CNote Group, Inc.

FLAGSHIP FUND PRIVATE PLACEMENT MEMORANDUM

PROMISSORY NOTES

VERIFIED ACCREDITED INVESTORS ONLY

Dated for reference purposes only: November 3, 2026

THIS FLAGSHIP FUND PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR SOLICITATION OF AN OFFER TO BUY. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THIS OFFERING OR THE SECURITIES OR DETERMINED IF THIS MEMORANDUM IS TRUTHFUL OR COMPLETE.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS, ARE BEING OFFERED AND SOLD IN RELIANCE ON AN EXEMPTION FROM REGISTRATION, ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, THE APPLICABLE STATE SECURITIES LAWS, AND THE OFFERING DOCUMENTS.

THE INVESTMENT DESCRIBED HEREIN INVOLVES A HIGH DEGREE OF RISK OF LOSS. SEE “RISK FACTORS” AND THROUGHOUT THE MEMORANDUM.

CAPITALIZED TERMS USED IN THIS MEMORANDUM BUT NOT ELSEWHERE DEFINED HEREIN SHALL HAVE THE MEANINGS SET FORTH IN EXHIBIT A.

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NOTICES

General Notices to All Investors

INVESTMENT IN THIS OFFERING INVOLVES A HIGH DEGREE OF RISK, AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. SEE “RISK FACTORS.”

ONLY INFORMATION OR REPRESENTATIONS CONTAINED IN THE OFFERING DOCUMENTS, INCLUDING THIS MEMORANDUM, MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY IN CONNECTION WITH THIS OFFERING. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THE OFFERING DOCUMENTS. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM IN CONNECTION WITH THE OFFER BEING MADE HEREBY, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THE PLATFORM IS NOT A PART OF, AND IS NOT INCORPORATED INTO, THIS MEMORANDUM, AND SHOULD NOT BE CONSIDERED PART OF THE OFFERING DOCUMENTS.

THE COMPANY MAY USE GENERAL SOLICITATION AND GENERAL ADVERTISING IN CONNECTION WITH THE OFFERING, INCLUDING THROUGH THE PLATFORM. ANY SUCH ADVERTISING OR OTHER MATERIALS DO NOT CONTAIN COMPLETE INFORMATION ABOUT THE OFFERING, ARE NOT PART OF THE OFFERING DOCUMENTS, AND ARE QUALIFIED IN THEIR ENTIRETY BY THIS MEMORANDUM.

THE INFORMATION PRESENTED IS AS OF THE DATE SET FORTH ON THE COVER PAGE HEREOF UNLESS ANOTHER DATE IS SPECIFIED, AND NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE HEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAVE BEEN NO CHANGES IN THE INFORMATION PRESENTED SUBSEQUENT TO SUCH DATE(S).

THE STATEMENTS CONTAINED HEREIN ARE BASED ON INFORMATION BELIEVED TO BE RELIABLE. NO WARRANTY CAN BE MADE AS TO THE ACCURACY OF SUCH INFORMATION OR THAT CIRCUMSTANCES HAVE NOT CHANGED SINCE THE DATE SUCH INFORMATION WAS SUPPLIED. NEITHER THE COMPANY NOR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES, OR OTHER AGENTS ASSUME ANY RESPONSIBILITY FOR THE INACCURACY OF THE INFORMATION CONTAINED HEREIN. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, INVESTMENT, OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR ADVISORS AS TO LEGAL, INVESTMENT, TAX, AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE NOTES. THE COMPANY AND ITS DIRECTORS, OFFICERS, AND EMPLOYEES DO NOT ASSUME ANY RESPONSIBILITY FOR ECONOMIC, LEGAL OR TAX ADVICE CONCERNING THIS INVESTMENT, OR THE ECONOMIC, LEGAL OR TAX CONSEQUENCES OF THIS INVESTMENT TO ANY INVESTOR. NO REPRESENTATION OR WARRANTY IS MADE AS TO WHETHER THE NOTES

CONSTITUTE A LEGAL INVESTMENT OR A SUITABLE INVESTMENT FOR ANY PROSPECTIVE PURCHASER.

Jurisdictional Notices

NOTICE TO RESIDENTS OF ALL STATES: IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE MADE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

Cautionary Note Regarding Forward-Looking Statements

A WARNING ABOUT FORWARD-LOOKING STATEMENTS

This Memorandum contains forward-looking statements, which include financial projections and other statements relating to events or conditions in the future. Forward-looking statements often include words such as “anticipate,” “believe,” “expect,” “intend,” “plan,” or “will.”

Forward-looking statements are, by their nature, subject to uncertainties and assumptions. Actual results could, and almost certainly will, differ from those anticipated or implied in any forward-looking statement, and the differences could be material and adverse. We do not undertake any obligation to revise, or publicly release the results of any revision to, any forward-looking statements, except as required by applicable law.

GIVEN THE RISKS AND UNCERTAINTIES, PLEASE DO NOT PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS.

COMPANY OVERVIEW

CNote Group, Inc., a Delaware public benefit corporation ("CNote", the "Company", "us" or "we") is a business on a mission to close the wealth gap through financial innovation. Using technology and a community-first framework, CNote enables individuals and institutions to invest locally at scale in fixed-income and deposit solutions that advance community development, economic opportunity, and financial access. CNote's solutions provide a diversified and scalable way to support job creation, small business growth, affordable housing development, and lasting economic growth in underserved communities across the United States through relationships with community financial organizations ("CFOs"). A CFO is a U.S.-based mission-driven financial institution, lender, loan fund, bank, credit union, nonprofit financing entity, or other financing organization that promotes community development, economic opportunity, or financial access by providing or supporting financing for underserved people, businesses, nonprofit organizations, projects, or communities. As of December 31, 2025 approximately 100% of the Company's loans to CFOs are made to loan funds that are Community Development Financial Institutions ("CDFIs") certified by the U.S. Department of the Treasury's CDFI Fund.

We use investors' capital to provide loans to CFOs, which in turn provide loans to underserved segments of the population. From inception through December 31, 2025, the Company has made loans to 48 CFOs in the aggregate principal amount of $168 million, received approximately $65 million in repayments, including interest, and renewed approximately $40 million in matured loan principal.

The Company is conducting this offering (the "Offering") to make the Notes available for purchase by accredited investors, as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act ("accredited investors"). The Company intends to deploy the proceeds of the Offering to CFOs that make loans to underserved segments of the population, including loans that support small businesses, affordable housing, community development, climate initiatives, and community facilities such as early childcare centers and rehabilitation facilities. The Notes are subject to the terms and conditions set forth in the Offering Documents. See "About the Offering" for more information.

Background on CDFIs

CDFIs were created by the Riegle Community Development and Regulatory Improvement Act of 1994 to promote economic development in distressed urban and rural communities. Financial institutions that wish to become CDFIs must meet eligibility criteria established by the U.S. Department of the Treasury's CDFI Fund, including demonstrating that their primary mission is to promote community development by serving economically distressed people and places. Since the CDFI Fund's creation in 1994, the CDFI industry has grown into a more than $436 billion industry, with over 1,400 certified CDFIs operating nationwide, extending financing to borrowers such as schools, community centers, affordable housing developments, and small businesses.

CFOs raise capital from a variety of sources, including financial institutions, government agencies, religious institutions, foundations, and individuals, but rely primarily on institutional investors such as banks and foundations. The Company believes there is an opportunity for individual investors to support these vital community lenders.

ABOUT THE OFFERING

The Offering, the terms of which are described in the Offering Documents, consists of the sale and issuance of the Notes. See “Risk Factors” and the other information in this Memorandum for factors that should be considered before deciding to invest in the Offering. Investors should be prepared to hold their Notes to maturity.

The Offering has no minimum amount, and the Company may deploy capital as soon as it is raised. The Company is selling the Notes directly through the Platform, without the use of a placement agent, broker, or underwriter, and no commissions or other transaction-based compensation are being paid in connection with the Offering.

Restricted Securities

The Offering is being conducted in reliance on the exemption from registration provided by Rule 506(c) of Regulation D promulgated under the Securities Act. The Notes have not been registered under the Securities Act or under any state securities laws, and no registration statement or offering statement has been filed with, or qualified by, the Securities and Exchange Commission in connection with the Offering. The Notes are “restricted securities” and may not be sold or transferred unless registered under the Securities Act and applicable state securities laws or an exemption from registration is available, and, in any event, only with the Company’s written consent. Because the Offering is conducted under Rule 506(c), the Company may use general solicitation and general advertising in connection with the Offering, but may sell the Notes only to purchasers whom the Company has verified to be accredited investors.

To the Company’s knowledge, no disqualifying event described in Rule 506(d)(1) of Regulation D applies to the Company or any other person covered by Rule 506(d), and there is no matter that would be required to be disclosed under Rule 506(e).

Eligible Investors

The Notes will be sold only to accredited investors. As required by Rule 506(c), the Company will, as a condition to the sale and issuance of a Note to any purchaser, take reasonable steps to verify that the purchaser is an “accredited investor” as defined in Rule 501 of Regulation D.

Summary of Key Terms of the Notes

The Notes are subject to certain terms with respect to accrual of interest, repayment of the Notes, and other terms specified in the Notes and the Subscription Agreement. The key terms of the Notes are summarized below and are further described in the Notes and the Subscription Agreement. In the event of any conflict between the summary contained herein, on the one hand, and the terms of the Notes or the Subscription Agreement, on the other hand, the terms of the Notes or the Subscription Agreement, as applicable, shall govern.

Interest rate	4% per year as of the date of this Memorandum, commencing on the Accrual Date (as defined in the Notes). The Company may offer Notes at other interest rates from time to time. The interest rate applicable to a Note is the rate stated in that Note.
Maturity date	All principal and accrued interest will be due on the date 30 months following the Accrual Date.

Payment	The Notes are non-recourse. Each Note is applied to a loan that the Company makes to a CFO, and the amount and term of that loan correspond to the Note (each such loan, an "Underlying Loan" and, collectively, the "Underlying Loans"). Payment on a Note (principal and interest) is dependent on, and limited to, the amounts the Company actually receives on its Underlying Loan. If the Underlying Loan is repaid in accordance with its terms, the Note will be repaid in full. If the Underlying Loan is not repaid in full, the interest and then the principal payable on the Note will be reduced to the Note's pro rata share of the amounts the Company actually receives, which may be zero, and investors will have no recourse to the Company or its affiliates, directors, officers, employees, agents, or stockholders for the shortfall. Unless the investor elects to receive interest monthly, the Company is not obligated to make any payments of principal or interest until maturity.
Early Withdrawal Requests	Each calendar quarter an Investor may, by giving 30 days' notice to the Company, request a payment of no more than 10% of the original principal. The Company may reject or limit such requests depending on available funds.
Prepayment	The Company may prepay the Notes at any time. Payments will first be applied to accrued interest, then to outstanding principal.
Transferability	The Notes may not be transferred without the Company's written consent, which may be withheld in its sole discretion.
Manner of Payment	Payments by the Company will be made by ACH transfer to an account designated by the Investor.

INVESTORS ARE NOT STOCKHOLDERS

When you purchase a Note you do not become a Company stockholder. Among other things, you have no right to vote or participate in the management of the Company, nor any statutory right to review the Company's books and records.

FORM AND CUSTODY

Notes will be issued electronically through the Platform and signed electronically by the Company in favor of the investor. The Notes will be stored by the Company and will remain in the Company's custody for ease of administration. Except during periodic system maintenance or outage, investors may view their Notes through their online dashboard.

OPPORTUNITY TO "ROLL OVER" INVESTMENT

Upon the maturity of a Note, the Investor may be given the opportunity to purchase a new Note with all or a portion of the proceeds of the existing Note, on the same terms then available to new investors. Any such purchase will require the Investor's affirmative election and acceptance of the then-current Offering Documents, and will be subject to the availability of an exemption from registration, which may require the Company to again verify the Investor's status as an accredited investor. If the Investor does not affirmatively elect to purchase a new Note, principal and interest will be paid out upon maturity.

Issuance of the Notes

We issue the Notes in a series of closings (each, a "Closing"), which occur as soon as reasonably practicable after the Company has obtained commitments from investors. We refer to the date on which a Closing occurs as the "Closing Date." Once an investor completes the

subscription process on the Platform and commits to purchase the Notes, and subject to the Company's verification of such investor's status as an accredited investor, an investor is deemed to have committed to invest at the next Closing. The Company may accept or reject any subscription, in whole or in part, in its sole discretion and for any reason. If a subscription is rejected, all funds will be returned without interest or deduction. On the Closing Date, funds will be drawn from the investor's bank account. Typically, the Company will consider making a loan to a CFO when it has received and accepted subscriptions for approximately $500,000, although the Company may make loans with less than $500,000 available. The Notes begin to accrue interest on the Accrual Date, as more fully described in the Notes.

Relationship to the Company's Regulation A Offerings

The Company also offers and sells promissory notes under Regulation A (the "Regulation A Notes") to investors who are not accredited investors.

Use of Proceeds

The Company expects to use the funds generated from this Offering to make loans to CFOs that will originate loans to underserved segments of the population, including loans that support small businesses, affordable housing, community development, climate initiatives, and community facilities such as early childcare centers and rehabilitation facilities.

Tax Consequences

Prospective investors are urged to consult their own tax advisors regarding the tax consequences of purchasing, owning, and disposing of the Securities in light of their personal investment circumstances.

How to Invest

To invest in the Notes, investors must have a CNote account created and verified, complete the Company's verification of their status as an accredited investor, sign the Subscription Agreement and the Note, and have sufficient funds in their bank account to complete an investment.

The Company may supplement or amend this Memorandum from time to time to reflect material changes or additions, and any supplement or amendment will be made available to investors through the Platform.

ABOUT THE COMPANY

CNote is a public benefit corporation. Using technology and a community-first framework, CNote enables individuals and institutions to invest locally at scale in fixed-income and deposit administration solutions that advance economic opportunity and financial access. CNote's solutions provide a diversified and scalable way to support job creation, small business growth, affordable housing development, and lasting economic growth in underserved communities across the United States, mainly through relationships with CFOs. CNote's Platform enables it to (1) make loans to CFOs, which in turn lend to under-resourced communities, and (2) help clients open and administer interest-bearing deposits at CFOs through CNote's Impact Cash® platform.

Components of Our Business

Our business has two principal components:

- **Lending Business:** We lend money directly to CFOs, using the capital we raise from investors. From inception through December 31, 2025, the Company has made loans to 48 CFOs in the aggregate principal amount of $168 million, received approximately $65 million in repayments, including interest, and renewed approximately $40 million in matured loan principal. The Company makes a profit on the difference between the interest it charges to CFO borrowers and the interest it pays to investors.
- **Deposit Administration Business:** We provide proprietary data about CFOs to clients, which rely on our data to open interest-bearing accounts at CFOs. From inception through December 31, 2025, our clients have made approximately $549 million in such deposits. The Company earns fees for providing this service.

To support its loan operations and services, the Company developed proprietary servicing and portfolio management technology, designed an underwriting process for CFO borrowers, and created a database of aggregated historical data on the CFO sector. To evaluate the impact of CFOs' activities, the Company developed a proprietary impact reporting framework and impact reporting management system. The Company is exploring broader commercial applications for its software and data. The Company believes the wider use of technology in the impact investing and community finance sector can result in more efficient, timely capital deployment, and more targeted impact in underserved communities around the country.

CNote has been certified as a "B Corp" by B Lab, a non-profit company that measures a company's social and environmental performance. B Lab provides certification based on:

- **Accountability:** Directors must consider the company's impact on all stakeholders.
- **Transparency:** B Corps must publish and make public a report of their social and environmental performance; this report is assessed by a neutral, third-party standard.
- **Performance:** B Corps must attain a minimum score on the B Impact Assessment test and recertify every two years.

Loans to CFOs

From inception through December 31, 2025, the Company has made loans to 48 CFOs in the aggregate principal amount of $168 million, received approximately $65 million in repayments, and renewed approximately $40 million in matured loan principal. At any given time, we are in

discussions with 1-5 additional CFOs regarding possible lending relationships. Renewed loans are subject to the same underwriting process as new loans.

Funds loaned to CFO borrowers enable the CFOs to lend money to small businesses and other borrowers in the communities they serve. Currently, the majority of such loans support small businesses, affordable housing, and community facilities such as early childcare centers and rehabilitation facilities. To fund our loans to CFOs, we raise capital from investors, as we are doing in this Offering. We offer fixed-income investments to institutional, accredited, and non-accredited investors. Accredited investors can invest in offerings under SEC Regulation D, such as this Offering, while non-accredited investors can invest in offerings under Regulation A. Regulation D fixed-income offerings are structured as non-recourse promissory notes. Investors have the option to reinvest their original principal plus accrued interest at the maturity of their Notes.

Under our business model for our loans, we generate revenue by retaining the difference between the interest rate we charge the CFO borrowers and the interest paid to our investors. The interest rates we charge our CFO borrowers and the interest rates of CNote fixed income investments are reviewed by management, in view of a variety of macroeconomic and market conditions, including the federal interest rate environment, fluctuations in the cost of capital averages for CFOs, and the economics facing the Company. We also consider the competitiveness of CNote loans as compared to rates offered by other loan products in the marketplace.

Our credit policy targets CFO borrowers with high creditworthiness and a stable financial position. We review financial and portfolio variables including repayment rates, loan delinquencies, loan loss reserves, credit enhancements and guarantees, team and board composition, lending and operational policies, and other factors we believe are relevant. CFO borrowers are required to provide audited financials and impact data about their operational and lending activities and history.

Loans to CFO borrowers are full recourse to the CFO borrowers and are not reliant on proceeds from the loans each CFO makes. Loans to CFO borrowers are not amortizing. CFO borrowers make payments through electronic bank payments.

Most of our loans are made to CFOs with loan products affiliated with, or participating in, federal and state programs that offer guarantees or loan loss reserve support for repayment, which can increase the likelihood that CFOs repay their loans.

We conduct three levels of diligence on every potential borrower, including the following:

1) Peer Review – We benchmark each potential CFO borrower against relevant industry peers using a combination of third-party data sources, sector research, and internal data. These resources provide context on financial performance, operating trends, and sector best practices across the community finance ecosystem.

2) CNote Review – CNote conducts its own assessment of each potential borrower’s historical financial performance and community impact, including review of financial and portfolio performance, audited financial statements, lending and operational policies, executive team and board composition, and strategic plan, as well as interviews with leadership, board members, and clients.

3) Third-Party Review – CNote maintains an investment committee composed of CNote management and individuals with community finance expertise who have no financial or other ties to the Company or the potential borrower. The investment committee provides independent assessments of potential borrowers. Service on the committee is voluntary and uncompensated.

We will only enter into a lending relationship with a potential CFO borrower after satisfactory completion of our due diligence review. Prospective borrowers must provide us with relevant data about their organization's financial health (including audited financial statements), organizational capacity, business volume and projected growth, product line, loan portfolio performance, credit enhancements, and social impact. Using a proprietary risk matrix, CNote evaluates indicators across categories to develop a comprehensive risk assessment. Category scores are weighted and blended into a composite risk rating score, and CFOs scoring above average are considered for investment. Our management team continuously monitors the operational and lending activities of our borrowers, including the health of their loan portfolios.

Our diligence process typically takes four to six weeks. We offer CFO borrowers term loans of varying maturity and amounts determined during underwriting. Loan terms, including principal amount, interest rate, and term, are determined based on the CFO's creditworthiness, size, product offerings, the general economic environment, and competition for capital. Loans are typically structured as master promissory notes allowing CFOs to request multiple advances, each subject to re-evaluation under our underwriting process. We also conduct reviews on at least a quarterly basis. There is no set minimum or maximum loan amount, though we consider borrowers' requests in light of other borrowers' demands and our diversification goals.

We service all of our loans in-house. As of December 31, 2025, total loans outstanding to 39 CFOs comprised 519 loans, with balances ranging from $42,000 to $2,750,000, maturity dates ranging from January 10, 2026 through December 29, 2030, and interest rates of 1.5% to 4.8% per annum. The CFOs are headquartered in 26 states and use the capital to make loans supporting affordable housing, small businesses, community centers, schools, and other activities.

Deposit Administration Business

CNote's deposit administration business uses our proprietary technology platform for our Impact Cash® deposit administration and cash management product, which coordinates with a third-party custodial agent to facilitate the opening of interest-bearing deposit accounts at CFOs in the United States. CNote is not a bank, credit union, or any other type of financial institution, but rather an administrator. The Northern Trust Company ("Northern Trust"), a banking institution, serves as the custodial agent for Impact Cash clients, handling the receipt and distribution of client funds to and from CFO depository institutions. To be eligible for the Impact Cash network, depository institutions must generally be (1) classified as well-capitalized by the Federal Deposit Insurance Corporation ("FDIC") with respect to banks, or by the National Credit Union Administration ("NCUA") with respect to credit unions, and (2) certified as a CDFI, hold a Low-Income Designation, or otherwise demonstrate a track record as a mission-driven depository institution serving underserved communities.

Impact Cash® deposits include certificates of deposit, other interest-bearing deposit accounts, insured cash sweep accounts, and money market accounts. Time deposits generally have terms of 6 to 24 months at prevailing market rates. Money market and insured cash sweep accounts bear interest at variable rates and offer flexible liquidity. Balances are insured by the FDIC or

NCUA, as applicable, up to $250,000 per depository institution. Clients receive annual or quarterly impact reports. As of the date of this Memorandum, over 90% of Impact Cash clients are institutional investors.

CNote generates revenue from Impact Cash by charging clients a service fee for access to the Platform, deposit administration, and impact monitoring and reporting. Fees vary from client to client depending on deposit amount, impact preferences, customization preferences, and impact reporting criteria.

We also earn servicing fees for consulting work on behalf of foundations and other institutions, and for customization for institutional clients of CNote's technology originally built for its internal underwriting and monitoring of community finance organizations. The consulting work leverages CNote's knowledge, expertise and technology in identifying and underwriting community finance organizations as well as monitoring and reporting on their financial and impact performance.

Technology and Relationships

CNote believes it is well-positioned to support growth in the community finance industry based on its industry expertise, established relationships, technology platform, and go-to-market strategy.

Historically, individual CFOs have faced challenges reaching investors and depositors at scale, often lacking the marketing, legal, compliance, or technology resources to do so efficiently. CNote seeks to address this gap through its technology platform and targeted outreach.

By building relationships with CFOs nationwide, CNote is developing a scalable technology solution designed to help these organizations access impact-aligned debt capital and deposits. CNote believes its platform can increase visibility for the community finance industry and, over time, support participating organizations in strengthening operational capacity, expanding partner recognition, and furthering community impact.

Regulation

The Company operates as a non-bank commercial lender. Based on the Company's current business structure, most states do not require the Company to obtain licenses for its commercial lending activities. The Company is currently legally permitted to conduct lending activities in 46 states and the District of Columbia. As a commercial lender, the Company is generally subject to applicable lending laws in California and may also be subject to certain lending laws in borrowers' home states. The Company maintains an ongoing dialogue with regulators and seeks to conduct its business in compliance with applicable laws.

Legal Proceedings

As of November 3, 2026 there are no pending legal proceedings material to the business or financial condition of the Company. No bankruptcy, receivership, or similar proceeding has been filed by or against the Company.

Office Space and Employees

The Company leases office space at a coworking facility in Oakland, California on a month-to-month basis. As of November 3, 2026, the Company had 11 full-time employees and also relies on outside consultants for various technical and business functions.

Management

Catherine Berman, President and Chief Executive Officer

Ms. Berman co-founded CNote and has served as our President and Chief Executive Officer and a member of our Board of Directors since June 2016. Before launching CNote, Ms. Berman served as Managing Director of Charles Schwab, one of America's leading financial services businesses. At Schwab, Ms. Berman led a strategy division focusing on the future of financial services. Prior to Schwab, Ms. Berman maintained a host of management positions including Senior Vice President of Astia (venture capital), Strategy & Operations Manager at Deloitte Consulting, LLP (management consulting) and Vice President of Evins Communications, LLC. Her international work experience spans from India to Israel with extensive work in Central and South America. Her last startup, Global Brigades, grew into a multi-million dollar firm in less than four years and is now the world's largest student development firm. Ms. Berman graduated magna cum laude from Boston University and received her MBA from the University of Oxford where she founded the Oxford Women in Business Network.

Yuliya Tarasava, Chief Operating Officer, Treasurer and Secretary

Ms. Tarasava co-founded CNote and has served as our Chief Operating Officer, Treasurer, Secretary and a member of our Board of Directors since the Company's inception. Ms. Tarasava began her career conducting intensive quantitative research on new market opportunities and designing investment solutions across asset classes for AMG Funds—a $75 billion asset firm providing access to boutique investment strategies. Ms. Tarasava then went on to Summit Rock Advisors, a $10 billion OCIO firm, where she developed and implemented the firm's proprietary analytics and risk management framework. Most recently, she worked with a high-growth financial services company in Kenya where she led both product development and scale strategy efforts working directly with the company's chief executive officer. Her prior experience also includes creating an investment education portal in Russia and providing pro-bono consulting for non-profits and startups around the world. Ms. Tarasava graduated magna cum laude from Belarusian State University and received her MS in Finance from Fairfield University.

Aimeelene Gaspar, Chief Product Officer

Ms. Gaspar is a serial entrepreneur with deep domain expertise in financial services and technology. In addition, she offers her time and expertise to fellow founders through her work at Village Capital with their FinTech Forward program as an advisory board member. Her path from finance to technology culminated in becoming a product management executive with over 20 years of experience at large financial services companies, and startups such as Broadridge and Yodlee. Ms. Gaspar was listed as one of the NYC Fintech Women Inspiring Fintech Females of 2020 and is a current member of Professional Business Women of California. Ms. Gaspar graduated from the University of Illinois at Urbana-Champaign with a Bachelor of Science Degree in Finance and completed a Masters of Science Degree in Integrated Design, Business and Technology from the University of Southern California.

Candice Carr, Chief Legal Officer

Ms. Carr has over 20 years of diversified experience providing expert counsel as a trusted advisor on a broad range of business and legal issues to principals, entrepreneurs, and executives, as well as early-stage and high-growth businesses. Her practice has focused

primarily on corporate law and transactions, litigation management, intellectual property, mergers and acquisitions, and employment law. Ms. Carr received a J.D. from Golden Gate University School of Law and a B.A. from San Francisco State University.

Rod Morison, Principal Engineer, Platform and Security

Mr. Morison is a systems and data architect and engineer known for spearheading early stage product research, development, and delivery. His leadership across startups and new product teams in established companies underscores his ability to blend product insight with data and infrastructure expertise, promoting a unified engineering strategy. Before CNote, Mr. Morison held Principal and CTO roles at Aspiration (sustainable banking), Slated (film finance), and EarthLink (VOIP, chat and email services).

Family Relationships

As of November 3, 2026 there are no family relationships among any of the Company's directors, executive officers, or significant employees.

RISK FACTORS

As used in this "Risk Factors" section, any reference to the words "you," "your," or words of similar import shall mean the prospective investor to whom this Memorandum has been provided. Investing in the Notes is speculative and involves a high degree of risk. Before deciding whether to invest, you should consider carefully the risks and uncertainties described below and the terms of the Subscription Agreement and the Notes. If any of the following risks actually occurs, the Company's business, financial condition, results of operations, and prospects could be adversely affected. As a result, the value of the Notes could decline, and you could lose part or all of your investment.

BUYING NOTES IS SPECULATIVE AND INVOLVES SIGNIFICANT RISK, INCLUDING THE RISK THAT YOU COULD LOSE SOME OR ALL OF YOUR MONEY. THIS SECTION DESCRIBES WHAT WE BELIEVE ARE THE MOST SIGNIFICANT RISK FACTORS AFFECTING THE COMPANY AND ITS INVESTORS. THE ORDER IN WHICH THESE FACTORS ARE DISCUSSED IS NOT INTENDED TO SUGGEST THAT SOME FACTORS ARE MORE IMPORTANT THAN OTHERS.

YOU MIGHT LOSE YOUR MONEY: When you buy a certificate of deposit from a bank, the federal government (through the FDIC) guarantees you will get your money back up to $250,000 per banking institution. Buying our Notes is not like that at all. The ability of the Company to make payments to you depends on several factors, including some beyond our control. Nobody guarantees that you will receive payments, and you might lose some or all your money.

THE NOTES ARE NON-RECOURSE AND PAYMENT-DEPENDENT: The Notes are non-recourse to the assets, funds and accounts of the Company or any of its affiliates, directors, officers, employees, agents or stockholders except to the extent of payments actually received by the Company on the Underlying Loans. If an Underlying Loan is not repaid in full, you will receive only your pro rata portion of the amounts the Company actually receives, and you will have no recourse to the Company or its affiliates, directors, officers, employees, agents, or stockholders for the shortfall, even if the Company has other assets. You are therefore exposed to the credit risk of the CFOs that borrow the Underlying Loans.

OUR LOANS TO CFOS ARE ALSO UNSECURED AND UNINSURED: Our loans to CFOs are unsecured. If a CFO defaults we will have to stand in line with other unsecured creditors. Nor do we carry insurance on our loans.

LACK OF DIVERSIFICATION: Although the Company is working to expand its pool of borrowers, to date it has loaned money to only 48 CFOs. Each CFO has, in turn, a finite and limited number of customers and borrowers. As a result, our risk is more concentrated than it would be with a larger pool.

CREDIT RISK OF THE CFO BORROWERS: We make loans to CFOs, which in turn make loans in communities underserved by traditional financial institutions. Although our operations seek to diversify exposure by lending to a variety of CFOs, if the CFOs are unable to collect on their loans and are unable to make payments required by the terms of our loans to them, the amounts payable on the Notes will be reduced or eliminated.

OUR DUE DILIGENCE PROCESS MIGHT PROVE INADEQUATE: Although we perform significant due diligence on prospective borrowers, due diligence is as much an art as a science and cannot guarantee that borrowers will repay their loans. There is no way to review every possible factor, information could be hidden from us, intentionally or unintentionally, and it is possible that we would reach incorrect conclusions from the information presented.

THE NOTES MAY BE CALLED BY THE COMPANY: Although the Notes have a stated maturity of 30 months, the Company may "call" them at any time by pre-paying outstanding principal and interest. This means an Investor may not earn the stated rate of interest for as long as anticipated at the time of purchase.

LIMITED RIGHT TO REQUEST PAYMENT BEFORE MATURITY: Each calendar quarter, an Investor may, by giving 30 days' prior notice to the Company, request a payment of no more than 10% of the original principal. However, the Company may reject or limit such requests depending on available funds, and you should not assume that any request will be honored.

RISK OF REGULATION: Changes in laws, regulations, or their interpretation could adversely affect our ability to operate or make it more difficult or costly to originate additional loans or to collect payments on loans. A material failure to comply with applicable laws or regulations could result in regulatory actions, lawsuits, and reputational damage, which could have a material adverse effect on our business and financial condition and our ability to originate and service loans and perform our obligations to investors. Further, if it were determined that we had not complied with all applicable laws and regulations, it could make us unable to enforce a loan obligation and/or make us liable for damages. Additionally, regulations promulgated under the Community Reinvestment Act, if altered or repealed, could materially affect CFOs and their access to capital.

RISK OF WEAKENING ECONOMY AND RECESSION: Uncertainty and negative trends in general economic conditions in the United States and abroad have historically created a difficult environment for companies in the lending industry. Factors beyond our control, including the political climate, unemployment levels, tariffs, interest rates, natural disasters, acts of war, terrorism, and pandemics, may have a detrimental impact on operating performance. Small business borrowers served by our CFO borrowers may be especially sensitive to these macroeconomic factors. In the current economic environment, factors such as increased tariffs, slowing economic growth, shifting inflation, declining consumer confidence, and global uncertainty increase the risk of recession, which could lead to increased market volatility, declining asset values, reduced liquidity, and heightened credit risk.

WE HAVE ONLY A THIN CUSHION AGAINST LOSSES: As of December 31, 2025, our total assets were $71,135,165 and our total liabilities were $70,315,043, a difference of only $820,122 (stockholder equity). Our assets reflect a reserve of $106,455 for potential loan losses (1%). Thus, our loan loss reserve and equity capital represent only approximately 1.3% of our total assets. If losses on our loan portfolio exceed this amount, we may be unable to repay noteholders the full amount of principal and interest owed to them. While we have not experienced any loan losses since we began lending money to CFOs, this might not be indicative of how our loan portfolio will perform in the future.

COMPETITION: We face potential competition from newly-formed companies, existing lenders, commercial banks, and other financial technology companies. Our competitors, especially banks, have substantially more resources than we do and spend millions of dollars on marketing. If we are unable to attract investors, clients, and partners, our results of operations will be adversely affected.

NEED TO ATTRACT AND RETAIN QUALIFIED PERSONNEL: Competition for highly skilled personnel, especially engineering and data analytics personnel, is extremely intense. We may not be able to hire and retain such personnel at compensation levels consistent with our compensation structure. The loss of any senior management or key employees could materially adversely affect our ability to execute our business plan. Our executive officers and other employees are at-will employees, and their knowledge of our business and industry would be extremely difficult to replace.

WE HAVE A HISTORY OF LOSING MONEY: In our fiscal years ended December 31, 2024 and December 31, 2025, we had net losses of approximately $2,469,000 and $1,162,000, respectively. We might not be profitable for the foreseeable future. If we are unable to obtain or maintain profitability, we will not be able to attract new investors, compete, or maintain operations.

WE HAVE A LIMITED OPERATING HISTORY: We have a limited operating history in an evolving fintech industry that may not develop as expected. Assessing our business and future prospects is challenging in light of the risks and difficulties we may encounter, including our ability to: increase the number and volume of our loans; increase the number of our borrowers; develop new products and services; compete with other companies; navigate economic conditions and fluctuations in the credit market; manage growth; develop technology systems; adopt new technologies, such as artificial intelligence; maintain financial controls; attract and retain qualified personnel; and expand our business into adjacent markets.

WE RELY ON OUR MANAGEMENT TEAM: We rely on our management team and need additional key personnel to grow our business, and the loss of key employees or inability to hire key personnel could harm our business.

WE HAVE A SMALL NUMBER OF EMPLOYEES, EACH OF WHOM IS IMPORTANT TO OUR SUCCESS, AND EACH OF WHOM CAN LEAVE AT ANY TIME: We have a small number of full-time employees. Each plays a significant role in our success, covering engineering and programming, sales and marketing, finance and credit, legal and regulatory, and administration and operations. The loss of any employee could have a material adverse impact on our operations. Because each employee plays such a critical role, any instances of human error or poor business judgment could negatively impact the Company.

RISK ASSOCIATED WITH GOVERNMENT CLOSURES AND WORKFORCE REDUCTIONS: Recent federal administration changes have reduced federal government spending and agency workforces in ways that could disrupt the economy and specific industries relevant to our business and our CFO borrowers.

RISK OF COMPETITION FROM AI-ASSISTED LENDERS: Artificial intelligence, or AI, is being adopted by many businesses, with varying levels of success. It is possible that a company in our industry would use AI in an especially effective way, giving it a clear competitive advantage.

RISK OF ADVERSE POLITICAL ENVIRONMENT: The current administration has shown concern toward initiatives around supporting underserved communities. The Company's mission is to close the wealth gap through financial innovation. It is possible that the administration would seek to change the law, or interpretations of the law, or act outside the law, in a way that would damage our business.

WE MAY REQUIRE MORE CAPITAL: Even if we raise the full amount sought in this Offering, we may need additional capital. There is no guarantee that we will be able to raise the capital

we need on acceptable terms, or at all. If we fail to raise the capital we need, our business will suffer and could ultimately fail.

OUR RISK MANAGEMENT EFFORTS MIGHT NOT BE EFFECTIVE: We could incur substantial losses if we are unable to effectively identify, manage, monitor, and mitigate financial and operational risks, including credit risk, interest rate risk, and liquidity risk. To the extent our models do not adequately identify potential risks, the risk profile of our borrowers could be higher than anticipated. Our risk management policies, procedures, and techniques may not be sufficient to identify all risks we are exposed to or to mitigate identified risks.

OUR ALLOWANCE FOR LOAN LOSSES MIGHT PROVE INADEQUATE: We have established a loan loss reserve of approximately 1% of the principal amount of loans outstanding, which may not be adequate to cover actual losses. Since inception, the Company has not experienced any loan losses.

RISKS OF REPUTATIONAL DAMAGE: We depend heavily on our relationships and reputation to attract borrowers and large financial institutions. If for any reason our reputation is damaged, it could have a significant adverse effect on our ability to attract investors and raise capital.

RISKS ARISING FROM PERSONAL INFORMATION: We receive, collect, process, transmit, store, and use a large volume of personally identifiable information and other sensitive data from investors and potential investors. Federal, state, and foreign laws regulate privacy, the recording of telephone calls, and the storing, sharing, use, disclosure, and protection of personally identifiable information and sensitive data. Violations of these laws may require us to change our business practices, address legal claims, and sustain monetary penalties or other harms to our business.

RISKS FROM USING THIRD PARTIES: We use third-party service providers for many components of our operations. The continuous availability of our service depends on these providers. If there are lapses of service or damage to third-party facilities, we could experience lengthy interruptions as well as delays and additional expenses in arranging replacements. Disputes with our third-party providers could also result in extensive disruptions and costs.

WE DO NOT HAVE A BACKUP LOAN SERVICER: Currently we service all loans in-house and do not have a backup outside servicer. Should the Company cease operations, the lack of an available servicer could cause delays in obtaining payments from borrowers, which would delay or reduce amounts payable on your Note.

FUTURE SECURITIES COULD HAVE SUPERIOR RIGHTS: The Company might issue securities in the future that have rights superior to the rights associated with the Notes. For example, the Company could issue a class of debt securities that are secured by assets of the Company.

THE NOTES ARE UNSECURED: The Notes are not secured by any collateral and are not guaranteed by anyone. Payments on the Notes are made only from amounts the Company actually receives on the Underlying Loans. In a bankruptcy or insolvency proceeding, payments the Company has received on the Underlying Loans may be treated as property of the Company's estate, and there can be no assurance that the non-recourse and payment-dependent structure of the Notes would be respected.

RISKS OF INVESTMENT COMPANY ACT: We do not believe we will be deemed to be an "investment company" under the Investment Company Act of 1940 because we do not intend to

hold or trade securities. If we were deemed an "investment company" we may be subject to certain restrictions on our operations and the issuance of the Notes, and may have imposed upon us certain burdensome requirements, including registration as an investment company, adoption of a specific form of corporate structure, and reporting, recordkeeping, voting, proxy, compliance policies and procedures, as well as additional disclosure requirements. Additionally, in the event that we were deemed to be an investment company, contracts entered into in violation of the 1940 Act could be unenforceable, and the Company's offerings, including this Offering, and the notes sold in them, could be affected.

CHOICE OF VENUE: By purchasing a Note, Investors consent to the jurisdiction of the state courts located within San Francisco County, California, near the Company's principal office. Investors located outside California may find it difficult and costly to bring legal claims against us. This provision may discourage lawsuits and may limit an Investor's ability to bring claims in a preferred judicial forum.

THIS EXCLUSIVE FORUM PROVISION WOULD NOT APPLY TO SUITS BROUGHT TO ENFORCE A DUTY OR LIABILITY CREATED BY FEDERAL SECURITIES LAWS OR ANY OTHER CLAIM FOR WHICH THE U.S. FEDERAL COURTS HAVE EXCLUSIVE JURISDICTION.

MANDATORY ARBITRATION AND CLASS ACTION WAIVER: By purchasing a Note, Investors agree to (i) resolve all disputes through binding arbitration rather than through the court system, and (ii) waive the right to participate in any class action or joint arbitration. Arbitration could be less beneficial to you than litigation, and the inability to participate in a class action could be disadvantageous.

THESE PROVISIONS WOULD NOT APPLY TO SUITS BROUGHT TO ENFORCE A DUTY OR LIABILITY CREATED BY FEDERAL SECURITIES LAWS.

LIMITS ON TRANSFERABILITY: Notes may not be transferred without the Company's written consent, which may be withheld in its sole discretion. There is no public market for the Notes and such a market is unlikely to develop. The Company does not intend to list the Notes on a national securities exchange. Securities laws could further limit your ability to sell your Notes. You should be prepared to hold your Note until maturity.

RISK OF FAILURE TO COMPLY WITH SECURITIES LAWS: The Company has previously sold securities relying on the exemption under Rule 506 of Regulation D and under Regulation A, and is selling the Notes in reliance on Rule 506(c). In all cases, we have relied on the advice of securities counsel and believe we have qualified, and will qualify, for the applicable exemptions. If we did not qualify, we could be liable for penalties imposed by federal and state regulators, as well as to lawsuits from investors.

WE ARE NOT SUBJECT TO THE CORPORATE GOVERNANCE REQUIREMENTS THAT APPLY TO COMPANIES LISTED ON A NATIONAL EXCHANGE: Companies whose securities are listed on a national stock exchange (for example, the New York Stock Exchange) are generally subject to a number of rules about corporate governance that are intended to protect investors. For example, the major U.S. stock exchanges require listed companies to have an audit committee made up entirely of independent members of the board of directors (i.e., directors with no material outside relationships with the company or management), which is responsible for monitoring the Company's compliance with the law. As of the date of this Memorandum, neither the Notes nor any other securities of the Company are listed on a national exchange, and it is likely that our securities will never be listed on a national exchange. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of a national exchange.

CYBERSECURITY INCIDENTS OR TECHNOLOGY FAILURES: We rely on technology systems and third-party service providers to operate our business, process transactions, communicate with investors and partners, and maintain confidential information. A cybersecurity incident, unauthorized access, system failure, or service disruption affecting our systems or those of our service providers could result in operational delays, loss or misuse of confidential information, regulatory inquiries, reputational harm, or financial losses, any of which could materially adversely affect our business, financial condition, and results of operations.

THE FOREGOING ARE NOT NECESSARILY THE ONLY RISK FACTORS.

PLEASE CONSULT WITH YOUR PROFESSIONAL ADVISORS

FINANCIAL INFORMATION

Annual audited financial statements for the Company can be found at the following SEC links:

Audited 2025 Financial Statements:

https://www.sec.gov/Archives/edgar/data/1683145/000121465926005050/partii.htm

Audited 2024 Financial Statements:

https://www.sec.gov/Archives/edgar/data/1683145/000121465925006639/partii.htm

EXHIBIT A – DEFINITIONS

As used in this Memorandum, the following capitalized terms shall have the meaning set forth below:

“CDFI” means a Community Development Financial Institution certified by the U.S. Department of the Treasury’s CDFI Fund.

“CFO” has the meaning set forth under “Company Overview.”

“CNote,” “Company,” “us,” “our,” and “we” mean CNote Group, Inc., a Delaware public benefit corporation.

“Memorandum” means this Flagship Fund Private Placement Memorandum, as amended from time to time.

“Notes” or “Securities” mean the non-recourse, payment-dependent Promissory Notes made available to prospective investors as part of this Offering.

“Offering” means the private offering, sale, and issuance of the Notes, as contemplated hereby, pursuant to Rule 506(c) of Regulation D promulgated under the Securities Act.

“Offering Documents” means this Memorandum, the Notes, and the Subscription Agreement.

“Platform” shall mean www.mycnote.com or such other website provided by the Company for investors to purchase the Notes.

“Regulation A Notes” has the meaning set forth under “About the Offering – Relationship to the Company’s Regulation A Offerings.”

“Securities Act” means the Securities Act of 1933, as amended.

“Subscription Agreement” means the Subscription Agreement between the Company and each purchaser of Notes, in the form made available through the Platform.

“Underlying Loans” has the meaning set forth under “About the Offering – Summary of Key Terms of the Notes.”