



Shared Capital Cooperative[®]

Regulation A
Direct Public Offering (DPO)
Circular

March 2026

SHARED CAPITAL COOPERATIVE

REGULATION A OFFERING CIRCULAR UNDER THE SECURITIES ACT OF 1933

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This Offering Circular relates to the offering (the “**Offering**”) by Shared Capital Cooperative (the “**Cooperative**”), of 1,500,000 shares (\$15,000,000 at \$10 per share) of Class A Preferred Stock (the “**Shares**”) and 16,000 5-year promissory notes (\$8,000,000 at \$500 minimum per note), 7,000 7-year promissory notes (\$3,500,000 at \$500 minimum per note), and 7,000 10-year promissory notes (\$3,500,000 at \$500 minimum per note) (collectively, the “**Investment Notes**,” and collectively with the Shares, the “**Securities**”), for a total offering amount of \$30,000,000, in order to grow its capacity for lending to cooperatives. The minimum investment amount in the Securities is \$500.00.

Please see the description of the Shares and the terms of the Investment Notes below under the heading “Securities Offered.” This offering will begin promptly after receiving notice of qualification by the Securities and Exchange Commission.

The Securities are to be offered on a best-efforts basis. There is no minimum sales amount of the Securities and thus no escrow account will be used. This is a continuous offering, and the end date of the offering will be the earlier of the sale of all Securities or three years from the date of qualification. There is no underwriter of this offering.

You may view and download the [full Offering Circular on the Securities and Exchange Commission EDGAR System](#).

The amount of offering expenses for this offering is \$37,500 comprising legal fees and blue sky compliance costs. No underwriter costs, sales commissions or finders fees will be paid. Audit costs are not included as they are an annual expense unrelated to the costs of this offering.

Investment in the Securities is speculative and involves significant risk. Please see the risks relating to an investment in the Class A Preferred Stock or the Investment Notes under the heading “Risk Factors”

Table: Proceeds from Offered Securities

<u>SHARES</u>	<u>Price to the public</u>	<u>Underwriting discount and commissions</u>	<u>Proceeds to issuer</u>	<u>Proceeds to other persons</u>
Per share/unit:	\$ 10.00	\$ 0.00	\$ 10.00	\$ 0.00
Total Minimum:	None	\$ 0.00	N/A	\$ 0.00
Total Maximum:	\$15,000,000	\$ 0.00	\$15,000,000	\$ 0.00

<u>INVESTMENT NOTES</u>	<u>Price to the public</u>	<u>Underwriting discount and commissions</u>	<u>Proceeds to issuer without deduction</u>	<u>Proceeds to other persons</u>
Per share/unit: Investment Notes are offered at a purchase price equal to their principal amount (per investor min. \$500.00, max. as limited by Regulation A)		\$ 0.00		\$ 0.00
Total Minimum:	None	\$ 0.00	N/A	\$ 0.00
Total Maximum:	\$15,000,000	\$ 0.00	\$15,000,000	\$ 0.00

The United States Securities and Exchange Commission does not pass upon the merits of or give its approval to any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering circular or other solicitation materials. These Securities are offered pursuant to an exemption from registration with the Commission; however, the Commission has not made an independent determination that the securities offered are exempt from registration.

Generally, no sale may be made to you in this offering if the aggregate purchase price you pay is more than 10% of the greater of your annual income or net worth. Different rules apply to accredited investors and non-natural persons. Before making any representation that your investment does not exceed applicable thresholds, we encourage you to review Rule 251(d)(2)(i)(C) of Regulation A. For general information on investing, we encourage you to refer to www.investor.gov.

Shared Capital Cooperative may limit this offering or offering amounts in certain states where restrictions may apply to the offering of securities in such state, or where Shared Capital has limited the offering in any particular state for any other reason.

In making an investment decision, all Investors must rely on their own examination of Shared Capital and the terms of the offering, including the merits and risks involved.

The Securities have not been approved or disapproved, or recommended, by the Securities and Exchange Commission or by the securities regulator of any state, nor has any authority

passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offense.

These Securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will likely have to hold their Class A Preferred Stock indefinitely, and that they will likely have to hold their Investment Note for its full term.

This Offering Circular contains all the representations by Shared Capital concerning this Offering, and no person shall make different or broader statements than those contained herein. Investors are cautioned not to rely on any information not expressly set forth in this Offering Circular.

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EXHIBIT A: Audited Financial Statements as of December 31, 2024 and December 31, 2023

EXHIBIT C: Financial Statements - Interim as of September 30, 2025 (unaudited)

EXHIBIT D: Articles of Incorporation - Amended and Restated July 30, 2021

EXHIBIT E: Bylaws - Amended and Restated as of June

EXHIBIT F: Form of Subscription Agreement for Shares

EXHIBIT G: Form of Subscription Agreement for Notes, including Form of Note

EXHIBIT B: Auditor Letter of Consent for 2024-2023. audit

EXHIBIT H: Opinion of Counsel re Legality of Securities Offered

SUMMARY

Shared Capital Cooperative (“Shared Capital” or the “Cooperative”) is a national community development lender with over 45 years of operating history, providing financing and technical assistance to cooperative small businesses and housing projects throughout the United States. As a certified Community Development Financial Institution (“CDFI”), Shared Capital focuses on serving borrowers and communities that often lack access to conventional sources of capital. Organized as a cooperative under Minnesota law, Shared Capital is owned and governed by its members and operates with the dual objectives of financial sustainability and long-term community impact. Through this offering of debt and preferred equity, the Cooperative seeks to expand its lending capacity, strengthen its capital base, and support the continued growth of cooperative enterprises while maintaining prudent financial management and alignment with its mission.

Shared Capital is offering debt securities in the form of unsecured, subordinated Investment Notes with terms of five (5), seven (7), or ten (10) years. The interest rate on the Investment Notes varies based on the selected term. Principal and interest are payable in a balloon payment at maturity; however, investors holding at least \$25,000 in Investment Notes may elect to receive annual interest payments.

The Investment Notes issued under this offering are unsecured and subordinated to all other debt of the Cooperative except for loans issued to members holding Voting Stock. Notes issued to members of the Cooperative are subordinated to all debt issued to non-members. The Cooperative currently has outstanding indebtedness that is senior to the Investment Notes offered hereby and may incur additional senior indebtedness in the future.

Shared Capital is also offering investments in its Class A Preferred Stock (“the Shares”). The Shares are offered at \$10.00 per share and may receive a dividend only if, as, and when dividends are declared by the Shared Capital’s board of directors (the “Board”). Dividends are not cumulative. Annual dividends can be no greater than 8% of the purchase price of the Shares under Minnesota cooperative statute. The Board has adopted a target of issuing annual dividends of 5%, subject to the Board’s discretion and the Cooperative’s financial condition. The Shares have no voting rights and do not appreciate in value. Shares are intended to be long-term, patient investments, and purchasers are asked to plan to hold the Shares for a period of at least five years. All redemptions are at the sole discretion of the Board.

In addition to the Shares available through this offering, Shared Capital Cooperative also offers two other types of stock: Voting Stock and Non-voting Stock. Voting Stock is only available to cooperatives and individuals who are eligible for membership in the Cooperative. To become members, a cooperative or individual purchases one share of Voting Stock at \$10.00 per share plus additional paid-in capital in an amount determined by the size of the organization. The total dollar amount of the share of Voting Stock plus additional paid-in capital ranges from \$150 to \$10,000 for cooperatives and \$100 for individuals. Only owners of Voting Stock are eligible to vote. Each owner of Voting Stock is entitled to only one vote in the affairs of the Cooperative,

regardless of the number of shares of Voting Stock or additional paid-in capital owned. Redemption of Voting Share is upon termination of membership and is at the sole discretion of the Board. Shares do not appreciate in value and are redeemed at par value.

Holders of Voting Stock may receive dividends, and any dividends issued are based on the members' patronage with the Cooperative, which is the amount of interest and/or dividends paid during the year by the member to the Cooperative "Patronage Dividends". In any year, the Cooperative may only issue Patronage Dividends on Voting Stock if the holders of the Class A Preferred Shares have received dividends in an amount at least equal to the total amount of Patronage Dividends paid to the Cooperative's members.

Non-voting Stock is available at \$10 per share to any entity or individual. It does not receive any dividends and has no defined redemption rights. It is intended as permanent capital, and any redemption is at the sole discretion of the Board.

In this Offering Circular, a person who invests in either the Class A Preferred Stock or an Investment Note is referred to as an "Investor." For a full description of the Class A Preferred Stock and the Investment Notes, please see the section entitled "Securities Offered."

Summary of Financial Information

Shared Capital is a CDFI lender with over 45 years of operating history. Over the past five years (2019 to 2024), Shared Capital's assets have nearly doubled from \$13.4 million to \$26.6 million, and annual revenue has grown by 150%. The gross profit from lending activities increased by 22.7%, for an average annual growth of 4.5%. These figures reflect historical performance and may not be indicative of future results. The Cooperative seeks to deploy capital in furtherance of its mission, subject to available liquidity, capital resources, and market conditions, which are subject to a variety of risks and uncertainties, which are discussed in greater detail elsewhere in this Offering Circular, including under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

RISK FACTORS

EACH INVESTOR IS AWARE THAT AN INVESTMENT IN THE COOPERATIVE IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK, INCLUDING THE POSSIBLE LOSS OF THE ENTIRE INVESTMENT, AND SUCH INVESTOR HAS CAREFULLY READ AND CONSIDERED THE FOLLOWING RISK FACTORS AND ALL MATTERS SPECIFIED IN THESE SUBSCRIPTION DOCUMENTS IN DETERMINING WHETHER OR NOT TO INVEST IN THE COOPERATIVE AS SPECIFIED HEREIN. EACH INVESTOR UNDERSTANDS THAT THE FOLLOWING FACTORS ARE NOT AN ALL-INCLUSIVE LIST OF POSSIBLE RISKS INHERENT IN THE OFFERING.

Risks Related to the Business of the Cooperative

The Cooperative Is Member-Owned and Member-Controlled; Non-Member Investors will have No Voting Rights.

The Cooperative is owned by its members, who are cooperatives or cooperatively governed organizations and individuals. The members own the entirety of the Voting Stock. The members include current, former, and potential future borrowers of the Cooperative, and many of those members are also Investors in the Cooperative. The Cooperative's Board of Directors is elected entirely by its members. This legal structure ensures that the members have a financial stake in the performance of the fund and that the Cooperative maintains accountability to its member borrowers, which supports the Cooperative's business of providing financing to cooperative businesses and housing projects throughout the United States. The legal structure also supports the Cooperative's mission to build a just, equitable, and democratic economy by investing in cooperative enterprises. This structure means that Investors in the Shares will have no control over the Cooperative's business and no right to vote for directors unless investors are also members of the Cooperative. Investors will have to rely on the business judgment and skill of the members and the Board the members elect. The Board is responsible for considering the interests of all investors. However, investors who are not otherwise eligible for membership have no voting rights. Investors must rely upon the judgment and skills of the Board in directing the operations of the Cooperative.

Cooperative Nature of our Business and Presents Risks Related to Prioritizing the Health of the Cooperative Ecosystem and Members over Investor Returns.

Because we are a cooperative, our Board may have priorities that are different from those of a standard investor-owned company. In particular, we prioritize the long-term success of our operations in support of our members. These priorities may lead us to make decisions that prioritize the long-term well-being of the cooperative enterprise ecosystem and the long-term success of our cooperative financing operations over short-term profitability or returns to investors, including Investors in the Shares or Investment Notes.

The board members have a fiduciary duty to the organization as a whole (not only to the Cooperative's members) and must abide by the Cooperative's policies governing the board including a conflict of interest provision in the Cooperative's policy manual which requires board members to disclose all actual or potential conflicts of interest and to abstain from any decision making role related to such conflicts. Annually, each board member acknowledges, by signature, receipt of the Cooperative's conflict of interest policy which describes, among other matters, who is an interested person, what constitutes a financial interest and explains the board member's duty to disclose any such conflict, and they provide a written disclosure of any relationships that could pose a conflict. Furthermore, the Articles of Incorporation of the Cooperative provide that in no event shall the board declare any patronage dividend to the members of the Cooperative unless the holders of the Class A Preferred Stock have received a cumulative total annual dividend of an amount at least equal to the cumulative total annual patronage dividend to be declared. These measures have also been incorporated into the Management and Governance section of the offering statement. Additionally, the Bylaws of the

Cooperative, in Article VII Section 5, require that any loans made to the Cooperative by its members shall be subordinate to loans made to the Cooperative by non-members including the Notes subscribed to in this offering by non-members. Please also see the discussion in the section entitled The Cooperative's Membership and Equity Structure for further discussion of membership and voting. Even with the above described duties and responsibilities in place, the Board of the Cooperative may make decisions that do not prioritize short-term profitability and returns to non-member investors in the Cooperative.

Conflicts of Interest and Priorities of the Cooperative's Membership and Board May Result in Decisions that Impact Investors' Returns

The Cooperative's voting control is held by members of the Cooperative, who hold all of the Voting Stock of the Cooperative and all rights to elect the Board. Non-member investors have no voting control. The Cooperative members include current, former, and potential future borrowers of the Cooperative, as well as some current holders of Notes and Shares, and thus have interests in, and transactions with, the Cooperative. This structure presents potential conflicts of interest between members and the Board elected by members on the one hand and nonvoting Investors on the other. The Cooperative has policies in place to manage actual and potential conflicts of interest, including that all members of the board of directors are required to disclose potential conflicts at least annually in a written disclosure, and all related party transactions are disclosed to the Cooperative's independent auditor.

The members of the Cooperative's Board have a fiduciary duty to the organization as a whole (not only to the Cooperative's members) and must abide by the Cooperative's policies governing the board, including a conflict of interest provision in the Cooperative's policy manual which requires board members to disclose all actual or potential conflicts of interest and to abstain from any decision making role related to such conflicts. Annually, each board member acknowledges, by signature, receipt of the Cooperative's conflict of interest policy which describes, among other matters, who is an interested person, what constitutes a financial interest and explains the board member's duty to disclose any such conflict, and each provides a written disclosure of any relationships that could pose a conflict. The Articles of Incorporation of the Cooperative provide that in no event shall the board declare any patronage dividend to the members of the Cooperative unless the holders of the Class A Preferred Stock cumulatively have received a total annual dividend of an amount at least equal to the cumulative total annual patronage dividend to be declared. Additionally, the Bylaws of the Cooperative, in Article VII Section 5, require that any loans made to the Cooperative by its members shall be subordinate to loans made to the Cooperative by non-members including the Notes subscribed to in this offering by non-members.

Even with the above described duties and responsibilities, the Cooperative's voting members and the Board they elect, may make decisions that are in the best interests of the Cooperative's mission to prioritize supporting cooperative enterprises, including making decisions that benefit the members generally and the member cooperatives that the Board represents, rather than to prioritize profit making and returns to the Cooperative's nonmember Investors.

The Cooperative's Failure to Comply with Government Rules and Regulations Could Negatively Affect Its Business

The Cooperative must comply with applicable local, state, and federal rules, laws, and regulations. The Cooperative believes that it does comply with the rules and regulations required of it. However, if the Cooperative operates in breach of the law, it may be subject to penalties that could impede its ability to continue doing business, or it may be subject to lawsuits. If it fails to comply with the law, the Cooperative may have to stop operating, which would cause Investors to lose their investment.

Risks Relating to the Potential Right of Rescission for Investors In Prior Securities Sales

The Cooperative has become aware that certain offers and sales of its Securities, in a Regulation A offering dated November 3, 2021, may not have been registered or exempt under the Securities Act of 1933, as amended (the "Securities Act"), as required by Section 5 of the Securities Act. After the Cooperative's Regulation A offering was qualified by the SEC, the Cooperative did not thereafter file annual post-qualification amendments to provide updates that include the financial statements that would be required per Rule 252(f)(2)(i) of Regulation A. The Cooperative did continue to file financial statements annually and semi-annually, during that time frame, however these statements were not provided as part of post-qualification amendment filings. These prior issuances of securities may be determined to be violations of Section 5 of the Securities Act. If a violation of Section 5 of the Securities Act is determined, investors in the prior offering between November 3, 2022 and November 3, 2024 may have the right to seek rescission of their purchase.

If rescission by investors were requested and permitted by law, the Cooperative may be required to repurchase those investors' Shares and Notes at the original purchase price plus interest. The Cooperative may also be subject to financial penalties and legal fees associated with these potential violations. Such liabilities could have a material adverse effect on the Cooperative's financial condition and results of operations. The assertion of these rescission rights or the imposition of penalties could substantially deplete the Cooperative's cash reserves, hinder its ability to fund its ongoing operations, and necessitate raising additional capital on less favorable terms or at a time when it may be unable to do so. There were \$2,151,017.60 in debt securities and \$2,119,806.74 in equity securities sold during this time frame. The Cooperative has not identified any contingent liabilities beyond this potential liability. The total amount at risk of rescission for the securities sold following November 3, 2022 is \$4,260,824.34. If fully exercised (i.e. if all investors during this period requested and the Cooperative was required to immediately and fully return all of those investments), this would have a significant negative impact on Shared Capital's liquidity and asset balance and would inhibit lending activity for the near future. Liquidity on December 31, 2025 was just over \$2.5 million leaving a gap of approximately \$1.8 million in a scenario of immediate full exercise. Options to cover the remaining balance include any combination of: (a) selling participations in loans receivable to other lenders; (b) negotiating payments over time with investors exercising their rescission rights; (c) securing additional bank debt financing; and/or (d) using future investments to replenish our cash balance. If not all investors exercised any right they were

granted, the potential impact would be reduced in proportion to the amount that was not requested to be returned. The period of time in which Investors may have rescission rights may be 1) either within one year after the discovery of the action providing rescission rights or after such discovery should have been made in the exercise of reasonable diligence; or within three years after the security was bona fide offered to the public. Assuming that a three-year statute of repose applies from the start of the offering on November 3, 2022, Investors' ability to seek rescission began to be extinguished beginning November 3, 2025 and will end on November 3, 2027. Additionally, the Cooperative intends to notify investors of their potential rescission rights in February 2026, which may trigger the application of a one-year statute of limitations from that notification and thus further reduce the window that investors may have to seek any potential rescission rights.

Failure to Obtain CDFI Certification Presents Key Relationship Risks for the Cooperative.

The Cooperative is certified as a Community Development Financial Institution (CDFI) by the United States Department of Treasury's CDFI Fund. Certification as a CDFI provides eligibility to apply for grants, loans, and equity investments through the CDFI Fund. In addition, compliance with certification as a CDFI is required by many of the Cooperative's current and potential funders and investors. To be a certified CDFI, the Cooperative must maintain an appropriate business model and structure as a financial institution; offer technical assistance and training resources to its borrowers; and maintain a majority of business activities that serve target markets, as defined by the CDFI Fund, which are not served adequately by conventional financial institutions; and comply with annual certification reporting. The Cooperative has been a certified CDFI since 1998 and was recertified most recently effective June 2025. The Cooperative expects to maintain certification over the coming years. However, any failure to maintain compliance with certification requirements, or any decision by the Cooperative to no longer seek certification, could result in significant and adverse business impacts through requirements to repay certain current grants, equity investments, or loans, and the loss of access to future grants, loans, and investments from certain government and private sources.

Borrower Risks and Payment Failures May Impact the Cooperative's Financial Health.

The Cooperative's financial health depends upon the successful repayment of loans made to its member-borrowers. Economic factors that negatively affect one or more of the Cooperative's borrowers could result in financial difficulties for the Cooperative. As a specialized lender to cooperative businesses and housing, the Cooperative at times may have significant exposure to certain types of business. To mitigate this risk, the Cooperative limits its lending to any single borrower to no more than 10% of the Cooperative's assets and as a matter of practice typically maintains a concentration of funds with a single borrower of 5% or less. The Cooperative seeks to maintain a diversified portfolio of housing, commercial real estate, and small business loans across different sectors and geographic areas so that changes in specific sectors or regions do not pose unnecessary risk.

Loans issued by the Cooperative are generally secured with the borrower's assets. The Cooperative files appropriate liens and mortgages, however the value of collateral may fall short of the amount due on the loan in the event of default. Assets such as equipment, leasehold improvements, inventory, and accounts receivable may carry limited resale value or may be challenging to collect or liquidate in the event of default. Some loans are secured with mortgages on real estate, but declining values in real estate markets could result in a reduction in the collateral coverage of the Cooperative's loans. These factors could increase the risk of losses in the event of default by a borrower. Furthermore, because some of the loans issued by the Cooperative are subordinate to senior lenders, in the event of default or foreclosure, collateral values may not be adequate to cover all debt and could result in losses to the Cooperative.

The Cooperative seeks to mitigate borrower risk through regular monitoring of borrowers' financial condition and proactive outreach and assistance to borrowers that may be experiencing financial challenges. The Cooperative also maintains loan loss reserves to mitigate potential losses, but such reserves may not be adequate to cover all debt owed to the Cooperative.

The Cooperative Could Be Subject to Unanticipated Regulations Which Could Negatively Impact the Cooperative's Operations and Profitability.

There may be existing regulations that management is not aware of, and new regulations affecting the Cooperative's business or services could be adopted in the future. Any such regulations could be costly or impossible for the Cooperative to comply with. Furthermore, the adoption or modification of laws or regulations relating to lending or other areas of the Cooperative's business could limit or otherwise adversely affect the way it currently conducts its business. In addition, the continued growth and development of CDFIs and other lenders could lead to more stringent lending or licensing laws, which could impose additional burdens on the Cooperative. If the Cooperative is required to comply with new regulations or legislation or new interpretations of existing regulations or legislation, this compliance could cause the Cooperative to incur additional expenses or alter its business model.

The Cooperative's Dependence on Key Personnel Presents Risks to the Continuity of the Cooperative's Ongoing Operations.

Much of the Cooperative's success depends on the skills, experience, and performance of its key personnel. The Cooperative's success also depends on the Cooperative's ability to recruit, train, and retain qualified personnel. The loss of the services of any of the members of senior management or other key personnel, or the Cooperative's inability to recruit, train, and retain senior management or key personnel, may have a material adverse effect on the Cooperative's business, operating results, and financial condition. The Cooperative has developed a succession plan detailing how to replace key persons in the case of death, disability or sudden departure and maintains key person insurance. However, the Cooperative cannot eliminate all risk of business disruption due to the loss of key personnel.

Revisions to the Use of Proceeds and Effective Application of the Proceeds May Effect Returns.

It is possible that the use of the proceeds will be revised by management or that adequate funds will not be raised by the Cooperative. Management will have significant flexibility in applying the net proceeds of this offering within the scope of the business of the Cooperative. The failure of management to apply such funds effectively could have a material adverse effect on the Cooperative's business, prospects, financial condition, and results of operations.

The Cooperative Has Set No Minimum Raise Amount; No Proceeds will be Returned Even if the Raise is only Minimally Successful.

The offering has no minimum raise amount, and therefore the Cooperative can retain any amount that is invested. Even if no significant amount is raised, no proceeds will be returned.

Failure to Maintain the Cooperative's Subchapter T Tax Treatment Could Negatively Impact the Financial Health of the Cooperative.

The Cooperative is taxed as a cooperative under Subchapter T of the Internal Revenue Code. Under Subchapter T, a cooperative is not taxed on amounts of patronage-sourced income withheld from its members in the form of qualified per-unit retains, on amounts distributed to its members in the form of qualified written notices of allocation, or on money or other property distributed to its members as "patronage dividends" as defined by Subchapter T. Instead, such amounts are taxed directly to the members. Revenue attributable to non-patronage sourced income and non-qualified distributions made to members, however, are taxed at the cooperative level.

The Internal Revenue Service, from time to time, challenges the tax status of cooperatives, asserting that the challenged entity is not operating on a cooperative basis or that some or all of the entity's income does not arise from a "patronage" transaction. These challenges can be based on a variety of factors, including the nature of the cooperative's business, its interaction with its members, and the portion of its business done for or with its members. The Cooperative does not always subtract patronage distributions from its taxable income. If it were to do so, however, and if it were then determined that the Cooperative is not a "cooperative" for the purposes of the Internal Revenue Code, those deductions would have to be reversed, with a negative tax consequence to the Cooperative. However, because the Cooperative holds substantial tax loss carry forwards, it does not anticipate issues with federal tax obligations on its income for many years.

Potential for New or Existing Services Could Be Eroded by Competition.

Any continued future success that the Cooperative might enjoy will depend upon many factors, including factors beyond the control of the Cooperative, which cannot be predicted at this time. These factors may include but are not limited to: changes in or increased levels of competition in the Cooperative's lending activities and in raising capital for deployment through the Cooperative's lending activities, including the entry of additional competitors and increased success by existing competitors; changes in general economic conditions; and reduced margins

caused by competitive pressures. These conditions could have a material adverse effect upon the Cooperative's business, operating results, and financial condition.

If the Cooperative Fails To Promote and Maintain Its Brand in the Market, the Cooperative's Business, Operating Results, Financial Condition, and Its Ability To Attract Customers Could Be Materially Adversely Affected.

The Cooperative's success depends on its ability to maintain and expand brand awareness for its service and financial product offerings. This may require capital to allow the Cooperative to market its products and services and to expand brand recognition and maintain customer loyalty. The Cooperative can offer no assurances that it will be successful in maintaining its competitive edge or in establishing new awareness of the Cooperative's brand, which allows the Cooperative to effectively compete in this market. The importance of brand recognition will continue to increase because low barriers of entry to the financial product and services industry may result in an increased number of direct competitors. To promote the Cooperative's brand, the Cooperative may be required to continue to increase its financial commitment to creating and maintaining brand awareness. The Cooperative may not generate a corresponding increase in revenue to justify these costs.

Tax Risks; No Warranty as to Tax Consequences of Investment.

No representation or warranty of any kind is made by the Cooperative, the officers, directors, counsel to the Cooperative, or any other professional advisors thereto with respect to any tax consequences of any investment in the Cooperative. EACH PROSPECTIVE INVESTOR SHOULD SEEK THE INVESTOR'S OWN TAX ADVICE CONCERNING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE ORGANIZATION.

No Warranty of Federal Income Tax Consequences to Investors.

The Cooperative has not sought or received any opinion of counsel or ruling from the Internal Revenue Service with respect to the income tax consequences of this offering. Potential Investors should consult their tax advisors regarding specific questions as to federal, state, or local taxes.

Risks Related to Investment in the Notes

The Investment Notes Do Not Have Protective Provisions Such As the Use of Sinking Funds.

The Investment Notes do not include provisions such as: a sinking fund provision whereby all or a reasonable portion of the issue is to be retired in installments prior to maturity, a negative pledge or equal protection clause restricting the creation of liens on the property of the issuer, or a restriction on the creation of other funded debt.

The Investment Notes Are Not Issued Under a Trust Indenture.

The Investment Notes are not being issued under a trust indenture, and there is no bank or trust acting as a trustee.

The Cooperative has Additional Senior Debt; Notes Offered Are Subordinated to all other Debt of the Cooperative Save for Member Debt.

The Investment Notes issued under this offering are unsecured and subordinated to all other debt except for loans issued to members holding Voting Stock of the Cooperative. Notes issued to members of the Cooperative are subordinated to all debt issued to non-members of the Cooperative. The Cooperative currently has notes senior to the Investment Notes offered here and may later obtain additional loans that are senior to the Investment Notes offered here, and thus there is a chance that the Investor may lose their investment or be delayed in repayment because, among other reasons, the Cooperative may be required to pay back senior debt before paying back the Investment Notes.

Risks Related to Investment in the Shares

Issuance of Dividends Is Not Guaranteed.

The decision whether to pay dividends on the Shares is entirely at the discretion of the Board of the Cooperative. The Board will consider multiple factors when making a decision to pay dividends, including the financial condition and performance of the Cooperative. The Cooperative's goal is to pay dividends ranging from 3% per annum to 6% per annum, with a target of 5% per annum. However, prospective investors must recognize that in any given year the Board may decide not to declare a dividend on the Class A Preferred Stock, or to declare a dividend that is lower than past dividends.

The financial performance and condition of the Cooperative will impact its ability to pay dividends and to repay its equity holders over time. While the Cooperative has operated profitably in many years during its history, it has also experienced years in which it has not operated profitably. Therefore, there can be no assurance that it will be profitable, or able to pay dividends on shares, in the future.

Dividends Will Not Be Cumulative.

Dividends on the Shares are not cumulative, meaning that if a dividend is not paid in any given year, a dividend will not accrue, and the Cooperative will not be under any obligation to pay a dividend in future years.

The Board Has Previously Made Arrangements to Consider Certain Series A Preferred Shareholders' Requests for Redemption Which may be Prioritized Over Requests for Redemption by Equity Investors in this Offering

The Board agreed to consider certain foundations' requests for redemption terms, under specific circumstances, at the time of those foundations' investment in the Cooperative, in exchange for special considerations such as accompanying grants, extended holding period, and/or forgoing dividends. With respect to these redemption arrangements, the Board maintains the right to reject or postpone the foundations' redemption requests or convert such payment on redeemed shares to debt. Two foundations have, as of the date of this filing, requested redemption of their Shares. As of the date of this filing, the Board has approved and redeemed the Shares held by one of the foundations, which was paid out in December 2024,

while the other foundation's request has not been approved. The Cooperative is also considering a nonprofit's investment with an arrangement to consider redemption on a specific time frame. The Cooperative's response to, and eventual implementation, of these foundations' redemption requests may slow the Cooperative's ability to approve later redemption requests by other holders of the Shares including Shares held by Investors in this offering. Investors in this offering may not be able to redeem their Shares on the timetable they request as the foundations' requests predate any redemption request that would be made from an Investor in this offering.

The Shares Lack Liquidity.

Investors must acquire the Shares for investment purposes only without any intention of distribution or resale. There is no public market for the Shares. Moreover, the Shares are not freely transferable, and are only transferable or redeemable at the discretion of the Board. While investors cannot be assured of immediate liquidity with respect to the Shares, it is the desire of the Cooperative that investors be provided with the opportunity for redemption of the Shares over the coming years. To complete any such redemption, it will be necessary for the Cooperative to either obtain the resources from its operations or from future sales of equity securities. Consequently, although the Cooperative will seek to provide investors with the opportunity for liquidity with respect to the investment in the Shares, there can be no assurance that the Cooperative will have the resources for that purpose at any particular time.

The Shares Have No Voting Rights.

The Shares do not have voting rights. As a Minnesota cooperative, the Cooperative is governed by its members who hold Voting Stock and 100% voting control over governance matters, including the election of the Board. While the Board seeks to consider and represent the interests of all investors, holders of the Shares who are not members or who are not eligible for membership in the Cooperative will not be able to cast votes representing their own interests in matters submitted to a vote of the Cooperative's members, including election of members of the Board.

The Shares Will Be Subordinate to All of Our Debts and Liabilities.

The Shares are equity interests that will be subordinate to all current and future indebtedness of the Cooperative with respect to claims on our assets. In any liquidation, all of our debts and liabilities must be paid before any payment is made on the Shares. The Preferred Shares offered here have a liquidation preference to Voting Stock.

Fixed, Arbitrary Offering Price for the Shares.

The offering price for the Shares is fixed and arbitrary, representing the par value of the Shares as established in the Cooperative's Amended and Restated Articles of Incorporation. The Cooperative has not conducted and does not conduct any valuation of its Shares. The share price bears no relationship to established value criteria such as net tangible assets or a multiple of earnings per share and should not be considered an indication of the actual value of the Cooperative.

Risks Related Generally to an Investment in the Cooperative and the Securities Offered.

Risks to the Cooperative's Liquidity if a Significant Number of Note Investments Are Not Renewed or Reinvested.

Nearly all the Cooperative's outstanding investment notes payable are term loans to the Cooperative with scheduled maturity dates, as are the Investment Notes offered here. Historically, if the Cooperative has a current offering, previous investors' reinvestment or note renewal rates have been very high, and the Cooperative generally anticipates that a significant percentage of maturing investment notes will renew regularly, if possible pursuant to an ongoing offering. However, external economic factors or organizational performance could lead to higher-than-expected withdrawals and redemptions of investment notes in the future. If many holders of investment notes were to be withdrawn at maturity, this could result in a significant reduction in the Cooperative's liquidity, greatly hinder the Cooperative's ability to issue new loans, or even cause the Cooperative to be unable to meet its current obligations. The Cooperative seeks to mitigate this risk in part through its liquidity policy to maintain adequate cash reserves and by closely monitoring projected cash flow from its borrowing and lending activities.

Risk of Changing Interest Rates and the Potential Negative Impact on Cooperative Margins.

The Cooperative earns profits on the margin between the rates at which it raises and re-lends capital. Changes in the prevailing interest rates can have an impact on the Cooperative's business model and financial performance. Significant reductions in prevailing interest rates in commercial and real estate lending could have an impact on the Cooperative's bottom line. The Cooperative takes steps to manage margins by containing the cost of capital and charging adequate interest rates to borrowers. However, because the Investment Notes are issued at a fixed interest rate, the Cooperative would not be able to readily reduce the interest it pays on outstanding Investment Notes to offset the lost income.

There are Significant Risks Related to the Cooperative's Investment in Real Estate.

The Cooperative invests in cooperatively owned commercial real estate and multi-family housing developments. Investment in real estate entails risks unique to each property, project, and market. The Cooperative holds a mortgage on the real estate and the property serves as a secondary source of repayment, in the event of business failure, default, or foreclosure. Lending to any real estate project includes risk including but not limited to the following:

- Market risk. Real estate prices are affected by a variety of factors, including local and national economic conditions, interest rates, inflation, public policy, location, and property maintenance. If prices decline, then there is a risk that the Cooperative will not be able to recover the full amount of the loan in the event of foreclosure.
- Liquidity risk. Investments in real estate are highly illiquid, and so converting the property to cash can be challenging.

- Operating expense risk. Higher than expected operating costs due to inflation or unexpected capital and maintenance issues can create operating risks for the business. Furthermore, in the event of foreclosure, the lender may need to carry those operating costs for a period of time.
- Regulatory risk. Regulatory compliance issues can create increased costs for the business or delays in occupancy. Regulatory factors could include historic preservation status, environmental regulations, and other regulatory requirements.
- Permitting delays. Obtaining permits from the relevant permitting authorities is unpredictable, and delays could negatively impact the ability of the project to implement its business plan.

If a real estate project in which the Cooperative has invested experiences one or more of the preceding challenges, it may impact the ability of the borrower to repay the loan which, in turn, may lead to a loan default and a loss of income for the Cooperative.

Risks Related to a Changing Regulatory Environment.

The Cooperative operates as a non-bank financial institution, meaning it is not regulated as a bank or credit union. A change in the regulatory framework for non-bank CDFIs like the Cooperative could have a significant impact on the Cooperative’s ability to raise capital and make loans. Because returns paid to investors and rates on loans issued to borrowers are already within the ranges of those issued by regulated financial institutions, it is not anticipated these items would be affected by regulatory changes. However, the costs associated with becoming more regulated could be significant and prohibitive for an institution of the Cooperative’s size. Furthermore, the added reporting and compliance activities that would likely be required under such a regulation could significantly increase the cost of doing business for the Cooperative. At the same time, failure to comply with a new regulatory framework could result in more limited access to capital from both government and private sources or reduce or eliminate its ability to make loans to cooperatives.

There are Significant Transfer Restrictions on Notes and Shares.

The Offering of the Investment Notes and Shares is made pursuant to the qualification of the Offering under Regulation A of the Securities Act of 1933 (“the **Securities Act**”) and other applicable state securities laws or regulations of other appropriate jurisdictions. An investment in the Cooperative should be considered only as a long-term investment due to transfer restrictions imposed by federal and state regulations. IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE APPLICABLE SECURITIES REGULATORS, EXCEPT AS PERMITTED.

The Cooperative has the Right To Terminate Offering at any Time.

The Cooperative has the right to terminate this offering of Securities at any time, regardless of the number of Securities that have sold.

There is No Assurance of Return of Principal or Guarantee of Return on Investment.

No assurance can be given that an Investor will realize a substantial return on investment, or any return at all, or that an Investor will not lose a substantial portion or all of the investment. If the Cooperative should file for bankruptcy protection, or if a petition for bankruptcy is filed by creditors against the Cooperative, Investor funds may become part of the bankruptcy estate and administered according to the bankruptcy laws. For this reason, each prospective Investor should carefully read this memorandum and all exhibits attached hereto and should consult with an attorney, accountant, and/or business advisor prior to making any investment decision.

The is No Warranty of the Cooperative's Projections or Assumptions

Projections concerning the business or financial affairs of the Cooperative that may be provided to prospective Investors, including without limitation those set forth in this Offering Circular and its exhibits, cannot be guaranteed. Any projections or forward-looking statements are based upon assumptions that the management of the Cooperative believes to be reasonable. However, there can be no assurance that actual events will correspond to the assumptions, and the projections should be viewed merely as financial possibilities and not as a prediction or guarantee of future performance. For example, the Cooperative projects that its equity as a percentage of total assets is expected to be at least 20% in 2025, but this projection is not guaranteed. Additionally, the Cooperative has targeted an annual dividend on the Shares at 5% or in a range of 3-6 %, but that target and target range is also not guaranteed. The assumptions upon which the Cooperative's projections are based should be carefully reviewed by each prospective Investor. Projections or conclusions regarding the financial condition of the Cooperative, including projections regarding the profitability of the Cooperative, may be substantially adversely affected by variances from the assumptions or expectations of market conditions made by the Cooperative.

The Offering Will Be Conducted on a Best Efforts Basis, but There Can Be No Assurance That the Cooperative Can Raise the Capital It Needs.

The Shares and Notes are being offered by the Cooperative on a "best efforts basis," without the benefit of a placement agent. The Cooperative can provide no assurance that this Offering will raise the maximum amount of the offering, or even raise sufficient capital for the Cooperative's lending activities. The Cooperative may be unable to secure additional equity investments or loans at the level shown in its projections or at all. If less than the maximum proceeds are available, the Cooperative's business plans and prospects for the current fiscal year could be adversely affected or may need to be revised accordingly.

In addition to the capital to be raised through this Offering, the Cooperative relies on raising grants and contributions to support its annual operations and programs. Some grant funds and donations will have restrictions on how money can be spent. If the Cooperative is not able to

secure grant funding at the levels projected, the Cooperative may fail to meet its operating budget or may have fewer reserves to absorb any loan losses. This could affect the Cooperative's ability to issue dividends on or redeem Shares, to pay the interest on Notes or repay the principal when due on the Notes.

The Cooperative May Require Additional Funds.

The Cooperative currently anticipates that the net proceeds of this Offering will be sufficient to meet its anticipated needs for capital expansion during the offering period. However, the Cooperative may need to raise additional funds in order to fund more rapid expansion or to respond to capital needs, particularly if less than the maximum Offering is raised by the Cooperative. There can be no assurance that additional financing will be available on terms favorable to the Cooperative, or at all. If adequate funds are not available or are not available on acceptable terms, the Cooperative's ability to fund its expansion, take advantage of expansion opportunities, develop or enhance products and services, or respond to capital needs would be significantly limited. Such limitation may have a material adverse effect on the Cooperative's business, operating results, and financial condition.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements. From time to time, additional written forward-looking statements may be made by the Cooperative. Such forward-looking statements may include projections of revenues, income or loss, capital expenditures, business relationships, financings, proposed financings or investments by third parties, product development, plans for future operations, and plans relating to products of the Cooperative, as well as assumptions relating to the foregoing. Such statements are based upon management's current expectations, beliefs, and assumptions about future events, are other than statements of historical fact, and involve a number of risks and uncertainties.

The words "believe," "may," "will," "could," "would," "plan," "expect," "intend," "anticipate," "estimate," "project," or the negative or plural of these words or similar expressions identify forward-looking statements, which speak only as of the date the statement was made but are not the exclusive means of identifying such statements. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. Statements in this Offering Circular -- including those contained in the Section entitled "Risk Factors" -- describe factors, among others, that could contribute to or cause such differences. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this Offering Circular may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Except as required by law, neither the Cooperative nor any other person assumes responsibility for the

accuracy and completeness of the forward-looking statements. The Cooperative undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this Offering Circular to conform these statements to actual results or to changes in its expectations except as required by continuing reporting requirements under Regulation A.

You should read this Offering Circular, and the documents that the Cooperative references in this Offering Circular and has filed with the Securities and Exchange Commission as exhibits to the Form 1-A of which this Offering Circular is a part, with the understanding that the Cooperative's actual future results, levels of activity, performance, and events and circumstances may be materially different from what the Cooperative expects.

DILUTION

The Cooperative's shares of Class A Preferred Stock have only been sold at their par value of \$10 per share to all shareholders, and the Shares will be offered at the same price to the public for the duration of the present offering. No officer, director, employee, or any other person involved in the offering has purchased any share of Class A Preferred Stock at any price other than \$10 per share, and no such person has any right to purchase any Class A Preferred Stock at any price other than \$10 per share.

As of December 31, 2025, the Cooperative has 548,764 outstanding Class A Preferred Shares. Assuming the sale of 25%, 50%, 75% or 100% of the shares offered in this offering, there would be 923,764; 1,298,764; 1,673,764; and 2,048,764 shares of Class A Preferred Stock outstanding, respectively, at the completion of the offering.

Traditional concepts of dilution are not directly applicable to an investment in the Cooperative's Class A Preferred Stock. The Shares are sold at a fixed price equal to par value, do not confer voting rights or participation in residual profits beyond declared dividends, do not participate in residual profits beyond declared dividends, and do not appreciate in value. Redemption, if any, is at par value plus any declared but unpaid dividends and is subject to the discretion of the Board of Directors and applicable restrictions. As a result, the issuance of additional shares of Class A Preferred Stock does not dilute voting control or economic participation in earnings in the manner typically associated with common equity of investor-owned corporations.

PLAN OF DISTRIBUTION

How to Invest

Before subscribing to invest, a potential Investor should read this Offering Circular, in particular the information under the heading "RISK FACTORS."

To invest, go to <http://SharedCapital.coop/Invest>, click on the INVEST button, and follow the instructions to invest through the online portal www.svxus.org. If you require investment materials on paper, please contact Shared Capital at invest@sharedcapital.coop or 612-767-2100.

Limitations on Amount Investors Can Invest

Generally, any individual 18 years of age or older and any organization may invest in this Offering. However, if one is not an “accredited investor,” as further defined below, the amount one can invest is limited by law.

In order to purchase the Shares or the Investment Notes, and prior to the acceptance of any funds from an Investor, each Investor will be required, in the Subscription Agreement, to represent that the Investor is either an accredited investor or is in compliance with the 10% of net worth or annual income limitation on investment in this offering.

Under federal regulations (17 CFR §230.501), the term “accredited investor” includes:

- An individual who has an individual net worth, or joint net worth with the person’s spouse or spousal equivalent, that exceeds \$1 million at the time of the purchase, excluding the value of the person’s primary residence;
- An individual with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse or spousal equivalent exceeding \$300,000 for those years and a reasonable expectation of reaching the same income level in the current year;
- An individual who holds a Series 7, 65, or 82 securities license issued by FINRA;
- A registered broker dealer;
- A registered investment advisor;
- Any entity in which all of the equity owners are accredited investors;
- Any legal entity not formed for the specific purpose of acquiring the securities offered, with total assets exceeding \$5 million (requirements for who makes the investment decisions apply in certain cases);
- An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions or if the plan has total assets in excess of \$5 million or, if the plan is self-directed, if investment decisions are made solely by persons who are accredited investors;

- A bank, savings and loan association, insurance company, registered investment company, business development company, or small business investment company; and
- A director or executive officer of Shared Capital.

“Spousal equivalent” means a cohabitant occupying a relationship generally equivalent to that of a spouse.

If an Investor falls within any of those categories, then that Investor may invest any amount of their choosing. If an Investor does not fall within the meaning of “accredited investor,” then the most they may invest in this offering is the greater of:

- 10% of the Investor’s annual income; or
- 10% of the greater of the Investor’s annual revenue or net assets at fiscal year-end.

NOTE: Net worth is defined as the difference between total assets and total liabilities. This calculation must exclude the value of one’s primary residence and may exclude any indebtedness secured by one’s primary residence (up to an amount equal to the value of your primary residence). In the case of fiduciary accounts, net worth and/or income suitability requirements may be satisfied by the beneficiary of the account or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase of the Securities.

This offering is not available in all states, provinces, or countries. Shared Capital may limit this offering or offering amounts in certain states where restrictions may apply to the offering of securities in such state, or where Shared Capital has limited the offering in any particular state for any other reason.

Acceptance of Subscriptions

Upon the Cooperative’s acceptance of a Subscription Agreement, the Cooperative will countersign the Subscription Agreement and issue the Shares or Notes subscribed. Shares subscribers will receive the executed Subscription Agreement. No certificate is issued for Shares. Notes subscribers will receive the executed Subscription Agreement along with a Promissory Note. Once the Investor submits the Subscription Agreement and it is accepted, the Investor may not revoke or change the subscription or request repayment of subscription funds. All accepted Subscription Agreements are irrevocable.

Right To Reject Subscriptions

Shared Capital reserves the right to reject any prospective investor’s subscription in whole or in part for any reason. If the Offering terminates, or if any prospective investor’s subscription is rejected, all funds received from such Investor will be returned without interest or deduction.

Duration of Offering

The Offering will commence promptly upon qualification of this Offering Statement by the Securities and Exchange Commission and will close upon the earlier of (1) the receipt of proceeds of this Offering totaling \$30,000,000; (2) within three years after qualification as the continuous offering is designed to be sold within two years but may be sold up to three years after qualification, or (3) at such date prior to two years from qualification as may be determined by Shared Capital.

The Offering may be terminated at the Cooperative's election at any time. There is no minimum raise required.

The term of the Notes will start upon receipt of good funds and a signed Subscription Agreement.

At the same time the Cooperative is raising funds from this Offering, it may seek other additional sources of funding, including other loans, equity investments, and grants.

No Minimum, No Escrow

There is no minimum offering amount that must be subscribed before a subscription becomes binding and the funds are released to Shared Capital; therefore, there is no arrangement to return funds to subscribers if a minimum subscription amount is not reached.

Best Efforts

The Shares and Notes are being offered directly by the Cooperative on a "best efforts" basis, without an underwriter or broker dealer. Best efforts means the executive officers and directors of the Cooperative will use their commercially reasonable best efforts in an attempt to sell the Shares and Notes. No executive officer or director will receive any commission or any other remuneration for these sales. In offering the Shares and Notes on behalf of the Cooperative, the executive officers and directors will rely on the safe harbor from broker-dealer registration set out in Rule 3a4-1 under the Securities Exchange Act of 1934.

The Shares and Notes will not be listed on any national securities exchange or on the over-the-counter inter-dealer quotation system. There is no market for the Shares and Notes, and the Shares and Notes generally may not be sold, transferred, assigned, pledged, or disposed of, in whole or in part, without the prior written consent of the Cooperative.

Advertising, Sales, and Other Promotional Materials

The Cooperative is offering these Securities directly to the public at the following website: www.sharedcapital.coop/invest and at www.svxus.org.

In addition to this Offering Circular, subject to limitations imposed by applicable securities laws, the Cooperative expects to use additional advertising, sales, and other promotional materials in connection with this Offering. These materials may include public advertisements and audio-visual materials, in each case only as authorized by the Cooperative. Although these materials will not contain information in conflict with the information provided by this Offering Circular and will be prepared with a view to presenting a balanced discussion of risk and reward with respect to the Securities, these materials will not give a complete understanding of this Offering, the Cooperative, or the Securities, and are not to be considered part of this Offering Circular. This Offering is made only by means of this Offering Circular, and prospective investors must read and rely on the information provided in this Offering Circular in connection with their decision to invest.

Restrictions

Other Information Is Not Authorized

No person has been authorized to give any information or to make any representation with respect to the Cooperative or this Offering except such information as is contained in this Offering Circular. Only information or representations contained herein may be relied upon as having been authorized. The information in this Offering Circular supersedes and replaces in its entirety any information previously distributed to, provided to, or viewed by any Investor.

No Legal, Accounting, Tax, or Investment Advice.

This Offering Circular is intended to provide prospective Investors with information necessary for an informed investment decision. However, nothing contained herein is intended as legal, accounting, tax, or investment advice, and it should not be taken as such. Each Investor must rely on their own examination of the Cooperative and the terms of this Offering, including the merits and risks involved. Prospective investors are not to construe the contents of this Offering Circular (or any prior or subsequent communication from the Cooperative, its affiliates, and their employees, or any professional associated with this offering) as legal, accounting, tax, or investment advice. Each Investor should consult their own personal counsel, accountant, and other advisors as to the legal, accounting, tax, economic, and related matters concerning the investment described herein and its suitability for the Investor. An Investor must be willing, and have the financial capacity to purchase, a high-risk investment which cannot easily be liquidated.

No counsel to the Cooperative has verified or investigated any of the statements or representations made in this Offering Circular or any of its Exhibits.

Reporting Requirements Under Tier 2 of Regulation A

The Cooperative's previous and this current Tier 2, Regulation A offerings require the Cooperative to comply with certain ongoing disclosure requirements under Rule 257 of

Regulation A. The Cooperative has and will continue to be required to file: an annual report with the SEC on Form 1-K; a semiannual report with the SEC on Form 1-SA; current reports with the SEC on Form 1-U; and a notice under cover of Form 1-Z. The necessity to file current reports may be triggered by certain corporate events. Parts I & II of Form 1-Z will be filed by the Cooperative if and when it decides to and is no longer obligated to file and provide annual reports pursuant to the requirements of Regulation A.

Risk of Delivery

The Investor, not the Cooperative, bears the risk of delivery for the Subscription Agreement, payment, and all other documents required for this Offering. The Cooperative prefers that all documents be executed electronically and online, and that all payments be made by Automated Clearing House (“ACH”). If the Investor chooses to deliver documents and payment by mail, the Cooperative recommends the use of insured and registered mail. The Cooperative also recommends allowing for a sufficient number of mailing days to ensure that the Cooperative receives your documents and payments before the applicable expiration date.

Interpretation

All questions as to the validity, form, eligibility, including time of receipt, and acceptance of any subscription will be determined by the Cooperative, in its sole discretion, which determination shall be final and binding. The Cooperative reserves the absolute right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Class A Preferred Shares or Notes pursuant thereto could be deemed unlawful. The Cooperative also reserves the right to waive any defect with regard to any particular subscription. The Cooperative shall not be under any duty to give notification of any defect or irregularity in a subscription, nor shall it incur any liability for failure to give such notification. Investments will not be deemed to have been made until any such defect or irregularity has been cured or waived within such time as the Cooperative shall determine. Investments with defects or irregularities that have not been cured or waived will be returned to the appropriate Investor as soon as possible.

USE OF PROCEEDS

The net cash proceeds from the sale of the Class A Preferred Stock and the issuance of the Investment Notes, after deducting estimated offering expenses, is estimated to be approximately \$29,962,500.00. There is no assurance that any specified amount will be raised from the sale of Shares or the issuance of Investment Notes. The cash proceeds raised in this offering will be primarily used to make loans to, or a limited amount of equity investments in, the Cooperative’s members in accordance with the terms and conditions of the Cooperative’s loan policies. Currently, equity investments made by the Cooperative constitute 1.56% of its portfolio. The Cooperative estimates that between 0.50% and 2.00% of the proceeds will be invested in member equity. The remainder will be used for loan capital and administrative and

overhead costs. The Cooperative does not compensate members of the Board of Directors. To the extent that proceeds are used to pay officers, such proceeds will only be used for salary and benefits, and any payments to officers will not be based on any officers' work related to the success of this offering. The Cooperative does not anticipate any material changes to the use of proceeds should the full amount of the securities not be sold. The Cooperative **does reserve the right to change** the use of proceeds but at this time does not anticipate doing so. Proceeds of this offering may be used, in part, to retire existing indebtedness and/or to redeem shares of the Cooperative.

The use of proceeds by category based on the percent of the Securities sold in the offering is as follows:

Table: Use of Proceeds

Use of funds	25% of total raise	50% of total raise	75% of total raise	100% of total raise
Loan Capital	99.00%	99.00%	98.50%	98.25%
Equity Investments	0.00%	0.50%	1.00%	1.50%
Administrative Costs*	1.00%	0.50%	0.50%	0.25%

* Note that the Cooperative does not use proceeds of capital raises to pay for general operating costs as those types of costs are supported by earned revenue and/or grant funding.

DESCRIPTION OF SHARED CAPITAL COOPERATIVE’S BUSINESS

Overview

Shared Capital Cooperative is a community development lender that provides financing and assistance to cooperative small businesses and housing throughout the United States. Shared Capital is certified as a Community Development Financial Institution (CDFI) by the U.S. Department of Treasury’s CDFI Fund.

Shared Capital’s mission is to build a just, equitable, and democratic economy by investing in cooperative enterprises. People come together in cooperatives to collectively address challenges and create opportunities. We believe that by supporting the formation and expansion of cooperatives, we help communities build more inclusive and resilient local economies.

Shared Capital provides financing to cooperatives that are creating positive impacts for their members and their communities. We prioritize investments in cooperatives organized by low-income and other economically marginalized communities that have been excluded from access

to capital from other sources, including women and communities of color. Over 85% of our investments are made to cooperatives organized by and serving people of color, women, and low-income communities.

Shared Capital is a cooperative association owned by nearly 350 cooperatives. Shared Capital's democratic governance model provides accountability to the communities where we work through our member cooperatives. The members nominate, elect, and serve on the Board and loan committee and make important governance decisions, such as approving changes to the articles of incorporation and bylaws, and in addition, members can borrow from and invest in Shared Capital. As a cooperative association, profits may be reinvested into the organization or distributed through a patronage dividend to member-borrowers as a rebate on a portion of the interest they paid on their loans during the year.

Organizational Background

Shared Capital has nearly a fifty-year track record of financing cooperatives. Shared Capital was founded in 1978 by a group of cooperatives in Minneapolis-St. Paul that pooled their resources to create a mutual aid, revolving loan fund when they could not access bank financing. Since inception, we have made more than 1000 loans to cooperatives totaling over \$80 million.

For three decades, Shared Capital operated as a regional, multi-state organization serving the Upper Midwest under the name Northcountry Cooperative Development Fund. In 2010, in response to unmet demand for financing and assistance to cooperatives in other regions of the US, the Cooperative expanded its geographic boundaries and began operating nationally. In 2016, the name was changed to Shared Capital Cooperative to reflect the nature and geographic scope of our work.

The Cooperative's Membership and Equity Structure

The Cooperative's General Structure. In cooperatives, the holders of equity with voting rights are often referred to as members. Shared Capital Cooperative has organizational and individual members. Organizational membership in the Cooperative is open to all legally incorporated cooperatives and organizations operating or intending to operate on a cooperative basis. Individual membership is available to any natural person. Application for membership in the Cooperative must be made to and approved by the Board. Any member must comply with the requirements of the bylaws and other Board requirements, and each member is required to purchase one share of Voting Stock plus an amount of additional paid-in capital based on the size of the organization. Every holder of Voting Stock is therefore required to be a member of the Cooperative.

The Cooperative has three classes of stock: Voting Stock, Non-voting Stock, and Class A Preferred Stock, each of which is described below. The Voting Stock represents the voting interest of members, and each member owns one share of Voting Stock. The Non-voting Stock represents additional non-voting equity of members and non-members. The securities offered

in this Offering are shares of Class A Preferred Stock, which is a dividend-bearing, non-voting class of stock described more fully below. The amount of authorized stock for the three classes is as follows: 10,000 shares of Voting Stock; 10,000,000 shares of Non-voting Stock; and 10,000,000 shares of Class A Preferred Stock. Each class has a par value of Ten Dollars (\$10.00) per share. All shares of the Cooperative's stock may be transferred only with the consent and approval of the Cooperative's Board. None of the Cooperative's stock has any preemptive rights or conversion rights.

Voting Stock and Membership. The Voting Stock represents the membership voting interests in the Cooperative, and it is the Cooperative's only class of stock with voting rights. The Voting Stock can be owned only by those who qualify for membership under the Cooperative's Amended and Restated Bylaws. The Cooperative's Voting Stock may be issued to cooperative associations, nonprofit corporations, other corporations, and LLCs that are deemed to meet eligibility by operating on a cooperative basis, and to individuals, who have been approved for membership in the Cooperative by the Board of Directors. As of December 31, 2025, there were 4931 members of the Cooperative holding 493 outstanding shares of Voting Stock worth \$4,930. This includes 360 cooperatives and 133 individuals.

Only owners of Voting Stock are eligible to vote in the affairs of the Cooperative. A principal tenet of cooperative organizations is that each member, as a holder of Voting Stock, has equal voting power with every other member. Thus, regardless of the amount invested, number of shares owned, or amount of equity held of any class of the Cooperative's shares, each member has only one vote. Members vote to elect the board of directors, approve changes to the articles of incorporation and bylaws, dissolve the corporation, among other typical rights of voting shareholders. Individual members vote as a unit, with the vote of the majority of the unit counting as one (1) vote. In director elections, individual members voting separately as a class elect one director to serve a three-year term. At the time of this filing, three of Shared Capital's directors --Richard Dines, Matthew Epperson, and Charity Schmidt -- are individual members of Shared Capital, and five employees -- Ashley Anderson, Mark Downey, Christina Jennings, Adam Trott, and Rhonda Weidling -- are individual members of Shared Capital. Organizational members elect all other directors, for a total of 7 to 11 directors. The Cooperative does not use cumulative voting.

The Board of Shared Capital establishes a minimum equity amount which a member must purchase. For cooperative enterprises, this amount is based on the member's total assets. Minimum member equity ranges from \$150 for cooperatives with assets of \$50,000 or less to \$10,000 for members with assets of over \$25 million. For housing cooperatives, the amount is based on the number of housing units at a rate of \$50 per unit, or \$25 per unit for housing cooperatives with a HUD low-income designation or in which 50% or more of members are students. The minimum amount for housing cooperatives is \$500 and maximum is \$6,000. For low-income or student housing the minimum is \$250 and maximum is \$3,000. Individual members are required to purchase \$100 in member equity. In all cases, the equity purchase includes one voting share valued at \$10 and the balance is additional paid-in capital or non-

voting shares issued to the member. As of December 31, 2024 and 2025, members held \$726,420 and \$767,780 in additional paid-in capital and retained patronage.

Shared Capital operates its business on a cooperative basis. Accordingly, surplus is allocated to its members on the basis of patronage, as patronage dividends within the meaning of Subchapter T of the Internal Revenue Code (or as non-qualified allocations in the same amount as patronage dividends). This means that after making all payments due on the Cooperative's debts, after paying any dividends on Class A Preferred Stock, and after setting aside capital reserves, the Cooperative's Board determines whether there is a surplus of net income that can be allocated to members. As a financial services cooperative, a patronage dividend is only issued to its members who take financing from the Cooperative. If the Board decides to issue a patronage dividend, it is issued as a rebate on interest and dividends paid and each member borrower will receive an amount calculated based on the member's total interest and dividend payments in proportion to the total of all such payments by all members. The Board determines the form of the patronage dividend, which can be paid in part as equity credits or as additional paid-in capital. The Cooperative does not pay any other return on Voting Stock. Pursuant to the Amended and Restated Articles of Incorporation of the Cooperative, patronage dividends shall not be declared to the members of the Cooperative unless the holders of the Class A Preferred Stock have received a cumulative total annual dividend of an amount at least equal to the cumulative total annual patronage dividend to be declared.

When a Member terminates its membership, the Cooperative redeems its single share of Voting Stock along with its additional paid in capital. If a member defaults on a loan, the Cooperative may terminate their membership and apply the Voting Stock and additional paid in capital against the outstanding balance under the right of offset established in the Articles of Incorporation and Bylaws. The Voting Stock does not have any other redemption rights.

Shared Capital is taxed as a cooperative under Subchapter T of the Internal Revenue Code. A cooperative is not taxed on amounts of patronage-sourced income withheld from its members in the form of qualified per-unit retains, on amounts distributed to its members in the form of qualified written notices of allocation, or on money or other property distributed to its members as patronage dividends. Instead, such amounts are taxed directly to the members. Revenue attributable to non-patronage-sourced income is taxed at the cooperative level and again upon distribution to members.

In the event of a liquidation, after the Cooperative's assets have been distributed to holders of Class A Preferred Stock as described below, the Cooperative's assets will next be used to pay to holders of Voting Stock and Non-voting Stock the par value of each share held on a pro rata basis, with Voting Stock and Non-voting Stock given equal priority. Under the Articles of Incorporation, remaining assets must be given to a nonprofit organization.

Non-Voting Stock. The Cooperative may issue Non-voting Stock in exchange for equity investments by non-members, and the Cooperative also may use Non-voting Stock to reflect members' paid-in capital and retained earnings allocated to members, including patronage

dividends. As of December 31, 2025, there were 155,742 shares of Non-voting Stock outstanding worth \$1,557,416. Any organization or individual approved by the Board may hold Non-voting Stock, whether a member or non-member. Holders of Non-voting Stock have no voting or approval rights. No dividends are paid on the Non-voting Stock. In the event of a liquidation, after the Cooperative’s assets have been distributed to holders of Class A Preferred Stock as described below, the Cooperative’s assets will next be used to pay to holders of Voting Stock and Non-voting Stock the par value of each share held on a pro rata basis, with Voting Stock and Non-voting Stock given equal priority.

The Cooperative has the discretion but not the obligation to allocate retained earnings to a revolving fund, which can be used to repurchase Non-voting Stock. The Cooperative is not obligated to redeem Non-voting Stock at any given time. There is no other sinking fund for redemption of Non-voting Stock.

Class A Preferred Stock. Class A Preferred Stock is described more fully below in the section entitled Securities Offered. In relation to the other types of the Cooperative’s stock, the Shares have a dividend preference and may receive dividends on an annual noncumulative basis when, as, and if declared by the Board. The Board may declare a dividend on the Shares of up to eight percent (8%) with the amount of any such dividend to be determined by the Board. The Shares have a dividend preference such that in no event shall any patronage dividend be declared to the members of the association unless the holders of the Class A Preferred Stock have received a cumulative total annual dividend of an amount at least equal to the cumulative total annual patronage dividend to be declared. The Shares have no voting rights except as required by law. Holders of Shares may request redemption of all or part of their Shares at any time following the date of issuance by a written request to the Cooperative. Upon receipt of such redemption request, the Board, in its sole discretion, may offer to redeem some or all of the requested portion of the holder’s Shares.

As of December 31, 2025, the Cooperative has the following number of shares outstanding:

Table: Outstanding Shares of Stock by Class

Class of Stock	Number of Shares
Voting Stock	488
Non-voting Stock	155,742
Class A Preferred Stock (“Shares”)	548,764

Management and Governance

Shared Capital is managed by a team of thirteen employees with experience in community development finance, commercial lending, and cooperative development, management, and finance. Shared Capital is governed by an eleven-member volunteer board of directors. Directors are nominated and elected to three-year terms by the membership through

competitive annual elections, and officers are elected annually by the board. Directors bring expertise in cooperative businesses and housing, finance, law, management, community development, cooperative development, lending, and CDFIs. The board has full authority regarding declaration of Class A Preferred Stock dividends, as well as redemption of Class A Preferred Stock, for which it follows guidelines that consider factors including the amount of time the shares have been held, the order in which redemptions are requested, the amount of the proposed redemption, the Cooperative's liquidity and ability to meet current and future obligations, impact on the balance sheet (the Cooperative's equity-to-assets ratio, in particular), and compliance with covenants of lenders, investors, and funders. Class A Preferred shareholders are not members and have no voting rights (unless they elect to also purchase voting shares, the eligibility and voting rights for which are fully described above in The Cooperative's Membership and Equity Structure). Further, the board sets strategic priorities for the Cooperative, and approves all operational policies, but does not engage in day-to-day operations. Members (specifically, holders of Voting Shares) vote on board elections, removal of board members, changes to the articles of incorporation, dissolution, any business brought before the membership at the annual meeting, and on all matters that are required by law.

The Cooperative's Board is composed of representatives of its members and there are protective provisions in place to inform the Board's decision making. The board members have a fiduciary duty to the organization as a whole (not only to the Cooperative's members) and must abide by the Cooperative's policies governing the board including a conflicts of interest provision in the Cooperative's policy manual which requires board members to disclose all actual or potential conflicts of interest and to abstain from any decision making role related to such conflicts. Annually, each board member acknowledges, by signature, receipt of the Cooperative's conflict of interest policy which describes, among other matters, who is an interested person, what constitutes a financial interest and explains the board member's duty to disclose any such conflict, and they provide a written disclosure of any relationships that could pose a conflict. Furthermore, the Articles of Incorporation of the Cooperative provide that in no event shall the board declare any patronage dividend to the members of the Cooperative unless the holders of the Class A Preferred Stock have received a cumulative total annual dividend of an amount at least equal to the cumulative total annual patronage dividend to be declared to its members.

Shared Capital is committed to having a diverse staff and board, in terms of race, gender, age, and experience. As of the time of this issuance, the staff is 54% people of color and 46% women and non-binary individuals, and the Board is 45% people of color and 55% women and non-binary individuals. The officers of the Board are 50% people of color and 75% women and nonbinary individuals. (See more information about management and the Board in the section Directors, Executive Officers, and Significant Employees.)

CDFI Certification

Shared Capital is certified as a CDFI by the U.S. Department of Treasury's CDFI Fund. Certification as a CDFI provides eligibility to apply for grants, loans, and equity investments

through the CDFI Fund. In addition, compliance with certification as a CDFI is required by many of the Cooperative's current and potential funders and investors. To be a certified CDFI, the Cooperative must be primarily engaged in delivery of financial products and services, offer technical assistance and training resources to its borrowers, and deliver the majority of its business activities to serve the Cooperative's approved target markets of the CDFI Fund, which are people residing in and operating businesses in economically distressed communities. The Cooperative has been a certified CDFI consistently since 1998 and expects to maintain certification over the coming years. Most recently, the Cooperative received renewal of its certification in June 2025. However, any failure to maintain compliance with certification requirements, or any decision by the Cooperative to no longer seek certification, could result in significant and adverse business impacts through requirements to repay certain current grants, equity investments, or loans, and the loss of access to future grants, loans, and investments from certain government and private sources.

Business Activities

Shared Capital provides financing to cooperatively owned businesses across multiple sectors, including retail, services, manufacturing, agriculture, and housing. Shared Capital works with all types of cooperatives, including employee-owned worker cooperatives, consumer-owned food co-ops, other consumer-owned businesses, small farmer and producer-owned cooperatives, and multi-family, affordable housing for students, individuals, families, and seniors.

Shared Capital focus on cooperatives that create positive impacts for members and the broader community, such as those that generate quality, living-wage jobs, facilitate democratic workplaces, create dignified, affordable housing, cultivate sustainable local food systems, provide access to healthy foods, build community-owned assets, and reinvest in local communities. In addition to financing, Shared Capital supports cooperatives with technical assistance (TA) and training that we deliver directly and through partners and referrals.

Shared Capital generates the majority of its earned revenue from interest and fees on its lending activities. We also receive grants and donations from individuals, foundations, companies, and government programs to support our operations, lending, TA, and training programs. We generate some additional revenue from servicing loans and administering loan programs on behalf of other organizations, as well as from occasional consulting services and speaking honoraria.

Loan Products and Programs

Shared Capital offers flexible and responsive financing to meet the needs of cooperative businesses and housing cooperatives. Any business or multi-family housing organization that is operating on a cooperative basis is eligible to apply. Applicants need not be members of the Cooperative at the time of application. If approved for a loan, the cooperative must become a member and can do so at the time the loan is made. The Cooperative underwrites applications based on a variety of factors, including business track record, project feasibility, management,

governance, collateral coverage, repayment capacity, as well as the potential to further the mission of Shared Capital and create positive impacts for the cooperative's members and the community.

The Cooperative offers a variety of loan products to meet the needs of cooperative small businesses and housing cooperatives. The average amount of new loans is approximately \$145,000, which fills a critical gap in small dollar financing from lenders to small businesses. The majority of loans are small business loans to cooperatives secured by business assets, which includes Cooperative Small Business Loans, Conversion Loans, Small Business Lines of Credit, Microfinance Loans accounting for \$12,432,771, which is 52.5% of the Cooperative's outstanding loan and investment portfolio by dollar amount as of December 31, 2025. Real estate loans, which are secured by mortgages on real estate and account for \$10,924,219, which is 46.1% of the loan portfolio as of December 31, 2025. Of the real estate loans, commercial real estate loans total \$3,727,382, which is 15.7% of the portfolio, and multifamily housing real estate loans are \$7,153,332, or 30.2%. There are two equity investments in cooperative small businesses totaling \$347,459, which is 1.5% of the portfolio. The Cooperative's loan products are:

- Cooperative Small Business Loans: Term loans of \$5,000 and up, with fixed rate of 6.5-8.0% interest and 3-to-10-year terms for inventory, equipment, vehicles, leasehold improvements, and working capital. There are 50 loans totaling \$9,948,773, which is 42.0% of the Cooperative's outstanding loan and investment portfolio by dollar amount as of December 31, 2025.
- Employee Ownership Conversion Loans: Term loans of \$250,000 and up, with fixed rate of 6.0-8.0% interest and 5-to-10-year terms. to finance the purchase of a business by the employees using a worker cooperative, employee ownership trust or other structure. Loans may also be used for working capital at the time of conversion. (Loans made under the Accelerate Employee Ownership program have access to funder-mandated below market interest rates special rates of 4.5-6%. See program description below for more details.) As of December 31, 2025, there were 13 loans totaling \$1,799,243, which is 7.6% of the portfolio.
- Cooperative Small Business Lines of Credit: Revolving and non-revolving lines of credit from \$5,000 to \$1 million (avg 100,000), with fixed rate of 7-8.5% interest and terms of 6 months to 3 years. Loans are made for working capital, receivables financing, and to bridge receipt of committed public and private grants. There are 13 lines of credit outstanding as of December 31, 2025, with balances of \$678,355, which is 2.9% of the portfolio.
- Cooperative Microenterprise Loans: Term loans from \$5,000 to \$50,000, with fixed rate of 7-8.5% interest rate and a 3–5-year term. Loans are made to cooperatives with five or fewer employees and member-owners. Loans may be used for inventory, equipment,

vehicles, leasehold improvements, and working capital. There is one outstanding microfinance loan totaling \$6,399, or 0.03% of the portfolio as of December 31, 2025.

- Commercial Real Estate: Mortgage term loans of \$50,000 and up, with fixed rate of 5.5-7.0% interest, terms of 7-10 years with amortization of 10-30 years. For acquisition, refinancing, rehab, and improvement to owners-occupied commercial buildings. There are nine commercial real estate loans totaling \$3,727,382, which is 15.7% of the portfolio as of December 31, 2025.
- Multifamily Housing Cooperative Loans: Mortgage term loans of \$50,000 and up, with fixed rate of 6.5-8% interest, terms of 7-10 years, and amortization of 10-30 years. Loans may be used for acquisition, refinancing, rehab, and improvements to single and multifamily cooperative housing. There are 31 multi-family housing real estate loans totaling \$7,153,332, which is 30.2% of the portfolio.
- Equity Investments in Cooperatives: Shared Capital offers a limited number of equity investments, which comprise less than two percent (2.0%) of the portfolio. Investments of \$5,000 to \$350,000 can be made in preferred shares, or similar, or for investment in an LLC that is majority owned by a cooperative. Expected holding period is 5-10 years with a target cumulative return equal to 5-8% annually. Equity investments may be used for any business purpose. Shared Capital generally does not take voting rights, though in some cases it may take a minority position where allowable and deemed appropriate. Over the past ten years, Shared Capital has made four equity investments totaling \$475,000, which represents less than one percent of our financing activities. As of December 31, 2025, there are two equity investments outstanding totaling \$347,459, which is 1.5% of the Cooperative's outstanding loan and investment portfolio.

The maximum loan amount is established by policy as a percentage of the Cooperative's total assets, unless a lower amount is noted for a specific product above. To manage concentration risk, Shared Capital generally limits total outstanding financing to a single borrower to no more than five percent (5%) of Shared Capital's total assets, which was \$1,155,000 as of the time of issuance. Under policy, loans outstanding to a single borrower cannot exceed ten percent (10%) of Shared Capital's total assets, which was \$2,315,000 as of the time of issuance. Approval by the Board of Directors, in addition to the Loan Committee, is required for any loans made where the total loans outstanding to the borrower are over five percent (5%) of total assets.

Interest revenue reflects the primary source of revenue for the Cooperative. Rates are established by management based on a periodic review of competition, market rates, and the operating margin relative to the Cooperative's cost of capital. As of the time of the issuance, the weighted average interest rate on loans is 7.05% annually, and interest rates in the portfolio range from 4.5% to 8.5%, depending on risk, social impact, and program funding source restrictions. It is the goal of the Cooperative to maintain relatively stable interest rates on its loan products. Rates have been relatively stable over the past 20 years, with the average rate fluctuating by less than one percentage point above or below the current average rate.

Shared Capital does not currently make adjustable rate loans that charge interest over a certain index.

In addition to interest revenue, Shared Capital earns revenue from fees charged on its loans. Fees are priced to cover all or most of the cost of underwriting and closing the loan. Shared Capital charges a two percent (2%) loan origination fee on term loans and a three percent (3%) origination fee on lines of credit. Loans that are renewed for an additional term are charged a one percent (1%) origination fee, and lines of credit renewals are charged one and a half percent (1.5%). Lines of credit may be charged a maintenance fee on undrawn balances. In addition, the borrower pays a \$250 loan documentation fee, lien and mortgage filing fees, and any legal fees.

In some cases, Shared Capital makes loans with amortization schedules that are longer than the term or have an initial interest-only period. As a result, these loans will have balloon payments at maturity. In those cases, Shared Capital will renew the loan for an additional term at maturity after completing a due diligence process, underwriting and obtaining approval at the appropriate level of authority. Management has the authority to approve loan renewals of similar terms to the original when the loan is in good standing and there has been no deterioration in the borrower's condition or risk rating.

Shared Capital has developed several named programs reflecting important areas of work and impact to support the Cooperative's mission. These programs do not constitute separate lines of business or segregated or restricted activities. Instead, they are thematic labels that are used for reporting about the Cooperative's lending activities. These programs are marketed, along with our general lending and investment opportunities, to characterise areas of expertise and work. Current programs are:

- **The Worker Ownership Loan Fund (WOLF)** is a program of Shared Capital that seeks to increase access to financing for worker-owned businesses and to support the creation of more democratic workplaces in low-income communities throughout the US. Shared Capital launched WOLF in 2007 in collaboration with the US Federation of Worker Cooperatives and with the financial support of worker cooperatives and their allies. Between January 1, 2019 and December 31, 2025, Shared Capital loaned \$11 million to 70 worker cooperatives.
- **Accelerate Employee Ownership (AEO)** is a collaborative initiative of Shared Capital and nonprofit partner Project Equity that aims to expand the number of employee owned businesses and create and sustain high-quality jobs in local communities by facilitating the sale of businesses to existing employees. Accelerate Employee Ownership was launched in 2019 with a \$5 million award from the Quality Jobs Fund, a project of the New World Foundation, that included a \$1 million grant shared between the partners and a \$4 million loan to Shared Capital. The Cooperative has made eight loans totalling \$3,000,000 have been made under this collaboration since January 1, 2019. Loans qualifying for the Accelerate Employee Ownership program have access to special funder-mandated below market rate of 4.5-5.5%.

- **Sustainable Food Systems Financing (SF2) Program** encompasses Shared Capital’s lending and assistance to support sustainable farming, healthy local food systems, and access to healthy foods. Through SF2, Shared Capital provides financing to cooperatives in production, distribution, marketing, and retail sale of sustainably produced food. Since January 1, 2019, Shared Capital has loaned \$10,000,000 to 27 borrowers under the SF2 program.
- **Cooperative Climate Justice Fund** builds on Shared Capital’s long-standing financing to support renewable energy, energy efficiency, green jobs, and sustainability to support climate adaptation and resiliency efforts led by cooperatives. Shared Capital has made 54 loans totalling \$16,300,000 supporting climate justice since 2019.

Loans often meet the criteria of multiple program areas, and reported activities are not necessarily discrete or mutually exclusive, and therefore may be recognized as reflecting the work of more than one programmatic area. Borrowers do not apply for loans from specific programs, but submit a general application for a loan from Shared Capital. In the case of investments, WOLF is the only program area currently available for selection by investors. Investors may indicate during their subscription process that they wish to target their investments to WOLF. However, such preference does not restrict the Cooperative from utilizing the investment amounts for any lending activity. In the case of AEO, loan applicants are generally referred for a loan by Project Equity during their feasibility and development process. As program partners, the two organizations then work together to determine eligibility for the program’s below market rate loans based on established program criteria. The foundation is currently the only source of investment into AEO. Proceeds from the foundation loan are not restricted, but Shared Capital must demonstrate full use of the amount of the loan for the program’s purpose.

In all cases, programs adhere to Shared Capital’s underwriting standards, policies, and operating procedures and are governed by Shared Capital’s Board.

Technical Assistance and Training

As a CDFI, Shared Capital supports applicants, borrowers, and member cooperatives by providing technical assistance (TA) and education alongside its financial products to ensure that underserved businesses and communities can fully access and benefit from financing opportunities. TA and training address knowledge gaps, improve financial literacy, and build capacity, empowering borrowers to make informed financial decisions and successfully manage resources. By pairing these services with financial products, CDFIs enhance the likelihood of long-term borrower success, promote economic resilience, reduce risk of default, and fulfill the Cooperative’s mission to create sustainable and inclusive economic growth in underserved areas.

Shared Capital's staff provide free technical assistance to support applicants and borrowers on topics related to financing, loan readiness, and capital access and borrowing to ensure they are well-positioned for sustainable growth and financial success. When borrowers require more intensive support, Shared Capital refers them to external business developers or consultants who can provide in-depth, specialized expertise.

In addition to one-on-one technical assistance, Shared Capital provides group training through webinars and in-person workshops tailored to meet the needs of emerging and established cooperatives. Training sessions address key topics, such as loan readiness and financing options. In addition, the Cooperative delivers training to cooperative business developers and commercial lenders, who want to understand the specific challenges that cooperatives face in accessing capital and how to underwrite and structure financing for cooperatives. Shared Capital also sponsors accounting and financial management training provided by partner organizations to expand access to these vital resources. Training services, generally free or low-cost, are delivered directly or through conferences at local, regional, or national levels, empowering participants to build resilient and successful cooperative enterprises.

TA and training are not part of Shared Capital's revenue strategy and typically account for less than one percent of revenue. Instead, they expand access to capital and strengthen borrower performance, mitigating potential default risks. The costs of the services are partially offset by grants, modest honoraria, and discounted or free conference registrations that reduce marketing and outreach expenses. The Cooperative does not aim to compete with other service providers but instead positions itself as a trusted resource for cooperatives by leveraging institutional knowledge and staff expertise to support equitable economic growth.

Administration of Third-Party Loan and Grant Programs

In addition to administration and servicing of its own loans, from time to time the Cooperative administers lending and grant programs on behalf of other organizations to support mission-aligned work. These services are delivered under contract, and Shared Capital receives grant or fee revenue in exchange for delivery of certain services. Shared Capital does not bear the risk of loan losses or program outcomes under these programs administered for third parties.

Currently, the Cooperative administers three programs: The Kagawa Fund, the Co-op Creation Fund, and Minnesota Commons Land. The Kagawa Fund is a program of NASCO Development Services that provides loans to support affordable housing cooperatives in campus communities throughout the US. Since 2010, Shared Capital has administered the small fund and receives a modest administrative fee for evaluating, documenting, and servicing loans on behalf of NASCO Development Services. Shared Capital receives a modest fee of \$4,000 a year plus 2% of all new loans made under the program. The loan policies, underwriting criteria, and loan approvals are set by NASCO Development Services, and Shared Capital bears no risk for the performance of those loans. As such, the loans are not reflected on Shared Capital's balance sheet.

Between September 2022 and December 2024, the Cooperative administered the Co-op Creation Grant Fund for the Community Planning and Economic Development (CPED) department of the City of Minneapolis, a \$300,000 two-year pass-through grant for cooperative startups in Minneapolis. Eligible applicants were able to receive up to \$25,000 for certain start-up costs to support the creation and expansion of cooperative businesses in the city. The program policies and criteria were established by the City of Minneapolis. The program ended December 31, 2024, and final disbursements were completed in May 2025. Shared Capital recognized administrative fees as grant revenue over the course of the program. Shared Capital earned \$36,750 in administration fees over the 28-month program.

Shared Capital serves as fiscal sponsor for a three-year \$2.1 million foundation grant on behalf of Commons Land Community, a start-up initiative that seeks to create commons-based solutions to support farm land access for communities of color and new farmers in Minnesota. Shared Capital received the grant funding on behalf of the program in 2022, passed through funds for allowable uses, and provided accounting and administrative support through June 2025. Shared Capital retained an administrative fee for these services of 3.8% of the grant funds over the life of the agreement, which is approximately \$2,400 per month.

Administration of third-party loans and grants amounts to less than 3% of Shared Capital's revenue. Shared Capital participates in these programs in order to fulfill its mission to expand the cooperative economy, and does not rely on them for ongoing operating support. Shared Capital has no immediate plans to compete in the broader marketplace with providers of these or similar services.

Risk Management and Mitigation

Shared Capital's Board has established comprehensive policies to guide the staff and Board in lending and to help mitigate the risk of loan losses. Shared Capital underwrites applications based on project feasibility, business track record, management, governance, collateral coverage, projected repayment capacity, and potential for positive member and community impact. Many of the projects the Cooperative finances may not qualify for conventional bank financing, and we manage risk through thoughtful underwriting, creative deal structuring, patient and flexible repayment terms, and intensive monitoring and support.

To manage concentration risk, our policies cap financing to a single borrower at 10% of our assets, although we generally limit financing to a single borrower to no more than 5% of Shared Capital's assets. Loan policies establish approval processes and authority levels. The Loan Committee has the authority to approve loans up to 5% of the Shared Capital's assets and approval by the Board is required for financing over 5% of Shared Capital's assets. The Executive Director is delegated authority to approve loans up to \$100,000 that are low to moderate risk. Loans approved by the Executive Director are reported to the Loan Committee at its next meeting.

The Executive Director manages and oversees lending activities. All loans are secured by collateral, and appropriate liens and mortgages are filed. Staff monitors the financial condition of borrowers and tracks the repayment of loans. Staff proactively contact borrowers if payments are missed or financial performance deteriorates.

Shared Capital has no significant vulnerabilities due to concentrations in any customer, grantor, or contributor.

The Board and Committees provide oversight and monitoring of Shared Capital's loan portfolio, lending activities, and finances. The Loan Committee meets monthly to review and approve loan requests and provide oversight of the loan portfolio. The Loan Committee is made up of members of Shared Capital's Board along with outside experts who are appointed to the committee by the Board who bring expertise and knowledge of lending, finance, cooperative management, housing or small business development, and specific cooperative sectors, such as housing cooperatives, worker-owned cooperatives, and consumer cooperatives. The Loan Committee reviews lending policies annually and recommends changes to the Board.

The Finance Committee meets six times per year and is responsible for reviewing internally prepared financial statements; monitoring the financial performance and condition of the organization; reviewing and approving the audited financial statements; and approving the annual operating budget. The Board reviews financial statements and loan portfolio reports at its quarterly meetings. Annually, the Board engages an independent Certified Public Accountant (CPA) firm to conduct an audit of Shared Capital's financial statements and accounting practices. The Finance Committee serves as the Audit Committee.

Shared Capital maintains Loan Loss Reserves as protection against potential future loan losses. The Loan Loss Reserve is a non-cash, accrual-based reserve, except for loans made under the Accelerate Employee Ownership program, which are backed by a cash reserve funded by grants. The amount of the Loan Loss Reserve is calculated based on a loan-by-loan assessment of risk using a comprehensive risk rating system and according to criteria established in the Loan Policies. Each loan is risk rated on an A-G scale at the time the loan is approved by the Loan Committee, and risk level is monitored throughout the life of the loan. Risk ratings and Loan Loss Reserves are reviewed monthly by staff, quarterly by the Loan Committee, and at least semi-annually by the Board. Adjustments to risk ratings and reserve levels must be approved by the Loan Committee.

When borrowers experience problems, we work closely with them to support their long-term success and the repayment of the loan. If the borrower is unable to meet the original repayment terms, we may restructure the terms of the loans, such as providing interest-only payment periods, granting payment forbearance, reducing monthly payment amounts, or extending the loan term. Any modification to the terms of the loan must be approved by the Loan Committee. To respond promptly to emergent issues, staff has authority to make short-term modifications of up to 90 days, which are reported to the Loan Committee. Loans that have been restructured are noted as restructured until repaid in full.

Management maintains a watch list of loans to businesses that have experienced significant deterioration in business performance or financial conditions. These loans are monitored more closely, and additional reporting is provided to the Loan Committee and Board. When necessary, we take prompt action to secure, recover, and liquidate collateral. Loans are written off when they are deemed uncollectible, and any loan that is more than 120 days delinquent must be written off, unless staff can demonstrate that payoff or recovery is imminent. The Board must approve all loan write-offs.

Competition

Shared Capital faces competition from other lenders including national and community banks, credit unions, loan funds, and city, state, and federal government economic development and housing programs. Depending on the external interest rate environment, regulated lenders such as banks and credit unions are sometimes able to offer lower interest rates due to their scale; the lower cost of their capital from deposits and other sources; and because they do not provide the same level of support and assistance to borrowers. To compete effectively with other lenders, we rely on Shared Capital's competitive advantages as a member-owned lender, our extensive expertise in cooperative finance, our experienced underwriting, patient and flexible terms, and innovative financial products.

As a cooperative with four decades of cooperative lending experience, Shared Capital has extensive knowledge of cooperative finance, capital, governance, and management. Many lenders lack experience and familiarity with cooperatives and may therefore view them as too complicated or high risk.

Shared Capital fills an important capital access gap by offering smaller loans from \$5,000 to \$1 million. Many national banks and larger lenders have minimum loan amounts of \$500,000 or \$1 million because larger loans are more cost effective for them to make. However, studies show that there is significant unmet demand for smaller business loans of \$100,000 to \$500,000. With an average loan size of just over \$200,000, Shared Capital is well positioned to fill this capital gap.

Shared Capital's loan products and structures are well-suited to cooperatives. For example, many financial institutions and government programs, such as SBA small business lending programs, require personal guarantees by owners for all small business loans. This can be a barrier for cooperatives because their broad-based, democratic ownership structure, with limited individual control, does not align well with the individual's assumption of risk as a guarantor. Shared Capital does not require personal guarantees from cooperative members for business loans, but instead relies on the business's performance and assets for repayment.

Beyond competition, many lenders are also important partners for Shared Capital. Shared Capital often works with other lenders, leveraging their expertise and capital to meet the financing needs of cooperatives. We partner with local banks, credit unions, and other CDFIs to

share risk, leverage additional capital, and combine their local market knowledge with Shared Capital’s cooperative expertise. Shared Capital partners with other specialized cooperative lenders, including National Cooperative Bank (NCB), Capital Impact Partners, the Cooperative Fund of the Northeast (CFNE), Local Enterprise Assistance Fund (LEAF), Rochdale Capital, the Working World/Seed Commons, and ROC Capital to leverage capital and share risk.

In addition to competition in lending activities, we also experience competition in our efforts to raise debt and equity capital and grant funds to support our work. Shared Capital competes with other CDFIs for loans and grants from foundations, impact investors and government programs, including from the US Department of Treasury CDFI Fund. Since Shared Capital is not a depository financial institution, like a bank or credit union, we cannot raise lower-cost capital by offering deposit accounts. While Shared Capital makes an effort to offer a competitive return to investors in its Class A Preferred Shares and Investment Notes, Shared Capital may not offer a fully risk-adjusted rate of return on its investments. Therefore, Shared Capital secures investments from members, socially minded institutions, and impact investors seeking a double- or triple-bottom-line investment option that includes social and environmental returns alongside a potential modest monetary return.

As a member-owned financial institution, Shared Capital is also able to build upon the loyalty and shared values of its members. Members have consistently demonstrated strong support through investments and borrowing, and many members prefer working with Shared Capital because of our cooperative structure and our mission-driven lending to cooperatives.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) should be read in conjunction with the accompanying audited financial statements and related notes for the fiscal year ended December 31, 2024, and the unaudited interim financial statements and related notes for the nine months ended September 30, 2025 and 2024 included elsewhere in this offering circular. This MD&A discusses the Cooperative’s financial condition as of September 30, 2025 and material changes in financial condition since December 31, 2024, as well as the Cooperative’s results of operations for the nine months ended September 30, 2025 compared to the corresponding period in 2024. The discussion and analysis reflect information available to management as of the date of this offering circular.

The discussion contains forward-looking statements relating to our plans and expectations for future operations. Forward-looking statements may be based on assumptions, and reaching any predicted result is uncertain and involves risk. Shared Capital’s actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those discussed under “Risk Factors” and elsewhere in this Offering Circular.

Financial Performance

During the nine months ending September 30, 2025, the Cooperative's financial performance was influenced by changes in loan portfolio activity, loan fee generation, and the timing of certain non-recurring items. Results for the period included a non-recurring gain related to the sale of assets and changes in revenues and expenses associated with grant activity. The Cooperative's financial position and results of operations during the interim period were also affected by changes in liquidity and balance sheet composition, as discussed further below.

Operating Results

This discussion covers results of operations for the nine months ended September 30, 2025, and where appropriate, comparing those results to the same period in 2024 to explain material changes between those two dates. In this section, unless otherwise noted, all references to 2025 mean year-to-date September 30, 2025, or refer to balances on that date. Likewise, all references to 2024 mean year-to-date September 30, 2024, or refer to balances on that date.

Earned Revenue. Earned revenue includes interest income from loans, interest earned on cash accounts, loan fees, loan recovery income, and consulting income.

Interest income from loans receivable went down \$49,550 (4.7%) in the nine months ending September 30, 2025 as a result of some loans in the portfolio paying off early, while loan fees went up by \$86,152 (157%) due to increased underwriting of new loans. Together with loan recovery revenue (income from loans previously written off), total loan-related revenue (interest income, loan fees, and loan recovery income) increased by \$32,317 (2.9%) in 2025.

Shared Capital earned \$47,711 in consulting income 2024, and \$700 in 2025. As Shared Capital is not primarily engaged in the consulting business, consulting revenue is typically an insignificant portion of the Cooperative's overall revenue picture. With that said, Shared Capital earned \$40,000 of non-recurring consulting income in 2024 as a result of a loan reseller agreement with a solar financing company and another \$6,381 from its work with Commons Land Community, for whom Shared Capital served as fiscal sponsor. The relationship with Commons Land Community ended at the end of 2024. Shared Capital's \$700 in 2025 consulting income came from honoraria and speaking at conferences.

Interest on cash accounts was \$53,941 in 2025 and \$57,131 in 2024. This includes interest on deposit accounts and earnings on investments in other cooperatives.

Contributed Revenue and Contributions Expense. Grants and contributions were \$1,243,109 in 2025 and \$502,871 in 2024. Contributions expense was \$862,343 in 2025 and \$169,802 in 2024. It is important to consider contributed revenue together with contributions expense line. During the period 2022-2025, Shared Capital administered two "pass-through" grants, which were grants received on behalf of another entity or on behalf of a program pursuant to an agreement whereby Shared Capital receives the granted funds and disburses them according to

the terms of the associated agreement, retaining an administrative fee. Such grant funds received are held in Shared Capital's deferred revenue account on the balance sheet until such time they are disbursed. Once disbursed, these funds are moved out of deferred revenue and are simultaneously recognized as grant revenue and are recorded as contributions expense. As a result of the pass through of grant funding, netting the Grants and Contributions revenue line and the Contributions expense line gives a more complete picture of the amount of grants received strictly for the benefit of Shared Capital. The net amount was \$380,766 in 2025 and \$333,069 in 2024. In 2025, \$353,585 was recognition of a McKnight Foundation grant, the purpose of which is to build capacity and increase access to capital. In 2024, \$300,000 of the net contributed revenue was from the OFN Finance Justice Fund grant. The remaining amounts in both years were administration fees for the pass-through grants previously mentioned.

Interest Expense. Interest expense represents the cost of capital borrowed for lending. It is the interest paid by Shared Capital to investors on investment notes payable. Shared Capital pays interest to cooperatives members, individuals and institutions who have made investments through Shared Capital's previous investment offerings, as well as to institutional investors, such as foundations, investment funds and financial institutions who have provided debt financing. Interest expense dropped from \$307,604 in the first nine months of 2024 to \$304,281 in 2025. The weighted average interest rate paid for investment notes rose from 2.305% at September 30, 2024 to 2.356% at September 30, 2025.

Gross Profit from Lending Activities. Lending is Shared Capital's primary activity and purpose; Shared Capital finds it useful as a management metric to track the return on the cost of lending funds as a measure of performance. Gross profit from lending activities is the return on capital (lending income) less the cost of capital (interest expense).

Lending income, which is interest earned on loans plus loan fees collected, remained fairly steady, rising from \$1,110,166 in 2024 to \$1,146,768 in 2025 (3.2%). Interest expense, as noted in the section above, dropped by about 1% during the same time. Gross profit from lending activities was \$802,562 in 2024 and \$842,487 in 2025, a year-over-year increase of \$39,925 (5.0%).

Gain on Sale of Assets and Real Estate Expenses. In 2025, Shared Capital realized a \$33,358 non-recurring gain on the sale of real estate, which it acquired via a deed in lieu of foreclosure. The real estate was collateral for a troubled housing cooperative loan. There were \$23,510 in associated costs to prepare the property for sale. This is not part of Shared Capital's ordinary operations.

Operating Expenses. Operating expenses consist of personnel costs (including benefits and payroll taxes), fees paid to consultants and other vendors, audit and accounting expenses, attorneys' fees, expenses for marketing and advertising, occupancy (including office rent and utilities), telephone, internet and IT services, corporate insurance, travel by employees, training and professional development, office supplies and postage, as well as non-cash expenses, including depreciation and amortization. Operating expenses specifically exclude interest

expense, provision for loan losses, and contribution expenses, which are separately described in their own sections.

Personnel costs are the largest portion of Shared Capitals operating expenses. They rose from \$842,427 to \$1,098,380 (30.4%) from September 2024 to September 2025. Between those dates, Shared Capital added 3.80 FTE, going from nine employees to 13; a higher cost of health care benefits combined with salary adjustments, drove the remainder of the increase. One employee was terminated as of December 31, 2025, leaving Shared Capital with 12 employees going into the new year.

Board expenses were high in the first nine months of 2024 at \$67,668, as Shared Capital invested in board strategic planning including strategic planning consultant fees, travel, lodging, and food costs for a board and staff retreat. Board expenses of \$7,524 were recorded in the first nine months of 2025, mostly reflecting the remainder of payments to the cooperative's strategic planning consultants, and reimbursements for board travel.

Professional services consist of legal fees and audit and accounting costs. There was a 13.5% increase between September 30, 2024 and 2025, which increase was a function of growth and the associated increasing complexity of Shared Capital's finances, including the legal cost of the transfer of deed from our borrower to Shared Capital and, in turn, to the new buyer.

Outside services include IT services, cleaning and maintenance, contract lending support, technology consulting, CDFI certification and award application support, and various other consultants and services. The increase in this category from \$151,880 in 2024 to \$183,042 in 2025 (20.5%) was primarily due to a \$50,000 payment to Cooperatives for a Better World as an investment in a partnership to develop loan readiness training curriculum.

Provision for Loan Losses. Provision for loan losses is a non-cash expense to adjust loan loss reserves to reflect the anticipated risk of nonpayment of loans receivable (see also the discussion of Loan Loss Reserves below). Provision expense in the first nine months of 2024 was \$275,542, driven by an increase in the size of the portfolio in that year. Provision expense through the first nine months of 2025 was negative due to a nominal downsizing of the loan portfolio following payoffs of several loans.

Loan Recovery Income. Loan recovery income consists of repayments received on loans that have been previously written off. Loan recoveries were \$10,139 in the first nine months of 2024, and \$5,854 in 2025 through September.

Net Income. Net income is the final income or loss after revenues are reduced by operating expenses, loan losses, provision for loan losses, interest expense, and provision for income taxes. Year-to-date net deficit through September 2024 was \$367,633. The deficit through the same period of 2025 was \$390,797. Shared Capital did record a net surplus for year-end 2024 of \$228,156. Higher loan fee revenue in 2025, together with higher net contributed income and a non-recurring gain on the sale of assets, partially offset the increase in personnel costs. As a

result of these factors, the Cooperative's net deficit for the nine months ended September 30, 2025 was \$23,164 greater than the net deficit for the same period in 2024.

Liquidity and Capital Resources. Cash and near-cash assets totaled \$2,507,313 at September 30, 2025, compared to \$4,084,702 at September 30, 2024. The decrease in cash during the interim period primarily reflects increased deployment of lending capital, the liquidation at maturity of certificates of deposit held at September 30, 2024, and a slowdown in new investment inflows. At September 30, 2025, the Cooperative did not hold any certificates of deposit. At December 31, 2025, cash and near-cash assets totaled \$2,522,762.

Liquidity has also been affected by lower levels of new investments received during 2025, which management attributes to higher interest rates and the absence of an active direct public offering during much of the year. During the interim period, the Cooperative temporarily drew \$1.0 million under its line of credit to support certain regulatory reporting metrics applicable to certified community development financial institutions. The line of credit was subsequently repaid in full and no balance was outstanding as of the date of this offering circular.

The Cooperative's primary sources of liquidity consist of cash on hand, repayments of principal on loans, and proceeds from investment notes, preferred stock, and other debt financing. Primary uses of liquidity include funding new loans, servicing existing debt obligations, paying operating expenses, and, when declared, paying dividends.

Deferred revenue totaled \$1,859,718 at September 30, 2024 and consisted entirely of pass-through grant funds received in connection with two programmatic grants administered by the Cooperative. Both programs were completed during 2025, and the related funds were fully disbursed, resulting in no deferred revenue balance at September 30, 2025.

At September 30, 2024 and September 30, 2025, the Cooperative's current ratio was 1.60 and 1.52, respectively, indicating the Cooperative's ability to meet its short-term obligations with short-term assets. Based on available information, the Cooperative believes its existing liquidity sources are sufficient to meet near-term operating and lending needs. The Cooperative does not have any planned capital expenditures that would materially reduce liquidity.

Additional Financial Information

Grant Awards. The CDFI Fund of the US Department of Treasury has historically been one of the Cooperative's largest funders. The CDFI Fund offers competitive annual funding opportunities, and Shared Capital has received numerous CDFI Fund awards, but none since 2021, when Shared Capital was awarded a grant of \$1,826,265 through the CDFI Fund's special Rapid Response Program (RRP) to support business recovery from the COVID-19 pandemic. We received grant awards from the CDFI Fund Financial Assistance program of \$520,000 in 2020 and \$565,000 in 2019. In addition, in 2020, we received a \$1,050,000 grant award from the CDFI Fund Healthy Food Financing Initiative (HFFI). Shared Capital did not apply for an award in

2022, and there was no CDFI Fund funding round in 2023. Shared Capital did not receive an award from the CDFI Fund in the 2024 funding round.

We anticipate continued funding from the CDFI Fund, but we do not expect to receive CDFI Fund funding every year. The awards from the CDFI Fund are highly competitive, with more than 1,300 CDFIs vying for funding, and the amounts of potential awards depend on funding levels set by Congress. Most awards require a dollar-for-dollar match of the same type (i.e. grant, debt, or equity) and depend on Shared Capital's financial and programmatic performance and the strength of our funding proposals. Our access to funding from the CDFI Fund depends on our compliance with prior funding awards agreements, maintaining CDFI certification, and continued deployment of funds to economically disadvantaged communities in alignment with CDFI guidelines.

Recent major awards to Shared Capital have included, in 2024, a \$1 million multi-year grant from McKnight Foundation to support the Cooperative's strategic growth and lending activities, especially in Minnesota. The first tranche of \$500,000 was received in October 2024, and the second tranche in December 2025. These awards reside in deferred revenue until such time that grant requirements are met, and the revenue is recognized as income. On December 31, 2025, \$500,000 of this award was received but not yet recognized as income.

In 2022, Shared Capital received a \$2.1 million multi-year grant award from the Bush Foundation to support Minnesota Commons Land, to support farmland access to farmers of color and beginning farmers. Shared Capital served as fiscal sponsor for this grant, and most of the grant passes through to the project; Shared Capital retained an administrative fee. This grant was fully recognized on June 30, 2025.

In 2019, Shared Capital received a one-time \$1 million multi-year grant and \$4 million twelve-year zero-percent interest loan from the New World Foundation through its Quality Jobs Fund. The award supports Accelerate Employee Ownership, which is a collaborative program with the national nonprofit Project Equity. The program seeks to expand employee ownership and create and sustain high quality jobs in local communities. The award supports assistance and financing to employees to purchase the business. On December 31, 2025, the balance on the loan was \$1 million. The collaborative program has fulfilled requirements for forgiveness of this last \$1 million, but has not received notice of forgiveness. We expect that in the first quarter of 2026. Shared Capital also received a \$500,000 multi-year grant award from the New World Foundation related to COVID assistance in 2022. A portion of the funds was distributed to program partners, with the balance used to provide forgivable loans and to support program costs associated with technical assistance and training programs.

Investment Notes. Investment notes (represented as long-term debt on the balance sheet) are loans made to Shared Capital by members and non-members of the association, including individuals, foundations, religious congregations, cooperatives, and financial institutions. Investment notes are a primary source of capital for Shared Capital's lending activities. Outstanding investment notes payable have remained fairly steady over the past three years as

new investments were raised at a marginally higher rate than investments were paid down. Investment notes payable on September 30, 2025 and 2024 were \$16.30 million and \$16.45 million.

Preferred Stock. Preferred stock is sold and redeemed at par value only (\$10/share); dividends are issued in additional shares to preferred stock. Preferred stock balance at on September 30, 2025 and 2024 was \$5.46 million and \$5.08 million. Between January 1, 2024 and September 30, 2024, there were \$981,200 in preferred stock purchases, no redemptions, and \$168,758 paid as dividends in the form of additional preferred stock. Between January 1, 2025 and September 30, 2025, there were \$105,000 in preferred stock purchases, no redemptions, and \$195,686 paid as dividends in the form of additional preferred stock. The drop in preferred stock purchases in 2025 is attributable to not having an active stock offering during that period.

Stockholders' Equity. Stockholder Equity includes common stock (voting stock and non-voting stock) and additional paid-in capital. Voting stock is held by members. Consistent with cooperative principles, each member holds one share of voting stock, purchased for \$10. Nonvoting stock (also \$10 per share) is held by non-member institutions. Additional paid-in capital is invested by individual members and by cooperative member-borrowers. Between January 1, 2025 and September 30, 2025, Shared Capital gained \$90 in voting stock, \$2,225 in nonvoting stock, and \$39,109 in additional paid-in capital. As of December 31, 2025, there were 488 shares of voting stock outstanding (\$4,880), 155,868 shares of nonvoting stock (\$1,558,676), \$871,149 in additional paid-in capital, and \$186,656 in retained patronage dividends.

Asset Quality, Portfolio Risk, and Loan Losses

The Cooperative has been engaged in lending activities for over 45 years. As a CDFI engaged in lending to small businesses and housing organizations, from time to time we experience loan losses in the normal course of business. For example, increased competition within retail grocery led to declining financial performance and increasing rates of failure for some food cooperatives between 2016-2019, including some Shared Capital borrowers, resulting in higher loan losses during that time. Similarly, the housing crisis led to higher failure rates of some housing cooperatives and resulted in the loss by Shared Capital of two loans to housing co-ops between 2008 and 2011. Likewise, unforeseeable market changes in the future could potentially affect Shared Capital borrowers in affected industries or geographic areas, leading to larger than anticipated loan losses. Shared Capital's historical losses are 3.81% (loan losses less recoveries divided by total loans issued) since inception, which is comparable to other CDFIs and bank lenders. The Cooperative wrote off no loans in 2022, two loans in 2023 for a total write-off of \$443,153, and two loans in 2024 for a write-off of \$295,602, and two loans to one borrower in 2025 for a write-off of \$36,353. Occasional loan losses are expected but can't be reliably predicted.

Loan Loss Reserves. Shared Capital maintains loan loss reserves to protect investors and preferred and common stockholders from the possibility of loan defaults. Loan loss reserves, a

specific type of allowance for bad debt, are non-cash reserves that are calculated using allocations tied to the risk rating of each loan and based on historic portfolio assumptions, CDFI best practices, and factors affecting specific loans, and are aggregated and applied to the portfolio as a whole. (For more details on how risk ratings correspond to reserve rates, see Note 2 in the audited financials in section F-1).

Shared Capital's loan loss reserve shows the credit quality of its loan and equity investments portfolio, and is the primary measure of its asset quality. Each new loan is assigned a letter risk rating between A-F when approved. Risk ratings are set by Shared Capital's loan committee based on recommendation from management and staff as part of the underwriting process. The letter rating corresponds to the most appropriate description of creditworthiness we can assign to each loan using the Description of Creditworthiness table found in Note 2 of the audited financials in section F-1, based on the information gathered during the underwriting. The staff monitors the performance of borrowers through financial reporting and communication with borrowers and recommends adjustments when needed. The risk ratings of the full loan portfolio are reviewed monthly by the staff and management, and at least semi-annually by the loan committee, and annually by the board of directors.

Risk ratings of A through E reflect an assessment based on historical experience and performance of the portfolio. Risk ratings F to G, which are problem loans, reflect the amount of anticipated loan loss. As described above, we reserve a percentage of each individual loan, which percentages correspond to the assigned credit ratings, which are 0% for A+, 1% for A, 3% for B, 5% for C, 10% for D, 15% for E, 25% for F (or more depending on the challenges faced by the borrower), and up to 100% for G, which represents doubtful accounts. This information is available in table form in Note 2 of both the audited and the interim financials presented in this circular. Loan loss reserves for each loan are added together to arrive at the aggregate loan loss reserve for the portfolio.

Shared Capital's aggregate loan loss percentage, which is the aggregate loan loss reserve stated as a percentage of the total loan and equity investment portfolio, was 7.77% and 8.33%, on September 30, 2025 and 2024, respectively. This reflects some improvement in the credit quality of the portfolio over the period. Throughout the period over 80% of the portfolio was rated low to medium risk (C or better), reflecting average to very good credit quality. The loan loss reserve percentage as of December 31, 2025, was 8.09%.

Commitments and Off-Balance Sheet Credit Exposures

In the normal course of business, Shared Capital makes formal lending commitments prior to closing and disbursing loans. Such commitments represent future Notes Receivable, and as such, may exist as an off-balance sheet credit exposure at the end of any given financial reporting period. Such commitments are the product of the Cooperative's underwriting process and hence have undergone the same risk rating process applied to closed loans. They are accounted for in cash flow planning and are regularly reported as part of management reporting to the board and funders.

Trend Information

Shared Capital has experienced increased demand for its lending and technical assistance services in recent years as interest in cooperative and employee-owned business models has grown among community development organizations, funders, and policymakers. This demand continued through 2025, with applications for financing exceeding available deployable capital at various points during the period. Management attributes this trend to a combination of factors, including increased attention to cooperative models as tools for community-based economic development and the continued role of certified community development financial institutions (“CDFIs”) in serving borrowers with limited access to conventional financing.

Grant and contribution income is inherently uncertain and dependent on competitive application processes, funder priorities, and compliance with award requirements. While the Cooperative continues to recognize revenue from existing multi-year grant awards as related programmatic conditions are met, there can be no assurance that future grant funding will be available in the same amounts or on similar terms. Management monitors these trends as part of its ongoing planning and seeks to balance grant-funded activities with earned revenue and investment-based capital to support the Cooperative’s operations and lending activities.

Fair Value of Financial Instruments

In accordance with ASC 825-10-50-10, management has estimated the fair values of the Cooperative’s financial instruments as of December 31, 2025. These estimates include instruments not measured at fair value in the audited financial statements. The fair values below are management’s estimates and have not been audited.

Table: Fair Values of Financial Instruments

Financial Instrument	Carrying Value (12/31/2025)	Estimated Fair Value	Fair Value Hierarchy	Valuation Methodology
Cash and Cash Equivalents	\$ 2,522,762	\$ 2,522,762	Level 1	Observable inputs; balances held in demand deposits.
Certificates of Deposit	\$ 0	\$ 0	Level 2	Based on interest rates and time to maturity.
Accounts Receivable	\$ 172,216	\$ 172,216	Level 2	Short-term receivables approximating fair value.
Accrued Interest Receivable	\$ 296,031	\$ 296,031	Level 2	Based on expected cash flows.
Notes Receivable (net of allowance)	\$ 21,274,902	Approx. \$21,274,902	Level 3	DCF model using unobservable borrower-specific inputs.
Equity Investments in Other Cooperatives (net of allowance)	\$ 337,459	\$ 337,459	Level 3	Based on investee financials; illiquid markets.
Membership Equity in Other Cooperatives	\$ 13,092	\$ 13,092	Level 3	Based on cooperative-issued redemption value.
Accounts Payable and Accrued Expenses	\$ 303,159	\$ 303,159	Level 2	Short-term obligations approximating fair value.
Long-term Debt (net of loan costs)	\$ 16,693,463	Approx. \$16,693,463	Level 2	Discounted cash flows using market-based interest rates.
Line of Credit*	\$ 1,000,000	\$ 1,000,000	Level 2	Short-term; fair value approximated by carrying value.

* Line of Credit was repaid after period end.

Additional Disclosures

Notes Receivable: These are not actively traded. Valuation is based on internal discounted cash flow models adjusted for borrower credit ratings, loan terms, collateral, and market conditions. The loans are individually risk-rated and an allowance for credit losses is applied.

Equity Investments: These are preferred stock holdings in other cooperatives. Because markets for these securities are not active, valuation is based on internal analysis of investee financial condition and redemption provisions.

Debt Instruments: The company's long-term debt consists primarily of unsecured loans from institutions and individuals. These instruments are not actively traded, but fair value is deemed to approximate carrying value due to their fixed or low-interest rates and the nature of the investor base.

Management has determined that the differences between the carrying amounts and estimated fair values of these financial instruments are not material to the financial statements.

The foregoing discussion constitutes Management’s Discussion and Analysis of Financial Condition and Results of Operations.

DIRECTORS, EXECUTIVE OFFICERS, AND SIGNIFICANT EMPLOYEES

Shared Capital Cooperative is a Minnesota cooperative association governed by a volunteer, independent board of directors (“Board”) with significant experience with cooperative management, finance, governance, and development, and managed by executive staff with a high level of experience in community development finance, commercial lending, and cooperative development, management, and finance.

Table: Directors and Officer

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Term of Office¹</u>	<u>Years of Relevant Experience</u>
<u>Executive Officers²</u>				
Terence Courtney	President of the Board	54	8/2022-5/2026	12
Holly Jo Sparks	Vice President	50	5/2025-5/2026	30
Cecily Mireles	Secretary of the Board	31	5/2025-5/2026	5
Kristi Broughton	Treasurer of the Board	38	5/2025-5/2026	17
<u>Directors³</u>				
Samantha Bailey	Director	36	6/2024-5/2027	12
Enrique Blanco	Director	45	6/2023-5/2026	20
Anna Boyer	Director	46	5/2025-5/2028	18
Kristi Broughten	Director	38	6/2024-5/2027	17
Terence Courtney	Director	54	6/2020-5/2026	12
Richard Dines	Director	60	6/2024-5/2027	32
Matthew Epperson	Director	37	6/2024-5/2026	16
Anthony Goodwin	Director	38	6/2024-5/2027	21
Cecily Mireles	Director	31	6/2024-5/2025	5
Charity Schmidt	Director	48	8/2022-5/2025	12
Holly Jo Sparks	Director	50	4/2017-5/2026	30
<u>Significant Employees</u>				
Christina Jennings	Executive Director	55	8/25/2008	27
Mark Downey	Director of Finance and Operations	62	4/30/2021	40

Board and Officer Table Footnotes

- ¹ Officers of the Board serve one-year terms, which may be consecutive. Directors serve terms of up to three years, which may also be consecutive. The start dates listed refer to the date the person first began to serve in that position. The person may have served consecutive terms since that date. The end date refers to the end of the current term.
- ² The Executive Officers are the officers of the Board. They are not compensated for director or officer duties.
- ³ All Directors serve without compensation.
- ⁴ The Significant Employees are full-time employees of the issuer.

Family Relationships

There are no family relationships among the Executive Officers, Directors, and Significant Employees.

Executive Officers

Christina Jennings, Executive Director

Christina Jennings joined Shared Capital in 2008 as the Executive Director, where she provides strategic leadership, oversees lending programs, and leads capitalization and fundraising efforts. Jennings has worked for over twenty-five years in community development finance in the US and internationally. Prior to joining Shared Capital, Jennings ran a microfinance program; provided technical assistance and training to support the development and growth of immigrant-led nonprofits; and managed two international funds that invested in local microfinance organizations in Latin America. She has also launched and managed several small businesses and social ventures. Throughout her career, the focus of her work has been on supporting capacity building, working for economic justice, and creating equitable access to capital. She has 30 years of experience including over 27 years of experience in community development finance and 20 years of experience in organizational management.

Jennings holds a Master's Degree in Public Affairs focused on Community Economic Development and Nonprofit Management from the Humphrey School of Public Affairs at the University of Minnesota, and she received a BA in Gender and International Development from Hampshire College in Amherst, Massachusetts. Jennings currently serves on the board of directors of the National Cooperative Business Association (NCBA-CLUSA), where she is Vice Chair. She serves as board member and Treasurer of the Cooperative Development Foundation in Washington DC and City of Lakes Community Land Trust in Minneapolis. She also serves on the Loan Committee of Latino Economic Development Center, a Minnesota CDFI.

Mark Downey, Director of Finance and Operations

Mark Downey is responsible for financial management and oversight, operations, administration, compliance, and collaborating with the senior management team in the

strategic leadership of Shared Capital. Prior to joining the team in 2021, Downey spent over 15 years in finance and administration leadership roles in nonprofits. He was Chief Operating Officer at Baby's Space: A Place to Grow from 2011 to 2015, and Director of Administration at Plymouth Christian Youth Center from 2015 to 2021. In addition, he has served as Treasurer for three nonprofits over the past 17 years, including the Minnesota chapter of Greyhound Pets of America from 2007-2012, The Museum of Russian Art from 2019 to 2025, and Find Your Power from 2020-2021. He was President and Board Chair for the Capri Real Estate Holding Company from 2019-2021 as part of a New Markets Tax Credits structure. He also served on the Investment Committee for the Metropolitan Alliance of Connected Communities from 2015-2021. Downey holds a Master of Public and Nonprofit Administration degree from Metropolitan State University.

Shared Capital Board of Directors

Samantha Bailey

Senior Product Strategist, Software for Good, Minneapolis, Minnesota

For the past 12 years, Samantha Bailey has worked in community-based organizations spanning hunger relief, affordable housing, and cooperative development and finance. She has worked as Senior Product Strategist since October of 2023 at Software for Good, where she works with social enterprises, nonprofits, and public agencies to design technology solutions that meet the needs of real people and communities. From April 2023-September 2023, Bailey concurrently worked at the City of Saint Paul as Senior Project Manager and at Cogent Consulting PBC as Senior Investment Associate. Prior to that, she worked as a Loan Officer and then Lending Team Manager at Shared Capital Cooperative from 2019-2023. She has also served on the Advisory and Finance Committees for Listen Up! Youth Radio as they considered cooperative conversion.

Bailey was nominated by Eastside Food Cooperative in Minneapolis, where she served as board President. She has eleven years of related experience. Bailey joined the Shared Capital board in 2024 and serves on the Loan Committee.

Enrique Blanco

Director of Operations, Latino Economic Development Center, Saint Paul, Minnesota

Enrique Blanco served as the Director of Operations for the Latino Economic Development Center (LEDC), a CDFI loan fund in Saint Paul, Minnesota from 2020-2024. Prior to that, Blanco worked at Wells Fargo as Senior Consultant from 2018-2020. During his tenure at LEDC, Blanco led a comprehensive strategy and operations transformation project while concurrently providing technical assistance, business training services, and loans to the Latinx entrepreneurs of Minnesota. He worked on the advocacy efforts of LEDC at the Minnesota legislature, which secured \$8 million in funding for the Plaza del Sol revitalization project on the East side of Saint Paul. Blanco contributed to designing and launching the Minnesota Inclusive Growth Fund (MIGF), which focuses on the long-term recovery and growth of BIPOC businesses by increasing access to flexible and affordable capital and support services across Minnesota.

Blanco holds an MSc in Security Technologies with a Minor in Cybersecurity from the University of Minnesota-Twin Cities. Originally from the Texas/Mexico Borderland, Enrique Blanco has called Minnesota home since 2012, when he moved from his hometowns of Ciudad Juarez, Mexico, and El Paso, Texas. He lives in Minneapolis with his wife and three sons.

Blanco was nominated by Seward Community Co-op, where he is a member. He joined the Shared Capital board in 2023. He brings over 19 years of related experience. He previously served as Vice President and is currently chair of the Racial Justice Committee.

Anna Boyer

Bookkeeper, C4 Tech & Design, New Orleans, Louisiana

Anna Boyer has been a worker-owner at the worker owned IT Services cooperative, C4 Tech & Design, since 2009, serving as their bookkeeper and a cooperative member. It was there that she developed her love for cooperative ownership, small business strategy, and numbers. Originally from Phoenix, Boyer has a B.S. in Biology from Arizona State University and recently received a B.S. in Accounting from the University of New Orleans. She now lives in New Orleans and is currently pursuing CPA candidacy in Louisiana, where she plans to grow her work with cooperatives and individuals to improve financial literacy and lessen their burden of financial bureaucracy.

Boyer was nominated by the US Federation of Worker Cooperatives, where she previously served on the board. She was elected to Shared Capital's board in 2022, and has over 17 years of related experience. She currently serves on the Finance Committee.

Kristi Broughten, Treasurer

Director of Finance, Mississippi Market, Minneapolis, Minnesota

Before joining Mississippi Market Food Co-op in St. Paul, Minnesota, as the Director of Finance in 2022, Kristi Broughten spent more than 10 years in public accounting, working both as an auditor and a consultant with different types of co-ops and nonprofits throughout the Midwest. She worked at Olsen Thielen and Co., Ltd., first as Audit Manager and then as Accounting and Regulatory Consultant Manager for over 11 years before that. She earned an MBA from the University of Minnesota Carlson School of Management in 2016 and is a Certified Public Accountant in the state of Minnesota.

Broughten was nominated by Mississippi Market. She was elected to Shared Capital's board of directors in 2024 and brings over 16 years of related experience. She is the Treasurer of the board and serves on the Executive Committee and as Chair of the Finance Committee.

Terence Courtney, President

Director, Co-op Development & Strategic Partnership, Federation of Southern Cooperatives/Land Assistance Fund, Epes, Alabama

Terence Courtney has been involved in cooperative development for the last 11 years. In that time, he has worked in the South to create food buying, fisherman, health/wellness, childcare, housing, farm/rancher and worker-owned cooperatives. Since 2018, Courtney has served as the Director of Cooperative Development & Strategic Initiatives for the Federation of Southern Cooperatives, where he coordinates with State Directors on Regional Cooperative Development Strategy, supporting local development in states where the Federation does not have regular staff. Internationally, Courtney led the Federation's effort to create multi-lateral partnerships based in Cooperative Economics.

Courtney was nominated by the Federation of Southern Cooperatives. He was elected to the Shared Capital Board of Directors in 2020, and brings over eleven years of related experience. He has served as President and Board chair since 2022. He is chair of the Executive Committee and also serves on the Loan Committee.

Richard Dines

Engagement Consultant, America's Credit Unions, Arlington, Virginia

Richard Dines works with credit unions across 11 states from Maryland to Maine to ensure that they are optimizing their membership with the association. He was with Credit Union National Association (which merged with NAFCU and became America's Credit Unions beginning in 2024) for 15 years in different roles, including Engagement Consultant, Senior Director of Awareness Business Development, and Executive Engagement Strategist. Before his time with CUNA, he worked for the National Cooperative Business Association (NCBA) and the National Cooperative Bank (NCB). He has worked at America's Credit Unions as Director of League Engagement for the past year.

Dines has a law degree from the University of California College of Law in San Francisco, a Master's in City Planning from the University of North Carolina, and a Bachelor's from the University of Michigan. He lives in Arlington, Virginia with his wife and two daughters. Nominated by Cooperative Development Services, Dines was elected to Shared Capital's board in 2024. He has over 31 years of experience and serves on the Finance Committee.

Matthew Epperson

Consultant, Own Labor, Rent Capital, LLC, Athens, Georgia

Matthew Epperson currently consults as the Employee Ownership Domain Expert for Zolidar, where he has helped facilitate smooth conversions for businesses to employee ownership for the past year. Before that, he was Business Director at Savvy Cooperative for more than three years, and Executive Director at Georgia Cooperative Development Center from 2017-2022. He also brings nearly 10 years in grocery co-op leadership experience, both in operations and in governance, and nearly two years in front-line cooperative banking (during COVID-19) at one of the largest credit unions by asset size in the US. He founded Georgia Co-op Development

Center as a 501(c)3 in 2017 and worked three years in a platform multi-stakeholder healthcare research co-op.

Epperson serves as Secretary for Hive Mind Community Investment Co-op, is a committee member of the Social Economy Coalition, has been Chair of the CooperationWorks! membership committee for three years, and has served on the Cooperative Food Empowerment Directive board for two years. Epperson is a 2015 graduate of the Saint Mary's Master of Management, Co-ops and Credit Unions program.

Epperson is an individual member of Shared Capital and is the individual member representative on the board. He was elected to the Shared Capital board in 2024. He has over 15 years of related experience and currently serves on the Finance Committee.

Anthony Goodwin, Ph.D.

Business Innovation Director, National Co+op Grocers, Toledo, Ohio

Anthony Goodwin became Chief Executive Officer of the National Co+op Grocer Development Cooperative in February 2025. He previously served as the Business Innovation Director for National Co+op Grocers (NCG) from 2021-2025, where he is focused on the research and development of innovative solutions to grow the size, scope, and diversity of the cooperative grocery sector in low-income, low-access communities. Prior to that, he worked at ProMedica for over six years in various director-level roles. His passion is improving food access in under-resourced communities. He has over 19 years of grocery industry experience across various sectors including national chains, nonprofits, and cooperatives. Prior to joining NCG, Anthony worked in retail operations and new store development for Meijer and Lucky's Market and led the development of three nonprofit grocery stores in Ohio and Michigan. Goodwin has a Bachelor of Science degree and Master of Business Administration degree, and a Ph.D. in Public Health with a concentration on food justice and health equity from The University of Toledo.

Nominated by NCG, Goodwin was elected to the Shared Capital board in 2024, Goodwin brings 20 years of experience and serves on the Loan Committee.

Cecily Mireles, Secretary

Worker Member, Hasta Muerte Coffee, Oakland, California

A proud transgender woman of color, Cecily Mireles has served as a worker-owner at Hasta Muerte Coffee for the past three years. Before Hasta Muerte, Mireles was Project Manager at Architectural Millwork of Santa Barbara from 2016-2021, and is a freelance graphic designer.

Hasta Muerte is a vibrant seven-member worker-owned cafe nestled in the Fruitvale neighborhood of Oakland, California, committed to creating an inclusive environment that amplifies the voices of marginalized communities, particularly people of color, queer, and transgender individuals. Like all Hasta Muerte worker-owners, Mireles actively engages in all facets of cafe operations, from barista duties and kitchen management to back-office

administration, human resources, and scheduling. She has implemented and systematized processes for hiring, onboarding, scheduling, and financial management.

Mireles was nominated by Hasta Muerte Coffee and was elected to the Shared Capital board in 2024. She brings over four years of related experience. She currently serves as Secretary of the Board and on the Racial Justice and Executive Committees.

Charity Schmidt

Staff, Madison Cooperative Development Coalition, Madison, Wisconsin

Charity Schmidt is a cooperative development specialist at the University of Wisconsin Center for Cooperatives, where she has worked since 2017, providing technical assistance to start-up co-ops and facilitating outreach efforts to cooperators and community-based organizations. Having previously worked as Lead Organizer for the South Central Federation of Labor, she now coordinates the work of the Madison Cooperative Development Coalition (MCDC), an initiative funded by the City of Madison to form worker cooperatives that address income inequality and racial disparities by creating living-wage and sustainable jobs, serving on the initial steering committee creating the vision for the organization. Schmidt also serves on the boards for Madison Worker Cooperatives (MadWorC), the peer-to-peer network of Madison worker cooperatives, for the Association of Cooperative Educators (ACE), and for Worker Justice WI, which builds collective worker power through training, labor rights education, collective action, and community engagement with an emphasis on interfaith involvement.

Holding Master's Degrees both in Sociology and in Latin American, Caribbean, and Iberian Studies from the University of Wisconsin-Madison, Schmidt has taught classes on social theory, sociology of race and ethnicity, and American contemporary society at Madison College and at the University of Wisconsin-Madison. She has published work in topics ranging from diversity in and access to service learning, sociology in action beyond the university, and the crisis facing bee colonies.

Schmidt was nominated by MadWorC and was elected to the Shared Capital board of directors in 2022 and brings over 11 years of related experience to the board.. She previously served Shared Capital as its Secretary. She currently serves as chair of the Loan Committee.

Holly Jo Sparks, Vice President

Executive Director, Spartan Housing Cooperative, East Lansing, Michigan and Director, Oryana Community Co-op, Traverse City, Michigan

Holly Jo Sparks has been Executive Director of Spartan Housing Cooperative since 2014 and also works through Collective Seeds Consulting Co-op as a cooperative, community, and housing development consultant, where she has assisted clients nationally with shared-equity homeownership and financing, strategic research, and nonprofit financial management.

Over the past 23 years, Sparks has been Executive Director for three cooperative housing organizations, including the North American Students of Cooperation (NASCO). She has served

on the boards of NCBA, NASCO, the National Association of Housing Cooperatives (NAHC), and Oryana Community Co-op.

Sparks studied housing, community, and economic development at University of North Carolina-Chapel Hill and at MIT, from which she holds a Master’s Degree in City Planning. Sparks was nominated by Oryana Community Co-op. She was elected to the Shared Capital Board in 2017 and brings over 29 years of related experience. She currently serves as Vice President, as well as on the Loan and Executive Committees.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Table: Compensation of Executive Officers and Directors

Name	Capacities in which compensation was received	Cash Compensation (\$)	Other Compensation (\$)	Total Compensation (\$)
	Christina Jennings	full-time employee	189,000*	0
Mark Downey	full-time employee	135,000*	0	135,000

* This line is compensation for this position assuming full-time employment for the entire year of 2025.

Christina Jennings and Mark Downey are the executive officers who are compensated for their service as full-time employees. Shared Capital does not compensate its 11 directors for their service as members of the Board of Directors. Shared Capital may reimburse directors for travel expenses in connection with attendance at Board and committee meetings.

The Cooperative’s executive officers are responsible for overall management, financial decision-making, and strategic direction. Other employees, including those engaged in fundraising, capital development, and investor relations, perform their duties under the supervision of senior management and do not have authority to commit the Cooperative financially.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITYHOLDERS

Table: Securities Ownership

Title of Class	Name of beneficial owner	Amount and nature of beneficial ownership	Amount and nature of beneficial ownership acquirable	Percent of Class
Common Stock-Voting	All executive officers and directors as a group	Collectively hold 5 shares of common stock.	None	1.05%
Common Stock-Voting	Related parties of all executive officers and directors as a group	Collectively hold 7 shares of common stock.	None	1.48%
Preferred Stock (Non-Voting)	Related parties of all executive officers and directors as a group	Collectively hold \$398,648 in stock.	None	7.72%

This table is current as of December 31, 2025. No shareholder owns, beneficially or otherwise, more than 10% of any class of Shared Capital’s voting stock.

INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

As a cooperative association, Shared Capital regularly engages in transactions, including significant transactions with its members in the normal course of business. From December 31, 2022 to the most recent practicable date of December 31, 2025, Shared Capital engaged in the following significant transactions related to directors and executive officers. All were in the normal course of business. “Significant transactions,” for the purpose of this section, is defined as transactions that exceed \$120,000. There were no significant transactions with any immediate family members of directors and executive officers. Additional related party transactions can be found in Note 18 of the enclosed audited financial statements.

Terence Courtney is President of Shared Capital’s Board of Directors and is also an employee of the Federation of Southern Cooperatives, which is a cooperative and member, investor, and borrower of Shared Capital. Shared Capital approved a \$1 million line of credit in 2022 and renewed it in 2024. The line of credit is partially guaranteed by a pledge of the Federation’s \$250,000 holdings of Shared Capital Class A Preferred Shares. Since December 31, 2022, Shared Capital made advances on the line of credit to the Federation of Southern Cooperatives totaling \$19,900 and received payments of \$788,953. The line of credit was renewed on April 25, 2025 for an additional two years. There has been no subsequent activity in this account, and Shared

Capital has not been informed of any future plans to draw on this line of credit; however, it is an open \$1 million line of credit, and the Federation may draw up to that amount subject to approval and availability of funds until such time that the line of credit matures in April of 2027.

Camille Kerr was a director of Shared Capital from 2020-2024, and is currently serving on Shared Capital's Racial Justice Committee. Kerr is a co-op developer and co-founder and organizer of ChiFresh Kitchen, LWCA (ChiFresh Kitchen), a worker cooperative, and Jumpstart Housing, a housing cooperative, both of which are members and borrowers of Shared Capital. Shared Capital disbursed a \$510,000 loan to Jumpstart Housing in September of 2023, and has received \$216,756 in principal, interest, and fee payments. In addition to a \$350,000 Shared Capital loan to ChiFresh in late 2020, Shared Capital loaned and disbursed another \$75,000 to ChiFresh in December of 2024. Between the two loans, ChiFresh has made \$75,381 in payments to Shared Capital since December 31, 2022. Ongoing combined principal and interest payments for the two ChiFresh loans are \$3,591 monthly. Ongoing principal and interest payments for the Jumpstart Housing loan is \$1,996 per month.

Holly Jo Sparks is a member of Shared Capital's Board of Directors and serves as Vice President. She is also the Executive Director of Spartan Housing Cooperative. Spartan received a \$600,000 loan from Shared Capital in March of 2023, and has paid Shared Capital \$116,101 in principal, interest, and fees. Ongoing principal and interest payments for this loan are \$3,241 monthly; this loan matures in April of 2033.

Thomas Beckett served on the Shared Capital Board of Directors between 2015-2023, and is a director for both Weaver Community Housing Association and Durham Central Market. Shared Capital previously loaned Weaver CHA \$500,000, and has received \$117,114 in principal, interest, and fee payments since December 31, 2022. Ongoing monthly payments for this loan average \$2,738 per month, and it matures in February 2027. Shared Capital has also received \$236,490 in loan payments from Durham Central Market between December 31, 2022 and July 31, 2025. Ongoing monthly payments for the Durham Central Market loan are \$7,629, which loan matures in January of 2026.

Alex Betzenheimer previously served as a director and as Shared Capital's Board President, and continues service on the Finance Committee. He is also the Finance Manager at Seward Community Co-op. Seward has had two loan files and one equity investment open during the time between December 31, 2022 and December 31, 2025. One of the loans was paid off in September of 2023. In total, Shared Capital disbursed \$1,034,000 in loans to Seward (50% of which was participated by another lender), and received \$849,404 in loan payments and fees, about 50% of which was diverted to the same participating lender. Shared Capital made a \$300,000 equity investment in Seward (Class C Stock) in early 2022, which earned \$37,459 in dividends between December 31, 2022 and December 31, 2025. Payments on Seward's remaining loan are \$7,959 monthly; half of that is distributed to the participating lender. This loan matures in 2033. Future dividends on the equity investment are not guaranteed.

There are no future related party transactions currently proposed; however, due to the fact that Shared Capital's borrowers are also members, and that members are often elected to positions on the Board, future related party transactions are possible. Related parties are required to recuse themselves from decisions regarding loans to and investments in their affiliated cooperatives.

SECURITIES OFFERED

Equity Securities to be Offered: Class A Preferred Stock

The Cooperative is offering 1,500,000 shares of Class A Preferred Stock at \$10.00 per share for a total of \$15,000,000. The minimum investment amount per investor is \$500.00 (50 shares).

Outstanding Shares

As of December 31, 2025, there were 548,764 shares of Class A Preferred Stock outstanding valued at \$5,487,644. This includes Class A Preferred Stock issued in one prior Regulation A Direct Public Offering and three previous private offerings, all at \$10 per share, and dividends issued in the form of additional shares to holders of Class A Preferred Stock. Subscription expenses for past stock issuances totaling \$125,548 are netted against additional paid-in Capital.

Dividends

The Class A Preferred Stock may receive an annual non-cumulative per share dividend of up to 8% of the original issue price of the share. The dividend rate of up to 8% is established by the State of Minnesota cooperative statute, and the amount of any dividend declared up to that statutory maximum is at the sole discretion of the Board. Dividends may be paid in the form of cash, additional shares of Class A Preferred Stock, or equity credits to be reflected on the books of the Cooperative. The Board has set a target annual dividend of 5% and a target dividend range of 3-6%. These targets are aspirational only and do not create any obligation or expectation that dividends will be declared in any particular year, or at all. Shared Capital cannot pay a Patronage Dividend to its members unless it also pays at least the same amount as a dividend to holders of Class A Preferred Stock.

Shared Capital issued its first shares of Class A Preferred Stock in 2009. A dividend of 5% was paid in 2010; 3.5% in 2015; 3% in 2016; and 5% in 2021, 2022, 2023, 2024, and 2025.

Redemption Rights

The holders of Class A Preferred Stock have the following redemption rights and obligations:

- Upon receipt of a written request from a holder of Class A Preferred Stock, the Cooperative may, at the sole discretion of the Board, redeem all or any portion of the

shares of Class A Preferred Stock that the holder has requested to be redeemed. If such redemption is approved it will be made at a per share redemption price equal to the original issue price along with any declared but unpaid dividends;

- At any time, the Cooperative may elect to redeem any or all shares of the Class A Preferred Stock at a price equal to the original issue price for the Class A Preferred Stock plus (i) the value of any declared but unpaid dividends and (ii) an amount equal to five percent (5%) of the original issue price per share for the Class A Preferred Stock divided by twelve (12), multiplied by the number of months elapsed in the then current fiscal year. There is no restriction on redemption based on any “arrearage” of dividends or sinking fund payments; because dividends and return of capital are within the discretion of the Cooperative’s Board, they cannot be in arrears.

Redemption Arrangements and Pending Redemption Requests for Class A Preferred iv. Stock

As part of previous issuances of Class A Preferred Stock and in exchange for certain concessions from the investors, the Cooperative has on two occasions entered into special agreements about future redemptions. As to the first arrangement, in January 2012 a foundation agreed to allow the Cooperative to convert \$500,000 of a debt Program Related Investment (PRI) owed by the Cooperative to the foundation to Class A Preferred Stock issued to the foundation without dividends and extend the remaining \$500,000 of PRI debt for another nine years at zero percent interest. In consideration for this conversion of a debt into Preferred Stock, the Cooperative agreed to pre-approve any request from the foundation for redemption of some or all of its Class A Preferred Stock at any time i) after April 1, 2021 and ii) at any time if, after giving effect to the redemption requested by the foundation, the Cooperative’s equity as a percentage of total assets is equal to or greater than 40 percent. The Cooperative agreed not to unreasonably withhold its consent to such a redemption request, but Board approval is still required. The foundation agreed to receive no declared dividend on its Class A Preferred Stock until April 1, 2021. The foundation submitted a redemption request in 2021. The Board approved and redeemed the foundation’s \$500,000 in shares in December 2024.

As to the second redemption arrangement, in January 2016, the Cooperative issued \$250,000 of Class A Preferred Stock to another foundation. As part of the transaction, the Cooperative agreed to redeem the shares on or after May 31, 2023, upon a request of the foundation. Upon a redemption request by the foundation, the Cooperative may pay for the Class A Preferred Stock with a promissory note having a three-year term and an interest rate of 4.5 percent. If the redemption would cause the Cooperative’s equity as a percentage of assets to fall below 20%, the Cooperative may instead issue the redemption in loan participations, carrying certain terms and conditions. The foundation has requested redemption, which the Board has not yet agreed to. At the time of this Offering Memorandum, the equity to asset ratio would have fallen below 20%, so a promissory note was not required, and the foundation has not yet opted to pursue the participation option.

The Cooperative is currently negotiating a potential third redemption arrangement and it is possible that it may enter into the agreement in 2025 with a nonprofit for up to \$2.4 million in Class A Preferred Stock to provide as loan capital subject to a side agreement allowing for the prioritization of their redemption request upon a future mutually agreed upon wind-down of the program. The Board would retain full right to approve or deny these future redemption requests.

In addition, one member cooperative that holds \$250,000 in Class A Preferred Stock has submitted a request for redemption, which the Board has not yet approved. There is no agreement for special redemption rights with this offering. Under the Cooperative's policies, the Board is not required to approve redemptions of Class A Preferred Stock at any time, including when the Cooperative's equity as a percentage of total assets exceeds 20%. The Board has indicated that it will consider pending redemption requests once that threshold is met, subject to the Cooperative's liquidity, regulatory considerations, and other factors the Board deems relevant at the time. There can be no assurance that any redemption request will be approved or funded, in whole or in part, within any particular timeframe, or at all.

The Cooperative is not, with this offering, accepting special redemption arrangements of the Shares, although investors in this offering retain the right to later seek redemption of the Shares in accordance with the governing documents of the Cooperative, and any such requests must be approved by the Board.

Voting Rights

The Class A Preferred Stock has no voting rights and no approval rights; as a result, the Cooperative's Articles of Incorporation could be changed without the approval of holders of Class A Preferred Stock, voting as a class or otherwise.

Liquidation Preference

In the event of a liquidation, the Cooperative's assets will be distributed to holders of Class A Preferred Stock in the amount of the original issue price of the shares plus any declared but unpaid dividend, before assets are distributed to holders of any other class of the Cooperative's equity.

Conversion

Shares of Class A Preferred Stock have no automatic conversion rights into Common Stock or any other security of the Cooperative.

Transfer Restrictions

The Class A Preferred Stock is subject to restrictions on transfer and may not be resold or otherwise transferred except as permitted under the Securities Act of 1933, as amended, and applicable state securities laws, pursuant to registration or exemption therefrom. Investors

should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. In addition, Class A Preferred Stock may only be transferred in accordance with the Cooperative's articles of incorporation and bylaws, under which transfer is subject to the consent and approval of the Cooperative's Board of Directors. Transfers of Class A Preferred Stock are subject to a right of first refusal in favor of the Cooperative as described in the Cooperative's bylaws and Board policies.

Debt Securities To Be Offered

In addition to the Shares, Shared Capital is offering Fifteen Million Dollars (\$15,000,000) of unsecured subordinated promissory notes (the "**Investment Notes**"). The minimum investment in the Investment Notes is \$500 and is subject to the investment restrictions described herein. Shared Capital is offering three choices of term and interest rate, as follows:

- a. \$3,500,000 in 10-year term notes with a 4% interest rate;
- b. \$3,500,000 in 7-year term notes with a 3.4% interest rate; and
- c. \$8,000,000 in 5-year term notes with a 3% interest rate.

Interest payment options

Unless an Investor elects annual interest payments as described below, all accrued interest will become due at maturity, provided that if an Investor has invested at least twenty-five thousand dollars (\$25,000) in an Investment Note, the Investor may choose to have accrued interest paid annually. The entire outstanding principal balance of each Investment Note, together with all accrued and unpaid interest, shall be due and payable in full within 30 days after the maturity date.

Prepayment. The Cooperative may, at its discretion, prepay any of the Notes at any time without penalty, and is not obligated to prepay all Notes on a pro rata basis. To the extent payments exceed the amount of accrued interest owed to an investor as of each payment date, the excess payment will be deemed a repayment of principal and will reduce the principal balance due under each Note.

Additional Impact

Investors in the Notes will be given an opportunity to choose a 0% interest rate payable on the Notes to support the work of the Cooperative. In addition, all Note Investors may later choose to forgive repayment on all or a portion of the principal balance of their Note(s). Such forgiveness will not be considered a tax-deductible donation. Investors should consult their own tax advisors regarding the tax consequences of any forgiveness of principal or interest.

Unsecured

The Notes will be unsecured general obligations of the Cooperative.

Subordination

The Investment Notes will be unsecured obligations of the Cooperative and will be subordinate in right of payment to all existing and future senior indebtedness of the Cooperative, whether secured or unsecured, including indebtedness to institutional lenders, government agencies, foundations, and other creditors, including without limitation, debts to the Community Development Financial Institutions Fund of the U.S. Department of the Treasury (the “CDFI Fund”).

The Investment Notes will rank pari passu with other unsecured subordinated indebtedness of the Cooperative, if any, and will be senior in right of payment to all equity securities of the Cooperative, including Class A Preferred Stock, Voting Stock, and Non-Voting Stock.

Pursuant to the Cooperative’s governing documents and policies, all indebtedness owed to members of the Cooperative is subordinated to indebtedness owed to non-members. As a result, any Investment Notes held by members of the Cooperative, whether purchased in this offering or otherwise, will be subordinate to Investment Notes held by non-members.

In the event of liquidation, dissolution, insolvency, or bankruptcy of the Cooperative, holders of Investment Notes will be entitled to payment only after all senior indebtedness has been paid in full, and there may be insufficient assets remaining to pay amounts owed on the Investment Notes.

The Investment Notes are not subject to the terms of any indenture and are not guaranteed by any third party.

Transfer Restrictions

The Investment Notes are subject to restrictions on transfer and may not be resold, assigned, pledged, or otherwise transferred except as permitted under the Securities Act of 1933, as amended, and applicable state securities laws, pursuant to registration or an available exemption therefrom. In addition, transfers of Investment Notes are subject to the terms of the applicable subscription agreement and any policies adopted by the Cooperative.

The Investment Notes are not listed on any securities exchange or quoted on any trading system, and no public or secondary market exists or is expected to develop for the Investment Notes. Investors should be aware that they may be required to hold the Investment Notes until maturity and should be prepared to bear the economic risk of an investment in the Notes for an indefinite period of time.

Events of Default

The Investment Notes will provide that certain events constitute events of default, including, without limitation: (i) failure by the Cooperative to pay principal or interest when due, subject

to any applicable grace periods; (ii) the Cooperative's insolvency, liquidation, dissolution, or commencement of bankruptcy or similar proceedings; and (iii) other material breaches of the terms of the Investment Notes that remain uncured after notice, if applicable.

Upon the occurrence of an event of default, the remedies available to holders of Investment Notes will be limited to those provided under the terms of the Notes and applicable law. There can be no assurance that enforcement of any remedies would result in full or partial recovery of amounts owed under the Investment Notes.

Trustee; No Indenture: The Investment Notes will not be issued under a trust indenture. The Cooperative may, in its discretion and upon request of an investor, permit an Investment Note to be held by a trustee, custodian, or similar fiduciary for the benefit of an investor; however, no trustee will be appointed to act on behalf of all holders of Investment Notes, and no trustee will have collective enforcement or fiduciary responsibilities to Noteholders as a group.

Each holder of an Investment Note will be responsible for independently protecting its own interests with respect to the Investment Notes. The absence of a trust indenture or a trustee acting on behalf of all Noteholders may make it more difficult for investors to coordinate actions or pursue remedies in the event of a default.

Restrictions Applicable to all Securities Offered

Investors in both the Shares and the Investment Notes will be bound by an exclusive forum provision under the applicable subscription agreement. This means that the Investor has agreed that any lawsuit against Shared Capital would take place in Minneapolis or Saint Paul, Minnesota. This includes actions arising under the Securities Act of 1933 and/or the Securities Exchange Act of 1934. Note that there is uncertainty as to whether a court would enforce the exclusive forum provision; nevertheless, Shared Capital expects lawsuits (if any) to take place in that location. Note also that it is not legally possible to waive compliance with the federal securities laws and the rules and regulations thereunder.

EXPERTS

No experts were employed on a contingent basis, nor do any experts have any material interest in the Cooperative or any of its members.

Shared Capital's financial statements for the years ended December 31, 2022 and 2023 have been audited by Wegner CPAs, LLP, independent auditors, as stated in their report appearing herein. Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in auditing and accounting.

List of Exhibits

Exhibit A: Audited Financial Statements as of December 31, 2024 and December 31, 2023

Exhibit C: Financial Statements - Interim as of September 30, 2025 (unaudited)

Exhibit D: Articles of Incorporation - Amended and Restated July 30, 2021

Exhibit E: Bylaws - Amended and Restated as of June

Exhibit F: Form of Subscription Agreement for Shares

Exhibit G: Form of Subscription Agreement for Notes, including Form of Note

Exhibit B: Auditor Letter of Consent for 2024-2023. audit

Exhibit H: Opinion of Counsel re Legality of Securities Offered



Shared Capital Cooperative[®]

BUILDING ECONOMIC DEMOCRACY

FINANCIAL STATEMENTS

December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Shared Capital Cooperative
St. Paul, Minnesota

Opinion

We have audited the financial statements of Shared Capital Cooperative, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Shared Capital Cooperative as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Shared Capital Cooperative and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Shared Capital Cooperative's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shared Capital Cooperative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shared Capital Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
May 6, 2025

SHARED CAPITAL COOPERATIVE
BALANCE SHEETS
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,673,225	\$ 2,908,090
Certificates of deposit	1,013,448	-
Accounts receivable	28,781	13,823
Prepaid expenses	69,837	84,291
Accrued interest receivable	207,017	157,774
Current portion of notes receivable	6,207,259	6,895,101
Total current assets	11,199,567	10,059,079
Property and equipment - net	4,056	12,659
Intangible assets - net	5,209	7,868
OTHER ASSETS		
Operating lease right-of-use asset	96,774	131,325
Security deposit	3,000	3,000
Equity investments in other cooperatives (less allowance for investment losses of \$10,000)	337,459	300,000
Membership equity in other cooperatives	10,075	10,075
Notes receivable - net of current portion (less allowance for credit losses of \$1,804,895 and \$1,594,989, respectively)	14,941,305	14,942,823
Deferred taxes	11,000	18,000
Total assets	\$ 26,608,445	\$ 25,484,829
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 11,918	\$ 499,286
Accrued expenses	34,060	34,302
Patronage dividend payable	23,363	-
Deferred revenue	1,806,921	2,054,560
Funds held for others	406,868	401,827
Income taxes payable	80,182	2,510
Current portion of accrued interest payable	43,163	161,315
Current portion of operating lease liabilities	35,518	33,301
Line of credit	1,000,000	-
Current portion of long-term debt	3,148,737	3,318,213
Total current liabilities	6,590,730	6,505,314
LONG-TERM LIABILITIES		
Operating lease liabilities net of current portion	62,788	98,757
Accrued interest payable net of current portion	339,219	177,252
Line of credit	-	1,000,000
Long-term debt net of current portion and loan costs	13,610,785	13,007,232
Total liabilities	20,603,522	20,788,555
EQUITY		
Preferred stock, \$10 par value, 10,000,000 shares authorized, 516,196 and 393,109 shares issued and outstanding	5,161,958	3,931,085
Common stock - voting, \$10 par value, 10,000 shares authorized, 474 and 464 shares issued and outstanding	4,740	4,640
Common stock - nonvoting, \$10 par value, 10,000,000 shares authorized, 155,645 shares issued and outstanding	1,556,451	1,556,451
Additional paid-in capital (net of subscription fees of \$104,758 and \$125,548, respectively)	722,732	682,068
Retained patronage	188,954	98,525
Accumulated deficit	(1,629,912)	(1,576,495)
Total equity	6,004,923	4,696,274
Total liabilities and equity	\$ 26,608,445	\$ 25,484,829

See accompanying notes.

SHARED CAPITAL COOPERATIVE
STATEMENTS OF INCOME
Years Ended December 31, 2024 and 2023

	2024	2023
REVENUE		
Interest income - loans	\$ 1,392,252	\$ 1,244,654
Interest income - cash accounts	58,290	65,228
Loan fees	86,868	260,607
Loan recovery income	12,271	22,084
Grants and contributions	2,555,725	2,239,101
Consulting income	375,111	19,035
Investment income	37,580	94
Other	11,047	9,000
Total revenue	4,529,144	3,859,803
EXPENSES		
Contributions	1,455,215	1,170,958
Personnel	1,115,867	1,107,023
Provision for credit losses	505,508	448,703
Interest	417,456	378,162
Outside services	191,946	171,365
Professional services	108,466	107,377
Board expense	91,493	300
Seminars, travel, and training	68,372	85,182
Occupancy	64,616	61,107
Advertising	46,223	37,813
Fees	36,075	16,387
Office supplies	28,412	57,160
Depreciation	12,880	15,701
Dues	9,842	7,900
Total expenses	4,152,371	3,665,138
Net income before income taxes	376,773	194,665
Provision for income taxes	(148,617)	(47,981)
Net income	\$ 228,156	\$ 146,684

See accompanying notes.

SHARED CAPITAL COOPERATIVE
STATEMENTS OF EQUITY
Years Ended December 31, 2024 and 2023

	Preferred Stock	Common Stock - Voting	Common Stock - Nonvoting	Additional Paid-In Capital	Retained Patronage	Accumulated Deficit	Total Equity
Balance December 31, 2022	\$ 3,390,975	\$ 4,340	\$ 1,555,901	\$ 659,292	\$ 99,077	\$ (1,594,969)	\$ 4,114,616
Purchases	411,900	300	25	30,640	-	-	442,865
Redemptions	-	-	-	(7,339)	(552)	-	(7,891)
Stock converted	-	-	525	(525)	-	-	-
Preferred stock dividend	128,210	-	-	-	-	(128,210)	-
Net income	-	-	-	-	-	146,684	146,684
Balance December 31, 2023	3,931,085	4,640	1,556,451	682,068	98,525	(1,576,495)	4,696,274
Purchases	1,637,540	130	-	42,609	-	-	1,680,279
Redemptions	(571,425)	(30)	-	(1,945)	(3,023)	-	(576,423)
Preferred stock dividend	164,758	-	-	-	-	(164,758)	-
Patronage dividend	-	-	-	-	93,452	(116,815)	(23,363)
Net income	-	-	-	-	-	228,156	228,156
Balance December 31, 2024	<u>\$ 5,161,958</u>	<u>\$ 4,740</u>	<u>\$ 1,556,451</u>	<u>\$ 722,732</u>	<u>\$ 188,954</u>	<u>\$ (1,629,912)</u>	<u>\$ 6,004,923</u>

See accompanying notes.

SHARED CAPITAL COOPERATIVE
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 228,156	\$ 146,684
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation	12,880	15,701
Change in credit loss allowance	209,906	5,549
Amortization of loan costs	10,648	5,114
Amortization of operating lease right-of-use asset	34,551	24,643
Forgiveness of notes payable	(600,000)	(600,000)
Deferred taxes	7,000	(4,000)
(Increase) decrease in assets		
Accounts receivable	(14,958)	602,550
Prepaid expenses	14,454	21,195
Accrued interest receivable	(49,243)	(74,795)
Equity investments in other cooperatives (less allowance)	(37,459)	-
Membership equity in other cooperatives	-	(5,000)
Increase (decrease) in liabilities		
Accounts payable	(487,368)	443,149
Accrued expenses	(242)	6,177
Deferred revenue	(247,639)	298,885
Operating lease liabilities	(33,752)	(23,910)
Funds held for others	5,041	102,914
Income taxes payable	77,672	(33,678)
Accrued interest payable	43,815	(24,166)
Net cash flows from operating activities	(826,538)	907,012
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest retained in certificates of deposit	(1,013,448)	-
Proceeds from notes receivable	2,596,454	9,314,102
Purchases of leasehold improvements and equipment	(1,618)	-
Issuance of notes receivable	(2,117,000)	(15,582,000)
Net cash flows from investing activities	(535,612)	(6,267,898)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	-	1,000,000
Proceeds from issuance of long-term debt	1,454,211	1,901,341
Payments on long-term debt	(413,621)	(1,113,876)
Payments of loan costs	(17,161)	(10,788)
Purchases of common stock	42,739	30,965
Redemptions of common stock	(1,975)	(7,339)
Purchases of preferred stock	1,637,540	411,900
Redemptions of preferred stock	(571,425)	-
Redemptions of retained patronage	(3,023)	(552)
Net cash flows from financing activities	2,127,285	2,211,651
Net change in cash	765,135	(3,149,235)
Cash at beginning of year	2,908,090	6,057,325
Cash at end of year	\$ 3,673,225	\$ 2,908,090
SUPPLEMENTARY DISCLOSURES		
Cash paid for interest	\$ 362,993	\$ 397,214
Cash paid for income taxes	42,198	52,204
Preferred stock dividend	164,758	128,210
Patronage dividend payable	23,363	-

See accompanying notes.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Shared Capital Cooperative (Shared Capital) is a member-owned and member-governed Community Development Financial Institution (CDFI) loan fund whose mission is to build a just, equitable, and democratic economy by investing in cooperative enterprises. Shared Capital provides financing to consumer, worker, housing, and producer cooperatives and their members throughout the United States.

Formed in 1978, Shared Capital is organized as a cooperative association under Chapter 308A of Minnesota law and has over 300 member cooperatives and over 100 individual members. Shared Capital obtains funds from its members as well as from non-member individuals and institutions interested in supporting the cooperative economy.

Notes Receivable

Notes receivable are commercial loans made by Shared Capital to cooperatively owned businesses and housing organizations in the normal course of business.

Notes receivable are stated at unpaid principal balances, less an allowance for loan losses. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amount outstanding.

The ability of the borrowers to honor their contracts is dependent upon sound management of the cooperative, general economic conditions, and the value of collateral, including real estate, equipment, and other business assets securing the loan.

Nonaccrual status is an accounting treatment applied to loans when the collection of interest or principal is in doubt. Under this status, accrued interest is no longer recognized as income, and any payments received are applied first to principal and fees rather than interest. A loan is typically placed on nonaccrual status when management determines it is impaired and there is a significant risk of loss to principal and/or interest.

Loans are written off if all or a portion of the loan is deemed to be uncollectible by management based on economic conditions, business conditions, and collection efforts. It is Shared Capital's policy that any loan that is more than 120 days delinquent will be written off unless management determines that repayment of the loan is imminent, whether through collections, liquidation, or foreclosure. The write off of any loan requires approval by the Board of Directors, generally upon recommendation from the Loan Committee.

As of December 31, 2024, there were 8 loans to 5 borrowers with total outstanding balance of \$1,432,525 on non-accrual status. As of December 31, 2023, there were 5 loans to 2 borrowers with total outstanding balance of \$893,640 on non-accrual status.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasehold Improvements and Equipment

Purchases of leasehold improvements and equipment over \$1,000 are capitalized at cost and depreciated using the straight-line method over the estimated useful lives of the assets, five years for leasehold improvements and three to ten years for office equipment and furniture.

Advertising

Advertising costs are expensed as incurred.

Intangible Assets

Intangible assets consist of website development and trademark costs. Website development costs are amortized over 3 years and trademark costs are amortized over 10 years using the straight-line method.

Allowance for Credit Losses

The allowance for credit losses is a non-cash reserve established against expected losses on notes receivable. Each loan in the portfolio is assigned a risk rating and each rating has a corresponding percentage that must be set aside as an allowance. The risk ratings and corresponding allowance requirements are established in the Board-approved lending policies and are based on the historical experience of Shared Capital's portfolio and the established best practices of CDFI loan funds. The ratings and the allowance are evaluated regularly by management based upon qualitative factors that require a high degree of management judgment. These factors include adverse situations that may affect the borrower's ability to repay, estimated value of the underlying collateral, and prevailing economic conditions. The Loan Committee establishes initial risk ratings at the time loans are approved and must approve any changes to ratings. On a quarterly basis the Loan Committee reviews and approves all risk ratings and the allowance for credit losses. The Board of Directors reviews the allowance and risk ratings at least annually.

The allowance for credit losses is established as losses are estimated. Loan losses are charged against the allowance when the Board believes the loan is uncollectible and is written off. Subsequent recoveries are recorded as loan recovery income.

In addition to the accrual-based allowance for credit losses, Shared Capital holds cash reserves for its loans made through the Accelerate Employee Ownership Program. At December 31, 2024 and 2023, these cash reserves totaled \$290,000.

Loan Costs

Loan costs are the costs, including legal fees, associated with obtaining specific long-term liabilities. Loan costs of \$47,737 and \$30,576 at December 31, 2024 and 2023 are being amortized over the length of the underlying notes payable. Amortization of loan costs, recorded as interest expense in the statements of income, was \$10,648 and \$5,114 for 2024 and 2023. Accumulated amortization was \$20,767 and 10,119 at December 31, 2024 and 2023.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subscription Fees

Subscription fees consist of costs associated with the issuance of preferred equity in Shared Capital and are recorded on the balance sheets as a reduction of additional paid-in capital. Subscription fees totaled \$104,758 and \$125,548 at December 31, 2024 and 2023.

Income Taxes

Shared Capital is taxed as a cooperative and is subject to the provisions of Subchapter T of the Internal Revenue Code. The Bylaws of Shared Capital require the cooperative to annually distribute net income from patronage to its members, based on their patronage with Shared Capital (interest paid by borrowers), at the discretion of the Board of Directors. Distributions in the form of qualified patronage dividends reduce Shared Capital's income tax liability. However, losses in Shared Capital's patronage business may be carried forward to offset future distributions of net income from patronage.

Revenue Recognition

Grants and contributions revenue is recognized when Shared Capital fulfills its performance obligations required by an award. Conditional awards that have been received but have not yet been recognized as revenue are shown as deferred revenue on the balance sheets. When a grant is awarded for non-specific purposes (e.g. a "general operating grant") with no grantor rights for return of the funds, Shared Capital recognizes the grant funds upon receipt. In cases where the grant is for a specific purpose or otherwise intended to be used for a specific purpose over a span of time, Shared Capital recognizes those funds at such time that the funds have been used for the specific purpose outlined in the applicable grant agreement.

A contract liability is recognized when payments of grants and contributions are received before Shared Capital's performance obligations have been fulfilled. Shared Capital's contract liabilities from advance grants and contributions payments received at December 31, 2024 and 2023 were as follows:

	2024	2023
Beginning of year	\$ 2,054,560	\$ -
End of year	1,806,921	2,054,560

Loan fees revenue consist of non-refundable commitment fees, which are recognized as income when a loan is approved; loan origination fees, which are recognized as income when a loan is closed; and loan servicing fees received from participating lenders/investors and organizations for whom Shared Capital services loans, which are recognized as income when earned. Consulting income is recognized as Shared Capital staff provides consulting services to its customers.

Investment income consists of dividends and gains on equity investments in other cooperatives.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Shared Capital does not recognize short-term leases in the balance sheet. For these leases, Shared Capital recognizes the lease payments in the results of operations on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. Shared Capital also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, Shared Capital uses an incremental borrowing rate as the discount rate for the lease for all classes of underlying assets.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through May 6, 2025, the date which the financial statements were available to be issued.

NOTE 2 - NOTES RECEIVABLE

Recorded investments in loans by portfolio segment at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Cooperative housing mortgage loans	\$ 8,161,073	\$ 6,904,733
Cooperative business mortgage loans	3,155,630	3,770,610
Cooperative business loans	11,567,564	12,670,294
Share loans in housing cooperatives	52,485	61,027
Microenterprise loans	16,707	26,249
Total notes receivable	22,953,459	23,432,913
Less current portion of notes receivable	6,207,259	6,895,101
Less allowance for credit losses	1,804,895	1,594,989
Notes receivable - net of current portion and allowance for credit losses	\$ 14,941,305	\$ 14,942,823

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 - NOTES RECEIVABLE (continued)

Descriptions of the loan portfolio segments are as follows:

- Cooperative housing mortgage loans are commercial real estate loans for the acquisition and rehabilitation of multifamily housing properties secured by a mortgage.
- Cooperative business mortgage loans are loans for commercial real estate secured by a mortgage.
- Cooperative business loans are loans secured by other business assets excluding real estate.
- Loans to individuals are loans to purchase cooperative housing. Share loans in housing cooperatives are loans to individuals to purchase shares in housing cooperatives.
- Microenterprise loans are loans to cooperative businesses with fewer than five full-time equivalent employees and requiring less than \$50,000 in financing.

Commercial real estate loans receivable at December 31, 2024 and 2023 were comprised of the following:

	2024		2023	
Multi-Family Housing	\$ 8,161,072	72.1%	\$ 7,504,536	70.3%
Office	155,243	1.4%	-	-
Production/Mfg	333,789	2.9%	338,780	3.2%
Retail	2,666,599	23.6%	2,832,027	26.5%
Total mortgage loans	\$ 11,316,703	100%	\$ 10,675,343	100%

There are no significant or material geographic concentrations within the commercial real estate loan portfolio.

The change in the allowance for credit losses in 2024 and 2023 consisted of the following:

	2024	2023
Beginning allowance	\$ 1,594,989	\$ 1,589,440
Loans written off	(295,611)	(443,153)
Increase in provision for loan losses	505,517	448,702
Ending allowance	\$ 1,804,895	\$ 1,594,989

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 - NOTES RECEIVABLE (continued)

The allowance for credit losses by portfolio segment at December 31, 2024 and 2023 was as follows:

	Cooperative housing mortgage loans	Cooperative business mortgage loans	Cooperative business loans	Loans to individuals (Share)	Micro- enterprise	Total
Beginning allowance	\$ 237,323	\$ 133,984	\$ 1,220,447	\$ 610	\$ 2,625	\$ 1,594,989
Loans written off	(23,111)	-	(272,500)	-	-	(295,611)
Increase (decrease)	59,820	(20,991)	467,990	(348)	(954)	505,517
2024 Ending allowance	<u>\$ 274,032</u>	<u>\$ 112,993</u>	<u>\$ 1,415,937</u>	<u>\$ 262</u>	<u>\$ 1,671</u>	<u>\$ 1,804,895</u>
Beginning allowance	\$ 144,255	\$ 51,557	\$ 1,393,282	\$ 346	\$ -	\$ 1,589,440
Loans written off	-	-	(443,153)	-	-	(443,153)
Increase (decrease)	93,068	82,427	270,318	264	2,625	448,702
2023 Ending allowance	<u>\$ 237,323</u>	<u>\$ 133,984</u>	<u>\$ 1,220,447</u>	<u>\$ 610</u>	<u>\$ 2,625</u>	<u>\$ 1,594,989</u>

Of the \$295,611 written off in 2024, \$23,111 was from loans originated in 2018, and \$272,500 was from loans originated in 2021. Of the \$443,153 written off in 2023, \$316,818 was from loans originated in 2015, \$56,358 was from loans originated in 2019, and \$69,978 was from loans originated in 2021.

The aging of loans by portfolio segment at December 31, 2024 and 2023 was as follows:

	Cooperative housing mortgage loans	Cooperative business mortgage loans	Cooperative business loans	Loans to individuals (Share)	Micro- enterprise	Total
Current	\$ 7,378,893	\$ 3,498,873	\$ 12,006,500	\$ 52,485	\$ 16,708	\$ 22,953,459
31 - 90	-	-	-	-	-	-
90 + days	-	-	-	-	-	-
2024 Total	<u>\$ 7,378,893</u>	<u>\$ 3,498,873</u>	<u>\$ 12,006,500</u>	<u>\$ 52,485</u>	<u>\$ 16,708</u>	<u>\$ 22,953,459</u>
Current	\$ 6,904,733	\$ 3,770,670	\$ 12,669,583	\$ 61,027	\$ 26,249	\$ 23,432,262
31 - 90	-	-	-	-	-	-
90 + days	-	-	651	-	-	651
2023 Total	<u>\$ 6,904,733</u>	<u>\$ 3,770,670</u>	<u>\$ 12,670,234</u>	<u>\$ 61,027</u>	<u>\$ 26,249</u>	<u>\$ 23,432,913</u>

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 - NOTES RECEIVABLE (continued)

The credit quality of loans receivable at December 31, 2024 and 2023 was as follows:

	Cooperative housing mortgage loans	Cooperative business mortgage loans	Cooperative business loans	Loans to individuals (Share)	Micro- enterprise	Total
A	\$ 2,262,332	\$ 989,967	\$ 1,861,012	\$ 52,485	\$ -	\$ 5,165,796
B	2,006,687	1,117,581	4,055,288	-	-	7,179,556
C	2,211,255	1,391,325	2,687,503	-	-	6,290,083
D	669,534	-	1,825,508	-	16,708	2,511,750
E	122,431	-	132,318	-	-	254,749
F	-	-	11,600	-	-	11,600
FF	106,654	-	686,100	-	-	792,754
G	-	-	747,171	-	-	747,171
2024 Total	<u>\$ 7,378,893</u>	<u>\$ 3,498,873</u>	<u>\$ 12,006,500</u>	<u>\$ 52,485</u>	<u>\$ 16,708</u>	<u>\$ 22,953,459</u>
A	\$ 1,307,000	\$ -	\$ -	\$ 61,027	\$ -	\$ 1,368,027
B	3,308,683	2,727,490	4,009,702	-	-	10,045,875
C	2,078,255	1,043,180	5,095,555	-	-	8,216,990
D	210,795	-	2,794,326	-	26,249	3,031,370
E	-	-	-	-	-	-
F	-	-	-	-	-	-
FF	-	-	-	-	-	-
G	-	-	770,651	-	-	770,651
2023 Total	<u>\$ 6,904,733</u>	<u>\$ 3,770,670</u>	<u>\$ 12,670,234</u>	<u>\$ 61,027</u>	<u>\$ 26,249</u>	<u>\$ 23,432,913</u>

Category	Description of Creditworthiness	Commercial	Share
A+	Highest credit quality, borrower is stable and reliable	0%	0%
A	Borrower is stable and reliable	1%	0.5%
B	Good borrower, but some recent internal or external changes	3%	2%
C	Good borrower, but recent significant internal or external changes	5%	3%
D	Borrower is either rebounding or heading into a period of significant difficulties	10%	6%
E	Relatively weak borrower facing some internal or external challenges	15%	10%
F	Weak borrower facing significant challenges	25+%	25+%
FF	Weak borrower facing severe challenges	50+%	50+%
G	Doubtful	Up to 100%	Up to 100%

Loans are considered impaired if Shared Capital considers it likely that at least some of the principal and interest payments will not be collected. All loans are individually reviewed for impairment. Two loans receivable totaling \$295,611 were written off as uncollectible in 2024, and two loans receivable totaling \$443,153 were written off as uncollectible in 2023.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 - NOTES RECEIVABLE (continued)

Off Balance Sheet Loans

In addition to the loans summarized above, at December 31, 2024 and 2023 Shared Capital serviced \$4,582,661 and \$4,784,603 in loans that are not recorded on the balance sheets. These include \$4,438,588 and \$4,643,599 of loan participations, which have been sold to other lenders and constitute true sales with no recourse or liability to Shared Capital. The amounts represent loan balances of funds administered on behalf of other organizations under contract, and for which Shared Capital holds no liability or risk.

NOTE 3 - EQUITY INVESTMENTS IN OTHER COOPERATIVES

Shared Capital holds equity investments as part of its financing activities. At December 31, 2024 and 2023, the investments were comprised of \$337,459 and \$300,000 of preferred stock in a food cooperative and \$10,000 of preferred stock in a worker cooperative. Shared Capital recorded allowances for investment losses on these investments of \$10,000 at December 31, 2024 and 2023 based on management's knowledge of the economic conditions and circumstances of the investees.

NOTE 4 - MEMBERSHIP EQUITY IN OTHER COOPERATIVES

Membership equity in other cooperatives primarily consists of an investment in National Cooperative Bank (NCB). Shared Capital held \$10,000 of Class B membership shares in NCB at December 31, 2024 and 2023. Shared Capital also held \$75 in membership shares in Seward Community Co-op at December 31, 2024 and 2023. Shared Capital does not consider this part of its financing activities or its investment portfolio.

NOTE 5 - CONCENTRATION OF CREDIT RISK

Shared Capital maintains cash balances at two financial institutions located in the United States. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024 and 2023, Shared Capital's uninsured cash balances totaled approximately \$3,239,000 and \$2,443,000.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 - LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Leasehold improvements	\$ 16,333	\$ 16,333
Office equipment and furniture	83,903	82,285
Leasehold improvements and equipment	100,236	98,618
Less accumulated depreciation	96,180	85,959
Leasehold improvements and equipment - net	\$ 4,056	\$ 12,659

Depreciation expense for 2024 and 2023 was \$10,221 and \$13,042, respectively.

NOTE 7 - INTANGIBLE ASSETS

Intangible assets at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Intangible assets - gross	\$ 44,656	\$ 44,656
Less accumulated amortization	39,447	36,788
Intangible assets - net	\$ 5,209	\$ 7,868

Amortization expense for 2024 and 2023 was \$2,659.

NOTE 8 - LINE OF CREDIT

Shared Capital has a \$1,000,000 unsecured line of credit with NCB which expires in December 2025. It bears an interest rate of 30-day Averaged Secured Overnight Financing Rate plus 225 basis points. Shared Capital's outstanding balance on the line of credit was \$1,000,000 at December 31, 2024 and 2023.

NOTE 9 - RETIREMENT PLAN

Shared Capital has established a salary deferral retirement plan with matching contributions for participating employees. The plan has received IRS approval under Section 408(p) of the Internal Revenue Code. The plan covers all employees who have met certain service requirements. Shared Capital will match the elective contributions of an employee in an amount not exceeding 3% of the employee's compensation. Matching contributions totaled \$25,830 and \$24,156 for 2024 and 2023.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 10 - LEASES

Shared Capital leases office space in St. Paul, Minnesota under an operating lease that expires in 2027.

The components of total lease cost are as follows:

	2024	2023
Operating lease expense	\$ 40,351	\$ 39,613
Variable lease expense	9,580	6,448
	\$ 49,931	\$ 46,061

Other information related to operating leases is as follows:

	2024	2023
Operating cash flows from operating leases	\$ 39,552	\$ 38,880
ROU assets obtained in exchange for new operating leases	-	7,176
Weighted-average remaining lease term in years for operating leases	2.58	3.58
Weighted-average discount rate for operating leases	5.5%	5.5%

The maturities of operating lease liabilities as of December 31, 2024 are as follows:

2025	\$ 40,046
2026	41,248
2027	24,477
Total minimum lease payments	105,771
Imputed interest	(7,465)
Total lease liabilities	\$ 98,306

NOTE 11 - FUNDS HELD FOR OTHERS

Shared Capital has an agreement with NASCO Development Services (NDS) to provide loan servicing functions for its Kagawa Fund. Shared Capital accumulates principal and interest collections, net of remitting interest due to investors of the Kagawa Fund, for use in providing additional loans on behalf of Kagawa Fund. NDS and the Kagawa Fund investors bear all risk of loss pertaining to these loans. Shared Capital receives a servicing fee for administering the portfolio and closing and origination fees on new loans issued.

At December 31, 2024 and 2023, Shared Capital held \$406,868 and \$403,868 in funds payable to NDS and available for lending. At December 31, 2024 and 2023, Shared Capital was servicing \$144,073 and \$141,064 of loans for the Kagawa Fund, which were not recorded on Shared Capital's balance sheets.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 12 - LONG-TERM DEBT

Long-term debt primarily consists of various notes payable to institutional investors, other cooperatives, and individuals.

Long-term debt at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Senior loans payable	\$ 8,272,434	\$ 9,292,434
Subordinate loans payable	8,479,557	6,946,334
Paycheck Protection Program loan	34,501	107,134
Long-term debt	16,786,492	16,345,902
Less current portion of long-term debt	3,148,737	3,318,213
Less loan costs	26,970	20,457
Long-term debt net of current portion and loan costs	\$ 13,610,785	\$ 13,007,232

Some of the loans payable are subject to covenants as outlined in the loan agreements.

Future minimum principal payments on long-term debt consist of the following:

Due on demand	\$ 279,065
2025	2,869,672
2026	1,104,790
2027	1,486,665
2028	2,147,974
2029	1,904,843
Thereafter	6,993,483
Long-term debt	\$ 16,786,492

The notes payable at December 31, 2024 and 2023 have interest rates ranging from 0% to 4.5%, are unsecured, and mature through 2035. The weighted average interest rate on all long-term debt at December 31, 2024 and 2023 was 2.38% and 2.23%. The weighted average for senior debt was 2.62% and 2.17%. The weighted average for subordinate debt was 2.15% and 2.32%.

At December 31, 2024 and 2023, long-term debt less current portion includes \$1,800,000 and \$900,000 that is a portion of the debt forgiven by New World Foundation in each of those years. Under the terms of an agreement with a program partner, sixty percent of the forgiven debt is payable to the partner but is retained by Shared Capital until the winddown of the program in 2032 and can be used to offset losses on a pro rata basis for any loan losses incurred in excess of the cash reserve held for the program (see Note 17).

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 12 - LONG-TERM DEBT (continued)

In April 2020, Shared Capital received a Paycheck Protection Program (PPP) loan as part of the Coronavirus Aid, Relief, and Economic Security Act implemented by the United States Small Business Administration (SBA) to help cover payroll costs, rent, and utilities during the COVID-19 outbreak at 1% interest and repayable over 24 months. In 2022 the SBA informed Shared Capital that the PPP award does not meet the criteria for loan forgiveness due to Shared Capital's status as a for-profit financial institution. Shared Capital appealed this decision but did not receive forgiveness. The PPP loan balance, part of the current portion of long-term debt, was \$34,501 and \$107,134 at December 31, 2024 and 2023. The PPP loan was repaid in full in April 2025.

NOTE 13 - PREFERRED STOCK

Shared Capital issues Class A Preferred Stock to member and non-member investors to raise capital to carry out its lending activities. The preferred stock has no voting rights and shares may only be transferred upon the approval of the Board of Directors. The preferred stock has a liquidation preference over other equities. Redemption of preferred stock is at the discretion of the Board of Directors.

Shared Capital has specific redemption arrangements with two foundations that purchased Class A preferred shares in Shared Capital in the amounts of \$250,000 and \$500,000 in 2016 and 2012 respectively. In exchange, Shared Capital received certain considerations such as accompanying grants, extended stock holding period, and/or foregoing of dividends on the preferred stock. Under these redemption arrangements, the Board maintains the right to reject or postpone the foundations' redemption requests or convert such payment on redeemed shares to debt.

In December 2024, Shared Capital redeemed \$500,000 to one foundation. The other foundation that holds preferred stock in the amount of \$250,000 has requested redemption in accordance with the terms of the agreement. However, Shared Capital's Board of Directors has not yet approved the redemption. These shares are not listed separately on the balance sheet as redeemable stock because the shares represent less than 5% of total shares outstanding, and the terms under which this redemption may be requested are materially similar to the terms under which any shareholder request would be considered for redemption.

NOTE 14 - DIVIDENDS

At the discretion of the Board of Directors, Shared Capital may pay holders of preferred stock an annual dividend of up to 8% in the form of cash, additional shares of preferred stock, or equity credits. In 2024 and 2023 Shared Capital's Board of Directors declared preferred stock dividends in the amount of \$164,758 and \$128,210, which reflect a 5% return each year to investors on prior year holdings.

As a cooperative, Shared Capital may distribute patronage dividends, at the discretion of the Board of Directors, to its members based on the interest paid by the member on loans from Shared Capital. Patronage dividends may be paid in the form of cash or additional equity credits held as retained patronage. Shared Capital declared a qualified patronage dividend in the amount of \$116,815 on 2024 earnings. \$23,363 is payable to Shared Capital's members in cash, and \$93,452 is to be held as retained patronage. No patronage dividend was declared on 2023 earnings.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 15 - COMMITMENTS

In its normal course of business, Shared Capital issues formal commitments to issue notes receivable at a future date. Commitments are issued after loan approval, confirmation of availability of funds, and confirmation that all applicant conditions have been met. These are commitments to extend credit that involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the financial statements.

As of December 31, 2024 and 2023, Shared Capital carried outstanding commitments of approximately \$785,772 and \$2,812,000 to lend funds to meet the financing needs of its members.

NOTE 16 - INCOME TAXES

The provision for income taxes for 2024 and 2023 was comprised of the following:

	2024	2023
Current federal income tax expense	\$ (104,614)	\$ (42,935)
Current state income tax expense	(37,003)	(9,046)
Deferred income tax benefit (expense)	(7,000)	4,000
Provision for income taxes	\$ (148,617)	\$ (47,981)

Shared Capital's total deferred tax asset, valuation allowance, and total deferred tax liability at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Total deferred tax asset	\$ 11,000	\$ 18,000
Valuation allowance	-	-
Total deferred tax liability	-	-
Deferred taxes	\$ 11,000	\$ 18,000

Deferred taxes consist of the future tax effects of net operating loss carryforwards and timing differences between costs recorded as expenses for financial statement purposes and deductions for income tax purposes. Shared Capital utilized all of its remaining net operating loss carryforwards in 2024.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 17 - GRANTS AND CONTRIBUTIONS

Grants and Contributions include \$1,500,000 in debt forgiveness in each year in 2024 and 2023 of a \$4,000,000 0% interest loan made to Shared Capital in 2019 by New World Foundation under its Quality Jobs Fund. The loan provides capital for financing to support the transition of successful businesses to employee ownership to create and sustain high quality jobs in local communities. At December 31, 2024, \$3,000,000 had been forgiven and the remaining \$1,000,000 is anticipated to be forgiven in 2025. Forgiveness was granted based on compliance with funding requirements including the successful deployment of the funds for the program purposes.

Sixty percent of the New World Foundation forgiven debt, in the amount of \$900,000 in each of 2024 and 2023, was payable to a nonprofit program partner and is recorded as contribution expense. This obligation of \$1,800,000 in 2024 and \$900,000 in 2023 is reflected as long-term debt on Shared Capital's balance sheet.

In 2024 and 2023, Shared Capital administered grant programs on behalf of third parties whereby Shared Capital received grants from or on behalf of those third parties, and regranted those funds as directed under applicable agreements. \$555,215 and \$235,958 were recognized both as grant and contribution revenue and as contribution expense immediately upon the disbursement of the regranted funds.

Grants and contributions for 2024 and 2023 consisted of the following:

	2024	2023
Regranted under grant administration agreements	\$ 555,215	\$ 235,958
Recognized upon satisfaction of conditions	199,174	464,577
No conditions – recognized on receipt	301,336	38,566
Loan forgiveness	1,500,000	1,500,000
 Total Grants and Contributions	 \$ 2,555,725	 \$ 2,239,101

NOTE 18 - RELATED PARTIES

Several directors of Shared Capital are employed by, or are directors of, Shared Capital member organizations or other organizations that borrow from, lend to, or hold common or preferred stock in Shared Capital. Several Shared Capital directors as well as several staff members are members of the cooperative's individual class of members and hold common stock. They may also lend to Shared Capital.

Several staff members are directors of member organizations or other organizations that borrow from, lend to, award grant funding to, or hold common or preferred stock in Shared Capital.

Such activities were in the ordinary course of business at normal credit terms, including interest rates and collateralization, and do not represent more than a normal risk of collection.

SHARED CAPITAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 18 - RELATED PARTIES (continued)

Significant related party activities for 2024 and 2023 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Equity and deposits in related parties	\$ 337,459	\$ 310,000
Notes receivable from related parties	5,385,449	5,407,718
Long-term debt payable to related parties	935,719	719,904
Preferred stock held by related parties	790,737	723,617
Interest income earned from related parties	336,160	182,996
Interest expense incurred to related parties	26,566	24,558
Lines of credit from related parties	1,000,000	1,000,000

Additionally, an employee of NCB is a member of Shared Capital's loan committee. Shared Capital holds membership equity in NCB as disclosed in Note 4 and has a line of credit as disclosed in Note 8. NCB also holds membership equity in Shared Capital.

SHARED CAPITAL COOPERATIVE
INTERIM FINANCIAL STATEMENTS

These interim financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2024.

Balance Sheets – Not Audited
As of September 30, 2025 and 2024

	30-Sep 2025	30-Sep 2024
ASSETS		
CURRENT ASSETS		
Cash	2,507,313	3,083,797
Certificates of Deposit		1,000,905
Accounts Receivable	85,060	28,999
Prepaid Expenses	163,120	105,420
Accrued Interest Receivable	273,681	246,464
Current Portion of Notes Receivable	3,887,837	6,266,840
Total Current Assets	6,917,011	10,732,425
Property and Equipment - Net	10,194	6,334
Intangible Assets - Net	3,214	5,873
OTHER ASSETS		
Security Deposit	3,000	3,000
Equity in Other Cooperatives	337,459	324,480
Deposit in Other Cooperatives	13,092	10,075
Notes Receivable Less Current Portion - Net of Loan Loss Allowance	16,708,080	14,313,914
Right of Use Asset	70,091	105,433
Deferred Taxes	11,000	16,000
Total Assets	24,073,141	25,517,534
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts Payable	77,603	927,212
Accrued Expenses	74,302	767
Deferred Revenue	-	1,859,718
Funds Held for Others	397,604	462,406
Income Taxes Payable		-
Current Portion of Accrued Interest Payable	156,650	177,467
Current Portion of Operating Lease Liabilities	37,923	31,282
Current Portion of Long-Term Debt	3,803,827	3,269,260
Total Current Liabilities	4,547,909	6,728,113
LONG-TERM LIABILITIES		
Operating Lease Liabilities Net of Current Portion	34,102	75,483
Accrued Interest Payable Net of Current Portion	233,662	204,183
Line of Credit	1,000,000	-
Long-Term Debt Net of Current Portion and Loan Costs	12,499,218	13,185,067

Total Liabilities	18,314,891	20,192,845
EQUITY		
Preferred Stock, \$10 Par Value, 1,500,000 shares authorized, 546,264 and 507,704 shares issued and outstanding	5,462,644	5,077,043
Common Stock - Voting, \$10 Par Value, 1,000 Shares Authorized, 483 and 474 shares issued and outstanding	4,830	4,740
Common Stock - Nonvoting, \$10 par value, 500,000 shares authorized, 155,868 and 155,645 shares issued and outstanding	1,558,676	1,556,451
Additional Paid-In Capital	761,841	696,818
Retained Patronage	186,656	98,525
Accumulated Deficit	(2,216,396)	(2,108,888)
	<hr/>	<hr/>
Total Equity	5,758,251	5,324,689
	<hr/>	<hr/>
Total Liabilities and Equity	24,073,142	25,517,534

See accompanying notes.

**Shared Capital Cooperative
Profit and Loss – Not Audited
Jan 1-Sep 30, 2025 and Jan 1-Sep 30 30, 2024**

	<u>30-Sep 2025</u>	<u>30-Sep 2024</u>
REVENUE		
Interest Income - Loans	1,005,706	1,055,256
Interest Income - Cash Accounts	53,941	57,131
Loan Fees	141,062	54,910
Loan Recovery Income	5,854	10,139
Grants and Contributions	1,243,109	502,871
Consulting Income	700	47,711
Gain/Loss on Sale of Assets	33,358	
Other	9,469	9,000
	<hr/>	<hr/>
Total Revenue	2,493,199	1,737,018
EXPENSES		
Provision for Loan Losses	(28,143)	275,542
Personnel	1,098,380	842,427
Outside Services	183,042	151,880
Interest	304,281	307,604
Contributions	862,343	169,802
Professional Services	99,038	87,228
Advertising	51,087	30,852
Occupancy	52,071	48,544
Office Supplies	56,168	20,702
Real Estate Expenses	23,510	
Depreciation and Amortization	6,318	9,938
Seminars, Travel, Training	85,851	50,335
Fees	5,143	3,905
Dues	7,850	8,614

Board Expense	7,524	67,668
Total Expenses	<u>2,814,464</u>	<u>2,075,041</u>
Net Income Before Income Taxes and Patronage Dividend	(321,265)	(338,023)
Provision for Income Taxes Patronage Dividend	(69,532)	(29,610)
Net Income	<u>(390,797)</u>	<u>(367,633)</u>

See accompanying notes.

**Shared Capital Cooperative
Statements of Equity – Not Audited
Jan 1-Sep 30, 2025**

	Preferred Stock	Common Stock - Voting	Common Stock - Nonvoting	Additional Paid-In Capital	Retained Patronage	Accum. Deficit	Total Equity
Balance December 31, 2024	5,161,958	4,740	1,556,451	722,732	188,954	(1,629,912)	6,004,923
Purchases	105,000	110	2,225	39,839			147,174
Redemptions		(20)		(730)	(2,298)		(3,048)
Stock Converted							-
Preferred Stock Dividend	195,686					(195,686)	(0)
Patronage Dividend							-
Net Income						(390,797)	(390,797)
Balance September 30, 2025	5,462,644	4,830	1,558,676	761,841	186,656	(2,216,396)	5,758,251

See accompanying notes.

**Shared Capital Cooperative
Statements of Cash Flows – Not Audited
Jan 1-Sep 30, 2025 and Jan 1-Sep 30, 2024**

	30-Sep 2025	30-Sep 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	(390,797)	(367,633)
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities		
Depreciation and Amortization	6,318	9,938
Change in Loan Loss Allowance	(68,725)	275,542
Amortization of Loan Costs		
Amortization of Operating Lease Right-of-Use Asset	26,683	25,892

Forgiveness of Notes Payable	-	
Deferred Taxes	-	2,000
(Increase) Decrease in Assets		
Accounts Receivable	(56,279)	(15,176)
Prepaid Expenses	(93,284)	(21,129)
Accrued Interest Receivable	(66,663)	(88,690)
Equity Investments in Other Cooperatives (Net)		(24,480)
Other Investments	(3,017)	
Membership Equity in Other Cooperatives		
Increase (Decrease) in Liabilities		
Accounts Payable	42,322	(472,075)
Accrued Expenses	(872)	(341)
Deferred Revenue	(1,806,921)	(194,843)
Operating Lease Liabilities	(26,282)	(25,293)
Funds Held for Others	31,850	27,385
Income Taxes Payable	(80,182)	(2,510)
Accrued Interest Payable	7,928	43,083
Net Cash Flows from Operating Activities	(2,477,920)	(828,329)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Notes Receivable	3,098,923	3,334,876
Purchases of Property and Equipment	(10,460)	(1,619)
Issuance of Notes Receivable	(2,477,551)	(2,353,248)
Purchases of Mission Equity Investments		
Net Cash Flows from Investing Activities	610,912	980,009
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit		(1,000,000)
Issuance of Long-Term Debt	389,715	1,300,694
Payments on Long-Term Debt	(851,439)	(272,370)
Payments of Debt Issuance Costs	5,247	558
Purchases of Common Stock	41,923	14,850
Redemptions of Common Stock	(500)	-
Purchases of Preferred Stock	105,000	981,200
Patronage Dividend Retained	(2,298)	
Redemptions of Retained Patronage		
Net Cash Flows from Financing Activities	(312,352)	1,024,932
Net Change in Cash	(2,179,360)	1,176,612
Cash at Beginning of Year	4,686,673	2,908,090
Cash at End of Period	2,507,313	4,084,702

NOTES TO INTERIM FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 1 - BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The accounting policies applied in these interim financial statements are consistent with those described in the audited financial statements for the year ended December 31, 2024. There have been no material changes to accounting policies during the interim period. These interim financial statements should be read in conjunction with the audited financial statements and related notes.

Date of Management's Review

Management has evaluated subsequent events through December 31, 2025.

NOTE 2 - NOTES RECEIVABLE

Recorded investments in loans by portfolio segment at September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Cooperative housing mortgage loans	7,261,968	8,144,105
Cooperative business mortgage loans	3,307,437	2,673,953
Cooperative business loans	11,759,158	11,542,970
Loans to individuals to purchase cooperative housing (Share)	45,793	54,664
Microenterprise	<u>9,052</u>	<u>19,164</u>
Total notes receivable	22,383,408	22,434,856
Less current portion of notes receivable	3,887,837	6,266,840
Less allowance for loan losses	<u>1,787,491</u>	<u>1,854,102</u>
Notes receivable - net of current portion and loan loss allowance	<u><u>16,708,080</u></u>	<u><u>14,313,914</u></u>

Descriptions of the loan portfolio segments are as follows:

- Cooperative housing mortgage loans are commercial real estate loans for the acquisition and rehabilitation of multifamily housing properties secured by a mortgage.
- Cooperative business mortgage loans are loans for commercial real estate secured by a mortgage.
- Cooperative business loans are loans secured by other business assets excluding real estate.
- Loans to individuals are loans to purchase cooperative housing. Share loans in housing cooperatives are loans to individuals to purchase shares in housing cooperatives.
- Microenterprise loans are loans to cooperative businesses with fewer than five full-time equivalent employees and requiring less than \$50,000 in financing.

Commercial real estate loans receivable at September 30, 2025 and 2024 were comprised of the following:

	<u>2025</u>		<u>2024</u>	
Multi-Family Housing	7,261,968	68.7%	8,144,105	75.3%
Office	153,391	1.5%	155,856	1.4%
Production/Mfg	621,500	5.9%	0	0.0%
Retail	<u>2,532,547</u>	<u>24.0%</u>	<u>2,518,097</u>	<u>23.3%</u>
Total Mortgage Loans	<u><u>10,569,406</u></u>	<u><u>100.0%</u></u>	<u><u>10,818,058</u></u>	<u><u>100.0%</u></u>

There are no significant or material geographic concentrations within the commercial real estate loan portfolio.

The year-to-date change in the allowance for credit losses as of September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Beginning allowance (January 1)	1,804,895	1,594,989
Loans written off	(7,325)	-
Increase in provision for loan losses	<u>(61,401)</u>	<u>275,542</u>
Ending allowance (September 30)	<u><u>1,736,169</u></u>	<u><u>1,870,531</u></u>

The allowance for loan losses by portfolio segment at September 30, 2025 and 2024 was as follows:

	<u>Cooperative housing mortgage loans</u>	<u>Cooperative business mortgage loans</u>	<u>Cooperative business loans</u>	<u>Loans to individuals (Share)</u>	<u>Micro- enterprise</u>	<u>Total</u>
January 1, 2025 allowance	274,032	112,993	1,415,937	262	1,671	1,804,895
Loans written off	-	-	(7,325)	-	-	-
Increase (decrease)	<u>(52,805)</u>	<u>20,652</u>	<u>(28,449)</u>	<u>(33)</u>	<u>(766)</u>	<u>(68,726)</u>
September 30, 2025 allowance	<u><u>221,227</u></u>	<u><u>133,645</u></u>	<u><u>1,380,163</u></u>	<u><u>229</u></u>	<u><u>905</u></u>	<u><u>1,736,169</u></u>
January 1, 2024 allowance	237,323	133,984	1,220,448	610	2,625	1,594,989
Loans written off	-	-	-	-	-	-
Increase (decrease)	<u>65,695</u>	<u>(30,573)</u>	<u>241,465</u>	<u>(337)</u>	<u>(708)</u>	<u>275,542</u>
September 30, 2024 allowance	<u><u>303,018</u></u>	<u><u>103,411</u></u>	<u><u>1,461,913</u></u>	<u><u>273</u></u>	<u><u>1,916</u></u>	<u><u>1,870,531</u></u>

In addition to the accrual-based allowance for credit losses, Shared Capital holds cash reserves for its loans made through the Accelerate Employee Ownership Program. At September 30, 2025 and 2024, these cash reserves totaled \$290,000.

The aging of loans by portfolio segment at September 30, 2025 and 2024 was as follows:

	<u>Cooperative housing mortgage loans</u>	<u>Cooperative business mortgage loans</u>	<u>Cooperative business loans</u>	<u>Loans to individuals (Share)</u>	<u>Micro- enterprise</u>	<u>Total</u>
Current	7,076,864	3,307,437	11,759,158	45,793	9,052	22,198,304
31-90	185,104	-	-	-	-	185,104
90+ days	-	-	-	-	-	-
September 30, 2025 Total	<u><u>7,261,968</u></u>	<u><u>3,307,437</u></u>	<u><u>11,759,158</u></u>	<u><u>45,793</u></u>	<u><u>9,052</u></u>	<u><u>22,383,408</u></u>
Current	8,129,550	2,673,953	11,044,806	54,664	19,164	21,922,137
31-90	9,874	-	498,164	-	-	508,038
90+ days	4,681	-	-	-	-	4,681
September 30, 2024 Total	<u><u>8,144,105</u></u>	<u><u>2,673,953</u></u>	<u><u>11,542,970</u></u>	<u><u>54,664</u></u>	<u><u>19,164</u></u>	<u><u>22,434,856</u></u>

The credit quality of loans receivable at September 30, 2025 and 2024 was as follows:

	Cooperative housing mortgage loans	Cooperative business mortgage loans	Cooperative business loans	Loans to individuals (Share)	Micro- enterprise	Total
A	1,890,724	137,818	1,725,589	45,793	-	3,799,924
B	2,691,951	1,310,683	3,988,974	-	-	7,991,608
C	1,889,802	1,858,936	2,704,783	-	-	6,453,521
D	667,061	-	1,843,861	-	9,052	2,519,973
E	122,431	-	-	-	-	122,431
F	-	-	54,259	-	-	54,259
FF	-	-	679,833	-	-	679,833
G	-	-	761,860	-	-	761,860
September 30, 2025 Total	<u>7,261,968</u>	<u>3,307,437</u>	<u>11,759,158</u>	<u>45,793</u>	<u>9,052</u>	<u>22,383,409</u>
A	2,087,753	-	600,789	54,664	-	2,743,205
B	2,949,440	1,514,346	3,967,136	-	-	8,430,921
C	2,209,712	1,159,607	3,064,906	-	-	6,434,225
D	645,603	-	2,303,185	-	19,164	2,967,953
E	122,431	-	140,275	-	-	262,706
F	134,167	-	-	-	-	134,167
FF	-	-	672,739	-	-	672,739
G	<u>22,514</u>	<u>-</u>	<u>766,428</u>	<u>-</u>	<u>-</u>	<u>788,941</u>
September 30, 2024 Total	<u>8,171,618</u>	<u>2,673,953</u>	<u>11,515,457</u>	<u>54,664</u>	<u>19,164</u>	<u>22,434,856</u>

Shared Capital evaluates the credit quality of its loan portfolio using an internal risk rating system, as described in the audited financial statements for the year ended December 31, 2024. There have been no material changes to the risk rating framework or credit evaluation methodology during the interim period. Management monitors credit quality on an ongoing basis and considers portfolio risk ratings in establishing the allowance for credit losses.

As of September 30, 2025, there were 7 loans to 5 borrowers with total outstanding balance of \$1,262,330 on non-accrual status. As of September 30, 2024, there were the same 7 loans to the same 5 borrowers with total outstanding balance of \$1,344,988 on non-accrual status.

Off Balance Sheet Loans

Shared Capital continues to service certain loans on behalf of third parties that are not recorded on its balance sheet, as described in the audited financial statements for the year ended December 31, 2024. On September 30, 2025 and 2024, these include \$5,066,694 and \$4,947,985 of loan participations that have been sold to other lenders and constitute true sales with no recourse or liability to Shared Capital, and loan balances of funds administered on behalf of other organizations under contract (see Note 11 - Funds Held for Others), for which Shared Capital holds no liability and no credit, liquidity, or reputational risk. There have been no material changes to these arrangements during the interim period.

NOTE 3 - EQUITY INVESTMENTS IN OTHER COOPERATIVES

Shared Capital holds equity investments as part of its financing activities. At September 30, 2025 and 2024, the investments were comprised of \$337,459 and \$324,480 of preferred stock in a food

cooperative and \$10,000 of preferred stock in a worker cooperative. Shared Capital recorded allowances for investment losses on these investments of \$10,000 at September 30, 2025 and 2024 based on management's knowledge of the economic conditions and circumstances of the investees.

NOTE 4 - MEMBERSHIP EQUITY IN OTHER COOPERATIVES

Membership equity in other cooperatives primarily consists of an investment in National Cooperative Bank (NCB). Shared Capital held \$13,107 and \$10,000 of Class B membership shares in NCB at September 30, 2025 and 2024. Shared Capital also held \$75 in membership shares in Seward Community Co-op at September 30, 2025 and 2024. Shared Capital does not consider this part of its financing activities or its investment portfolio.

NOTE 5 - CONCENTRATION OF CREDIT RISK

Shared Capital maintains cash balances at two financial institutions located in the United States. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2025 and 2024, Shared Capital's uninsured cash balances totaled approximately \$2,063,000 and \$3,579,000.

NOTE 6 – LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Property and equipment at September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	16,333	16,333
Office equipment and furniture	<u>94,364</u>	<u>83,904</u>
Property and equipment	110,697	100,237
Less accumulated depreciation	<u>100,504</u>	<u>93,902</u>
Property and equipment - net	<u><u>10,193</u></u>	<u><u>6,334</u></u>

NOTE 7 - INTANGIBLE ASSETS

Intangible assets at September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Intangible assets - gross	44,656	44,656
Less accumulated amortization	<u>41,442</u>	<u>38,782</u>
Intangible assets - net	<u><u>3,214</u></u>	<u><u>5,874</u></u>

NOTE 8 - LINE OF CREDIT

Shared Capital has a \$1,000,000 unsecured line of credit with NCB which expired in December 2025 but has since been renewed until March 2026. It bears an interest rate of 30-day Averaged Secured Overnight Financing Rate plus 225 basis points. Shared Capital's outstanding balance on the line of credit was \$1,000,000 and \$0 at September 30, 2025 and 2024.

NOTE 9 - RETIREMENT PLAN

In September 2025, Shared Capital Cooperative terminated its SIMPLE IRA plan and established a Safe Harbor qualified defined contribution retirement plan under Section 401(k) of the Internal Revenue Code. Under the plan, eligible employees may make elective deferrals, and Shared Capital is required to make a non-elective employer contribution equal to 3% of eligible compensation, subject to applicable plan limits. In addition, the plan permits Shared Capital to make a discretionary employer matching contribution of up to 2% of eligible compensation, the payment of which is subject to management determination based on financial performance. The plan covers all employees who meet the plan's eligibility requirements. Employer contributions are expensed as incurred. The adoption of the Safe Harbor 401(k) plan did not result in any material liabilities or commitments beyond the mandatory non-elective employer contribution.

NOTE 10 - LEASES

Shared Capital's interim financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2024. There have been no material changes to Shared Capital's lease arrangements during the interim period.

NOTE 11 - FUNDS HELD FOR OTHERS

At September 30, 2025 and 2024, Shared Capital held \$397,604 and \$404,309 in funds payable to NASCO Development Services and available for lending. At September 30, 2025 and 2024, Shared Capital was servicing \$143,360 and \$140,703 of loans for the Kagawa Fund, which were not recorded on Shared Capital's balance sheets.

NOTE 12 - LONG-TERM DEBT

Long-term debt primarily consists of various notes payable to institutional investors, other cooperatives, and individuals. Long-term debt at September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Senior loans payable	7,934,434	9,572,434
Subordinate loans payable	8,387,334	6,841,444
Paycheck Protection Program loan	-	60,347
Long-term debt	16,321,768	16,474,225
Less current portion of long-term debt	3,803,827	3,269,260
Less loan costs	18,723	19,898
Long-term debt net of current portion and loan costs	<u>12,499,218</u>	<u>13,185,067</u>

Some of the loans payable are subject to covenants as outlined in the loan agreements.

The maturities and other terms of long-term debt are described in the audited financial statements for the year ended December 31, 2024. There have been no material changes to debt maturities during the interim period.

The notes payable bear interest at rates ranging from approximately 0% to 4.5% and mature through 2035. Amounts due within one year are classified as the current portion of long-term debt. Certain notes payable are subject to financial and non-financial covenants as outlined in the related loan agreements. There have been no material changes to covenant terms during the interim period.

At September 30, 2025, long-term debt includes amounts related to prior program-related financing arrangements, a portion of which may be forgiven or retained under the terms of those agreements. The remaining balances and related terms are described in the audited financial statements for the year ended December 31, 2024.

In April 2025, Shared Capital repaid in full the remaining balance of its Paycheck Protection Program loan. No balance was outstanding at September 30, 2025.

The maturities and other terms of long-term debt are described more fully in the audited financial statements for the year ended December 31, 2024. There have been no material changes to the overall debt structure during the interim period.

NOTE 13 - PREFERRED STOCK

The terms and conditions of Shared Capital Cooperative's preferred stock are described in the audited financial statements for the year ended December 31, 2024. There have been no material changes to the preferred stock terms or redemption arrangements during the interim period.

NOTE 14 - DIVIDENDS

During the nine months ended September 30, 2025, the Board of Directors declared preferred stock dividends in the amount of \$195,686, reflecting a 5% return on prior year preferred stock balances. Preferred stock dividends are paid at the discretion of the Board and are recorded when declared.

In addition, during 2025 the Board of Directors declared a qualified patronage dividend related to 2024 earnings in the amount of \$116,815. Of this amount, \$23,363 was paid in cash to members, and the remaining \$93,452 was retained as patronage equity.

The dividend policies and related terms applicable to preferred stock dividends and patronage dividends are described in the audited financial statements for the year ended December 31, 2024. There have been no material changes to dividend policies or practices during the interim period.

NOTE 15 - COMMITMENTS

In the ordinary course of business, Shared Capital Cooperative issues commitments to extend credit to members that have been approved but not yet funded. These commitments are subject to the satisfaction of customary closing conditions and the availability of funds.

At September 30, 2025, outstanding unfunded loan commitments totaled approximately \$1,798,000. The nature of these commitments is described in the audited financial statements for the year ended December 31, 2024.

NOTE 16 – INCOME TAXES

There have been no material changes to Shared Capital's income tax provision, deferred tax asset, valuation allowance, or deferred tax liability during the interim period.

NOTE 17 - RELATED PARTY TRANSACTIONS

Related party relationships and transactions are described in the audited financial statements for the year ended December 31, 2024. Related parties include directors, officers, committee members, employees, and entities with which such persons are affiliated.

During the interim period ended September 30, 2025, Shared Capital Cooperative engaged in transactions with related parties in the ordinary course of business and on terms comparable to

those available to unrelated parties. The balances outstanding at January 1, 2025 and September 30, 2025 are summarized below.

	September 30, 2025	January 1, 2025
Equity and deposits in related parties	347,459	337,459
Notes receivable from related parties	3,370,104	5,385,449
Long-term debt payable to related parties	940,115	935,719
Preferred stock held by related parties	829,755	790,737
Interest income earned from related parties	164,655	336,160
Interest expense incurred to related parties	20,424	26,566
Lines of credit from related parties	1,000,000	1,000,000

The changes in balances during the interim period primarily reflect normal lending activity, repayments, and interest accruals. No new categories of related party transactions were entered into during the interim period, and there were no material changes to the terms of existing related party arrangements.

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SHARED CAPITAL COOPERATIVE
MINNEAPOLIS, MINNESOTA**

ARTICLE I. (NAME)

The name of this association shall be Shared Capital Cooperative.

ARTICLE II. (REGISTERED OFFICE)

The registered office and principal place of business of this association shall be at 2388 University Ave. STE 300, St. Paul, Minnesota 55114

ARTICLE III. (PURPOSE)

The purpose of this association shall be to provide technical and financial assistance to existing cooperatives, and groups of individuals, cooperatives or organizations operating or intending to operate on a cooperative basis. In order to accomplish these purposes the association may engage in any activity connected with or related to its purpose, including the following:

- (a) borrow money from its members and others; to issue bonds, notes and other obligations and secure the same by pledge or mortgage on any property of the association; draw, make, accept, endorse, guarantee, execute and issue promissory notes, certificates and other obligations for any purpose deemed necessary to further the objects for which the association is formed;
- (b) acquire, purchase, hold, lease, encumber, sell, exchange and convey such real estate, buildings and personal property as the association may require;
- (c) purchase, sell, transfer and own capital stock, bonds and obligations of other corporations;
- (d) join with other cooperative associations to form district, state, national or international organizations and to hold, acquire or purchase the stock, notes bonds and other obligations in such organizations;
- (e) create, acquire or otherwise form other corporations, which need not be cooperative in nature, to further the purposes for which this association is formed;
- (f) engage in such other activities as cooperatives may be permitted under the laws of the State of Minnesota; and

(g) do or perform every act and thing necessary and proper to the conduct of its business for the accomplishment of the purposes set forth herein and permitted by the laws of the State of Minnesota.

ARTICLE IV. (DURATION)

The period of duration of this association shall be perpetual.

ARTICLE V. (CAPITAL STOCK)

Section 1. (Amount) The amount of authorized capital stock of the association shall be Two Hundred Million, One Hundred Thousand Dollars (\$200,100,000) which shall be divided into Ten Thousand (10,000) shares of Voting Stock with a par value of Ten Dollars (\$10.00) per share, Ten Million (10,000,000) shares of Nonvoting Stock with a par value of Ten Dollars (\$10.00) per share; and Ten Million (10,000,000) shares of Class A Preferred Stock with a par value of Ten Dollars (\$10.00) per share.

Section 2. (Voting Stock) Voting Stock may be issued for cash or promissory notes to cooperative associations, nonprofit corporations or individuals who have been approved for membership in the association by the Board of Directors. Only owners of Voting Stock are eligible to vote in the affairs of the association and voting shall be by districts or units as set forth in the bylaws. Each owner of Voting Stock is entitled to only one vote in the affairs of the association, regardless of the number of shares of Voting Stock owned. Voting by proxy shall not be allowed. If authorized by the Board of Directors, voting by mail shall be permitted. No dividends shall be paid on Voting Stock.

Section 3. (Nonvoting Stock) Nonvoting Stock may be issued to members or nonmembers for cash, promissory notes, or in payment of patronage refunds. No dividends shall be paid on Nonvoting Stock.

Section 4. (Class A Preferred Stock) Ten Million (10,000,000) shares of Class A Preferred Stock with a par value of Ten Dollars (\$10.00) per share shall have the rights and preferences set forth below:

(a) Dividends. At the discretion of the Board of Directors, the association may pay holders of Class A Preferred Stock an annual non-cumulative per share dividend of up to eight percent (8%) with the amount of any such dividend to be determined by the Board of Directors. Dividends on the Class A Preferred Stock shall be payable only when declared by the Board of Directors (1) out of funds legally available for the declaration of dividends, (2) in additional shares of Class A Preferred Stock or (3) in equity credits to be reflected on the books of the association. In no event shall any patronage dividend be declared to the members of the association unless the holders of the Class A Preferred Stock have received a cumulative total annual dividend of an amount at least equal to the cumulative total annual patronage dividend to be declared.

(b) Voting. Except as otherwise required by law, the holders of Class A Preferred Stock shall not be entitled to vote.

(c) Redemption Rights and Obligations.

(1) At any time following the date of issuance, the holder of Class A Preferred Stock may make a written request to the association to redeem all or some portion of the Class A Preferred Stock held by such holder. Upon receipt of a redemption request, the Board of Directors may, in its sole discretion, offer to redeem such portion of the holders Class A Preferred Stock as the Board may determine at the price and upon the terms approved by the Board.

(2) At any time the association may elect to redeem from the holders of the Class A Preferred Stock all or a portion of the Class A Preferred Stock by sending written notice to all holders of Class A Preferred Stock notifying them of such a redemption. The redemption price shall be calculated on a per share basis equal to the original issue price for the Class A Preferred Stock plus (i) the value of any declared but unpaid dividends and (ii) an amount equal to five percent (5%) of the original issue price per share for the Class A Preferred Stock divided by twelve (12), multiplied by the number of months elapsed in the then current fiscal year.

Section 5. (Transferability) Capital stock may be transferred in accordance with applicable law, the bylaws of the association, and subject to the consent and approval of the Board of Directors.

Section 6. (Issuance) No capital stock shall be issued for less than its par value nor until the same has been paid for in cash or its equivalent as required by the Board of Directors. Capital stock shall be non-assessable.

Section 7. (First Lien) The association shall have a first lien on all capital stock and any other equity interests or amounts standing on its books, for all indebtedness of the respective members to the association. The association shall also have the right, exercisable at the option of the Board of Directors to set off such indebtedness against the amount of such capital stock and any other equity interests or amounts standing on its books; provided, however, that nothing contained herein shall give the holder of such capital stock or other interests any right to have such set-off made. In the event the association exercises its right to set-off such indebtedness, then in the sole discretion of the Board of Directors, any sums not otherwise immediately due from the association to its member may be discounted to present value using a discount rate and time period deemed appropriate by the Board of Directors, and the present value as discounted may be set-off against the member's debt or liability owing to the association. The association may subordinate this lien to other indebtedness secured by such capital stock and/or any other equity interests or amounts standing on its books.

ARTICLE VI. (PATRONAGE DIVIDENDS)

Section 1. All of the annual net income from patronage, including patronage refunds received by this association from other cooperative associations, available for distribution after payment of any dividends on Class A Preferred Stock, shall belong to its members and shall be allocated to them on the basis of patronage and as provided in the bylaws.

Section 2. All or any part of the patronage dividend declared by the association may be paid in stock, equity credits, by allocating equity reserve, or by the issuance of certificates or other equivalent media, as determined by the Board of Directors.

ARTICLE VII. (DISSOLUTION)

The association may be dissolved in the manner provided by law. In the event of liquidation or dissolution of the association, all debts and liabilities shall first be paid according to their respective priorities. Thereafter, the remaining assets shall be distributed as follows:

- (a) The amount equal to the original issue price of the Class A Preferred Stock together with any declared, but unpaid dividends, shall be returned to the holders thereof, on a pro rata basis;
- (b) The par value of the Voting Stock and Nonvoting Stock shall be returned to the holders thereof, on a pro rata basis;
- (c) All capital furnished through patronage and/or outstanding equity credits, if any, shall have been retired without priority as to year on a pro rata basis to the holders thereof;
- (d) All paid-in surplus and/or reserves theretofore allocated to particular members or former members shall be returned to the holders thereof; and
- (e) The value of the remaining property and assets of the association shall be distributed among the current and former members in proportion to the proportionate patronage of each member over the most recent ten (10) fiscal years; provided that, the plan of dissolution may provide that any remaining assets shall be contributed to an association doing business on a cooperative basis or a nonprofit corporation which is exempt from taxes under Section 501 of the Internal Revenue Code.

In the event that the liquidated value of the remaining property and assets of this association, after satisfying all debts and liabilities, shall be insufficient to satisfy items (a) through (d) above, such items shall be satisfied in the order stated before making a distribution of the next item.

ARTICLE VIII. (BOARD OF DIRECTORS)

Section 1. The governance of the association and the management of its affairs shall be vested in a Board of Directors of not less than seven (7) nor more than eleven (11) directors who shall be elected by ballot by the voting members by district or unit at the annual meeting. Voting by mail for the Board of Directors may be permitted in accordance with Minnesota Statutes 308A.311 subd. 4. The exact number of directors, their terms and the manner of selection shall be prescribed in the bylaws.

Section 2. A director is not personally liable to the association or its members/stockholders for monetary damages for breach of fiduciary duty except in the following circumstances:

- (a) for a breach of the director's duty of loyalty to the association or its members/stockholders;
- (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or
- (c) for a transaction from which the director derived an improper personal benefit.

It is the intention of the members to eliminate or limit the personal liability of the directors to the greatest extent provided under Minnesota law. If amendments to Minnesota Statutes are passed after this Section 3 becomes effective which authorize cooperative associations to act to further eliminate or limit the personal liability of directors, then the liability of the directors shall be eliminated or limited to the greatest extent permitted by the Minnesota Statutes, as so amended. Any repeal or modification of this Section 3 by the members shall not adversely affect any right of or any protection available to a director that is in existence at the time of such repeal or modification.

Amended July 30, 2021

**AMENDED AND RESTATED
BYLAWS
OF
SHARED CAPITAL COOPERATIVE**

ARTICLE I. (MEMBERSHIP)

Section 1. Qualifications. There shall be three types of membership in the association: organizational, individual and associate. Organizational membership in the association shall be open to all legally incorporated cooperatives and organizations operating or intending to operate on a cooperative basis. Individual membership shall be available to any individual. Associate membership shall be available to any natural person and shall not have voting rights. Associate members are not “members” for the purpose of Minnesota Statute 308A.

Section 2. Application. Application for membership shall be made to and approved by the Board of Directors. The applicant shall agree to comply with the requirements of the bylaws and other Board of Director requirements, and to purchase one share of Voting Stock. The holders of Voting Stock shall be the members of this association.

Section 3. Termination. Membership shall be terminated if a member ceases to exist, resigns from the association, fails to comply with the requirements of the bylaws or Board of Directors, or when the Board of Directors, by a two-thirds majority, revokes membership for cause. Upon termination of membership the association shall purchase the Voting Stock of the member by tendering to the holder the lesser of the par value or the book value of the Voting Stock and less any indebtedness due the association, the terminated member’s Voting Stock shall be cancelled. Nonvoting Stock, Class A Preferred Stock and other equity interests of a terminated member shall be paid pursuant to the terms thereof or as otherwise provided in these bylaws.

ARTICLE II. (MEETINGS)

Section 1. Annual Meeting. The annual membership meeting shall be held within six (6) months after the close of the fiscal year at a time and place specified by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members shall be called upon a written request of at least twenty percent (20%) of the members or by a majority vote of the Board of Directors.

Section 3. Notice of Meeting. Notice shall be given by the Secretary of all meetings of the members by mailing a notice thereof to each member not less than fifteen days preceding the date of the proposed meeting. The failure of any member to receive such notice of the annual or special meeting of the members shall not invalidate any action that may be taken by the members at such meeting.

Section 4. Quorum. A quorum for transacting business at member meetings shall be representation from ten percent (10%) of the organizational members and ten percent (10%) of the individual members.

Section 5. Voting. The election of directors shall be by units as set forth in Article III, Section 3 of these Bylaws. On all other matters voting shall take place as set forth in this Section. One delegate from each organizational member shall be empowered to vote at the members meetings. Each organizational member shall have one vote. The individual members shall be grouped into one unit. The individual members of the unit shall vote on the question before the members. The decision of the majority of the individual members in the unit shall then count as one vote in the affairs of the association. Unless otherwise provided, a majority of the votes cast (with individual members collectively counting as one (1) vote) are needed to approve any matter. No proxy voting shall be allowed. Voting by mail ballot shall be allowed if approved by the Board of Directors.

Section 6. Meeting Agenda. The items of business at the annual meeting and so far as applicable at all other meetings of the members shall be:

- a. Registration of members by type.
- b. Verification of a quorum by the presiding officer.
- c. Proof of notice of meeting.
- d. Reading and approval of all unapproved minutes.
- e. Annual reports of officers and committees.
- f. Election of Board of Directors.
- g. Unfinished business.
- h. New business.
- i. Adjournment.

ARTICLE III. (BOARD OF DIRECTORS)

Section 1. General Powers. The business and the property of the association shall be managed and controlled by its Board of Directors. The Board of Directors may hire such staff as is necessary for the day to day operation of the association. The Directors may exercise all such powers and all such things as may be exercised or done by the association subject to the provisions of the Articles of Incorporation, the Bylaws and all applicable law. The Board of Directors may appoint such committees to perform such functions and possess such powers and responsibilities as the Board shall prescribe when creating such committees.

Section 2. Number and Tenure. The Board of Directors shall consist of at least seven (7) and not more than eleven (11) persons. The exact number shall be set by the Board of Directors before the annual meeting each year. Directors shall serve for three (3) year terms. The terms of all directors shall be staggered so that to the extent possible an equal number of directors are elected each year. The term of each director shall automatically expire at the end of the annual meeting three (3) years following their election.

Section 3. Qualification and Selection. The Board of Directors shall be natural persons, either representatives of organizational members or individual members. No more than two (2) employees or directors of any organizational member may serve on the Board of Directors in any capacity. The members shall be divided into two units for purposes of electing the Board of Directors. One unit shall consist of all individual members. One director shall be elected every three years by this unit in a separate election. The second unit shall consist of all organizational members. All other directors shall be selected by the unit consisting of the organizational members. Only individual members may run for the individual member seat. Only representatives of organizational members may run for the remainder of the seats. An individual member who is also a representative of an organizational member may simultaneously run for either or both an individual or an organizational seat. Failure to be elected by one unit does not preclude running for a seat in another unit if all other eligibility requirements are met.

Section 4. Removal by Members. Any director may be removed from office, with cause, by a majority vote of the members of this organization at a regular or special meeting of the membership called for that purpose, but with due notification of such action and the right to be heard thereon. A director removed by the membership shall be replaced by an election by the unit of membership which had initially selected him or her.

Section 5. Removal By Other Means. Failure of a director to attend two consecutive meetings or one-third of the Board's meetings during the year may result in removal of the director from the Board upon the majority vote of the remainder of the Board of Directors. In the event that a director elected by the organizational members loses his or her affiliation with the organizational member designated at the time of the election, that director shall automatically cease to be a director.

Section 6. Resignation. A director may resign at any time by giving written notice to the Board of Directors or President of this organization. Unless the written notice states otherwise, the resignation shall take effect upon receipt.

Section 7. Vacancies. Vacancies arising from whatever cause except removal by the members may be filled by the Board of Directors. Directors so appointed shall serve until the next annual meeting.

Section 8. Compensation. Directors shall receive no compensation for their services as directors, but this shall not restrict compensation, or reimbursement, for reasonable expenses incurred in attending Board meetings or carrying out any other business of the association or for payment when a director renders administrative, professional or other bonafide services to the association in a capacity other than as a director of the association.

ARTICLE IV. (MEETINGS OF THE BOARD OF DIRECTORS)

Section 1. Regular Meetings. The Board of Directors shall hold regular meetings at such interval and at such time and place as may be determined by the Board.

Section 2. Special Meetings. Special meetings may be called by the President at any time or upon request of any two (2) of the directors then in office. Written request shall be made

to the President who shall call the special meeting within thirty (30) days of receiving the request. If the President fails to give notice of the special meeting within the prescribed time period, the person requesting the meeting may fix the time and place of the meeting and give notice. Notice of special meetings shall be given at least twenty-four (24) hours in advance of the meeting either by mail, telephone or personal contact.

Section 3.Notice. Written notice of regular meetings including a written agenda shall be given at least five (5) days prior to the meeting. Notice of any meeting may be waived in writing before, at, or after a meeting. Appearance at any meeting by any director shall be deemed a waiver of notice. If notice is given by mail, such notice shall be mailed at least two (2) additional days prior to the meeting and shall be deemed delivered when deposited in the United States mail properly addressed with postage thereupon prepaid. No notice shall be given more than thirty (30) days before any meeting.

Section 4.Quorum. Except as otherwise provided in these bylaws, a quorum for the transaction of business shall consist of a majority of the directors. If a quorum is not present, a majority of the directors present may adjourn the meeting without further notice.

Section 5.Voting. Passage of a resolution shall require a vote of a majority of the directors present at the meeting, unless a greater number is required by the Articles of Incorporation, these Bylaws or law. Proxy voting by directors is not permitted.

Section 6.Action in Writing. Any action which might be taken at a meeting of the Board of Directors or of a lawfully constituted committee may be taken without a meeting if such action is taken in writing and signed by all of the directors then in office or by all members of such committee, as the case may be.

Section 7.Absent Directors. A director may give advance written consent or opposition to a proposal to be acted on at a meeting of the Board of Directors. If the director is not present at the meeting, consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum, but consent or opposition shall be counted as a vote in favor of or against the proposal and shall be entered in the minutes or other record of action at the meeting, if the proposal acted on at the meeting is substantially the same or has substantially the same effect as the proposal to which the director has consented or objected.

Section 8.Telephonic Meetings. The Board of Directors may meet telephonically or by other electronic means.

ARTICLE V. (OFFICERS)

Section 1.Description and Number. The officers of the association shall consist of the President, Vice President, Secretary and the Treasurer, and such other officers as may from time to time be elected by the Board. No person may hold two (2) offices at one time, except that the offices of Secretary and Treasurer may be combined. Except as provided in these Bylaws, the Board of Directors shall fix the powers, duties and compensation of all officers.

Section 2. Election, Term of Office and Qualifications. The officers shall be elected by the Board at the first meeting following the annual election of directors. The President and Vice President shall be elected from among the directors. Officers shall serve for one (1) year or until their successors shall have been elected or until their earlier resignation, removal from office or death.

Section 3. Removal and Vacancies. Any officer may be removed from office at any time by the vote of a majority of the directors, with or without cause, but with due notification of such action and the right to be heard thereon. A vacancy in an office of the association by reason of death, resignation or otherwise, shall be filled for the unexpired term by the Board at a regular meeting or special meeting called for that purpose.

Section 4. President. The President shall preside at all meetings of the Board of Directors or shall delegate such authority. The President shall sign and execute such documents as may be necessary to the transaction of business by the association. The President shall be entitled to vote on all matters before the Board in the same manner as any other Director. In general, the President shall perform all duties usually incident to that office and such other duties as the Board may prescribe.

Section 5. Vice President. The Vice President shall preside and perform the duties in the absence or disability of the President.

Section 6. Secretary. The Secretary shall be secretary of the meetings of the Board of Directors and shall record or cause to be recorded all proceedings of the meetings in the appropriate minute book of the association. The Secretary shall give or cause to be given proper notice of meetings. The Secretary shall sign and execute such documents as may be necessary to the transaction of business by the association. The Secretary shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the President.

Section 7. Treasurer. The Treasurer shall cause to be kept accurate accounts of all monies and assets of the association and shall cause to render to the Board of Directors or the President, whenever required, an account of the financial condition of the association, and shall perform such other duties and authority as may from time to time be prescribed by the Board of Directors or by the President or as are inherent in the office.

ARTICLE VI. (PATRONAGE DISTRIBUTIONS)

Section 1. Allocation to Members. The association shall allocate and distribute to members the net profit from business done with them in such a manner as to qualify them as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles. The Board of Directors shall determine when and how such allocations and distributions will be made, including the amount (if any) distributed in cash and the form of any amount distributed as patronage equity, whether the allocations will be made in one or more divisions, departments or allocation units, and whether all or part of the excess margins shall be set-aside in capital or other necessary reserves. Net profit from business done with persons that are not members may be allocated

to member patrons or set aside in an unallocated surplus or retained earnings. Patronage by a member of the association shall be as defined by the Board of Directors from time to time, and may include (a) the total amount of interest and fees and other amounts paid by the member to the association during the fiscal year and (b) the value of any other business done by the member with the association.

Section 2. Annual Net Income from Patronage. The annual net income from patronage shall be distributed to the members based on their patronage with the association. Such distributions shall be made in cash, stock or other equity credit, or some combination thereof, as the Board of Directors of the association shall determine. Annual net income is defined as (a) gross revenue from loans or other services or financial products provided to members by the association, and (b) income of the association from any source that is directly related to or actually facilitates the association's activities on behalf of its members, including without limitation patronage dividends distributed to the association by other cooperatives, the association's share of the net income or net loss of any unincorporated entity in which it owns an equity interest, and, to the extent determined by the Board of Directors, the association's share of the undistributed net income or net loss of any corporation in which it owns an equity interest.

Section 3. Extraordinary Gains. Net gain produced by a transaction (such as income from the lease of premises, investment in securities, or from the sale or exchange of capital assets) that is directly related to the Cooperative's business will be deemed to be patronage sourced margins and may be distributed to members in proportion, insofar as is practicable, to their patronage during any period to which such margins are attributable, as determined by the Board.

Section 4. Capital Reserve. The Board of Directors may cause to be created an unallocated capital reserve and annually add to the capital reserve the sum of the following amounts:

- a. The annual net income of this association attributable to non-patronage business;
- b. Annual net income, the amount otherwise to be distributed is less than the de minimus amount; and
- c. An amount not to exceed twenty percent (20%) of the annual net income from patronage business, provided that a determination as to a specific amount is determined prior to the first day of any fiscal year.

Federal income taxes shall be charged to the capital reserve. At no time shall the unallocated capital reserve exceed fifteen percent (15%) of the association's assets.

Section 5. Losses. (a) Operating Losses. An operating loss may be charged against unallocated surplus or retained earnings or will be apportioned among the members during the year of loss so that the loss will, to the extent practicable, be borne by those members with respect to the loss year on an equitable basis, including charging the loss against allocated reserves, unallocated surplus or the patronage equity. Members may not be directly assessed for any loss. The Board may also direct that all or part of any loss be carried forward or back so long as any carryforward or carryback will not place an inequitable burden upon past or future members.

(b) Other Losses. If, in any fiscal year, the Cooperative incurs a loss other than an operating loss, the Board may determine the basis on which patronage capital furnished by the members may be reduced or such loss is to be otherwise equitably apportioned among the members.

ARTICLE VII. (STOCK, REVOLVING FUND, RESERVES, LOANS)

Section 1. No Certificates. The Capital Stock of the association shall be uncertificated. The association shall keep on file a record of each person's stock holdings.

Section 2. Stock Transfer. Capital Stock may only be transferred with the consent and approval of the Board of Directors. Transfers of Capital Stock shall also be subject to a right of first refusal in favor of the association. The association's Board of Directors shall establish by resolution the procedures and policies governing such right of first refusal.

Section 3. Revolving Fund. The Board of Directors is authorized to create a revolving fund which can be used for the furtherance of the association's purposes. Whenever it is determined by the Board of Directors that all of the association's capital is not necessary for the proper financing of its operations, then the Board of Directors may retire Nonvoting Stock or any other equity interest issued to members by virtue of prior patronage of the association. Nonvoting Stock and/or other equity interests shall be retired in the order in which the same were issued, with the oldest being retired first.

Section 4. Loans from the Association. The association shall not make loans for any purpose other than to further cooperative development.

Section 5. Loans to the Association. Loans made to the association by its members shall be on terms and conditions mutually agreed upon by the association and such member, and shall be subordinate to loans made to the association by non-members.

ARTICLE VIII. (TAX CONSENT)

Each individual or organization who applies for and is accepted to membership in the association by such act alone consent that the amount of any distributions with respect to his, her or its patronage occurring in any fiscal year which are made in written notices of allocation (as defined in 26 U.S.C. 1388 of the Internal Code) and which are received by him, her or it from the association, will be taken into account by him, her or it at their stated dollar amounts in the manner provided in 26 U.S.C. 1385 in the taxable year in which such written notices of allocation are received by him, her or it, it being the intent of this bylaw provision to provide a consent binding on all members of this association for the purpose of making such distributions "qualified written notices of allocation" within the meaning of the United States Income Tax Laws.

ARTICLE IX. (INDEMNIFICATION)

The association shall indemnify each person who is or has been a director, officer or employee of the association, and each person who is serving or who has served at the request of the association as a director, officer, employee, agent of another corporation, partnership, joint

venture, trust or other enterprise, against expenses, including attorney's fees, judgments, fines and amounts paid in settlement, actually and reasonable incurred by him or her to the fullest extent of his or her right to indemnity under current Minnesota Corporation Law.

Amended and Restated April 18th, 2017.



Shared Capital Cooperative[®]

SUBSCRIPTION AGREEMENT

CLASS A PREFERRED SHARES

Regulation A Direct Public Offering ("Reg A DPO") – March 2026

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. THIS INVESTMENT IS SUITABLE ONLY FOR PERSONS WHO CAN BEAR THE ECONOMIC RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FURTHERMORE, INVESTORS MUST UNDERSTAND THAT SUCH INVESTMENT IS ILLIQUID AND IS EXPECTED TO CONTINUE TO BE ILLIQUID FOR AN INDEFINITE PERIOD OF TIME. NO PUBLIC MARKET EXISTS FOR THE SECURITIES, AND NO PUBLIC MARKET IS EXPECTED TO DEVELOP FOLLOWING THIS OFFERING.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND STATE SECURITIES LAWS. ALTHOUGH AN OFFERING STATEMENT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), THAT OFFERING STATEMENT DOES NOT INCLUDE THE SAME INFORMATION THAT WOULD BE INCLUDED IN A REGISTRATION STATEMENT UNDER THE ACT. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO SUBSCRIBER IN CONNECTION WITH THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

SUBSCRIBERS WHO ARE NOT "ACCREDITED INVESTORS" (AS THAT TERM IS DEFINED IN SECTION 501 OF REGULATION D PROMULGATED UNDER THE ACT) ARE SUBJECT TO LIMITATIONS ON THE AMOUNT THEY MAY INVEST, AS SET OUT IN SECTION 6. THE COOPERATIVE IS RELYING ON THE REPRESENTATIONS AND WARRANTIES SET FORTH BY EACH SUBSCRIBER IN THIS SUBSCRIPTION AGREEMENT AND THE OTHER INFORMATION PROVIDED BY SUBSCRIBER IN CONNECTION WITH THIS OFFERING TO DETERMINE THE APPLICABILITY TO THIS OFFERING OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT.

THE COOPERATIVE MAY NOT BE OFFERING THE SECURITIES IN EVERY STATE. THE OFFERING MATERIALS DO NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR JURISDICTION IN WHICH THE SECURITIES ARE NOT BEING OFFERED.

I. Terms and Conditions

This Subscription Agreement (this “Agreement”) by and between Shared Capital Cooperative, a Minnesota cooperative corporation (the “Cooperative”), and the undersigned subscriber (the “Investor”) is made effective as of the date on which the Cooperative executes this Agreement.

1. Subscription for Shares. Investor hereby offers and agrees to purchase from the Cooperative that number of shares of the Cooperative’s Class A Preferred Stock (the “Shares”) set forth under the heading “III. Investor Information,” below, at the purchase price of \$10.00 per Share. Concurrently with the delivery of this Agreement, the Investor must deliver payment for the total purchase price of the Shares. The rights of the Shares are as set forth in the Cooperative’s articles of incorporation and bylaws, as amended, which appear as Exhibits to the Offering Statement of the Cooperative filed with the SEC (the “Offering Statement”). Investor understands that the Shares are being offered pursuant to an offering circular dated March 17, 2026 (the “Offering Circular”) filed with the SEC as part of the Offering Statement. If there are any inconsistencies, the provisions of this Agreement supplement and supersede the terms of the Offering Statement. This Agreement is irrevocable and unconditional and continues notwithstanding the death, incapacity, dissolution or bankruptcy of, or any other event or proceeding affecting Investor.

2. The Cooperative’s Right to Accept or Reject Subscriptions. The Cooperative may accept or reject any subscription, in whole or in part. This means that the Cooperative may sell to Investor a smaller number of Shares than Investor subscribes to purchase or may choose not to sell any Shares to Investor. If the Cooperative accepts Investor’s subscription, in whole or in part, this Agreement will constitute an irrevocable commitment by the Investor to purchase the Shares, and a copy of this Agreement will be executed by the Cooperative and returned to Investor. If the Cooperative rejects Investor’s subscription in whole or in part, the Cooperative will return the payment tendered for any unissued portion of the subscription, without interest or deduction.

3. Representations and Warranties of the Investor. Investor represents and warrants to, and covenants with, the Cooperative that:

a. Acknowledgment. The Investor, or the Investor’s representative, has received and has read and understands this Agreement, copies of the Offering Circular and Offering Statement including exhibits thereto, and any other information required by the Investor to make an investment decision.

b. Domicile. Investor maintains Investor’s domicile (and is not a transient or temporary resident) at the address provided under the heading “III. Investor Information,” below.

c. Evaluate Risks. Investor has the requisite knowledge to assess the relative merits and risks of this investment, or has relied upon the advice of Investor’s professional advisors with regard to an investment in the Shares.

d. Investor Advised to Seek Representation. Investor understands that nothing in this Agreement or any other materials presented to Investor in connection with the purchase and sale of the Shares constitutes legal, tax, or investment advice. The Cooperative has advised Investor to consult with such legal, tax, and investment advisors as Investor, in Investor’s sole discretion, deems necessary or appropriate in connection with their purchase of the Shares.

e. Transfer Restrictions. Investor will not, directly or indirectly, offer, sell, pledge, transfer, or otherwise dispose of (or solicit any offers to buy, purchase, or otherwise acquire or take a pledge of) any Shares except in compliance with this Agreement, any applicable state and federal securities laws and regulations, and the Cooperative’s Articles of Incorporation and bylaws, which appear as exhibits to the Offering Statement, and which require approval of any transfer of Shares by the Cooperative’s Board of Directors, and which give the Cooperative a right of first refusal as to transfer of the Shares. Investor understands that there are significant limitations on transfer of the Shares.

f. Complete Information. All information provided by Investor to the Cooperative in connection with the purchase of the Shares is true, correct, and complete as of the date hereof, and if there should be any change in such information, Investor will immediately provide the Cooperative with such information.

g. Backup Withholding. Investor is not subject to backup withholding because: (a) Investor is exempt from backup withholding, or (b) Investor has not been notified by the Internal Revenue Service (IRS) that Investor is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Investor that they are no longer subject to backup withholding.

h. Authority; Binding Agreement. Investor has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery, and performance of this Agreement. This Agreement constitutes a valid and binding obligation of Investor enforceable against Investor in accordance with its terms, except as enforceability may be limited by applicable law.

4. Indemnification. Investor agrees to indemnify and hold harmless the Cooperative and its officers, directors, staff persons, and other agents for

any claims, judgments, or expenses incurred as a result of any misrepresentation made by Investor.

5. Foreign Investors. If Investor is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Investor hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Shares or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Shares. Investor's subscription and payment for and continued beneficial ownership of the Shares will not violate any applicable securities or other laws of the Investor's jurisdiction.

6. Investor Suitability; Limitation on Investment Amount. Investor represents that EITHER:

a. The purchase price set forth in the Investor Information section of this Agreement, together with any other amounts invested in shares and/or promissory notes offered by Shared Capital in this offering, does not exceed 10% of the greater of the Investor's annual income or net worth (excluding the value of Investor's primary residence); or

b. Investor is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act. Under federal regulations (17 CFR §230.501), the term "accredited investor" includes:

i. An individual who has an individual net worth, or joint net worth with the person's spouse or spousal equivalent, that exceeds \$1 million at the time of the purchase, excluding the value of the person's primary residence;

ii. An individual with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse or spousal equivalent exceeding \$300,000 for those years and a reasonable expectation of reaching the same income level in the current year;

iii. An individual who holds a Series 7, 65, or 82 securities license issued by FINRA;

iv. A registered broker dealer;

v. A registered investment advisor;

vi. Any entity in which all of the equity owners are accredited investors;

vii. Any legal entity not formed for the specific purpose of acquiring the securities offered, with total assets exceeding \$5 million (requirements for who makes the investment decisions apply in certain cases);

viii. An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions or if the plan has total assets in excess of \$5 million or, if the plan is self-directed, if investment decisions are made solely by persons who are accredited investors; and

ix. A bank, savings and loan association, insurance company, registered investment company, business development company, or small business investment company.

Additional information about accredited investor status is contained in the Offering Circular under the heading “Plan of Distribution: Limitations on Amount Investors Can Invest.” However, Shared Capital cannot provide all information that any Investor may need to determine whether they are an accredited investor. Therefore, Investor represents that to the extent it, he, she, or they have any questions with respect to their status as an accredited investor, or the application of the investment limits, they have sought professional advice.

Investor understands that the Shares have not been registered under the Securities Act of 1933, as amended. Investor also understands that the Shares are being offered and sold pursuant to the exemption from registration contained in Regulation A, Tier 2, under the Securities Act of 1933, based in part upon Investor’s representations contained in this Agreement. Shared Capital will rely on Investor’s representation about their accredited investor status or that their investment amount is within the limit in part b. above, in order to determine that this offering is exempt from registration under Regulation A.

7. Representations and Warranties of the Cooperative. The Cooperative represents and warrants to the Investor as follows:

a. The Cooperative is a duly organized and validly existing cooperative corporation organized under the laws of the State of Minnesota.

b. The Cooperative is in good standing under the laws of the State of Minnesota and there are no proceedings or actions pending to limit or impair any of its powers, rights and privileges, or to dissolve it.

c. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by proper board action of the Cooperative.

8. Representations to Survive Delivery. The representations, warranties and agreements of the Cooperative and of the Investor contained in this Agreement will remain in full force and effect and will survive the payment of the purchase price of the Shares, the registration of the Investor as a holder of Shares in the records of the Cooperative, and the delivery of any certificates representing the Shares.

9. General Provisions.

a. Binding Effect. Neither this Agreement nor any interest herein shall be assignable by the Investor without the prior written consent of the Cooperative. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

b. Notice. Any notice which either party may or must give to the other under this Agreement shall be in writing and shall be either hand delivered or sent via email or U.S. certified mail to the following addresses:

<p>If to Shared Capital: Shared Capital Cooperative Attn: Investor Relations 2388 University Avenue, Suite 300 St. Paul, MN 55114 invest@sharedcapital.coop</p>	<p>If to Investor: The name and address provided by Investor below in “Investor Contact Information”</p>
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c. Modification. This Agreement may not be modified or amended except in writing signed by Shared Capital and Investor.

d. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, excluding its conflict of laws rules.

e. Jurisdiction. The parties hereby irrevocably and unconditionally submit to the jurisdiction of the federal and state courts located within the geographical boundaries of Minneapolis and St. Paul, Minnesota for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement. The parties agree not to commence any suit, action, or other proceeding arising out of or based upon this Agreement except in the federal and state courts located within the geographical boundaries of Minneapolis and St. Paul. The parties hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that they are not subject personally to the jurisdiction of the above-named courts, that their property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or

proceeding is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court.

f. Attorneys' Fees. In any suit or arbitration to enforce or interpret the terms of this Agreement, or to enforce any right or obligation created hereby, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

g. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties.

h. Electronic Signatures. Investor agrees that Investor's digital signature or other form of electronic acknowledgement, consent, or acceptance (as the case may be), constitutes Investor's signature, acceptance and agreement of the terms of this Agreement and that such digital signature, consent, or acceptance shall be given the same force and effect as a signature affixed by hand.

i. Severability. If a court or an arbitrator of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, it will be deemed struck from this Agreement, and the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

j. Entire Agreement. This Agreement, along with the Offering Statement to which it relates, including all attachments, constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the purchase and sale of the Shares by Investor from Shared Capital, and supersedes all prior and contemporaneous understandings or agreements of the parties.

k. Headings. The section headings and paragraph titles in this Agreement are for convenience of reference only and shall not limit or affect the interpretation of the provisions hereof.

l. Definitions. Any capitalized term shall have the meaning defined by this Agreement or by the Offering Statement.

Shared Capital Cooperative
 Subscription Agreement – Investment Shares
Reg A DPO | March 2026

INVESTMENT SUBSCRIPTION AGREEMENT — SHARES

INVESTMENT AMOUNT*

Class A Preferred Shares <i>Target: 5% for 5+ years</i>	Amount:* \$ _____ .00 <i>(\$10 increments Minimum investment \$500)</i>	Number of Shares:* _____ <i>(Dollar amount divided by 10)</i>
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FUNDING METHOD*

ACH withdrawal initiated by Shared Capital Wire Transfer Initiated by Investor Check

RECURRING INVESTMENT (optional)

Monthly Recurring Investment: My initial amount is above. Then I will invest \$ _____ each month.

INVESTOR*

<i>Investor Name *</i>	<i>Investor Tax ID (SSN or EIN) *</i>

INVESTOR CONTACT INFORMATION*

<i>Primary Address * (state of residence determines state eligibility)</i>	<i>City, State, Zip *</i>

<i>Mailing Address (if different than Primary Address)</i>	<i>(mailing address) City, State, Zip</i>

<i>Email Address</i>	<i>Telephone</i>

INVESTOR TYPE * (select one)

- | | |
|---|---|
| <input type="checkbox"/> Individual
<input type="checkbox"/> Joint Tenants with Rights of Survivorship
<input type="checkbox"/> Tenants in Common
<input type="checkbox"/> Corporation (other than cooperative or nonprofit)
<input type="checkbox"/> LLC
<input type="checkbox"/> Partnership | <input type="checkbox"/> Cooperative
<input type="checkbox"/> Nonprofit
<input type="checkbox"/> Individual Retirement Account
<input type="checkbox"/> Trust
<input type="checkbox"/> Other: _____ |
|---|---|

OTHER CONTACT OR REPRESENTATIVE (if any)

Type: Joint Investor Trustee Custodian Authorized Rep Other: _____

<i>Contact Name</i>	<i>Title</i>

<i>Street Address</i>	<i>City, State, Zip</i>

<i>Email Address</i>	<i>Telephone</i>

SHARES OPTIONAL INVESTMENT SELECTIONS *(select all that apply)*

Zero Percent (0%) Dividend Option

I waive my right to a dividend to give even greater support to growing the cooperative economy.

Targeted Program Option – Worker Ownership Loan Fund

Target my investment first to Shared Capital’s Worker Ownership Loan Fund

Note: Selecting the Targeted Program does not create a restriction on use of funds. See descriptions in the Offering Circular.

SUBSCRIPTION AGREEMENT SIGNATURES

Before signing this Agreement, Investor must have read and understood the Offering Circular. There are significant risks that Investor must understand before investing. These risks are discussed in the Offering Circular under the heading “Risk Factors.”

INVESTOR SIGNATURE*

<i>Investor Signature *</i>	<i>Date *</i>

*Investor Printed Name **

JOINT INVESTOR / IRA ACCOUNTHOLDER / OTHER (if any)

<i>Signature</i>	<i>Date</i>

Printed Name

ACCEPTANCE BY SHARED CAPITAL COOPERATIVE

Internal Use Only — To be completed by Shared Capital after receipt of funds

<i>Shared Capital Cooperative Authorized Signature</i>	<i>Acceptance Date</i>

<i>Authorized Signer Printed Name</i>	<i>Title</i>



Exhibit A

**Class A Preferred Shares
Investment Confirmation**

SHARED CAPITAL COOPERATIVE — PREFERRED EQUITY SHARES	
<i>Completed by Shared Capital upon receipt of funds</i>	
<i>Investment Number</i>	<i>Effective Date of Investment</i>
<i>Amount</i>	<i>Number of Shares</i>
\$ _____ .00	
<i>Investee</i>	Shared Capital Cooperative 2388 University Ave West, Ste 300, St. Paul, MN 55114
<i>Investor Name</i>	
<i>Investor Address</i>	



Shared Capital Cooperative[®]

SUBSCRIPTION AGREEMENT

INVESTMENT NOTES

Regulation A Direct Public Offering ("Reg A DPO") – March 2026

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. THIS INVESTMENT IS SUITABLE ONLY FOR PERSONS WHO CAN BEAR THE ECONOMIC RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FURTHERMORE, INVESTORS MUST UNDERSTAND THAT SUCH INVESTMENT IS ILLIQUID AND IS EXPECTED TO CONTINUE TO BE ILLIQUID FOR AN INDEFINITE PERIOD OF TIME. NO PUBLIC MARKET EXISTS FOR THE SECURITIES, AND NO PUBLIC MARKET IS EXPECTED TO DEVELOP FOLLOWING THIS OFFERING.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND STATE SECURITIES LAWS. ALTHOUGH AN OFFERING STATEMENT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), THAT OFFERING STATEMENT DOES NOT INCLUDE THE SAME INFORMATION THAT WOULD BE INCLUDED IN A REGISTRATION STATEMENT UNDER THE ACT. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THIS SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO SUBSCRIBER IN CONNECTION WITH THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

SUBSCRIBERS WHO ARE NOT "ACCREDITED INVESTORS" (AS THAT TERM IS DEFINED IN SECTION 501 OF REGULATION D PROMULGATED UNDER THE ACT) ARE SUBJECT TO LIMITATIONS ON THE AMOUNT THEY MAY INVEST, AS SET OUT IN SECTION 7. THE COOPERATIVE IS RELYING ON THE REPRESENTATIONS AND WARRANTIES SET FORTH BY EACH SUBSCRIBER IN THIS SUBSCRIPTION AGREEMENT AND THE OTHER INFORMATION PROVIDED BY SUBSCRIBER IN CONNECTION WITH THIS OFFERING TO DETERMINE THE APPLICABILITY TO THIS OFFERING OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT.

THE COOPERATIVE MAY NOT BE OFFERING THE SECURITIES IN EVERY STATE. THE OFFERING MATERIALS DO NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR JURISDICTION IN WHICH THE SECURITIES ARE NOT OFFERED.

I. Terms and Conditions

This Subscription Agreement (this “Agreement”) by and between **Shared Capital Cooperative**, a Minnesota cooperative corporation (the “Cooperative” or “Shared Capital”), and the undersigned subscriber (the “Investor”) is made effective as of the date on which the Cooperative executes this Agreement.

1. Subscription for an Unsecured, Subordinated Promissory Note.

Investor hereby offers and agrees to purchase from the Cooperative an unsecured subordinated promissory note in the form attached as Exhibit A to this Agreement (the “Note”) in the amount and under the terms set forth in the subscription form signed by Investor. Concurrently with the delivery of this Agreement, the Investor must deliver payment for the total purchase price of the Note. Investor understands that the Notes are being offered pursuant to an offering circular dated March 17, 2026 (the “Offering Circular”) that is part of an Offering Statement filed with the SEC pursuant to Regulation A under the Securities Act (the “Offering Statement”). If there are any inconsistencies, the provisions of this Agreement supplement and supersede the terms of the Offering Statement. This Agreement is irrevocable and unconditional and continues notwithstanding the death, incapacity, dissolution, or bankruptcy of, or any other event or proceeding affecting Investor.

2. The Cooperative’s Right to Accept or Reject Subscriptions. The Cooperative may accept or reject any subscription, in whole or in part. This means that the Cooperative may sell to Investor a Note with a smaller principal amount than Investor subscribes to purchase or may choose not to sell a Note to Investor. If the Cooperative accepts Investor’s subscription, in whole or in part, this Agreement will constitute an irrevocable commitment by the Investor to purchase the Note, and the Cooperative will deliver an executed copy of this Agreement and an executed Note to Investor. If the Cooperative rejects Investor’s subscription in whole or in part, the Cooperative will return the payment tendered for any unissued portion of the subscription, without interest or deduction.

3. Unsecured; Subordinated. Investor acknowledges that the Note is not secured by any asset of the Cooperative. Investor acknowledges that all Notes issued in this offering are subordinate to certain senior debts of the Cooperative. Further, Notes held by members of Shared Capital are subordinate to Notes held by non-members.

4. Representations and Warranties of the Investor. Investor represents and warrants to, and covenants with, the Cooperative that:

- a. Acknowledgment. The Investor, or the Investor’s representative, has received and has read and understands this Agreement, copies of the Offering Circular and Offering Statement including exhibits thereto,

and any other information required by the Investor to make an investment decision.

b. Domicile. Investor maintains Investor’s domicile (and is not a transient or temporary resident) at the address provided under the heading “Investor Information,” below.

c. Evaluate Risks. Investor has the requisite knowledge to assess the relative merits and risks of this investment or has relied upon the advice of Investor’s professional advisors with regard to an investment in the Note.

d. Investor Advised to Seek Representation. Investor understands that nothing in this Agreement or any other materials presented to Investor in connection with the purchase and sale of the Note constitutes legal, tax, or investment advice. The Cooperative has advised Investor to consult with such legal, tax, and investment advisors as Investor, in Investor’s sole discretion, deems necessary or appropriate in connection with their purchase of the Note.

e. Transfer Restrictions. The Investor understands and agrees that the Note may not be transferred to any third party except with the prior written approval of the Cooperative’s board of directors; provided that the board’s approval is not required for customary transfers for bona fide estate planning purposes. Investor will not, directly or indirectly, offer, sell, pledge, transfer, or otherwise dispose of (or solicit any offers to buy, purchase, or otherwise acquire or take a pledge of) any interest in the Note except in compliance with this Agreement and any applicable state and federal securities laws and regulations.

f. Complete Information. All information provided by Investor to the Cooperative in connection with the purchase of the Note is true, correct, and complete as of the date hereof, and if there should be any change in such information, Investor will immediately provide the Cooperative with such information.

g. Backup Withholding. Investor is not subject to backup withholding because: (a) Investor is exempt from backup withholding, or (b) Investor has not been notified by the Internal Revenue Service (IRS) that Investor is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Investor that they are no longer subject to backup withholding.

h. Authority; Binding Agreement. Investor has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery, and performance of this Agreement. This Agreement constitutes a valid and binding

obligation of Investor enforceable against Investor in accordance with its terms, except as enforceability may be limited by applicable law.

5. Indemnification. Investor agrees to indemnify and hold harmless the Cooperative and its officers, directors, staff persons, and other agents for any claims, judgments, or expenses incurred as a result of any misrepresentation made by Investor.

6. Foreign Investors. If Investor is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Investor hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for a Note or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Note, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the investment in the Note. Investor's subscription and payment for and continued beneficial ownership of the Note will not violate any applicable securities or other laws of the Investor's jurisdiction.

7. Investor Suitability; Limitation on Investment Amount. Investor represents that EITHER:

a. The purchase price set forth in the Investor Information section of this Agreement, together with any other amounts invested in shares and/or promissory notes offered by Shared Capital in this offering, does not exceed 10% of the greater of the Investor's annual income or net worth (excluding the value of Investor's primary residence); or

b. Investor is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act. Under federal regulations (17 CFR §230.501), the term "accredited investor" includes:

i. An individual who has an individual net worth, or joint net worth with the person's spouse or spousal equivalent, that exceeds \$1 million at the time of the purchase, excluding the value of the person's primary residence;

ii. An individual with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse or spousal equivalent exceeding \$300,000 for those years and a reasonable expectation of reaching the same income level in the current year;

iii. An individual who holds a Series 7, 65, or 82 securities license issued by FINRA;

iv. A registered broker dealer;

v. A registered investment advisor;

vi. Any entity in which all of the equity owners are accredited investors;

vii. Any legal entity not formed for the specific purpose of acquiring the securities offered, with total assets exceeding \$5 million (requirements for who makes the investment decisions apply in certain cases);

viii. An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions or if the plan has total assets in excess of \$5 million or, if the plan is self-directed, if investment decisions are made solely by persons who are accredited investors; and

ix. A bank, savings and loan association, insurance company, registered investment company, business development company, or small business investment company.

Additional information about accredited investor status is contained in the Offering Circular under the heading “Plan of Distribution: Limitations on Amount Investors Can Invest.” However, Shared Capital cannot provide all information that any Investor may need to determine whether they are an accredited investor. Therefore, Investor represents that to the extent it, he, she, or they have any questions with respect to their status as an accredited investor, or the application of the investment limits, they have sought professional advice.

Investor understands that the Notes have not been registered under the Securities Act of 1933, as amended. Investor also understands that the Notes are being offered and sold pursuant to the exemption from registration contained in Regulation A, Tier 2, under the Securities Act of 1933, based in part upon Investor’s representations contained in this Agreement. Shared Capital will rely on Investor’s representation about their accredited investor status or that their investment amount is within the limit in part b. above, in order to determine that this offering is exempt from registration under Regulation A.

8. Representations and Warranties of the Cooperative. The Cooperative represents and warrants to the Investor as follows:

a. The Cooperative is a duly organized and validly existing cooperative corporation organized under the laws of the State of Minnesota.

b. The Cooperative is in good standing under the laws of the State of Minnesota and there are no proceedings or actions pending to limit or impair any of its powers, rights and privileges, or to dissolve it.

c. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by proper board action of the Cooperative.

9. Representations to Survive Delivery. The representations, warranties, and agreements of the Cooperative and of the Investor contained in this Agreement will remain in full force and effect and will survive the payment of the purchase price of the Note, the registration of the Investor as a holder of a Note in the records of the Cooperative, and the delivery of the Note to Investor.

10. General Provisions.

a. Binding Effect. Neither this Agreement nor any interest herein shall be assignable by the Investor without the prior written consent of the Cooperative. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

b. Notice. Any notice which either party may or must give to the other under this Agreement shall be in writing and shall be either hand delivered or sent via email or U.S. certified mail to the following addresses:

<p>If to Shared Capital: Shared Capital Cooperative Attn: Investor Relations 2388 University Avenue, Suite 300 St. Paul, MN 55114 invest@sharedcapital.coop</p>	<p>If to Investor: The name and address provided by Investor below .</p>
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c. Modification. This Agreement may not be modified or amended except in writing signed by Shared Capital and Investor.

d. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, excluding its conflict of laws rules.

e. Jurisdiction. The parties hereby irrevocably and unconditionally submit to the jurisdiction of the federal and state courts located within the geographical boundaries of Minneapolis and St. Paul, Minnesota for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement. The parties agree not to commence any suit, action, or other proceeding arising out of or based upon this Agreement except in the federal and state courts located within the geographical boundaries of Minneapolis and St. Paul. The parties hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that they are not subject personally to the jurisdiction of the

above-named courts, that their property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court.

f. Attorneys' Fees. In any suit or arbitration to enforce or interpret the terms of this Agreement, or to enforce any right or obligation created hereby, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

g. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties.

h. Electronic Signatures. Investor agrees that Investor's digital signature or other form of electronic acknowledgement, consent, or acceptance (as the case may be), constitutes Investor's signature, acceptance and agreement of the terms of this Agreement and that such digital signature, consent, or acceptance shall be given the same force and effect as a signature affixed by hand.

i. Severability. If a court or an arbitrator of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, it will be deemed struck from this Agreement, and the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

j. Entire Agreement. This Agreement, along with the Offering Statement to which it relates, including all attachments, constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to Investor's purchase of the Note, and supersedes all prior and contemporaneous understandings or agreements of the parties.

k. Headings. The section headings and paragraph titles in this Agreement are for convenience of reference only and shall not limit or affect the interpretation of the provisions hereof.

l. Definitions. Any capitalized term shall have the meaning defined by this Agreement or by the Offering Statement.

Shared Capital Cooperative
 Subscription Agreement – Investment Notes
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INVESTMENT SUBSCRIPTION AGREEMENT – NOTES

INVESTMENT AMOUNT*

Amount: * \$ _____ .00 <i>(Minimum investment \$500)</i>	Note Term & Rate: * <i>(select one)</i> <input type="checkbox"/> 10 Years at 4.0% <input type="checkbox"/> 7 Years at 3.4% <input type="checkbox"/> 5 Years at 3.0%
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FUNDING METHOD*

ACH withdrawal initiated by Shared Capital
 Wire Transfer Initiated by Investor
 Check

RECURRING INVESTMENT *(optional)*

Monthly Recurring Investment: The amount of my initial investment is above. I will invest \$ _____ each month.

INVESTMENT SUBSCRIPTION AGREEMENT – NOTES

INVESTOR*

<i>Investor Name *</i>	<i>Investor Tax ID (SSN or EIN) *</i>

INVESTOR CONTACT INFORMATION*

<i>Primary Address * (primary address determines state eligibility)</i>	<i>City, State, Zip *</i>
<i>Mailing Address (if different than Primary Address)</i>	<i>(Mailing Address) City, State, Zip</i>
<i>Email Address</i>	<i>Telephone</i>

INVESTOR TYPE * *(select one)*

<input type="checkbox"/> Individual <input type="checkbox"/> Joint Tenants with Rights of Survivorship <input type="checkbox"/> Tenants in Common <input type="checkbox"/> Corporation (other than cooperative or nonprofit) <input type="checkbox"/> LLC <input type="checkbox"/> Partnership	<input type="checkbox"/> Cooperative <input type="checkbox"/> Nonprofit <input type="checkbox"/> Individual Retirement Account <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____
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OTHER CONTACT OR REPRESENTATIVE *(if any)*

Type: Joint Investor
 Trustee
 Custodian
 Authorized Rep
 Other: _____

<i>Contact Name</i>	<i>Title</i>
<i>Street Address</i>	<i>City, State, Zip</i>
<i>Email Address</i>	<i>Telephone</i>

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NOTES OPTIONAL INVESTMENT SELECTIONS *(select all that apply)*

Annual Interest Payments (Notes of \$25,000 or more ONLY)

I elect to receive an annual interest payment. If not selected, Note interest paid at maturity.

Zero Percent (0%) Interest Option

I waive my interest to give even greater support to growing the cooperative economy.

Targeted Program Option – Worker Ownership Loan Fund

Target my investment first to Shared Capital’s Worker Ownership Loan Fund

Note: Selecting the Targeted Program does not create a restriction on use of funds. See descriptions in the Offering Circular.

SUBSCRIPTION AGREEMENT SIGNATURES

Before signing this Agreement, Investor must have read and understood the Offering Circular. There are significant risks that Investor must understand before investing. These risks are discussed in the Offering Circular under the heading “Risk Factors.”

INVESTOR SIGNATURE*

<i>Investor Signature *</i>	<i>Date *</i>
<i>Investor Printed Name *</i>	

JOINT INVESTOR / IRA ACCOUNTHOLDER / OTHER (if any)

<i>Signature</i>	<i>Date</i>
<i>Printed Name</i>	

ACCEPTANCE BY SHARED CAPITAL COOPERATIVE

Internal Use Only — To be completed by Shared Capital after receipt of funds

<i>Authorized Signature</i>	<i>Acceptance Date</i>
<i>Authorized Signer Printed Name</i>	<i>Title</i>

Exhibit A Promissory Note

SHARED CAPITAL COOPERATIVE – PROMISSORY NOTE			
<i>Completed by Shared Capital upon receipt of funds</i>			
Investment Number:		Effective Date:	
Principal Amount:	\$	Maturity Date:	
Interest Rate:	%	Term (years):	
Lender Name:			
Lender Address:			
Borrower:	Shared Capital Cooperative 2388 University Ave West, Ste 300, St. Paul, MN 55114		

FOR VALUE RECEIVED, Shared Capital Cooperative (the “Cooperative”), a Minnesota cooperative corporation, hereby promises to pay to the order of the lender named above (together with their successors and permitted assigns, the “**Lender**”), in lawful money of the United States, the principal amount set forth above plus simple interest on the unpaid principal balance at the rate set forth above, calculated on the basis of a 360-day year and the actual number of days elapsed, and according to all of the terms and conditions set forth below.

1. Subscription Agreement. This Note is issued pursuant to and is subject to all of the terms and conditions of the Shared Capital Cooperative Subscription Agreement for an Investment Note (the “Subscription Agreement”) entered into by the Cooperative and the Lender.
2. Term and Maturity Date.
 - a. Maturity Date. The “**Maturity Date**” is the first day of the calendar month following the term set forth above.
3. Payment.
 - a. All Principal and Interest Due at Maturity. The outstanding principal balance and all accrued but unpaid interest will become due and payable within 30 calendar days after the Maturity Date or the date on

which the Cooperative receives notice that the term will not automatically renew, whichever is later.

- b. Annual Interest Payment. If the Principal Amount set forth above is at least twenty-five thousand dollars (\$25,000), and if Lender has elected to receive annual interest payments, then the Cooperative will pay to the Lender an annual payment in the amount of all accrued but unpaid interest as of the “Anniversary Date,” which is 12 months after the first day of the calendar month immediately following the Effective Date of the Note and each subsequent 12 months. Such payment will be made within 30 calendar days after each Anniversary Date.
 - c. Application of Payment. All payments will be applied first towards accrued interest, and then towards principal.
 - d. Form and Place of Payment. All payments shall be made via ACH to Lender’s account information provided, or if no ACH has been provided, then payment shall be made by check sent by postal mail to Lender's address shown above or at such other place as Lender may designate in writing.
4. Prepayment. This Note may be prepaid at any time in whole or in part without penalty.
5. Proceeds of the Note. This Note is one of a series of notes being issued by the Cooperative in an offering pursuant to Regulation A, Tier 2, under the Securities Act of 1933. The proceeds of the loan from Borrower and the amounts loaned by other investors in this offering will be used in accordance with the Cooperative’s Offering Statement.
6. Unsecured and Subordinate. Lender understands that the Cooperative’s obligations under this Note are not secured. Lender understands that all Notes held by investors in this offering are subordinate to all other debts of the Cooperative, including any debt that may be incurred after the date of this Note. Lender further understands that debts to members of the Cooperative are subordinated to debts to non-members.
7. Amendment; Waiver. An amendment to this Note shall be made only in writing signed by both parties. No waiver shall be effective unless in writing. No waiver of a term or condition on one occasion shall operate as a waiver of any other term or condition or of the same term or condition on a future occasion.
8. Governing Law. This Note has been drawn in and will be governed by the laws of the State of Minnesota.
9. Commercial Loan. This is a commercial loan, and the proceeds of this loan will only be used for business purposes. This transaction is not a consumer transaction subject to Minnesota law, Federal Reserve Board Regulations, or any other “consumer protection” statutes, regulations, or restrictions, without exception.

10. Severability. If any provision of this Note is held by a court of competent jurisdiction to be illegal or unenforceable, such provision will be deemed limited or excised from this Note to the least degree necessary to give effect to the intentions of the parties as expressed in this Note.
11. Successors and Assigns. The terms of this Note shall be binding upon the Cooperative, and upon the Cooperative’s successors and assigns, and will inure to the benefit of Lender and their heirs, personal representatives, successors, and permitted assigns.

BY SHARED CAPITAL COOPERATIVE:

<i>Signature</i>	<i>Date</i>
<i>Name</i>	<i>Title</i>



January 28, 2026

To whom it may concern:

Wegner CPAs hereby consents to the use in the Offering Circular constituting a part of this Offering Statement on Form 1-A, or as amended on Form 1-A/A, of our Independent Auditor's Report dated May 6, 2025 relating to the financial statements (including, without limitation, the Balance Sheets, Statements of Income, Statements of Equity, Statements of Cash Flows, and all disclosures contained in the Report) of Shared Capital Cooperative as of December 31, 2024 and 2023.

Sincerely,

Brian Dahlk

Brian Dahlk, CPA, Senior Manager
Wegner CPAs
Madison, Wisconsin

September 16, 2025

Re: Shared Capital Cooperative, Inc. Offering of Class A Preferred Stock and Investment Note Securities via Regulation A of the Securities Act of 1933.

To Whom It May Concern:

We have acted as counsel to Shared Capital Cooperative, Inc., a Minnesota cooperative corporation (the “**Cooperative**”) in connection with the preparation and filing by the Cooperative with the Securities and Exchange Commission of an offering statement on Form 1-A (the “**Offering Statement**”), under the Securities Act of 1933, as amended (the “**Act**”). Pursuant to the Offering Statement, the Cooperative seeks qualification under the Act of an offering of both equity and debt, consisting of up to 1,500,000 shares (\$15,000,000 at \$10 per share) of Class A Preferred Stock (the “**Shares**”) and 16,000 5-year promissory notes (\$8,000,000 at \$500 minimum per note), 7,000 7-year promissory notes (\$3,500,000 at \$500 minimum per note), and 7,000 10-year promissory notes (\$3,500,000 at \$500 minimum per note) (collectively, the “**Investment Notes**,” and collectively with the Shares, the “**Securities**”) to be issued and sold by the Cooperative. We understand that the Shares are to be sold to the public pursuant to the Shared Capital Cooperative Subscription Agreement for Class A Preferred Stock (the “**Share Subscription Agreement**”), to be entered into by and between the Cooperative and each subscriber for the Shares, in substantially the form filed as an exhibit to the Offering Statement. We understand that the Notes are to be sold to the public pursuant to the Shared Capital Cooperative Subscription Agreement – Investment Note, to be entered into by and between the Cooperative and each subscriber for the Notes (the “**Note Subscription Agreement**”), also in substantially the form filed as an exhibit to the Offering Statement.

This opinion is being furnished at the request of the Cooperative and pursuant to Item 601(b)(5)(i) of Regulation S-K under the Securities Act of 1933, 15 U.S.C. 77a *et seq.*, as amended, and the Securities Exchange Act of 1934, 15 U.S.C. 78a *et seq.*, as amended.¹

Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Share Subscription Agreement or the Note Subscription Agreement, as applicable.

1. Documents Reviewed. For the purposes of delivering this opinion letter, we have prepared and reviewed originals of the following documents, created on behalf of the Cooperative:
 - a. The Shared Capital Cooperative Subscription Agreement for Class A Preferred Stock, in the form attached as an exhibit to the Offering Statement;
 - b. The Shared Capital Cooperative Subscription Agreement — Investment Note, in the form attached as an exhibit to the Offering Statement; and
 - c. The Shared Capital Cooperative Investment Note, to be issued to each person whose subscription for a Note is accepted by the Cooperative, in the form attached as an exhibit to the Offering Statement.

¹ Regulation S-K requires that all Securities Act filings include an opinion of counsel regarding the legality of the securities being offered and sold pursuant to the offering statement.

The agreements referred to in clauses (a) through (c) above are hereinafter referred to as the “**Opinion Documents.**”

We have also reviewed executed originals or copies of executed originals of the following documents:

(a) The articles of incorporation and the bylaws of the Cooperative, as amended, restated, or supplemented through the date hereof and resolutions of the Cooperative, in each case, as certified by the appropriate officer of the Cooperative; and

(b) Such other records of the Cooperative, certificates of public officials and of officers of the Cooperative, and agreements and other documents as in our judgment are necessary or appropriate to enable us to render the opinions expressed in this letter.

The documents referred to in clauses (a) and (b) are the “**Relevant Documents.**”

For purposes of this opinion:

“Generally Applicable Law” means (i) the Federal laws of the United States of America, (ii) the laws of the State of Minnesota, (iii) the Minnesota Cooperative Law (including the rules or regulations promulgated thereunder or pursuant thereto), and (iv) federal or state securities laws. Generally Applicable Law does not include (x) laws, rules, or regulations related to environmental, natural resources or land use, real property, taxation, or (y) laws, rules, or regulations applicable to the particular nature of the Cooperative’s business.

“Order” means any order, decree, judgment, writ, injunction, settlement agreement, requirement, or determination of an arbitrator or a court or other governmental authority.

“To our knowledge” or words of similar import means (i) the actual knowledge of (x) the lawyer in our firm who signed the opinion, (y) any lawyer in our firm actively engaged in negotiating, drafting, and preparing the Opinion Documents, and (z) solely as to information relevant to a particular opinion, issue, or confirmation regarding a particular factual matter, the lawyer in our firm who is primarily responsible for providing the response concerning that particular opinion, issue, or confirmation and (ii) without any independent verification or investigation including (x) an examination of the files of any lawyer described in this paragraph, (y) any review or examination of any agreements, documents, certificates, instruments, or other documents other than the Opinion Documents or the Relevant Documents or (z) any inquiry of any lawyer (other than the lawyers described in this paragraph) or any other person (other than the Cooperative).

2. Assumptions. For the purposes of rendering the opinions set out in Clause (3), we have assumed without independent verification or inquiry:
 - a. The genuineness of all signatures on all documents we have reviewed;
 - b. The authenticity of the documents submitted to us;
 - c. The conformity to authentic originals of any documents submitted to us as certified, conformed, or photostatic copies;
 - d. The form and content of all documents submitted to us as unexecuted drafts do not differ in any respect relevant to this opinion from the form and content of such documents as executed and delivered;
 - e. All public records reviewed or relied upon by us or on our behalf are true and complete;
 - f. There has been no oral or written modification of or amendment to any of the Relevant Documents, and there has been no waiver of any provision of any of the Relevant Documents, by action or omission of the parties or otherwise;
 - g. The legal capacity of natural persons;
 - h. The truthfulness, accuracy, and completeness of the information, representations, and warranties contained or made in any Opinion Document or Relevant Document;

- i. That each of the parties executing any of the Opinion Documents (other than the Cooperative) has the power and authority (corporate or otherwise) to do so and to perform its obligations thereunder;
 - j. That each Opinion Document shall be the legal, valid, and binding obligation of each party thereto (other than the Cooperative), enforceable against such party in accordance with its terms.
3. Opinions. Based upon such review and subject to the assumptions, exceptions, and other matters set forth herein, we are of the opinion that:
 - a. The Cooperative is a cooperative corporation duly incorporated, validly existing, and in good standing under the laws of the State of Minnesota.
 - b. The Cooperative (i) has the corporate power and authority to execute and deliver each Opinion Document to which it is a party and to perform its obligations thereunder, and (ii) has taken all corporate action necessary to authorize the execution, delivery, and performance of each such Opinion Document.
 - c. The issuance of the Shares has been duly authorized, and, when and if Shares are sold pursuant to the Offering Statement, they will be validly issued, fully paid, and non-assessable.
 - d. Each Opinion Document to which the Cooperative intends to be a party, including each Investment Note, will constitute a valid and legally binding obligation of the Cooperative, enforceable against the Cooperative in accordance with its terms.
4. Exceptions. The opinions expressed above are qualified in their entirety and are subject to the following comments and limitations:
 - a. We express no opinion as to the effects of (i) bankruptcy, insolvency, fraudulent transfer and conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, (ii) general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity) including the possible unavailability of specific performance or injunctive relief and the exercise of discretionary powers by any court before which specific performance or injunctive relief or other equitable remedies may be sought, and (iii) an implied covenant of good faith, reasonableness and fair dealing and standards of immateriality, or commercial reasonableness.
 - b. The enforceability of provisions in any Opinion Document to the effect that the terms of such Opinion Document may not be waived or modified except in writing may be limited under certain circumstances.
 - c. The opinion expressed in Clause 3(a) hereof as to the good standing of the Cooperative is (i) given solely on the basis of the certificate of good standing issued by the Secretary of the State of Minnesota and attached hereto as Exhibit A, and speaks only as to the date of such certificate and not as of the date hereof and (ii) is limited to the meaning ascribed to such certificate by such governmental authority and applicable law.
 - d. We express no opinion as to any provisions in any Opinion Document to the extent such provisions (i) relate to the subject matter jurisdiction of the United States District Court of Minnesota to adjudicate any controversy, (ii) purport to grant any court exclusive jurisdiction, (iii) purport to waive any right to claim that any action, suit or proceeding has been brought in an inconvenient forum, or (iv) purport to waive any right to remove any action, suit or proceeding to the United States Federal Courts.
 - e. We note that any provision of the Opinion Documents that permits a party to take any action or make any determination may be subject to a requirement that such action be taken or such determination be made on a reasonable basis and in good faith.

- f. We express no opinion as to the enforceability of any provision of any Opinion Document which purports to limit the ability of a court to decide the extent to which any portion of such Opinion Document determined to be invalid may be severed from such Opinion Document.
- g. We express no opinion as to the enforceability of any provision of the Opinion Documents providing for the indemnification, release, or exculpation of any party insofar as such provisions may require indemnification, release, or exculpation for matters that violate statutory duties or public policy, including in relation to the offer, issue, or sale or distribution of securities or criminal violations.
- h. We express no opinion as to the laws of any jurisdiction other than the Generally Applicable Laws in effect as of the date of this opinion letter. We do not undertake by delivery of this opinion or otherwise to advise you of any change in any matter set forth herein, whether based on a change in law or a change in any fact relating to the Cooperative or any other person. This opinion is limited to the matters expressly stated herein and no opinions are to be inferred or may be implied beyond the opinions expressly set forth herein.

The opinions expressed herein are solely for your benefit and may not, without our express prior written consent, be disclosed to or relied upon in any manner by any other person, other than any person that becomes a purchaser of Shares or a Note in accordance with the Share Subscription Agreement or the Note Subscription Agreement, respectively, during the Cooperative's offering of shares and notes under Regulation A, provided, however, that this opinion may be disclosed (i) to a prospective assignee or acquiror of the Subscriber's interest under the Share Subscription Agreement or the Note Subscription Agreement, (ii) to governmental authorities or (iii) pursuant to an Order or legal process of any governmental authority.

Very truly yours,

/s/ Kim Arnone
Principal, PathLight Law PC