	(259)	–	–
	<u>4,864</u>	<u>(5,430)</u>	<u>(3,362)</u>	<u>(1,505)</u>	<u>(563)</u>
<b>31 December 2024</b>					
Lease liabilities	1,725	(2,050)	(398)	(1,444)	(208)
Bank overdrafts	43	(43)	(43)	–	–
Trade and other payables	8,306	(8,306)	(8,306)	–	–
Payables to related parties	6,085	(6,085)	(6,085)	–	–
	<u>16,159</u>	<u>(16,484)</u>	<u>(14,832)</u>	<u>(1,444)</u>	<u>(208)</u>

### iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group inherits risk from the positions its clients take within a market, as the Group matches the short and long positions of its clients and internally manages the residual net exposure, which could potentially lead to market losses. Such market risks can occur where a market fluctuates suddenly or sharply or where there is a steady demand for an instrument in one direction which the Group fails to manage promptly and effectively.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group has in place a number of market risk management techniques to ensure that it is able to match client positions and manage any downside risk, including actively monitoring price movements, varying spreads in response to market movements, the use of overnight fees, increasing margin requirements and imposing USD 15m limits on the maximum exposure for each client position and lower limits on a per asset basis.

### iv. Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the EURO, British Pound, Swiss Franc, Japanese Yen and Israeli Shekel. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

If the USD had strengthened by 1 per cent. as at 31 December 2024, 2023, and 2022 in respect of balances denominated in other currencies, with all other variables unchanged, the exposure on income after taxes in respect of those balances is shown below. The exposure in respect of balances denominated in other currencies is immaterial.

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2023</i> <i>USD '000</i>	<i>As at</i> <i>31 December</i> <i>2024</i> <i>USD '000</i>
Euro	(1,108)	(1,881)	(1,793)
British Pounds	(32)	(46)	(60)
Swiss Franc	(3)	(7)	(9)
Japanese Yen	319	416	440
Israeli Shekel	41	(14)	(204)
Polish Zloty	(44)	(49)	(54)
Chinese Yuan	(140)	118	24
Indian Rupee	74	78	98
Other currencies	(7)	8	1
	<u>(900)</u>	<u>(1,377)</u>	<u>(1,557)</u>

### 23 EVENTS AFTER THE REPORTING PERIOD

On 9 May 2025, iFOREX Financial Trading Holdings Ltd. announced that it is considering an initial public offering and that it is considering applying for admission of its ordinary shares to the equity shares (commercial companies) category of the FCA's Official List and to trading on the Main Market of the London Stock Exchange.

On 5 September 2025, the BVI's Financial Services Commission issued its final report, following the thematic compliance inspection conducted by it over the business of Formula Investment House Ltd. ("**FIH**") between 22 January 2025 and 5 February 2025. The report found that FIH was largely compliant or partially compliant with respect to most matters inspected, and non-compliant with respect to sanctions handling. The report details a mitigation plan which FIH must follow and make periodic reports to the FSC on actions taken. To date, the BVI FSC has not raised any issues in relation to the on-going remediation exercise based on the updates provided by FIH on 5 November 2025 and 5 January 2026. The report does not detail any sanctions imposed by the FSC on FIH but the FSC, in a separate letter, reserved the right to impose such sanctions. The Company believes, based on the advice of external compliance consultants, that if it follows the mitigation plan, the likelihood of such sanctions being imposed on the Company and, if imposed such sanctions being financially material, is very low.