

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 5, 2024

PROFESSIONAL DIVERSITY NETWORK, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35824
(Commission
File Number)

80-0900177
(I.R.S. Employer
Identification No.)

55 E. Monroe Street, Suite 2120, Chicago, Illinois 60603
(Address of principal executive offices)

Registrant's telephone number, including area code: (312) 614-0950

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value	IPDN	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry Into a Material Definitive Agreement

On December 5, 2024, Professional Diversity Network, Inc. (the “Company”) entered into a Profit Participation Agreement (the “PPA”) with Koala Malta Limited, a private limited liability company registered under the laws of Malta (the “Seller”). A copy of the Agreement is attached as Exhibit 10.1 to this Current Report on Form 8-K, and the terms of the PPA are incorporated by reference herein.

The closing of the PPA (the “Closing”) occurred simultaneously with its execution. At the Closing, the Company purchased a 6% right in QBSG Limited (the “Target”, previously Koala Crypto Limited) to receive all distributions and dividends which may be declared and/or distributed by the Target on an annual basis in terms of applicable law, along with all rights, title, and interest from the Seller. The consideration of the Profit Participation is \$1,200,000, including \$700,000 cash and \$500,000 value of the Company’s common stocks, or a total of 1,136,363 shares at a price of \$0.44 per share. In addition to the 9% share purchase from the Seller in September 2022, the Company now owns the right to receive 15% of all distributions and dividends by the Target.

The PPA contains representations, warranties, and covenants customary for a transaction of this nature, as well as certain indemnification obligations of the parties thereto for breaches of representations, warranties, and covenants. The foregoing summary description of the PPA and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the full text of the PPA, which is filed as Exhibit 10.1 to this Current Report on Form 8-K, the terms of which are incorporated by reference herein.

At the Closing, the Company, the Seller and the Target also revised the Shareholders’ Agreement originally executed on September 27, 2022, a copy of which is attached as Exhibit 10.2 to this Current Report on Form 8-K. The Target shall, in each fiscal year, distribute by way of dividends at least 50% of the profits available after taxation as shown by the audited accounts.

Item 3.02 Unregistered Sales of Equity Securities

Information disclosed in Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference.

The issuance of the Consideration Shares was exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to one or more exemptions from such requirements, including Regulation D and/or Regulation S promulgated under the Securities Act. The Consideration Shares sold are restricted securities and the certificates representing the Consideration Shares will be affixed with a standard restrictive legend, which states that the Consideration Shares cannot be sold without registration under the Securities Act or an exemption therefrom.

Item 7.01. Regulation FD Disclosure

On December 10, 2024, the Company issued a press release announcing the Transaction, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Profit Participation Agreement, dated December 5, 2024
10.2	Stock Purchase Agreement, dated December 5, 2024
99.1	Press Release, dated December 10, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Professional Diversity Network, Inc.

Date: December 10, 2024

/s/ Adam He

Adam He, Chief Executive Officer

QBSG LIMITED
PROFESSIONAL DIVERSITY NETWORK, INC
KOALA MALTA LIMITED
PROFIT PARTICIPATION AGREEMENT

THIS AGREEMENT is made this the 5th day of December 2024 (the “**Agreement**”),

BETWEEN:

- (1) **QBSG LIMITED**, a private limited liability company registered in Malta, bearing company registration number C 97348 and whose registered address is at Dragonara Business Centre, 5th Floor, Dragonara Road, San Giljan STJ 3141, Malta (the “**Company**”);
- (2) **PROFESSIONAL DIVERSITY NETWORK, INC.**, a public company listed on the NASDAQ market (trading symbol: IPDN) incorporated under the laws of the State of Delaware with company tax number 80-0900177 and company registration number 5102968 and having its principal executive office situated at 55 East Monroe Street, Suite 2120, Chicago, Illinois 60603, USA (“**PDN**”);
- (3) **KOALA MALTA LIMITED**, a private limited liability company registered in Malta, bearing company registration number C 94406 and whose registered address is at Dragonara Business Centre, 5th Floor, Dragonara Road, San Giljan STJ 3141, Malta (“**Koala Malta**”)

The Company, PDN and Koala Malta are hereinafter individually referred to as a “**Party**”, and collectively referred to as the “**Parties**”.

WHEREAS:

- A. The Company is in possession of a class 4 VFAA license issued by the Malta Financial Services Authority in terms of the Virtual Financial Assets Act, Chapter 590 of the laws of Malta;
 - B. Koala Malta is the holder of 664,300 ordinary shares of a nominal value of €1.00 each share in the issued share capital of the Company, each share fully paid up, equivalent to 91% of the Company’s issued share capital and economic rights within the Company;
 - C. PDN is the holder of 65,700 ordinary shares of a nominal value of €1.00 each share in the issued share capital of the Company, each share fully paid up, equivalent to 9% of the Company’s issued share capital and economic rights with the Company;
 - D. Currently, any dividends or other distributions which may be declared and paid by the Company to its shareholders would be paid as to 91% to Koala Malta and as to 9% to PDN;
 - E. Subject to the terms and conditions of this Agreement, Koala Malta wishes to forego its right to receive 6% of all distributions and dividends which may be declared and / or distributed by the Company on an annual basis in terms of applicable law to PDN, and PDN wish to receive such additional rights to participate in the dividends or other distributions of the Company (the “**Transaction**”);
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- F. The Company submitted a notification to the Malta Financial Services Authority dated 31st October 2024 in connection with the Transaction generally in terms of R3-2.3.4.4.1(ix) of the Virtual Financial Assets Rulebook (the “**Notification**”);
- G. The Parties have therefore agreed to enter into this Agreement in order to achieve their respective objectives and regulate the subject matter hereof.

NOW IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Unless the context requires otherwise, references in this Agreement to:

- (a) any of the masculine, feminine and neuter genders shall include other genders;
- (b) the singular shall include the plural and *vice versa*;
- (c) the headings in this Agreement are inserted for convenience only and shall not affect interpretation.

2. PROFIT PARTICIPATION

- 2.1 Koala Malta hereby unequivocally and irrevocably foregoes and relinquishes, in favour of PDN which accepts and acquires, its right to receive 6% of all distributions and dividends which may be declared and / distributed by the Company on an annual basis in terms of applicable law, together with all rights, title and interest attaching thereto, including the right to receive payment thereof (the “**Profit Participation**”); Provided that in no event shall the terms of this clause 2.1 and this Agreement be deemed or construed to be a transfer or assignment of any shares in the issued share capital of the Company and in no event shall the Transaction have any impact on the beneficial ownership structure, voting rights and / or control of the Company.
- 2.2 Koala Malta warrants that it has the right, power and authority to relinquish the Profit Participation to PDN. In the event of any future change in applicable law or regulation which may render the Profit Participation, as set out in terms of this Agreement unlawful, the Parties agree and undertake to use their best endeavours to take all such action in order to give effect to the terms and conditions of this Agreement to the fullest extent legally possible.
- 2.3 Accordingly, it is agreed and accepted that further to the relinquishment of the Profit Participation as set out in clause 2.1 above, for as long as the share capital structure of the Company remain as is immediately prior to the execution of this Agreement, PDN shall have the right to receive 15% of all of all distributions and dividends which may be declared and / distributed by the Company on an annual basis in terms of applicable law, while Koala Malta shall have the right to receive 85% of such distributions and dividends.
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2.4 Koala Malta hereby accepts and undertakes that, for the duration of this Agreement:

- i. It shall maintain a free and unencumbered shareholding in the issued share capital of the Company of at least 6%;
- ii. Without prejudice to the provisions of (i) above, in the event that it proposes to sell, transfer or encumber its shareholding in the Company, notwithstanding the provision of any other agreement which may be in effect between the Parties, such sale, transfer or granting of any encumbrance shall not be rendered effective and completed unless and until such third party transferee or security taker has been notified in writing of the terms and conditions of this Agreement.

2.5 The Company hereby consents to and acknowledges the provisions of this clause 2 and undertakes to give effect to the terms and provisions hereof.

3. CONSIDERATION

3.1 The consideration for the relinquishment of the Profit Participation shall be US\$1,200,000 (the "**Consideration**"). The Consideration shall be paid and satisfied, on the date hereof, as follows:

- (i) An amount of US\$ 700,000 shall be paid by PDN in favour of Koala Malta in immediately available funds, to a bank account to be indicated by Koala Malta in writing; and
- (ii) An amount of US\$ 500,000 shall be paid by PDN in favour of Koala Malta by means of the issuance and allotment of 1,136,363 shares of PDN common stock having a price of US\$ 0.44 per share in the share capital of PDN, credited as fully paid (the "**Consideration Shares**").

3.2 In connection with the Consideration Shares, PDN hereby acknowledges and agrees to the following:

- (a) Each certificate representing Consideration Shares issued to Koala Malta shall be stamped or otherwise imprinted with a legend in substantially the following form:
 - i. "The shares of Common Stock represented by this certificate have not been registered under the U.S Securities Act of 1933, as amended (the "**Securities Act**"), or any other securities law. No transfer of the shares represented by this certificate shall be valid or effective unless (a) such transfer is made pursuant to an effective registration statement under the Securities Act and in compliance with any applicable securities law, or (b) the Holder shall deliver to the Company an opinion of counsel in form and substance reasonably acceptable to the Company that such proposed transfer is exempt from the registration requirements of the Securities Act and of any applicable securities laws, whether pursuant to the provisions of Regulation S promulgated under the Securities Act or otherwise. Hedging transactions involving shares of the Common Stock of the Company are prohibited, unless such transactions are conducted in compliance with the Securities Act."
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- (b) Koala Malta will not resell any of the Consideration Shares except (i) in accordance with the provisions of Regulation S, (ii) pursuant to registration under the Securities Act, or (ii) pursuant to an available exemption from registration.
- (c) Koala Malta will not engage in hedging transactions with regard to the Consideration Shares unless such transactions are conducted in compliance with the Securities Act.

4. AMENDMENT AND RESTATEMENT OF SHAREHOLDERS' AGREEMENT

- 4.1 It is acknowledged that simultaneously with the execution of this Agreement, the Parties are executing an amended and restated version of the shareholders' agreement entered into by the Parties and dated 27th September 2022, such that, with effect from the date hereof, it shall be read and construed for all purposes as set out in Schedule 1 of this Agreement.

5. MATERIAL ADVERSE FINDING AND CONDITION SUBSEQUENT

- 5.1 The Parties acknowledge and agree that, notwithstanding the execution and closing of this Agreement on the date hereof, the completion of the due diligence exercise on QBSG (the "**Due Diligence**") is ongoing and remains subject to final review by PDN (the "**Reviewing Party**").

- 5.2 In the event that the Due Diligence uncovers any material adverse finding that:

- (a) Was not disclosed or otherwise known to the Reviewing Party prior to the execution of this Agreement; and
- (b) Would have a material adverse effect on the value, operations or financial position of QBSG,

the Reviewing Party shall notify Koala Malta (the "**Notified Party**") of such finding in writing, providing reasonable details.

- 5.3 The Notified Party shall bear all costs, expenses, and liabilities associated with the remediation of the material adverse finding to the satisfaction of the Reviewing Party. Such remediation shall be undertaken promptly and in good faith, and in any event, within 30 days of receiving the notice.
- 5.4 If the Notified Party fails to remediate the material adverse finding within the agreed timeframe, the Reviewing Party shall have the right, at its sole discretion, to:
- (a) rescind this Agreement without liability; or
 - (b) negotiate an adjustment to the terms of this Agreement to reflect the impact of the material adverse finding.
- 5.5 The Notified Party shall indemnify and hold harmless the Reviewing Party from and against any and all losses, damages, costs, expenses (including legal and professional fees), and liabilities, whether direct, indirect, or contingent, arising out of or in connection with:
- (a) the material adverse finding;
 - (b) the failure to disclose such finding prior to the execution of this Agreement; or
 - (c) the failure to remediate such finding in a timely and satisfactory manner.
- 5.6 The obligations under this clause shall survive the execution and closing of this Agreement and remain enforceable until all material adverse findings, if any, have been fully remediated.
- 5.7 Without prejudice to the above and to any other provision of this Agreement, it is agreed and accepted that if, at any time following the execution of this Agreement, PDN receives feedback from the Malta Financial Services Authority on the Transaction following submission of the Notification that is not to its reasonable satisfaction, PDN shall have the right, at its sole discretion, to terminate this Agreement by way of notice in writing to the other Parties. In the event of the termination of this Agreement in terms of this clause 5.7, Koala Malta shall return the Consideration in full to PDN forthwith following the termination of the Agreement.

6. NOTICES

All notices and other communications shall be sent by registered mail or transmitted by electronic mail as follows:

If to the Company:

Attention: Mingrui Xu
Address: Dragonara Business Centre, 5th Floor, Dragonara Road, San Giljan STJ 3141, Malta
E-mail: raymond@koalapatform.com

If to PDN:

Attention: Adam He
Address: 55 East Monroe Street, Suite 2120, Chicago, IL 60603
E-mail: adamhe@ipdn.com

If to Koala Malta:

Attention: Mingrui Xu
Address: Dragonara Business Centre, 5th Floor, Dragonara Road, San Giljan STJ 3141, Malta
E-mail: raymond@koalaplatform.com

7. CONFIDENTIALITY

The Parties agree that they will not at any time hereinafter disclose or communicate to any person the contents of this Agreement. It is agreed that there shall be no restriction on any such disclosure or communication to the Parties' legal and professional advisors and / or where such disclosure or communication is required by law or regulation. Notwithstanding the provisions of this clause 6, it is agreed and accepted that the Company may disclose this Agreement to any third party prior to subscription or acquisition of shares by same in the Company, to the extent that the third party so requests.

8. DURATION

- 8.1 Without prejudice to any other provision of this Agreement, this Agreement shall continue in full force and effect until the earliest of the following dates:
- 8.1.1. the express written agreement of PDN and Koala Malta that this Agreement should cease; or
 - 8.1.2. the completion of the dissolution and winding up of the Company; or
 - 8.1.3. in relation to Koala Malta, when it ceases to hold at least 6% of issued share capital of the Company; or
 - 8.1.4. in relation to PDN, when it ceases to be a shareholder of the Company;
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provided that nothing in this Agreement shall operate so as to prejudice any rights which one Party may have against another and which may have accrued before the date of expiration or termination of this Agreement.

8.2 Following the termination or expiration of this Agreement, the provisions of clauses 7, 14 and 15 shall continue to apply.

9. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts, each of which when so executed and delivered shall be an original, but all of the counterparts shall together constitute one and the same instrument.

10. WAIVER

The failure of a Party to enforce or to exercise, at any time or for any period of time, any term of or any right arising under or pursuant to this Agreement does not constitute, and shall not be construed as, a waiver of such term or right and shall in no way affect that Party's right to enforce or exercise it later.

11. MISCELLANEOUS

11.1 Each of the Parties are delivering to the other Parties an extract or a certified true copy of the resolutions in writing signed by the board of directors of the relevant Party, or the minutes of a meeting of the board of directors of the relevant Party, approving this Agreement and any other document to be entered into as a result thereof.

11.2 Save as expressly set out herein, neither Party has relied on the warranty, or representation of any other Party to induce it to enter into this Agreement.

11.3 No purported variation of this Agreement shall be effective unless made in writing and signed by each Party and specifically referring to this Agreement.

11.4 Koala Malta and the Company shall not be entitled to assign this Agreement or any of its rights or obligations contained in this Agreement. There shall be no restriction on the assignment by PDN of any of its rights or obligations in terms of this Agreement.

12. FURTHER ASSURANCE

Each Party shall co-operate with the others and execute and deliver to the others such other instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of this Agreement.

13. COSTS & TAXES

Each of the Parties shall bear its own costs relating to the preparation and completion of this Agreement and all other documents referred to in it.

14. SEVERABILITY

If any Part of this Agreement is found by a court of competent jurisdiction or other competent authority to be invalid or unenforceable then such part will be severed from the remainder of this Agreement, which will continue to be valid and enforceable to the fullest extent permitted by law.

15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

15.1 This Agreement shall be governed by and construed in accordance with Maltese law.

15.2 The Maltese courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement and the Parties agree to submit to the exclusive jurisdiction of the Maltese courts.

[Execution page follows]

EXECUTION PAGE

DATED: 27th September 2022, as amended and restated on 5th December 2024

Koala Malta Limited
(Shareholder 1)

Professional Diversity Network, Inc.
(Shareholder 2)

QBSG Limited
(the Company)

**Shareholders' Agreement
relating to QBSG Limited**

BETWEEN:

1. **KOALA MALTA LIMITED**, a private limited liability company registered under the laws of Malta with company registration number C 94406 and having its registered office situated at Dragonara Business Centre, 5th Floor, Dragonara Road, St Julian's STJ 3141, Malta, represented hereon by Mr Mingrui Xu (hereinafter referred to as '**Shareholder 1**');
2. **PROFESSIONAL DIVERSITY NETWORK, INC.**, a public company listed in the NASDAQ market (trading symbol: IPDN) incorporated under the laws of the State of Delaware with company tax number 80-0900177 and having its principal executive office situated at 55 East Monroe Street, Suite 2120, Chicago, Illinois 60603, USA, represented hereon by its Chief Executive Officer, Mr Xin (Adam) He (hereinafter referred to as '**Shareholder 2**');

(Shareholder 1 and Shareholder 2 shall hereinafter be collectively referred to as the "**Shareholders**")

IN THE PRESENCE OF:

3. **QBSG LIMITED**, a private limited liability company registered and incorporated under the laws of Malta with company registration number C 97348 and having its registered office situated at Dragonara Business Centre, 5th Floor, Dragonara Road, St Julian's STJ 3141, Malta (hereinafter referred to as the "**Company**").

The Shareholders and the Company shall be collectively referred to as the "**Parties**" and individually as a "**Party**".

WHEREAS

- A. The Shareholders each hold shares in the Company;
- B. The Parties wish to set out in this Agreement the terms and conditions which, in addition to the memorandum and articles of association of the Company, shall govern their relationship as shareholders of the Company and their mutual understanding with regard to the business activities of the Company.

NOW THEREFORE the Parties hereto hereby agree as follows:

1. INTERPRETATION

- 1.1 In this Agreement the following words and expressions shall (unless the context otherwise requires) have the following meanings respectively:

"**Agreement**" means this shareholders' agreement;

“Articles”	means the memorandum and articles of association of the Company from time to time;
“Business”	means the business of the Company as carried on from time to time in line with the objects of the Company;
“Business Days”	means a day other than Saturday or Sunday or a public or bank holiday when banks are open for business in Malta;
“Control”	means, in relation to a Shareholder, where a person (or that person in conjunction with an affiliate or a related party): (i) holds directly or indirectly more than fifty per cent (50%) of the total voting rights conferred by all the issued shares in the capital of that Shareholder which are ordinarily exercisable in a general meeting of the shareholders of that Shareholder; or (ii) has the right to appoint the majority of the board of directors of the Shareholder; or (iii) has direct or indirect control of the affairs of that Shareholder, and “to Control” or “Controlled” shall be construed accordingly;
“Encumbrances”	means any mortgage, security, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, other encumbrance or security interest of any kind restricting the full ownership or the transferability of the relevant asset (whether contractual, statutory or otherwise) or any agreement, arrangement or obligation to create any of them;
“Exercise Price”	means the price for the sale of the Shares in the Company as a result of the exercise of the Put Option, which shall be the price of USD \$1,440,000;
“Law”	means the applicable laws and regulations of Malta and any other jurisdiction (as the case may be) relevant to the rights, duties and obligations set out in or derived from this Agreement;

“Ordinary Shares” or “Shares”

means any shares in the issued share capital of the Company, of whatever class or denomination;

“Person” or “Entity”

means any legal entity including a company, partnership, foundation, trust, unincorporated associations any similar or equivalent organisation, whether or not having legal personality;

“Relevant Percentage”

means in relation to a Shareholder the proportion which the number of Ordinary Shares held by him bears to the total number of Ordinary Shares in issue at the relevant time.

- 1.2 References to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).
- 1.3 References to Clauses or to Schedules are to Clauses of or Schedules to this Agreement and references to sub-clauses are to sub-clauses of the Clause in which the reference appears.
- 1.4 The headings are inserted for convenience and shall not affect the construction of this Agreement.
- 1.5 Unless the context otherwise requires, references to singular shall include the plural, references to any gender include other genders and reference to 'persons' shall include bodies, corporate and unincorporated associations and partnerships.

2. MATTERS REQUIRING CONSENT OF ALL SHAREHOLDERS

- 2.1 None of the following actions or decisions shall be decided, approved, authorised, made or implemented in respect of the Company or any of its subsidiaries (and no authority to do the same will be delegated) without the relevant matter or actions first being referred to, and approved by, all Shareholders of the Company:
- (i) the granting of security, guarantees, indemnities or Encumbrances by the Company or any of its subsidiaries;
 - (ii) the incurrence of any borrowings by the Company or any of its subsidiaries in excess of a maximum aggregate sum outstanding at any time of €50,000;
 - (iii) the grant of a loan or advance of whatever amount to any person or the grant of credit (other than normal trade credit);

- (iv) the sale, transfer, lease, assignment or disposal in whatever form of any of the undertaking, property or assets (or any interest in them) of the Company or any of its subsidiaries;
- (v) the issuance of any debentures, debt or equity securities or any securities convertible into shares or shares in the Company or any of its subsidiaries or grant any option, warrant, pre-emption or other right to subscribe for such in the Company or any of its subsidiaries or the making of any changes to the Company's share capital, including any increase in share capital of the Company;
- (vi) the implementation of the winding-up or dissolution of the Company or any of its subsidiaries or file an application in court for the purpose of dissolving the Company or any of its subsidiaries;
- (vii) the acquisition, purchase or subscription for shares, debentures, mortgages or securities (or any interest in any of them) in any Person;
- (viii) the initiation of any litigation, arbitration or other legal proceedings in any official or quasi-official forum, or initiation of any negotiation, compromise or settlement, with respect to any claim or litigation by or against the Company or any of its subsidiaries involving an amount in excess of €50,000;
- (ix) any material or significant change to the Business strategy or nature of the Business of the Company or any of its subsidiaries;
- (x) the alteration or amendment of the memorandum and/or articles of association of the Company or any of its subsidiaries in any way;
- (xi) the making of any material change in the corporate or legal or tax structure of the Company or any of its subsidiaries (including making any change to the place of incorporation, place of residence or the legal form of the Company or any of its subsidiaries);
- (xii) the undertaking of any capital call or financing involving recourse to the Shareholders;
- (xiii) the redemption, purchase or acquisition its own Ordinary Shares or securities or otherwise variation of its issued share capital;
- (xiv) the entering into any agreement, commitment of arrangement to effect any of the foregoing.

3. EXERCISE OF VOTING RIGHTS

3.1 Each Shareholder shall:

- (i) exercise all voting rights and powers available to it in relation to the Company so as to give full effect to the terms of this agreement including, where appropriate, the carrying into effect of the terms as if they were embodied in the Company's memorandum and articles of association;

- (ii) procure that the representative nominated by it support and implement all reasonable proposals put forward at the general meetings of the Company for the proper development and conduct of the Business as contemplated in this Agreement;
- (iii) procure that all third parties directly or indirectly under its Control refrain from acting in a manner which hinders or prevents the Company from carrying on the Business in a proper and reasonable manner; and
- (iv) generally use its best endeavours to promote the Business and the interests of the Company and any of its subsidiaries.

4. DIVIDEND AND DISTRIBUTION POLICY

- 4.1 The Company shall, in each financial year, distribute by way of dividend at least 50% of the profits available after taxation of the Company as shown by the audited accounts.
- 4.2 Any distribution of dividends shall be made by the Company to the Shareholders in accordance with the provisions of the profit participation agreement entered into amongst the Shareholders and dated 5th December 2024.

5. TRANSFER AND SALE OF SHARES

- 5.1 The Shareholders agree not to transfer any Ordinary Shares or securities in the Company other than in compliance with the provisions of the Articles and any applicable laws.
- 5.2 The Shareholders shall act in good faith at all times in seeking to ensure that no act is undertaken by them for the purpose of seeking to avoid the provisions of the Articles in connection with any direct or indirect transfer of an interest in any Ordinary Shares in the Company other than in accordance with the Articles.

6. TAG-ALONG RIGHT

- 6.1 No Shareholder shall enter into or complete a transfer of any of its Ordinary Shares or securities in the Company to a third party purchaser (such purchaser being a “**Tag Purchaser**” and such sale being a “**Third Party Tag Sale**”) unless it ensures that the relevant Tag Purchaser offers to buy from all the Shareholders an amount of the Ordinary Shares or securities in the Company that represents the same proportion of its holding of Ordinary Shares or securities of the Company as the proportion of the holding of the Ordinary Shares or securities of the Company of the selling Shareholder that is proposed to be sold pursuant to the Third Party Tag Sale at a price per share or security that is equal to the price per share or security in the Third Party Tag Sale and on the same terms as those of the Third Party Tag Sale (such sale being a “**Tag Along Sale**”).
- 6.2 The selling Shareholder shall notify the other Shareholders of the Company (together, the “**Tag Beneficiaries**”) in respect of a Tag Along Sale by written notice which shall specify the terms of the offer (the “**Tag Along Notice**”), including:
 - (i) the name and address of the third party purchaser;
 - (ii) the type and number of Ordinary Shares to be transferred;

- (iii) all elements of any consideration (including any contingent or deferred consideration) payable to the Shareholders in connection with the contemplated transfer of Ordinary Shares;
- (iv) the proposed price per Ordinary Share to be received in cash on completion of the Tag Along Sale (excluding the amount of any deferred or contingent consideration potentially receivable following completion) by any Shareholder selling its Ordinary Shares pursuant to the Tag Along Notice;
- (v) all the representations and warranties to be given by the Shareholders; and
- (vi) any other material terms or elements of the Tag Along Sale.

- 6.3 A Tag Along Notice shall be open for acceptance for a period of not less than ten (10) Business Days after receipt of it, failing which the relevant Tag Beneficiary shall be deemed to have waived its tag along right with respect to the relevant Tag Along Notice.
- 6.4 If the Tag Along Notice is accepted by a Tag Beneficiary (the “**Tagging Shareholder**”), the selling Shareholder shall procure that the Tag Purchaser shall acquire Ordinary Shares from the selling Shareholders so that the total number of Ordinary Shares acquired by the Tag Purchaser pursuant to the Tag Along Sale and the Third Party Tag Sale is the aggregate of (i) the number of Ordinary Shares specified in the Tag Along Notice as being sold by the selling Shareholder; and (ii) the number of Ordinary Shares that the Tag Beneficiaries elect to sell in response to the Tag Along Notice.
- 6.5 The Tag Along Sale shall be conditional only upon completion of the Third Party Tag Sale and shall be completed at the same time as the Third Party Tag Sale.
- 6.6 The Ordinary Shares to which the Tag Along Right applies shall be transferred at the same price (for each category of Ordinary Shares) and under the same terms and conditions (including representations and warranties, which shall be borne by each seller pro rata the sale proceeds received by it in respect of the transferred Ordinary Shares).
- 6.7 The price payable for the Ordinary Shares to which the Tag Along Notice applies shall be payable wholly in cash.

7. REPORTING AND INFORMATION RIGHTS

- 7.1 The Company shall ensure that each Shareholder shall receive annual reporting from the Board of Directors or its authorized officer so that each Shareholder can stay informed regarding the status of the Company’s operations over a period of time.
- 7.2 Each Shareholder of the Company shall be provided with access to and copies of such information and records of the Company and any of its subsidiaries as it may reasonably require from time to time for its tax, accounting, internal reporting or compliance purposes.
- 7.3 Each of the Shareholders of the Company shall be afforded access at any reasonable time and from time to time to examine the books, records and accounts kept by the Company or any of its subsidiaries.

8. PUT OPTION

- 8.1 Shareholder 2 shall have the right to call upon Shareholder 1 to purchase all of the Shares held by Shareholder 2 in the event of a change of Control of Shareholder 1 or any company forming part of the same corporate group as Shareholder 1, whether such change of Control takes place on a direct or indirect basis (the “**Put Option**”).
- 8.2 With respect to the Put Option granted to Shareholder 2 in terms of clause 8.1 above, Shareholder 2 shall have the right to exercise the Put Option by sending the Exercise Notice (as defined in clause 8.3 below) and requiring Shareholder 1 to purchase all of its Shares in the Company at the Exercise Price and in accordance with the provisions of this clause 8. Shareholder 2 undertakes to sell its Shares subject to a Put Option to Shareholder 1 in accordance with the terms and conditions of this Agreement.
- 8.3 In the event that Shareholder 2 wishes to exercise the Put Option, Shareholder 2 shall provide a notice in writing to this effect to Shareholder 1, which notice shall specify the number of Shares to be acquired by Shareholder 1 pursuant to the Put Option and the Exercise Price (the “**Exercise Notice**”).
- 8.4 The Put Option shall be deemed exercised on the date of receipt of the Exercise Notice delivered by hand or on the date of the first presentation by the postal service of the Exercise Notice (the “**Exercise Date**”).
- 8.5 Subject to any regulatory consents or approvals which may be required, the completion of the Put Option and the transfer of title to the Shares held by Shareholder 2 to Shareholder 1 shall occur on a date following the exercise of the Put Option determined by Shareholder 2, being a date which is no later than 15 days following the Exercise Date (the completion date of the Put Option being referred to as the “**Completion Date**”).
- 8.6 On the Completion Date, Shareholder 2 shall deliver to Shareholder 1 a share transfer instrument providing for the sale and purchase of the legal and beneficial ownership of the shares being sold with full title guarantee and free from any Encumbrance in accordance with the relevant terms set out in this Agreement, duly signed and made out to Shareholder 1, together with the share certificates relating thereto and such other documents as Shareholder 1 may reasonably require to show good title to the shares in question or to enable Shareholder 1 to be registered as holder of the shares in question.
- 8.6 Shareholder 1 shall, on the Completion Date and upon receipt of the share transfer instrument as set out in clause 8.5 above, pay the Exercise Price by wire transfer to a bank account, the details of which shall be provided by the Shareholder 2.
- 8.7 Shareholder 1 shall enjoy, as from the Exercise Date, all rights relating to the Shares sold pursuant to the Put Option.
- 8.8 The exercise of the Put Option by Shareholder 2 pursuant to the terms of this Agreement shall be without prejudice to any other remedies available to such Shareholder whether under this Agreement or otherwise.

9. ACCESSION OF NEW SHAREHOLDERS

9.1 No transfer or issue of Ordinary Shares or other securities in the Company may be made in accordance with this Agreement until the relevant transferee has executed and sent to the Company an accession agreement substantially identical to the form set out in Schedule 1 attached hereto (an “**Accession Agreement**”) pursuant to which it agrees to adhere to the terms of this agreement.

10. GOOD FAITH

10.1 Each of the Parties hereto undertakes with each of the others to do all things reasonably within his power which are necessary or desirable to give effect to the spirit and intent of this Agreement.

11. FURTHER ASSURANCE

11.1 Each of the Shareholders undertake to the other that it will exercise all voting rights and powers of control available to it in relation to the Company and any of its subsidiaries so as to give full effect to the terms and conditions of this Agreement including, where appropriate but without limitation, the carrying into effect of such terms as if they were embodied in the memorandum and articles of association of the Company.

11.2 The Parties hereto shall and shall use their respective reasonable endeavours to procure that any necessary third parties shall execute and perform all such further deeds documents assurances acts and things as any of the parties hereto may reasonably require by notice in writing to the others to carry the provisions of this Agreement into full force and effect.

12. CONFLICT

12.1 In the event of any ambiguity or discrepancy between the provisions of this Agreement and the memorandum and articles of association of the Company, it is intended that the provisions of this Agreement shall prevail between the Shareholders and accordingly the Shareholders shall exercise all voting and other rights and powers available to them so as to give effect to the provisions of this Agreement and shall further (if necessary) procure any required amendment to the memorandum and articles of association of the Company.

13. DURATION

13.1 This Agreement shall continue in full force and effect until the earliest of the following dates:
(i) the express written agreement of the Shareholders that this Agreement should cease, or
(ii) the completion of the dissolution and winding up of the Company, or
(iii) the acquisition by one Shareholder of all the shares registered in the name of the other Shareholders;

provided that the terms of this Agreement will nevertheless continue to bind the Shareholders thereafter to such extent and for so long as may be necessary to give effect to the rights and obligations embodied herein and provided further that this Agreement shall cease to have effect as regards as Shareholder who has transferred its Ordinary Shares in accordance with this Agreement provided always that nothing in this Agreement shall operate so as to prejudice any rights which one party may have against another and which may have accrued before the date of termination hereunder.

14. WAIVER AND VARIATION

14.1 No failure to exercise and no delay in exercising on the part of any of the Shareholders any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies otherwise provided by law. Moreover this Agreement shall not be varied unless the variation is expressly agreed in writing by all the Shareholders.

15. CONFIDENTIALITY

15.1 The Shareholders shall at all times keep confidential (and ensure that their employees and agents shall keep confidential) any information which they may acquire relating to the Company or in relation to the business or affairs of any other Shareholder nor to make any public announcement concerning this Agreement or the matters provided for herein except as agreed in writing by each Shareholder.

15.2 This obligation and restriction shall continue to apply after the termination of this Agreement without limit in point of time except to the extent that said information or knowledge comes into the public domain through no fault of any Shareholder.

16. THIS AGREEMENT NOT TO CONSTITUTE A PARTNERSHIP

16.1 None of the provisions of this Agreement shall be deemed to constitute a partnership between the Shareholders or any other party or parties hereto and neither of them shall have any authority to bind the other in any way.

17. SUCCESSORS

17.1 This Agreement shall operate for the benefit of and be binding on the respective successors in title and permitted assignees of each of the Parties hereto, but, no Party shall assign or transfer or purport to assign or transfer any of its rights or obligations hereunder without the prior written consent of the other Shareholders and without the proposed assignee having first executed an Accession Agreement.

18. SEVERABILITY

18.1 If any of the provisions of this Agreement is found by a court or other competent authority to be void or unenforceable, such provision shall be deemed to be deleted from this Agreement and the remaining provisions of this Agreement shall continue in full force and effect. Notwithstanding the foregoing, the Shareholders shall thereupon negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the provision so found to be void and unenforceable.

19. LIQUIDATION

19.1 In the event of the winding up of the Company pursuant to the provisions of this Agreement, the Shareholders will procure that the Company appoint the liquidator, who shall liquidate the assets and discharge the liabilities of the Company in accordance with the laws, rules and regulations applicable to the Company. Any remaining assets after liquidation and repayment of debts shall be distributed to the Shareholders according to their respective ratios of Shareholdings. The Shareholders shall execute, do or concur in all necessary or proper instruments, acts, matters and things for affecting or facilitating the sale, realisation and collection of the assets of the Company and the due application and division of the proceeds thereof.

20. ENTIRE AGREEMENT

20.1 This Agreement supersedes any previous agreement between the Parties in relation to the matters dealt with herein and represents the entire understanding between the Parties in relation thereto.

21. NOTICES

21.1 Any notice to be given under this Agreement shall be in writing and either be delivered by hand with acknowledgement of receipt or sent by registered post with acknowledgement of receipt, by email (provided that in respect of email transmission the recipient shall have acknowledged receipt of such email transmission).

21.2 For the purposes of the notices pursuant to this Agreement, the relevant details of the Parties are as follows:

Koala Malta Limited

Attn: Mingrui Xu
Address: Dragonara Business Centre, 5th Floor,
Dragonara Road,
St Julian's STJ 3141,
Malta
Email: raymond@koalaplatform.com

Professional Diversity Network, Inc.

Attn: Adam He
Address: 55 East Monroe Street, Suite 2120,
Chicago, Illinois 60603,
USA
Email: adamhe@ipdn.com

QBSG Limited

Attn: Mingrui Xu
Address: Dragonara Business Centre, 5th Floor,
Dragonara Road,
St Julian's STJ 3141,
Malta
Email: raymond@koalaplatform.com

22. MISCELLANEOUS

- 22.1 Save as otherwise provided herein, the liability of each Party under this Agreement shall be several and not joint and several, irrespective of the fact that the Parties are referred to as a same category of Parties.
- 22.2 Each Party shall cooperate with the others and execute and deliver to the others such other instruments and documents and take such other actions as may be reasonably requested from time to time in connection with the execution and performance of this Agreement, including the convening of all meetings and passing of all resolutions reasonably required to give effect to the terms of this Agreement.
- 22.3 Any merger, spin-off or other restructuring transaction involving the Company shall not affect the rights and obligations of the Parties under this Agreement which shall apply to the shares and other securities received by the Parties following such restructuring.
- 22.4 This Agreement may be executed in any number of parts each of which, when executed by one or more of the Parties hereto, shall constitute an original document but all of which shall together constitute one and the same instrument.

23. GOVERNING LAW

- 23.1 This Agreement shall be governed and enforced in accordance with the laws of Malta.
- 23.2 All disputes arising out of or in connection with this Agreement shall be exclusively settled by the courts of Malta.

THIS AGREEMENT WAS SIGNED AND EXECUTED ON THIS THE 27th SEPTEMBER 2022, AND AMENDED AND RESTATED ON THE 5th DECEMBER 2024 IN THREE ORIGINALS, ONE FOR EACH PARTY.

Signed:

Schedule 1
Accession Agreement

This Accession Agreement is made the [DAY] day of [MONTH AND YEAR]
BETWEEN:

- (1) [TRANSFEREE / incoming shareholder] a company incorporated in [COUNTRY] with company number [NUMBER] and having its registered office at [ADDRESS] (the "**New Shareholder**");
- (2) [continuing Shareholder] a company incorporated in [COUNTRY] with company number [NUMBER] and having its registered office at [ADDRESS] (the "**Continuing Shareholder**");
- (3) **QBSG LIMITED**, a private limited liability company registered and incorporated under the laws of Malta with company registration number C 97348 and having its registered office situated at Dragonara Business Centre, 5th Floor, Dragonara Road, St Julian's STJ 3141, Malta (hereinafter referred to as the "**Company**").

This Agreement is supplemental to a shareholders' agreement dated [DATE] between the [TRANSFEROR] a company incorporated in [COUNTRY] with company number [NUMBER] and having its registered office at [ADDRESS] (the "**Transferor**"), the Continuing Shareholder and the Company (the "**Shareholders' Agreement**")

1. The New Shareholder hereby confirms that it has been supplied with a copy of the Shareholders' Agreement and hereby covenants with the Continuing Shareholder and the Company to observe, perform and be bound by all the terms of the Shareholders' Agreement which are capable of applying to the New Shareholder and which have not been performed at the date hereof to the effect that the New Shareholder shall be deemed, with effect from the date on which the New Shareholder is registered as a member of the Company, to be a party to the Shareholders' Agreement as if the New Shareholder had executed the Shareholders' Agreement and accordingly, shall be entitled to the benefits and obligations of the provisions of the Shareholders' Agreement.
3. The Continuing Shareholder and the Company hereby release the Transferor from all liabilities and obligations arising under the Shareholders' Agreement after the date on which the New Shareholder is registered as a member of the Company.
4. For the avoidance of doubt, it is hereby agreed and declared that nothing contained in this Agreement shall:
 - (a) release the Transferor from any liability or obligations accrued or outstanding prior to the date on which the New Shareholder is registered as a member of the Company; or
 - (b) release the Continuing Shareholder or the Company from any liabilities (whether present or future) in respect of any of their respective obligations under the Shareholders' Agreement.
5. Notices under this Agreement may be served as set out in clause 21 of the Shareholders' Agreement. The address for service of notices on the New Shareholder shall be its registered office for the time being (if a company) and the last known address (if an individual) or such other address as may be notified from time to time in writing by it to the other shareholders from time to time to the Shareholders' Agreement. Clause 23 of the Shareholders' Agreement shall apply *mutatis mutandis* to this Agreement.

Professional Diversity Network, Inc. Announces Additional Investment in QBSG Limited

Chicago, IL, December 10, 2024 – Professional Diversity Network, Inc. (NASDAQ: **IPDN**) (“PDN” or the “Company”), a leader in the development and operation of online and in-person diversity talent networks, which provide access to networking, training, educational, and employment opportunities for diverse individuals, today announced that the Company, pursuant to a Profit Participation Agreement (the “Agreement”) with Koala Malta Limited, has purchased a 6% right in **QBSG Limited** (the “Target”, previously Koala Crypto Limited)’s distributions and dividends.

The investment, which took place on December 5, 2024, involved the issuance of **1,136,363 shares** of the Company’s common stock, valued at **\$500,000**, and a cash payment of **\$700,000**. In addition to the 9% stock purchase in the Target on September 27, 2022, PDN now owns the right to receive 15% of its declared distributions and dividends. The Target is obligated to distribute dividends at least 50% of its profits as shown by the audited accounts in each fiscal year.

Following the completion of this investment, PDN raises the leverage of its extensive diversity network to expand its job boards into the blockchain area and fin-tech industry, providing new opportunities for diverse talents in this rapidly growing sector.

“We are excited to add more stakes in QBSG Limited, which not only strengthens our financial position but also opens up new avenues for PDN to foster inclusion within emerging industries such as blockchain,” said Adam He, CEO of Professional Diversity Network, Inc. “This investment aligns with our mission to create greater access to diverse talents, and we look forward to building on the success of our networks to serve this dynamic field.”

“Without PDN’s initial support, we won’t have reached the first-ever profitable quarter in 2024 after experiencing years of tumultuous growth of blockchain business. Together, we aim to create greater opportunities for diverse professionals to thrive in the future of technology.” said Raymond Xu, director of QBSG Limited.

The partnership between PDN and QBSG Limited will help drive inclusion and diversity in the rapidly growing blockchain sector, positioning both companies to have a greater impact in this evolving market.

About Professional Diversity Network, Inc

Professional Diversity Network, Inc. (NASDAQ: IPDN) is a global developer and operator of online and in-person networks that provides access to networking, training, educational and employment opportunities for diverse professionals. We operate several other business units in the United States including the International Association of Women (IAW), which is one of the largest, most recognized networking organizations of professional women in the country, spanning more than 200 industries and professions, and RemoteMore USA, Inc., an online platform specialized in remote-hiring of developers. Through an online employee recruitment platform that leverages our affinity groups, we provide our employer clients a means to identify and acquire diverse talent and assist them with their efforts to comply with the Equal Employment Opportunity Office of Federal Contract Compliance Program. Our mission is to utilize the collective strength of our affiliate companies, members, partners and unique proprietary platform to be the standard in business diversity recruiting, networking and professional development for women, minorities, veterans, LGBTQ and disabled persons globally.

For more information about Professional Diversity Network, Inc., please visit www.ipdn.com.

About Koala Malta Limited

Koala Malta Limited is a financial service limited liability company registered in Malta, which majorly owned QBSG Limited and Koala Money Limited.

About QBSG Limited

QBSG Limited, previously Koala Crypto Limited, is licensed by the Malta Financial Services Authority (MFSA) as a Virtual Financial Asset (VFA) entity, holding a VFA Level 4 license, which is the highest level of licensing for virtual assets in Malta. This license grants QBSG Limited the authority to operate an exchange and provide services including custody services, execution of client transaction orders, and exchange services.

Under its VFA license, QBSG Limited's current business operations include the following:

1. Web3 Industry Payment Processing
2. NFT Checkout / NFT Market
3. Official Website On/Off Ramp Services
4. Web3 Project Launch and Collaboration
5. Virtual and Physical Card Programs

QBSG Limited is at the forefront of providing innovative services in the rapidly growing Web3 and NFT sectors, with a strong commitment to compliance and security under its MFSA-approved license.

For more information, visit <https://www.wynpay.io>.

Forward-Looking Statements

This press release contains certain forward-looking statements based on our current expectations, forecasts and assumptions that involve risks and uncertainties. This release does not constitute an offer to sell or a solicitation of offers to buy any securities of any entity. Forward-looking statements in this press release include, without limitation, the timing for closing of the offerings and the expected use of proceeds from the offerings. Forward-looking statements in this release are based on information available to us as of the date hereof. Our actual results may differ materially from those stated or implied in such forward-looking statements, due to risks and uncertainties associated with our business, which include the risk factors disclosed in our most recently filed Annual Report on Form 10-K and in our subsequent filings with the Securities and Exchange Commission. Forward-looking statements include statements regarding our expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “should,” and “would” or similar words. We assume no obligation to update the information included in this press release, whether as a result of new information, future events or otherwise. Our most recently filed Annual Report on Form 10-K, together with this press release and the financial information contained herein, are available on our website, www.ipdn.com. Please click on “Investor Relations”.

Investor Inquiries:

Professional Diversity Network, Inc.

Tel: (312) 614-0950

Email: investors@ipdn.com