

# **ENDI Corp.**

2400 Old Brick Road,  
Suite 115  
Glen Allen, Virginia  
23060

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(914) 496-0834  
www.endicorp.com  
investorrelations@endicorp.com

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## **Annual Report**

**For the period ending December 31, 2024 (the “Reporting Period”)**

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

5,309,281 shares of Class A Common Stock and 1,800,000 shares of Class B Common Stock as of March 24, 2025  
*(Current Reporting Period Date or More Recent Date)*

5,270,460 shares of Class A Common Stock and 1,800,000 shares of Class B Common Stock as of December 31, 2024  
*(Most Recent Completed Fiscal Year End)*

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes:  No:

### **Change in Control**

Indicate by check mark whether a Change in Control of the company has occurred during this reporting period:

Yes:  No:

**1) Name and address(es) of the issuer and its predecessors (if any)**

**In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.**

ENDI Corp. (“ENDI” or the “Company”) was incorporated in Delaware on December 23, 2021, and remains in active standing in the state of Delaware through the year ended December 31, 2024. On August 11, 2022 (the “Closing Date”), the Company completed its mergers (the “Mergers”) pursuant to that certain Agreement and Plan of Merger dated December 29, 2021 (as amended, the “Merger Agreement”) by and among ENDI, Enterprise Diversified, Inc. (“Enterprise Diversified”), Zelda Merger Sub 1, Inc., Zelda Merger Sub 2, LLC, CrossingBridge Advisors, LLC (“CrossingBridge” or “CBA”) and Cohanzick Management, LLC (“Cohanzick”). As a result of the Mergers, Enterprise Diversified and CrossingBridge merged with wholly-owned subsidiaries of ENDI and now operate as wholly-owned subsidiaries of ENDI.

**Current State and Date of Incorporation or Registration:**

Incorporated in Delaware on December 23, 2021

**Standing in this jurisdiction: (e.g. active, default, inactive):**

Active

**Prior incorporation information for the issuer and any predecessors during the past five years:**

The Company’s predecessor reporting entity, Enterprise Diversified, Inc., was and remains in active standing in the state of Nevada.

**Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:**

None

**List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:**

On June 28, 2024, CBA entered into a strategic partnership with NCI Advisory A/S (“NCI”), a Nordic debt asset management firm based in Denmark. NCI operates in the primary and secondary Nordic high-yield bonds and direct loans market.

Pursuant to the Share Sale and Purchase Agreement entered into on June 28, 2024 (“SPA”), CBA acquired 9% of the membership interests of NCI for cash consideration of \$505,386. If certain conditions were satisfied, including CBA obtaining approval from the Danish Financial Supervisory Authority to become a shareholder in NCI in accordance with Danish laws, CBA could acquire an additional 16% of NCI, for ownership of 25% of the total membership interests of NCI. As such, on November 13, 2024, CBA acquired an additional 16% of NCI, for ownership of 25% of the total membership interests of NCI, for an additional purchase price of \$898,800. In connection with the SPA and the additional purchase of 16% of NCI, CBA and NCI entered into a Services Agreement. Pursuant to the Services Agreement, NCI provides certain consulting and research services to CBA in exchange for a portion of the aggregate investment advisory fees received by CBA with respect to the U.S. mutual fund named CrossingBridge Nordic High Income Bond Fund that has a primary strategy of investing in high-yield debt issued, originated, or underwritten out of the Nordic countries, which are defined as Denmark, Norway, Sweden, Finland, and Iceland.

On March 8, 2024, Cohanzick, the Company’s majority stockholder that is majority-owned by the Company’s CEO and director, David Sherman, entered into an Asset Purchase Agreement (the “Cohanzick Agreement”) with CBA pursuant to which Cohanzick assigned certain investment advisory contracts, including certain separately managed accounts (“SMAs”) contracts and a sub-advisory contract, and additional assets, and CBA assumed certain liabilities arising from such advisory contracts. As part of the Cohanzick Agreement, Cohanzick deregistered as a registered investment advisor, and the historical Services Agreement and License Agreement between Cohanzick and CBA were terminated. CBA paid Cohanzick \$10,000,000 for the advisory contracts by way of a promissory note. The promissory note provides that CBA will pay Cohanzick quarterly interest payments beginning on June 30, 2024 at a rate of 8% per annum until the note is paid in full. The note matures on March 8, 2031. CBA cannot prepay all or any portion of the principal amount of the note prior to March 8, 2027. After March 8, 2027, CBA may prepay the note without any penalty or premium. The note is solely an obligation of CBA and is non-recourse to ENDI.

On March 9, 2024, in connection with the Cohanzick Agreement, CBA entered into an agreement (the “Second RiverPark Agreement”) with RiverPark Advisors, LLC (“RiverPark”) and Cohanzick, pursuant to which CBA replaced Cohanzick as the sub-adviser to the RiverPark Short Term High Yield Fund (the “RiverPark Fund”). RiverPark remains the advisor to the RiverPark Fund. Pursuant to the Second RiverPark Agreement, CBA is entitled to approximately 50% of the RiverPark Fund’s management fees.

ENDI Corp. does not anticipate and has not completed within the past 12 months any other stock split, dividend, recapitalization, merger, spin-off, or reorganization activities.

**Address of the issuer’s principal executive office:**

2400 Old Brick Road  
Suite 115  
Glen Allen, Virginia  
23060

**Address of the issuer’s principal place of business:**

Check if principal executive office and principal place of business are the same address

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:  If Yes, provide additional details below

**2) Security Information**

**Transfer Agent:**

**Name:** Colonial Stock Transfer  
**Phone:** (801) 355-5740  
**Email:** shareholders@colonialstock.com  
**Address:** 7840 S. 700 E, Sandy, Utah 84070

Colonial Stock Transfer is registered under the Exchange Act.

**Publicly Quoted or Traded Securities:**

<b>As of December 31, 2024</b>	<b>Class A Common Stock</b>
CUSIP	29260K109
Trading symbol	ENDI
Par value	\$ 0.0001
Number of shares authorized	14,000,000
Number of shares outstanding	5,270,460
Public float	1,679,787
Number of beneficial shareholders owning at least 100 shares	171
Total number of shareholders of record	64

**Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

<b>As of December 31, 2024</b>	<b>Class B Common Stock</b>	<b>Preferred Stock</b>
CUSIP	-	-
Trading symbol	-	-
Par value	\$ 0.0001	\$ 0.0001
Number of shares authorized	1,800,000	2,000,000
Number of shares outstanding	1,800,000	-
Public float	-	-
Number of beneficial shareholders owning at least 100 shares	1	-
Total number of shareholders of record	1	-

## **Security Description:**

### **1. For common equity, describe any dividend, voting and preemption rights.**

#### ***Voting Rights***

Except as may otherwise be provided in the Company's Certificate of Incorporation or by applicable law, each holder of Class A Common Stock shall be entitled to one vote for each share of Class A Common Stock held by such holder on all matters on which stockholders generally, or holders of Class A Common Stock as a separate class, are entitled to vote; provided, that to the fullest extent permitted by applicable law, holders of Class A Common Stock will have no voting power as to any amendment to the Company's Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the DGCL.

Holders of the Company's Class B Common Stock are entitled to one vote per share on all matters on which stockholders of the Company generally, or holders of Company's Class B Common Stock as a separate class, are entitled to vote. However, holders of the Company's Class B Common Stock will have no voting power as to any amendment to the Company's Certificate of Incorporation relating solely to the terms of any outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Company's Certificate of Incorporation or pursuant to the DGCL. The holders of ENDI Corp.'s Class B Common Stock are not entitled to receive any dividends or other distributions in cash, property, or shares of the Company's stock and will not be entitled to receive any assets of ENDI Corp. in the event of any liquidation, dissolution, or winding up of the Company's affairs.

The holders of Class A Common Stock shall vote together as a single class with the Class B Common Stock, or together with the holders of one more series of Preferred Stock if the holders of such Preferred Stock are entitled to vote together with the holders of the Company's Common Stock as a single class, on all matters submitted to a vote of the stockholders generally.

#### ***Dividend Rights***

Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any other outstanding class or series of stock of the Company having a preference over or the right to participate with the Class A Common Stock with respect to the payment of dividends and other distributions in cash, property or shares of stock of the Company, holders of Class A Common Stock shall be entitled to receive such dividends and other distributions in cash, property or shares of stock of the Company when, as and if declared thereon by the Company's board of directors (the "Board") out of the assets or funds of the Company that are by applicable law available therefor.

#### ***Distribution Rights***

In the event of any liquidation, dissolution or winding up of the Company's affairs, after payment or provision for payment of the debts and other liabilities of the Company and of the preferential and other amounts, if any, to which the holders of Preferred Stock shall be entitled, the holders of all outstanding shares of Class A Common Stock will be entitled to receive, on a pro rata basis, the remaining assets of the Company available for distribution ratably in proportion to the number of shares held by each such stockholder.

#### ***Other Rights***

Holders of the Company's Class A Common Stock have no preemptive or conversion rights or other subscription rights.

### **2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

The voting, dividend, distribution, and any other rights of holders of any series of the Company's Preferred Stock will be as described in the applicable Certificate of Designation designating such series of Preferred Stock if and when such series of Preferred Stock is created.

### **3. Describe any other material rights of common or preferred stockholders.**

None

### **4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

### 3) Issuance History

#### A. Changes to the number of outstanding shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:  
 No:  Yes:

##### Shares Outstanding Opening Balance

Date: January 1, 2023  
 Class A Common: 5,452,383  
 Preferred: -

Date of Transaction	Transaction Type	Number of Shares Issued (or Cancelled)	Class of Securities	Value of Shares Issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity shares were issued to.	Reason for share issuance -OR- nature of services provided	Restricted or unrestricted as of this filing.	Exemption or Registration Type
2/20/2024	New issuance	5,250	Class A Common Stock	\$3.95	No	Thomas McDonnell	Director compensation	Restricted	Unregistered
2/20/2024	New issuance	5,250	Class A Common Stock	\$3.95	No	Mahendra Gupta	Director compensation	Restricted	Unregistered
2/20/2024	New issuance	5,250	Class A Common Stock	\$3.95	No	Abigail Posner	Director compensation	Restricted	Unregistered
5/14/2024	Shares returned to treasury	196,673	Class A Common Stock	\$8.52	Yes <sup>(1)</sup>	Frank Erhartic, Jr.	Settlement agreement	Unrestricted	N/A
9/19/2024	Repurchase and cancellation	1,000	Class A Common Stock	\$8.25	No	Shareholder	Stock repurchase agreement	N/A	N/A
1/1/2025	New issuance	20,690	Class A Common Stock	\$11.43	No	Employee	Employee compensation	Restricted	Unregistered
3/12/2025	New issuance	7,631	Class A Common Stock	\$12.80	No	Thomas McDonnell	Director compensation	Restricted	Unregistered
3/12/2025	New issuance	5,250	Class A Common Stock	\$12.80	No	Mahendra Gupta	Director compensation	Restricted	Unregistered
3/12/2025	New issuance	5,250	Class A Common Stock	\$12.80	No	Abigail Posner	Director compensation	Restricted	Unregistered

##### Shares Outstanding on Date of This Report

Date: March 24, 2025  
 Class A Common: 5, 309,281  
 Preferred: -

Any additional material details, including footnotes to the table are below:

- (1) These shares were repurchased by the Company at a price per share of \$5.12 pursuant to a Settlement and Release Agreement. Please see the section titled “Litigation & Legal Proceedings” in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for more information.

## **B. Convertible Debt**

The following is a complete list of the Company’s Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer’s equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

## **4) Issuer’s Business, Products and Services**

### **A. Summarize the issuer’s business operations.**

During the year ended December 31, 2024, ENDI Corp. operated through the following four reportable segments:

- CrossingBridge Operations - this segment includes revenue and expenses derived from the Company’s investment advisory and sub-advisory services offered through various SEC registered mutual funds, a UCITS product, separately managed accounts, and an ETF through CrossingBridge Advisors, LLC;
- Willow Oak Operations - prior to its sale on May 10, 2024, this segment included revenue and expenses derived from the Company’s various joint ventures, service offerings, and initiatives undertaken in the asset management industry through Willow Oak Asset Management, LLC and its subsidiaries;
- Internet Operations - this segment includes revenue and expenses related to the Company’s sale of internet access, e-mail and hosting, storage, and other ancillary services through Sitestar.net, Inc.; and
- Other Operations - this segment includes any revenue and expenses from the Company’s nonrecurring or one-time strategic funding or similar activity that is not considered to be one of the Company’s primary lines of business, and any revenue or expenses derived from the Company’s corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company.

The management of the Company also continually reviews various business opportunities for the Company, including those in other lines of business.

For additional information on the Company’s business operations, please see Note 1 in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

### **B. List any subsidiaries, parent company, or affiliated companies.**

As of December 31, 2024, the Company has the following subsidiaries:

<b>Entity Name</b>	<b>State of Incorporation/Organization</b>	<b>Percentage Owned by Company</b>
CrossingBridge Advisors, LLC	Delaware	100% (directly)
eBuild Ventures, LLC	Delaware	100% (directly)
Enterprise Diversified, Inc.	Nevada	100% (directly)
Sitestar.net, Inc.	Virginia	100% (indirectly)

### C. Describe the issuers' principal products or services.

For information regarding our principal products or services, please see Note 1 in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

#### 5) Issuer's Facilities

The Company's principal office is located at 2400 Old Brick Road, Suite 115, Glen Allen, Virginia 23060. The Company leases its office space for \$1,339 per month pursuant to a membership agreement terminating on April 30, 2025. On January 30, 2025, this membership agreement was extended for a one-year period at a rate of \$1,379 per month, which terminates on April 30, 2026, unless terminated earlier or otherwise extended pursuant to the terms thereof.

The principal office of our CrossingBridge operations segment is located at 427 Bedford Road, Suite 220, Pleasantville, New York 10570. Beginning on October 1, 2024, CBA entered into a five-year lease agreement for approximately 3,035 square feet of office space located in Pleasantville, New York. Pursuant to the lease agreement, monthly rent is equal to \$8,205 per month for the first three years, \$8,455 for the last two years, and the tenant is responsible for certain utilities.

In addition to the foregoing, the Company also owns interests in two undeveloped lots located in Roanoke, Virginia.

The Company believes that its existing facilities are suitable and adequate to meet its current needs. The Company may add new facilities or expand existing facilities as it adds employees, and it believes that suitable additional or substitute space will be available as needed to accommodate any such expansion of its operations.

#### 6) All Officers, Directors, and Control Persons of the Company

The following information is as of December 31, 2024:

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, 5% Control person)	City and State  (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
<b>Individuals:</b>					
David Sherman	CEO, Director	Pleasantville, NY	Class A Common Stock – 2,655,050  Class B Common Stock – 1,800,000  Warrants – 2,050,000 (1)(2)	Class A Common Stock, Class B Common Stock, and Warrants	Class A Common Stock – 50.4%  Class B Common Stock – 100.0%
Steven Kiel	Director	Livingston, TX	754,015 <sup>(3)</sup>	Class A Common Stock	14.3%
Thomas McDonnell	Chairman	Kansas City, MO	65,250	Class A Common Stock	1.2%
Mahendra Gupta	Director	St. Louis, MO	15,250	Class A Common Stock	0.3%
Abigail Posner	Director	New York, NY	5,250	Class A Common Stock	0.1%
Alea K. Howard	CFO	Richmond, VA	10,029	Class A Common Stock	0.2%
Divya Jacob	Corporate Secretary	Pleasantville, NY	-	-	-
<b>Entities:</b>					
Cohanzick Management, LLC <sup>(4)</sup>	5% Control Person	Pleasantville, NY	Class A Common Stock - 2,400,000  Class B Common Stock – 1,800,000  Warrants – 2,050,000	Class A Common Stock, Class B Common Stock, and Warrants	Class A Common Stock – 45.5%  Class B Common Stock – 100.0%
The David K. Sherman 1997 Family Trust <sup>(4)</sup>	5% Control Person	Glen Allen, VA	Class A Common Stock – 395,450  Class B Common Stock – 288,000  Warrants – 328,000 <sup>(5)</sup>	Class A Common Stock, Class B Common Stock, and Warrants	Class A Common Stock – 7.5%  Class B Common Stock – 16.0%
Arquitos Capital Offshore Master, Ltd. <sup>(6)</sup>	5% Control Person	Livingston, TX	683,309	Class A Common Stock	13.0%

(1) Comprised of: (i) Beneficially owned 2,655,050 Class A Common Stock, (ii) Beneficially owned 1,800,000 Class B Common Stock, and (iii) Beneficially owned Class W-1 and Class W-2 Warrants to purchase 2,050,000 additional shares of Class A Common Stock. Of the beneficially owned 2,655,050 Class A Common Stock: (i) 20,000 securities are beneficially owned by Carole Levinson Blueweiss 2012 Trust (UAD 11/28/12). David Sherman is the Trustee of Carole Levinson Blueweiss 2012 Trust (UAD 11/28/12). (ii) 75,000 securities are beneficially owned by Cohanzick Offshore Advisors, LP. Cohanzick Offshore Management, LLC is the General Partner for Cohanzick Offshore Advisors, LP. David Sherman is the Managing Member of Cohanzick Offshore Management, LLC. (iii) 139,100 securities are beneficially owned by CohTam, LLC. Cohanzick Capital, LP is the Managing Member to CohTam, LLC. Sunnyside, LLC is the General Partner to Cohanzick Capital, LP. David Sherman is the Managing Member of Sunnyside, LLC. (iv) 20,950 securities are beneficially owned by Cohanzick High Yield Capital, LP. Sunnyside, LLC is the General Partner to Cohanzick High Yield Capital, LP. David Sherman is the Managing Member of Sunnyside, LLC. (v) Cohanzick Management, LLC (“Cohanzick”) beneficially owns (i) 2,400,000 shares of the Company’s Class A Common Stock, (ii) 1,800,000 shares of the Company’s Class B Common Stock, (iii) a Class W-1 Warrant to purchase 1,800,000 shares of the Company’s Class A Common Stock., (iv) a Class W-2 Warrant to purchase 250,000 shares of the Company’s Class A Common Stock. Notwithstanding the foregoing, David Sherman is the Managing Member of Cohanzick and owns 75.9764 units (71%) of Cohanzick.

(2) Outstanding shares of the Company’s Class B Common Stock shall be redeemed by the Company on a one-for-one basis for each share of the Company’s Class A Common Stock issued upon the exercise of any Class W-1 Warrant. Each Class W-1 Warrant shall be automatically exercised on a “cashless” basis if not fully exercised prior to the expiration date, or August 11, 2027. Any shares of the Company’s Class B Common Stock outstanding as of the fifth anniversary of the closing of the Business Combination (as defined herein) shall be redeemed by the Company pursuant to the terms of the Stockholder Agreement (as defined herein). As such, the reporting person may not simultaneously vote both the Company’s Class B Common Stock and the shares of Class A Common Stock underlying the Class W-1 Warrant at any given time. Subject to certain exceptions, each share of Class A Common Stock and each share of Class B Common Stock entitles the holder thereof to one vote per share on all matters to be voted on by the holders of the Company’s Class A and Class B Common Stock. The Class B Common Stock only has voting rights and no economic rights. Accordingly, holders of the Company’s Class B Common Stock are not entitled to receive any dividends or other distributions in cash, property, or shares of stock and will not be entitled to receive any assets of the Company in the event of any liquidation, dissolution or winding up of the Company’s affairs.

(3) Comprised of: (i) Beneficially owned 754,015 Class A Common Stock. Of the 754,015 Class A Common Stock, 683,309 securities are beneficially owned by Arquitos Capital Offshore Master, Ltd. and Arquitos Capital Management, LLC. Steven Kiel is the Managing Member of Arquitos Capital Offshore Master, Ltd. and Arquitos Capital Management, LLC.

(4) The units of Cohanzick Management, LLC are owned as follows: David Sherman owns 75.9764 units (71%); The David K. Sherman 1997 Family Trust owns 17.1524 units (16%); and the balance of the units are owned by certain employees of Cohanzick Management, LLC and other parties. David Sherman is the Managing Member of Cohanzick Management, LLC. The address of Cohanzick Management, LLC is 427 Bedford Road, Suite 230, Pleasantville, NY 10570. Robert A. Davidow is the Trustee of The David K. Sherman 1997 Family Trust. The address of The David K. Sherman 1997 Family Trust is C/O ENDI Corp., 2400 Old Brick Rd., Suite 115, Glen Allen, VA 23060.

(5) Represents indirect beneficial ownership of (i) 384,000 shares of Class A common stock, (ii) 288,000 shares of Class B common stock, and (iii) 328,000 Warrants pursuant to its ownership level of Cohanzick Management, LLC and direct beneficial ownership of an additional 11,450 shares of Class A common stock.

(6) Arquitos Capital Management LLC acts in the capacity as general partner to Arquitos Capital Offshore Master, Ltd. Mr. Kiel is the Managing Member of Arquitos Capital Management LLC. Accordingly, Mr. Kiel could be deemed to have indirect beneficial ownership of such shares.

## 7) Legal/Disciplinary History

### A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. **Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);**

No, this is not applicable to any of the persons or entities listed above in Section 6.

2. **Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person’s involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;**

No, this is not applicable to any of the persons or entities listed above in Section 6.

- 3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;**

No, this is not applicable to any of the persons or entities listed above in Section 6.

- 4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above;**

No, this is not applicable to any of the persons or entities listed above in Section 6.

- 5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person’s involvement in any type of business or securities activities; or**

No, this is not applicable to any of the persons or entities listed above in Section 6.

- 6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.**

No, this is not applicable to any of the persons or entities listed above in Section 6.

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.**

There are no material pending legal proceedings to which the Company or any of our subsidiaries is a party or of which any of our property is the subject.

## **8) Third Party Service Providers**

### Securities Counsel

Name: Linda Giunta Michaelson and Lindsay Ferguson  
Firm: Sheppard Mullin Richter & Hampton LLP  
Address 1: 2200 Ross Avenue, 20<sup>th</sup> Floor  
Address 2: Dallas, Texas 75201  
Phone: 469.391.7441  
Email: LMichaelson@sheppardmullin.com and LFerguson@sheppardmullin.com

### Accountant or Auditor

Name: Norman Yoder  
Firm: Brown, Edwards & Company L.L.P.  
Address 1: 828 Main Street, Suite 1401  
Address 2: Lynchburg, Virginia 24504  
Phone: 434.948.9000  
Email: nyoder@becpas.com

### Investor Relations

Name: None  
Firm:  
Address 1:  
Address 2:  
Phone:  
Email:

*All other means of Investor Communication:*

X (Twitter): None  
Discord: None  
LinkedIn: None  
Facebook: None

Other Service Providers

Name: None  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone:  
Email:

**9) Disclosure & Financial Information**

**A. This Disclosure Statement was prepared by (name of individual):**

Name: Alea K. Howard  
Title: Chief Financial Officer (Principal Financial and Accounting Officer)  
Relationship to Issuer: Employee

**B. The following financial statements were prepared in accordance with:**

- IFRS  
 U.S. GAAP

**C. The following financial statements were prepared by:**

Name: Alea K. Howard  
Title: Chief Financial Officer (Principal Financial and Accounting Officer)  
Relationship to Issuer: Employee

**Describe the qualifications of the person or persons who prepared the financial statements:**

Ms. Howard has served as the Chief Financial Officer of the Company since the closing of the Business Combination. She previously served as a director and Chief Financial Officer of Enterprise Diversified, Inc., the predecessor registrant to the Company and, effective as of the closing of the Business Combination, a wholly-owned subsidiary of the Company, from May 2019 until the closing of the Business Combination. Ms. Howard worked closely with all of Enterprise Diversified Inc.'s subsidiaries as part of the financial reporting process from 2016 until the closing of the Business Combination. Ms. Howard holds an active CPA license in the state of Virginia and has experience working in the public accounting sector. Ms. Howard received a Bachelor of Science in accounting from the University of Maryland at College Park.

## Independent Auditor's Report

To the Board of Directors and Shareholders  
ENDI Corp.  
Richmond, Virginia

### Opinion

We have audited the accompanying consolidated financial statements of ENDI Corp. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company 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 audit for the year ended December 31, 2024 in accordance with auditing standards generally accepted in the United States of America (GAAS). We conducted our audit for the year ended December 31, 2023 in accordance with standards of the Public Company Accounting Oversight Board (United States) (PCAOB). 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 the Company 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 or the standards of the PCAOB 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 consolidated financial statements.

In performing an audit in accordance with GAAS and the standards of the PCAOB, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Company'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

## **Other Information Included in the Annual Report**

Management is responsible for the other information included in the annual report. The other information includes Management's Discussion and Analysis and the items which precede the financial statements but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work

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performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

/s/ Brown, Edwards & Company L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

We have served as the Company's auditor since 2019.

Lynchburg, Virginia

March 28, 2025

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**ENDI CORP.  
and Subsidiaries  
CONSOLIDATED BALANCE SHEETS**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 7,030,551	\$ 8,983,190
Investments in securities, at fair value	9,121,449	7,715,075
Accounts receivable, net	1,722,531	1,064,413
Prepays	183,231	160,333
Note receivable, current	1,000,000	-
Lease right of use asset, current	70,777	-
Other current assets	40,534	26,889
<b>Total current assets</b>	<u>19,169,073</u>	<u>17,949,900</u>
<b>Long-term Assets</b>		
Property and equipment, net	93,471	106,693
Lease right of use asset, net of current portion	321,388	-
Investments in private companies, at cost	2,159,028	1,455,266
Investments in private companies, equity method	1,572,086	301,154
Investment in limited partnership, at cost	1,000,000	-
Investment in limited partnership, at net asset value	1,085,259	348,815
Investment in special purpose acquisition company, at cost	250,248	250,250
Investment in warrants, at fair market value	32,000	62,400
Deferred tax assets, net	1,518,074	1,149,351
Intangible assets, net	10,613,781	3,155,290
Goodwill	737,869	737,869
<b>Total long-term assets</b>	<u>19,383,204</u>	<u>7,567,088</u>
<b>Total assets</b>	<u>\$ 38,552,277</u>	<u>\$ 25,516,988</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 213,172	\$ 5,856
Accrued expenses	86,994	305,065
Accrued compensation	146,451	-
Accrued interest	201,644	-
Deferred revenue	141,029	147,039
Income taxes payable	862,799	54,250
Lease liability, current	69,577	-
Earn-out liability, current	86,280	732,173
Due to affiliates	21,474	-
Other current liabilities	-	476
<b>Total current liabilities</b>	<u>1,829,420</u>	<u>1,244,859</u>
<b>Long-term Liabilities</b>		
Note payable	10,000,000	-
Class W-1 Warrant and redeemable Class B Common Stock	5,598,000	464,000
Lease liability, net of current portion	322,888	-
Earn-out liability, net of current portion	-	695,039
<b>Total long-term liabilities</b>	<u>15,920,888</u>	<u>1,159,039</u>
<b>Total liabilities</b>	<u>17,750,308</u>	<u>2,403,898</u>
<b>Stockholders' Equity</b>		
Preferred stock, \$0.0001 par value, 2,000,000 shares authorized; none issued and outstanding	-	-
Class A common stock, \$0.0001 par value, 14,000,000 shares authorized; 5,270,460 and 5,452,383 shares issued and outstanding, respectively	527	545
Additional paid-in capital	20,847,111	20,418,318
Treasury stock, at cost, 196,673 Class A common shares	(1,180,068)	-
Retained earnings	1,134,399	2,694,227
<b>Total stockholders' equity</b>	<u>20,801,969</u>	<u>23,113,090</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 38,552,277</u>	<u>\$ 25,516,988</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**ENDI CORP.  
and Subsidiaries  
CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the year ended December 31,	
	2024	2023
<b>Revenues</b>		
Revenues - CrossingBridge	\$ 14,598,596	\$ 8,678,783
Revenues - Willow Oak	62,383	182,970
Revenues - internet	698,387	725,770
Total revenues	<u>15,359,366</u>	<u>9,587,523</u>
<b>Cost of Revenues</b>		
Cost of revenues - internet	200,160	218,269
Total cost of revenues	<u>200,160</u>	<u>218,269</u>
<b>Gross Profit</b>		
Gross profit - CrossingBridge	14,598,596	8,678,783
Gross profit - Willow Oak	62,383	182,970
Gross profit - internet	498,227	507,501
Total gross profit	<u>15,159,206</u>	<u>9,369,254</u>
<b>Operating Expenses</b>		
Compensation and benefits	5,733,918	4,607,530
Stock compensation expenses	263,973	200,846
Amortization and depreciation	2,189,973	381,870
Computer expenses	379,099	207,857
Fund distribution, custody, and administrative expenses	356,465	350,235
Insurance	142,504	127,348
Professional fees	849,746	1,023,929
Rent	102,908	72,871
Research	219,523	49,692
Travel and entertainment	332,173	253,455
Other operating expenses	537,108	373,174
Total operating expenses	<u>11,107,390</u>	<u>7,648,807</u>
<b>Income from operations before income taxes</b>	4,051,816	1,720,447
<b>Other Income (Expenses)</b>		
W-1 Warrant mark-to-market	(5,134,000)	112,000
Loss on sale of Willow Oak, net of recoveries	(561,405)	-
Legal settlement	243,423	-
Note receivable revaluation	-	334,400
Interest and dividend income	1,102,471	911,471
Net investment gains	332,777	231,478
Equity method loss	(12,307)	(148,846)
Interest expense	(653,151)	-
Other income, net	1,276	(17,895)
Total other income (expenses)	<u>(4,680,916)</u>	<u>1,422,608</u>
Income tax expense	<u>(930,728)</u>	<u>(613,504)</u>
<b>Net income (loss)</b>	<u>\$ (1,559,828)</u>	<u>\$ 2,529,551</u>
<b>Net income (loss) per share, basic</b>	\$ (0.29)	\$ 0.46
<b>Net income (loss) per share, diluted</b>	\$ (0.29)	\$ 0.46
<b>Weighted average number of shares, basic</b>	5,353,833	5,465,630
<b>Weighted average number of shares, diluted</b>	5,455,365	5,465,630

*The accompanying notes are an integral part of these consolidated financial statements.*

**ENDI CORP.**  
**and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

	<b>Common Stock</b>	<b>Amount</b>	<b>Additional Paid-in Capital</b>	<b>Treasury Stock</b>	<b>Retained Earnings</b>	<b>Total Stockholders' Equity</b>
<b>Balance December 31, 2022</b>	5,452,383	\$ 545	\$20,217,472	\$ -	\$ 164,676	\$ 20,382,693
Net income	-	-	-	-	5,966	5,966
Stock compensation expense	-	-	81,746	-	-	81,746
<b>Balance March 31, 2023</b>	5,452,383	545	20,299,218	-	170,642	20,470,405
Net income	-	-	-	-	852,874	852,874
Stock compensation expense	-	-	39,700	-	-	39,700
<b>Balance June 30, 2023</b>	5,452,383	545	20,338,918	-	1,023,516	21,362,979
Net income	-	-	-	-	462,442	462,442
Stock compensation expense	-	-	39,700	-	-	39,700
<b>Balance September 30, 2023</b>	5,452,383	545	20,378,618	-	1,485,958	21,865,121
Net income	-	-	-	-	1,208,269	1,208,269
Stock compensation expense	-	-	39,700	-	-	39,700
<b>Balance December 31, 2023</b>	<u>5,452,383</u>	<u>\$ 545</u>	<u>\$20,418,318</u>	<u>\$ -</u>	<u>\$2,694,227</u>	<u>\$ 23,113,090</u>
	<b>Common Stock</b>	<b>Amount</b>	<b>Additional Paid-in Capital</b>	<b>Treasury Stock</b>	<b>Retained Earnings</b>	<b>Total Stockholders' Equity</b>
<b>Balance December 31, 2023</b>	5,452,383	\$ 545	\$20,418,318	\$ -	\$ 2,694,227	\$ 23,113,090
Net income	-	-	-	-	427,331	427,331
Stock compensation expense and issuance	15,750	2	39,698	-	-	39,700
<b>Balance March 31, 2024</b>	5,468,133	547	20,458,016	-	3,121,558	23,580,121
Net loss	-	-	-	-	(2,585,771)	(2,585,771)
Stock compensation expense	-	-	210,304	-	-	210,304
Purchase of treasury stock	(196,673)	(20)	173,072	(1,180,068)	-	(1,007,016)
<b>Balance June 30, 2024</b>	5,271,460	527	20,841,392	(1,180,068)	535,787	20,197,638
Net income	-	-	-	-	1,481,739	1,481,739
Stock compensation expense	-	-	50,303	-	-	50,303
Purchase and cancellation of treasury stock	(1,000)	-	(8,250)	-	-	(8,250)
<b>Balance September 30, 2024</b>	5,270,460	527	20,883,445	(1,180,068)	2,017,526	21,721,430
Net loss	-	-	-	-	(883,127)	(883,127)
Stock compensation expense	-	-	(36,334)	-	-	(36,334)
<b>Balance December 31, 2024</b>	<u>5,270,460</u>	<u>\$ 527</u>	<u>\$20,847,111</u>	<u>\$(1,180,068)</u>	<u>\$ 1,134,399</u>	<u>\$ 20,801,969</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**ENDI CORP.**  
**and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2024 and 2023**

	2024	2023
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (1,559,828)	\$ 2,529,551
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Other expense (income) from W-1 Warrant mark-to-market	5,134,000	(112,000)
Amortization and depreciation	2,189,973	381,870
Sale of Willow Oak	561,405	-
Stock based compensation	263,973	200,846
Gain on legal settlement	(243,423)	-
Deferred taxes	(368,723)	291,883
Warrant investment activity	30,400	(62,400)
Equity method loss	12,307	148,846
Non-cash rent expense	300	-
Note receivable revaluation	-	(334,400)
Loss on sale of domain names	-	19,974
(Increase) decrease in:		
Accounts receivable	(693,338)	(319,775)
Prepays	(22,898)	(68,860)
Other current assets	(13,645)	30,557
Increase (decrease) in:		
Accounts payable	207,316	(65,450)
Accrued compensation	146,451	(23,342)
Accrued expenses	(218,071)	44,880
Accrued interest	201,644	-
Deferred revenue	(6,010)	(9,820)
Income taxes payable	808,549	54,250
Due to affiliate	21,474	-
Other current liabilities	(476)	(634)
Net cash provided by operating activities	6,448,543	2,705,976
<b>Cash flows from investing activities:</b>		
Investments in private companies	(2,942,267)	(1,455,266)
Increase in investments, net	(1,650,095)	(1,840,542)
Investment in limited partnerships	(1,492,723)	(362,660)
Issuance of note receivable	(1,000,000)	-
Redemption of conditional shareholder investment	955,266	-
Purchase of Cohanzick assets	(102,647)	-
Net proceeds from sale of Willow Oak	(45,345)	-
Purchase of property and equipment	(10,598)	(108,501)
Decrease (increase) in investment in special purpose acquisition company	2	(250,250)
Collection of note receivable	-	384,400
Purchase of RiverPark Strategic Income Fund assets	-	(199,988)
Proceeds from sale of domain names	-	10,200
Net cash used in investing activities	(6,288,407)	(3,822,607)
<b>Cash flows from financing activities:</b>		
Earn-outs paid	(1,340,932)	(714,400)
Purchase of treasury stock	(771,843)	-
Decrease in due from affiliate	-	123,823
Net cash used in financing activities	(2,112,775)	(590,577)
Net decrease in cash	(1,952,639)	(1,707,208)
Cash and cash equivalents at beginning of the period - January 1	8,983,190	10,690,398
Cash and cash equivalents at end of the period - December 31	\$ 7,030,551	\$ 8,983,190
<b>Non-cash and other supplemental information:</b>		
Cash paid for interest	\$ 249,863	\$ 1,693
Income taxes paid	\$ 527,185	\$ 250,000
Establishment of right of use asset and lease liability for operating lease	\$ 409,009	\$ -

*The accompanying notes are an integral part of these consolidated financial statements.*

**ENDI CORP.**  
**and Subsidiaries**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION**

**Organization and Lines of Business**

ENDI Corp. (“ENDI”) was incorporated in Delaware on December 23, 2021. On August 11, 2022 (the “Closing Date”), the Company completed its mergers (the “Mergers”) pursuant to that certain Agreement and Plan of Merger dated December 29, 2021 (as amended, the “Merger Agreement”) by and among ENDI, Enterprise Diversified, Inc. (“Enterprise Diversified”), Zelda Merger Sub 1, Inc., Zelda Merger Sub 2, LLC, CrossingBridge Advisors, LLC (“CrossingBridge” or “CBA”) and Cohanzick Management, LLC (“Cohanzick”). As a result of the Mergers, Enterprise Diversified and CrossingBridge merged with wholly-owned subsidiaries of ENDI and now operate as wholly-owned subsidiaries of the Company. The Company was the successor registrant to Enterprise Diversified’s Securities and Exchange Commission (“SEC”) registration effective as of the Closing Date of the Mergers.

On the Closing Date, Enterprise Diversified and CrossingBridge became wholly-owned subsidiaries of ENDI as a result of the Mergers (collectively with the other transactions described in the Merger Agreement, the “Business Combination”). The Business Combination was accounted for as a reverse acquisition using the acquisition method of accounting in accordance with Accounting Standards Codification (“ASC”) 805, Business Combinations, with CrossingBridge representing the accounting acquirer.

During the year ended December 31, 2024, the Company operated through four reportable segments: CrossingBridge operations, Willow Oak operations, internet operations, and other operations. On May 10, 2024, the Company sold its interests in Willow Oak Asset Management, LLC to a related party and ceased to operate under the Willow Oak operations segment. Activity reported under the Willow Oak operations segment for year ended December 31, 2024 only reflects activity through the sale date. The management of the Company also continually reviews various business opportunities for the Company, including those in other lines of business.

Unless the context otherwise requires, and when used herein, the “Company,” “ENDI,” “ENDI Corp.,” “we,” “our,” or “us” refers to ENDI Corp. individually, or as the context requires, collectively with its subsidiaries.

As previously disclosed on our Current Report on Form 8-K filed on January 12, 2024, we have filed a Form 15 certifying the deregistration of our Class A common stock under Section 12(6) of the Exchange Act and suspension of our duty to file reports under Sections 13 and 15(d) of the Exchange Act.

***CrossingBridge Operations***

CBA was formed as a limited liability company on December 23, 2016, under the laws of the State of Delaware. CBA derives its revenue and net income from investment advisory services. CBA is a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”), and it provides investment advisory services to investment companies (including mutual funds and exchange-traded funds (“ETFs”)) registered under the Investment Company Act of 1940, as amended (“1940 Act”), both as an adviser and as a sub-adviser. CBA also manages, under the Universal Investment Ireland Undertakings for the Collective Investment in Transferable Securities (“UCITS”) Platform ICAV, an umbrella Irish Collective Asset-management Vehicle with segregated liability between sub-funds authorized pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended from time to time. During the year ended December 31, 2024, CBA also began advising several separately managed accounts (“SMAs”).

As of December 31, 2024, CBA serves as an adviser or manager to its seven proprietary products and SMAs, and sub-adviser to four additional products. As of December 31, 2024, the assets under management (“AUM”) for CBA, including advised, managed, and sub-advised funds and accounts, were in excess of \$3.4 billion. The investment strategies for CBA include: ultra-short duration strategies, low duration strategies, and strategic income strategies. These strategies primarily employ investment grade and high yield corporate debt, as well as credit opportunities in event-driven securities, post reorganization investments, and stressed and distressed debt.

On June 28, 2024, CBA entered into a strategic partnership with NCI Advisory A/S (“NCI”), a Nordic debt asset management firm based in Denmark. NCI operates in the primary and secondary Nordic high-yield bonds and direct loans market. Pursuant to the Share Sale and Purchase Agreement entered into on June 28, 2024 (“SPA”), CBA acquired 9% of the membership interests of NCI for cash consideration of \$505,386. If certain conditions were satisfied, including CBA obtaining approval from the Danish Financial Supervisory Authority to become a shareholder in NCI in accordance with Danish laws, CBA could acquire an additional 16% of NCI, for ownership of 25% of the total membership interests of NCI. CBA also has the right-of-first refusal should additional investments be made within or into the partnership.

On September 30, 2024, CrossingBridge launched CrossingBridge Nordic High Income Bond Fund (Ticker: NRDCX). The fund has a primary strategy of investing in high-yield debt issued, originated, or underwritten out of the Nordic countries, which are defined as Denmark, Norway, Sweden, Finland, and Iceland. During the year ended December 31, 2024, the Company, through Enterprise Diversified, made a seed investment in CrossingBridge Nordic High Income Bond Fund of \$2,000,000.

On November 8, 2024, the conditions for purchasing the additional 16% of NCI were satisfied. As such, on November 13, 2024, CBA acquired an additional 16% of NCI, for ownership of 25% of the total membership interests of NCI, for an additional purchase price of \$898,800. In connection with the SPA and the additional purchase of 16% of NCI, CBA and NCI entered into a Services Agreement. Pursuant to the Services Agreement, NCI provides certain consulting and research services to CBA in exchange for a portion of the aggregate investment advisory fees received by CBA with respect to the U.S. mutual fund named CrossingBridge Nordic High Income Bond Fund. During the year ended December 31, 2024, CrossingBridge recognized \$7,500 of expenses related to the Services Agreement.

In accordance with ASC 323, Investments – Equity Method and Joint Ventures, CBA’s investment in NCI is valued pursuant to the equity method. As of the year ended December 31, 2024, equity method accounting results in a carrying value on the accompanying consolidated balance sheets of \$1,572,086. Other income recognized under the equity method during the year ended December 31, 2024 from CBA’s investment in NCI was \$83,381. As of December 31, 2024, included in the line item “investments in private companies – equity method” on the accompanying consolidated balance sheets, the Company has recorded a basis difference of \$1,375,057, which represents the difference between CBA’s basis in its investment in NCI and CBA’s proportionate share of NCI’s recorded net assets. This basis difference is attributed to non-amortizable goodwill recognized pursuant to equity method accounting practices.

On November 1, 2024, CrossingBridge Advisors became the sub-advisor to the AlphaCentric Real Income Fund (Ticker: SIIIIX). As of November 1, 2024, the AlphaCentric Real Income Fund had approximately \$55 million in assets under management.

### ***Willow Oak Operations***

Prior to its sale on May 10, 2024, the Company operated its Willow Oak operations business through its wholly-owned subsidiaries, Willow Oak Asset Management, LLC (“Willow Oak”), Willow Oak Capital Management, LLC, Willow Oak Asset Management Affiliate Management Services, LLC (“Willow Oak AMS”) and Willow Oak Asset Management Fund Management Services, LLC (“Willow Oak FMS”).

On May 10, 2024, Enterprise Diversified sold all of its equity in Willow Oak to PV 31, LLC, a Delaware limited liability company that is wholly-owned by Jessica Greer, the former Secretary and employee of the Company, pursuant to a Membership Interest Purchase Agreement. The aggregate purchase price to be paid to Enterprise Diversified is an amount equal to 10% of Willow Oak’s gross revenue which will be paid to Enterprise Diversified on a quarterly basis beginning with the quarter ending June 30, 2024 and ending with the quarter ending June 30, 2034. Activity reported for the year ended December 31, 2024 only reflects activity through the sale date.

Willow Oak was an asset management platform focused on partnering with independent asset managers throughout various phases of their firm’s lifecycle to provide comprehensive operational services that support the growth of their businesses. Through minority ownership stakes and bespoke service-based contracts, Willow Oak offered affiliated managers strategic consulting, operational support, and growth opportunities. Services included consulting, investor relations and marketing, accounting and bookkeeping, compliance program monitoring, and business development support.

### ***Internet Operations***

The Company operates its internet operations segment through Sitestar.net, its wholly-owned subsidiary. Sitestar.net is an internet service provider that offers consumer and business-grade internet access, e-mail hosting and storage, wholesale managed modem services, web hosting, third-party software as a reseller, and various ancillary services. Sitestar.net provides services to customers in the United States and Canada. In addition, the Company owns a portfolio of domain names.

### ***Other Operations***

The Company operates its other operations segment which includes nonrecurring or one-time strategic funding or similar activity and other corporate operations that are not considered to be one of the Company’s primary lines of business. Below are the primary activities comprising other operations. Additional investment activity that is not specifically mentioned below is included in the accompanying consolidated financial statements.

*Enterprise Diversified, Inc.*

On December 10, 2024, through Enterprise Diversified, we invested \$1,000,000 in a limited partnership primarily employing an appraisal rights strategy. The general partner is entitled to certain management and performance fees. As of the year ended December 31, 2024, this investment is carried at its cost basis due to its limited activity prior to year end.

On December 3, 2024, through Enterprise Diversified, we made a capital contribution of \$550,000 in a private partnership that operates as a designer and builder of energy and industrial storage facilities, representing less than a 1% ownership stake. This investment is carried at the lower of its cost basis or impaired value. During the year ended December 31, 2024, management did not identify any impairment events or adjustments related to this investment.

On October 11, 2024, through Enterprise Diversified, we made a capital contribution of \$250,000 in a private real estate development and management partnership, representing approximately a 5% ownership stake. This investment is carried at the lower of its cost basis or impaired value. During the year ended December 31, 2024, management did not identify any impairment events or adjustments related to this investment. On November 12, 2024, through Enterprise Diversified as the lender, we entered into a bridge financing arrangement by issuing a \$1,000,000 promissory note to the same real estate development and management partnership. The promissory note earns interest at 12% per annum, interest payments are due monthly, and the note matures on November 12, 2025 with an extension option for a maximum of six months. The promissory note is secured by real estate owned by the borrower.

On April 8, 2024, April 15, 2024, August 6, 2024, and November 11, 2024, through Enterprise Diversified, we purchased a total of 53,400 Class B Common Shares of a private corporation operating in the consumer insurance space for a total investment of \$353,118 as of the year ended December 31, 2024. This investment is carried at the lower of its cost basis or impaired value. During the year ended December 31, 2024, management did not identify any impairment events or adjustments related to this investment.

On February 20, 2024, through Enterprise Diversified, we committed \$500,000 through a subscription agreement for a limited partnership that has acquired equity shares of the National Stock Exchange of India. As of the year ended December 31, 2024, \$487,782 of the capital has been contributed and the value of this investment is recorded at its reported net asset value (“NAV”) of \$783,692 on the accompanying consolidated balance sheets. This investment is subject to various liquidity restrictions for a five-year period.

On June 12, 2023, through Enterprise Diversified, and again on October 31, 2023, we invested \$172,512 and \$190,148, respectively, in a commodity-based limited partnership. The general partner is entitled to certain management fees and profit allocations. As of the year ended December 31, 2024, this investment is carried at its reported NAV of \$301,567.

On July 14, 2023, through Enterprise Diversified, we invested \$500,000 in a private placement transaction for which we received 500 restricted preferred shares of a private company issuer as well as 100,000 warrants of the issuer’s public parent company. Both the private company issuer and the issuer’s public parent company operate in the marijuana industry. Neither the preferred shares nor the warrants are registered or freely tradable and are currently subject to further transfer limitations. The preferred shares have a liquidation preference equal to the fair market value of the consideration paid at issuance, plus accrued and unpaid dividends. All dividends are payable quarterly in arrears. Each warrant entitles the holder to acquire one subordinate voting share of common stock of the issuer’s parent. Our investment does not provide a controlling interest in the issuer or the issuer’s parent. The investment in the preferred shares is carried at its cost basis and liquidation value of \$500,000 as of the year ended December 31, 2024, with dividend income recognized quarterly pursuant to the terms of the restricted preferred shares. The investment in the warrants is carried at the most recent publicly traded price with a 20% marketability discount applied to account for the lack of registration and transfer restrictions on the warrants, which totalled \$32,000 as of December 31, 2024.

On November 17, 2023, through Enterprise Diversified, we invested \$250,250 in a special purpose acquisition company formed for the purpose of acquiring one or more businesses contemplated pursuant to a registration statement in connection with an initial public offering. We received an aggregate of 25,000 placement units of the corporation, at \$10.00 per unit, for an aggregate purchase price of \$250,000. Each placement unit is currently intended to consist of one ordinary share, par value \$0.0001 per share, of the corporation, and one-half of one redeemable warrant. Each whole warrant is intended to entitle the holder thereof to purchase one ordinary share at a price of \$11.50 per share. Additionally, we received an aggregate of 50,000 ordinary shares at approximately \$0.005 per share, for an aggregate purchase price of \$250. As of December 31, 2024, as no target acquisition has been completed, this investment is carried at its cost basis.

*eBuild Ventures, LLC*

eBuild Ventures, LLC (“eBuild”) acquires, or provides growth equity to, businesses across various consumer and service industries.

On September 8, 2022 and December 2, 2024, through eBuild, we made capital contributions of \$450,000 and \$300,444, respectively, representing approximately a 9% ownership stake, in a start-up phase private company that operates in the consumer beverage product space. Prior to our additional investment on December 2, 2024, this investment was valued using the equity method. Subsequent to our additional investment on December 2, 2024, which included various amendments to and restrictions on the Company's voting rights, this investment is valued at the lower of its cost basis or impaired value, which totalled \$505,910 as of December 31, 2024.

On March 16, 2023, through eBuild, we made a conditional shareholder contribution of \$955,266 and were issued approximately a 3% ownership stake in a private company that operates in the consumer products e-commerce space fulfilled by Amazon. During the quarterly period ended March 31, 2024, the private company redeemed the contribution in full. There is no remaining value attributed to this investment on the accompanying consolidated balance sheets as of the year ended December 31, 2024.

### *Corporate Operations*

Corporate operations include any revenue or expenses derived from the Company's corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company. Also included under corporate operations is investment activity earned through the reinvestment of corporate cash. Corporate investments are typically short-term, highly liquid investments, including vehicles such as mutual funds, ETFs, commercial paper, and corporate and municipal bonds.

As of December 31, 2024, through Enterprise Diversified under the other operations segment, the Company is directly invested in five CrossingBridge mutual funds: CrossingBridge Responsible Credit Fund, CrossingBridge Ultra Short Duration Fund, CrossingBridge Low Duration High Income Fund, RiverPark Strategic Income Fund, and CrossingBridge Nordic High Income Bond Fund for a total of \$7,250,840.

The Company also routinely invests in CrossingBridge Pre-Merger SPAC ETF through its other operations segment as well, which as of December 31, 2024, totalled \$255,791.

There are no liquidity restrictions in connection with these investments and any intercompany revenue and expenses have been eliminated in consolidation.

### **Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and those entities in which it otherwise has a controlling financial interest as of and for the year ended December 31, 2024, including: CrossingBridge Advisors, LLC, eBuild Ventures, LLC, Enterprise Diversified, Inc., and SiteStar.net, Inc., and prior to the sale on May 10, 2024, Bonhoeffer Capital Management, LLC, Willow Oak Asset Management, LLC, Willow Oak Asset Management Affiliate Management Services, LLC, Willow Oak Asset Management Fund Management Services, LLC, and Willow Oak Capital Management, LLC.

All intercompany accounts and transactions have been eliminated in consolidation.

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Use of Estimates**

In accordance with generally accepted accounting principles in the United States of America ("GAAP"), the preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

On an ongoing basis, management evaluates its estimates and judgments, including, among other items, those related to fair value of investments, revenue recognition, accrued expenses, financing operations, fair value of goodwill, fixed asset lives and impairment, lease right-of-use assets and impairment, deferred tax assets and valuation allowances, liabilities, other assets, the present value of lease liabilities, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. These accounting policies are described in the relevant sections in the notes to the consolidated financial statements.

## **Concentration of Credit Risk**

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash, cash equivalents, accounts receivable, and notes receivable. The Company places its cash with high-quality financial institutions and, at times, exceeds the FDIC and CDIC insurance limit. The Company extends credit based on an evaluation of customers' financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses.

## **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Company defines cash equivalents as all highly liquid instruments purchased with a maturity and/or liquidation option of three months or less.

## **Investments**

The Company holds various investments through its other operations and CrossingBridge operations segments. Investments are typically short-term, highly liquid investments, including vehicles such as: mutual funds, ETFs, commercial paper, and corporate and municipal bonds. Occasionally, the Company also invests in comparably less liquid, opportunistic investments. Investments held at fair value are remeasured to fair value on a recurring basis. Certain assets held through the other operations segment do not have a readily determinable value as these investments are either not publicly traded, do not have published sales records, or do not routinely make current financial information available. Assets that do not have a readily determinable value are remeasured when additional valuation inputs become observable. See Note 6 for more information.

## **Accounts Receivable**

The Company's CrossingBridge operations segment records receivable amounts for management fee shares earned on a monthly and/or quarterly basis. Management fee shares are calculated and collected on a monthly and/or quarterly basis, depending on the relevant investment management agreement. The Company historically has had no collection issues with management fee shares and the overall possibility for non-collection is extremely low. For these reasons, management has determined that it is not necessary to record an allowance against these receivables.

Prior to the sale on May 10, 2024, the Company's Willow Oak operations segment recorded and collected amounts for management fee shares and fund management services revenue earned on either a monthly or quarterly basis as dictated by the respective partnership agreement. The Company historically had no collection issues with management fee shares or fund management receivables and the overall possibility for non-collection was extremely low. For these reasons, management determined that it was not necessary to record an allowance against these receivables.

Prior to the sale on May 10, 2024, the Company's Willow Oak operations segment also recorded receivable amounts for performance fee shares earned on an annual basis. Performance fee shares were dependent upon exceeding specified relative or absolute investment return thresholds, which varied by affiliate relationship, and typically included annual measurement periods. The Company historically had no collection issues with performance fee shares and the overall possibility for non-collection was extremely low. For these reasons, management determined that it was not necessary to record an allowance against these receivables.

The Company grants credit in the form of unsecured accounts receivable to its customers through its internet operations segment. The current expected credit loss methodology is based on management's assessment of the net amount expected to be collected from each customer. Specific customer receivables are considered past due when they are outstanding beyond their contractual terms and are written off from the allowance for credit losses when an account or invoice is individually determined to be uncollectible. The internet operations segment attempts to reduce the risk of non-collection by including a late-payment fee and a manual-processing-payment fee to customer accounts. Receivables more than 90 days past due are no longer included in accounts receivable and are turned over to a collection agency. Accounts receivable more than 30 days are considered past due.

As of December 31, 2024 and December 31, 2023, allowances offsetting gross accounts receivable on the accompanying consolidated balance sheets totalled \$1,457 and \$3,498, respectively. For the years ended December 31, 2024 and 2023, credit losses totalled \$25,375 and \$1,669, respectively.

## Notes Receivable

The Company does not routinely provide loans in the ordinary course of business, but when a business opportunity arises, a subsidiary may issue a note if it appears to be favorable to the Company. Notes receivable are recorded at their principal amount and interest is accrued based on the applicable interest rate. The Company makes an assessment of the ultimate collectability of each note receivable on an annual basis based upon the financial condition of the borrower and adjusts the carrying value of the note receivable as deemed appropriate.

## Property and Equipment

Property and equipment are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred, while renewals and betterments are capitalized. Gains and losses on disposals are included in the results of operations. Depreciation is computed using the straight-line method based on the estimated useful lives for each of the following asset classifications.

Vehicles (in years)	5
Furniture and fixtures (in years)	5
Equipment (in years)	5

The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, then the Company uses estimated future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. Property and equipment to be disposed are reported at the lower of carrying amount or fair value of the asset less cost to sell.

## Goodwill and Other Intangible Assets

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations accounted for under the acquisition method of accounting. The Company tests its goodwill annually as of December 31, or more often if events and circumstances indicate that those assets might not be recoverable. As of December 31, 2024 and 2023, the Company reported \$737,869 of goodwill under the CrossingBridge operations segment. None of the Company's recorded goodwill is tax deductible.

Impairment testing of goodwill is required at the reporting-unit level (operating segment or one level below operating segment). The impairment test involves calculating the impairment of goodwill based solely on the excess of the carrying value of the reporting unit over the fair value of the reporting unit. Prior to performing the impairment test, the Company may make a qualitative assessment of the likelihood of goodwill impairment to determine whether a detailed quantitative analysis is required. The Company estimates the fair value of its reporting units using discounted expected future cash flows.

As of December 31, 2024, intangible assets (other than goodwill) consist of customer relationships, trade names, investment management agreements, a non-compete, and domain names held amongst the CrossingBridge and internet operations segments. When management determines that material intangible assets are acquired in conjunction with the purchase of a business or asset, the Company determines the fair values of the identifiable intangible assets by conducting internal and external appraisals. Intangible assets determined to have definite lives are amortized over their estimated useful lives. At each balance sheet date, the Company evaluates whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, then the Company uses estimated future undiscounted cash flows of the related intangible asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value.

As of the years ended December 31, 2024 and 2023, the Company reported the following intangible assets, net of amortization and excluding goodwill, under the respective operating segment.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
CrossingBridge	\$ 10,035,656	\$ 2,044,398
Willow Oak	-	492,051
Internet	578,125	618,841
Intangible assets, net	<u>\$ 10,613,781</u>	<u>\$ 3,155,290</u>

As a result of the Company's impairment testing of goodwill and other intangible assets on December 31, 2024, the Company determined that there were no impairment adjustments were necessary. The Company did not identify any events or circumstances during the year ended December 31, 2024 that would indicate additional impairment testing was necessary.

### **Note Payable**

The Company may enter into promissory note arrangements in connection with the Company's business combinations or asset purchases. On March 8, 2024, CrossingBridge issued a promissory note to its affiliate Cohanzick in connection with the Cohanzick asset purchase agreement. See Notes 4 and 8 for more information on the terms of the note.

### **Earn-Out Liability**

The Company may enter into contingent payment arrangements in connection with the Company's business combinations or asset purchases. In contingent payment arrangements, the Company agrees to pay transaction consideration to the seller based on future performance. The Company estimates the value of future payments of these potential future obligations at the time the business combination or asset purchase is consummated. The liabilities related to contingent payment arrangements are recorded under the earn-out liability line on the consolidated balance sheets.

Contingent payment obligations related to asset purchases, if estimable and probable of payment, are initially recorded at their estimated value. When the contingency is ultimately resolved, any additional contingent consideration issued or issuable over the amount that was initially recognized as a liability is considered an additional cost of the acquisition. These additional costs would then be allocated to the qualifying assets on a relative fair value basis. See Note 5 for more information on the Company's asset acquisition of the RiverPark Strategic Income Fund.

### **W-1 Warrant and Redeemable Class B Common Stock**

Pursuant to the Merger Agreement, the Company issued 1,800,000 Class B Common Shares that are mandatorily redeemable upon exercise of the W-1 Warrant, which provides the holder the ability to purchase 1,800,000 Class A Common Shares at certain terms. Management has determined that the W-1 Warrant represents an embedded equity-linked feature within the Class B Common Shares, and therefore is valued in conjunction with the Class B Common Shares. The value of the W-1 Warrant and Class B Common Shares is determined using a Black-Scholes pricing model and is classified as a long-term liability on the consolidated balance sheets. The value is remeasured at each reporting date with the change in value flowing through the consolidated statements of operations for the relevant period under the "mark-to-market" line item.

### **Accrued Compensation**

Accrued compensation represents performance-based bonuses that have not yet been paid. Bonuses are subjective and are based on numerous factors including, but not limited to, individual performance, the underlying funds' performance, and profitability of the firm, as well as the consideration of future outlook. Accrued bonus amounts can fluctuate due to a future perceived change in any one or more of these factors. Additionally, differences between historical, current, and future personnel allocations could significantly impact the comparability of bonus expenses period over period.

### **Other Accrued Expenses**

Other accrued expenses represent incurred but not-yet-paid fees related to various fee-share and fee-based service arrangements.

### **Leases**

The Company records right-of-use assets and lease liabilities arising from both financing and operating leases that contain terms extending longer than one year. The Company does not recognize right-of-use assets or lease liabilities for short-term leases (those with original terms of 12 months or less). In making our determinations, the Company combines lease and non-lease elements of its leases.

## Concentration of Revenue

As of the year ended December 31, 2024, CBA is the adviser to six registered investment companies and manages one UCITS product under the CrossingBridge Family of Funds. The advised funds are CrossingBridge Low Duration High Income Fund, CrossingBridge Ultra-Short Duration Fund, RiverPark Strategic Income Fund, CrossingBridge Responsible Credit Fund, CrossingBridge Pre-Merger SPAC ETF, and CrossingBridge Nordic High Income Bond Fund, and the managed UCITS product is CrossingBridge Low Duration High Income Fund. CBA also manages several SMA accounts. The combined AUM for these advised and managed funds and accounts was approximately \$2.23 billion and \$1.28 billion as of December 31, 2024 and 2023, respectively. CBA is also the sub-adviser to four 1940 Act registered mutual funds with AUM totalling approximately \$1.21 billion and \$0.56 billion as of December 31, 2024 and 2023, respectively. Finally, until March 8, 2024, CBA also earned revenue through a service agreement with a related party. See Note 3 for more information on the terms of the service agreement.

CBA fee revenues earned from advised and managed funds and accounts, sub-advised funds, and service agreements for the years ended December 31, 2024 and 2023 included in the accompanying consolidated statements of operations are detailed below.

<b>CrossingBridge Operations Revenue</b>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Advised and/or managed fund and account fee revenue	\$ 10,885,639	\$ 6,087,547
Sub-advised fund fee revenue	3,631,324	2,087,769
Service fee revenue	81,633	503,467
Total fee revenue	<u>\$ 14,598,596</u>	<u>\$ 8,678,783</u>

Total revenue from the CrossingBridge operations was approximately 95.0% and 90.5% of the Company's total revenue for the years ended December 31, 2024 and 2023, respectively. If CBA were to lose a significant amount of AUM, the Company's revenue would also decrease.

## Revenue Recognition

### *CrossingBridge Operations Revenue*

Management fee shares earned through the CrossingBridge operations segment are recorded on a monthly or quarterly basis and are included in revenue on the accompanying consolidated statements of operations. The Company has performed an assessment of its revenue contracts under the CrossingBridge operations segment and has not identified any contract assets or liabilities.

### *Willow Oak Operations Revenue*

Prior to the sale on May 10, 2024, management fee shares and fund management services fees earned through the Willow Oak operations segment were recorded on a monthly basis and were included in revenue on the accompanying consolidated statements of operations. Performance fee shares were dependent upon exceeding specified relative or absolute investment return thresholds, which varied by relationship, and typically included annual measurement periods. Performance fee shares were recognized only when it was determined that there was no longer potential for significant reversal, such as when a fund's performance exceeded a contractual threshold at the end of a specified measurement period. Consequently, a portion of the performance fee shares recognized may have been partially or wholly related to services performed in prior periods.

Prior to the sale on May 10, 2024, fund management services revenue earned through the Willow Oak operations segment was also recorded on a monthly basis, which is in line with the timing of when services were provided. Occasionally, fund management services revenue was earned through bespoke consulting contracts performed over the course of multiple periods. In this instance, Willow Oak only recorded and collected revenue for services received through the end of each monthly or quarterly period, as appropriate.

The Company performed an assessment of its previously held revenue contracts under the Willow Oak operations segment and did not identify any contract assets or liabilities.

## ***Internet Operations Revenue***

The Company generates revenue through its internet operations segment from consumer and business-grade internet access, e-mail hosting and storage, wholesale managed modem services, e-mail and web hosting, third-party software as a reseller, and various ancillary services in the United States and Canada. Services include narrow-band (dial-up and ISDN) and broadband services (DSL, fiber-optic, and wireless), web hosting, and additional related services to consumers and businesses. Customers may also subscribe to web hosting plans to include email access and storage. Customer contracts through the internet operations segment can be structured as monthly or annual contracts. Under annual contracts, the subscriber pays a one-time annual fee, which is recognized as revenue rateably over the life of the contract. Under monthly contracts, the subscriber is billed monthly and revenue is recognized for the period to which the service relates. Domain name registration revenue is recognized at the point of registration. Sales of hardware are recognized as revenue upon delivery and acceptance of the product by the customer. Sales are adjusted for any returns or allowances. Management has concluded that the nature of the performance obligation is cyclical with a very low possibility for non-performance. Contract liabilities (deferred revenue) are recognized in the amount of collections received in advance of services to be performed. No contract assets are recognized or incurred.

## **Deferred Revenue**

Deferred revenue represents collections from customers in advance of internet services to be performed. Revenue is recognized in the period service is provided. Total deferred revenue recorded under the internet operations segment as of December 31, 2024 and 2023 was \$141,029 and \$147,039, respectively. During the years ended December 31, 2024 and 2023, \$76,147 and \$117,218, respectively, of revenue was recognized from prior-year contract liabilities (deferred revenue).

## **Stock Compensation Expense**

The board of directors of the Company adopted the ENDI Corp. 2022 Omnibus Equity Incentive Plan, dated December 19, 2022 (the “2022 Plan”), which was subsequently approved by the Company’s stockholders at the 2023 annual meeting of stockholders held on May 22, 2023 (“2023 Annual Meeting”) and became effective on that date. On February 28, 2023, subject to the approval of the 2022 Plan by our stockholders, the Company granted (i) restricted stock units, and (ii) restricted Class A Common Stock. If the 2022 Plan had not been approved by the Company’s stockholders at the 2023 Annual Meeting, then the awards granted on February 28, 2023 would have been forfeited. Vested restricted stock unit awards will be settled by the Company in the form of cash or the issuance and delivery of shares of Company Class A Common Stock in the year following the year the awards have become vested, but no later than March 15 of the following year. The Company has elected to rateably recognize the stock compensation expense associated with its outstanding equity awards over each award’s respective vesting period. Equity awards are valued on their respective grant date at fair market value, the then current trading value of the Company’s Class A Common Stock, and are not subject to future revaluation. On February 28, 2023, the closing stock price of the Company’s Class A Common Stock was \$4.35. On May 31, 2024, the closing stock price of the Company’s Class A Common Stock was \$8.625.

The 15,750 restricted stock units awarded on February 28, 2023 were subsequently issued on February 20, 2024. Additionally, 9,070 of the restricted stock unit awards granted on February 28, 2023 were forfeited during the year ended December 31, 2024 and are no longer considered outstanding. The Company determined that 11,337 of the restricted stock unit awards granted on February 28, 2023 would be cash-settled and are no longer considered outstanding as of December 31, 2024.

Subsequent to the year ended December 31, 2024, on January 1, 2025, the Company issued 20,690 shares of Class A Common Stock in connection with the vesting of 25% of the restricted stock originally awarded on February 28, 2023. Also subsequent to the year ended December 31, 2024, on March 12, 2025, the Company issued 18,131 shares of Class A Common Stock to settle the 18,131 restricted stock units originally awarded on May 31, 2024.

The table below further details the awards granted on February 28, 2023 and May 31, 2024, and represents the number of outstanding awards and the relevant income statement impact as of and during the years ended December 31, 2024 and 2023.

Award Type	Award Date	Number of Awards Granted	Number of Awards Outstanding	Vesting Schedule	Income Statement Impact for the Year Ended December 31	
					2024	2023
Restricted stock units	February 28, 2023	99,766	79,359	25% on the second anniversary of January 1, 2023, and thereafter in three equal installments on the subsequent three anniversaries of the initial vesting date, with 100% of the restricted stock vested on the fifth anniversary of the initial vesting, subject to the recipient's continuous employment.	\$ 29,589	\$ 72,331
Restricted stock units	February 28, 2023	15,750	-	Fully vested on the date of grant.	-	68,513
Restricted stock	February 28, 2023	82,761	82,761	25% on the second anniversary of January 1, 2023, and thereafter in three equal installments on the subsequent three anniversaries of the initial vesting date, with 100% of the restricted stock vested on the fifth anniversary of the initial vesting, subject to the recipient's continuous employment.	78,004	60,002
Restricted stock units	May 31, 2024	18,131	18,131	Fully vested on the date of grant.	156,380	-
Total outstanding awards			180,251		\$263,973	\$200,846

### Income Taxes

Income taxes for ENDI Corp. are accounted for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax benefits or consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment, inclusive of the recent tax reform act. The most recent three tax years, fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021, are open to potential IRS examination.

As of December 31, 2024 and 2023, the Company reported \$1,518,074 and \$1,149,351, respectively, of net deferred tax assets on the consolidated balance sheets. These net deferred tax assets consist primarily of historic net operating losses that were acquired by the Company as part of the Business Combination, post-closing activity which includes certain deferred tax assets and liabilities that were not previously recognized when CrossingBridge was a non-taxable entity, and differences between the GAAP and tax basis of various intangible assets held under the CrossingBridge operations segment. As of the years ended December 31, 2024 and 2023, the Company has not provided a valuation allowance against its net deferred tax assets.

During the years ended December 31, 2024 and 2023, the Company reported \$930,728 and \$613,504, respectively, of income tax expense as a result of the Company's current tax liabilities.

### Income (Loss) Per Share

Basic income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of shares of common stock outstanding during the period.

Included in the basic income (loss) per share for the year ended December 31, 2024, in addition to the number of shares of common stock outstanding, are 18,131 shares underlying common stock equity incentives that were awarded on May 31, 2024 pursuant to the Company's 2022 Plan that are currently vested. These shares represent equity awards in the form of restricted stock units.

Included in the basic income (loss) per share for the year ended December 31, 2023, in addition to the number of shares of common stock outstanding, are 15,750 shares underlying common stock equity incentives that were awarded on February 28, 2023 pursuant to the Company's 2022 Plan which vested immediately in full upon approval by the Company's stockholders of the 2022 Plan at the 2023 Annual Meeting. These shares represent equity awards in the form of restricted stock units.

In periods of net loss, diluted loss per share is calculated similarly to basic loss per share because the impact of all potentially dilutive common shares is anti-dilutive. In periods of net income, diluted earnings per share is computed using the more dilutive of the "two-class method" or the "treasury method." Dilutive earnings per share under the "two-class method" is calculated by dividing net income available to common stockholders as adjusted for the participating securities, by the weighted-average number of shares outstanding plus the dilutive impact of all other potentially dilutive common shares. Dilutive earnings per share under the "treasury method" is calculated by dividing net income available to common stockholders by the weighted-average number of shares outstanding plus the dilutive impact of all potentially dilutive common shares.

Potentially dilutive shares for the year ended December 31, 2024, include 2,050,000 shares related to the Class W-1 and W-2 Warrants issued pursuant to the Merger Agreement and 173,457 shares of underlying common stock equity incentives awarded pursuant to the Company's 2022 Plan.

The potentially dilutive shares related to the Class W-1 and W-2 Warrants are ultimately not considered dilutive for the year ended December 31, 2024 due to the Company's average stock price during the current annual period being lower than the strike price for the warrants.

The number of shares of equity incentives in the form of restricted stock units that are considered dilutive for the year ended December 31, 2024 are 101,532, and are included in the dilutive weighted average number of shares for the respective period on the consolidated statements of operations. These dilutive shares represent the number of incremental shares issued assuming all related equity awards vest and the Company repurchases a portion of the equity awards based on the average unrecognized stock compensation cost for the respective period. Due to the Company's reported net loss for the year ended December 31, 2024, the 101,532 dilutive securities did not have a dilutive impact when calculating diluted loss per share for the year ended December 31, 2024.

Potentially dilutive shares for the year ended December 31, 2023, include 2,050,000 shares related to the Class W-1 and W-2 Warrants issued pursuant to the Merger Agreement and 182,527 shares of underlying common stock equity incentives awarded pursuant to the Company's 2022 Plan. These potentially dilutive securities did not have a dilutive impact during the year ended December 31, 2023.

### **Recently Issued Accounting Pronouncements**

The Company does not believe that any recently issued effective standards, or standards issued but not yet effective, if adopted, would have a material effect on the accompanying consolidated financial statements.

### **NOTE 3. RELATED PARTY TRANSACTIONS**

#### **CrossingBridge Advisors, LLC**

#### ***Cohanzyck Management Asset Acquisition***

On March 8, 2024, Cohanzyck, the Company's majority stockholder that is majority owned by the Company's CEO and director, David Sherman, entered into an Asset Purchase Agreement (the "Cohanzyck Agreement") with CBA pursuant to which Cohanzyck assigned certain investment advisory contracts, including certain SMA contracts and a sub-advisory contract, and additional assets, and CBA assumed certain liabilities arising from such advisory contracts. As part of the Cohanzyck Agreement, Cohanzyck deregistered as a registered investment advisor, and the historical Services Agreement and License Agreement between Cohanzyck and CBA were terminated. CBA paid Cohanzyck \$10,000,000 for the advisory contracts by way of a promissory note. The promissory note provides that CBA will pay Cohanzyck quarterly interest payments beginning on June 30, 2024 at a rate of 8% per annum until the note is paid in full. The note matures on March 8, 2031. CBA cannot prepay all or any portion of the principal amount of the note prior to March 8, 2027. After March 8, 2027, CBA may prepay the note without any penalty or premium. The note is solely an obligation of CBA and is non-recourse to ENDI. As of the year ended December 31, 2024, \$201,644 of accrued interest and \$10,000,000 of unpaid principal related to the promissory note is included on the accompanying consolidated balance sheets. During the year ended December 31, 2024, CBA paid a total of \$451,507 of interest expense to Cohanzyck related to the promissory note.

On March 9, 2024, in connection with the Cohanzick Agreement, CBA entered into an agreement (the “Second RiverPark Agreement”) with RiverPark Advisors, LLC (“RiverPark”) and Cohanzick, in which CBA replaced Cohanzick as the sub-adviser to the RiverPark Short Term High Yield Fund (the “RiverPark Fund”). RiverPark remains the advisor to the RiverPark Fund. Pursuant to the Second RiverPark Agreement, CBA is entitled to approximately 50% of the RiverPark Fund’s management fees.

See Note 4 for more information.

### ***RiverPark Strategic Income Fund Asset Acquisition***

On November 18, 2022, CBA entered into a Purchase and Assignment and Assumption Agreement, as amended on December 28, 2022 (as amended, the “First RiverPark Agreement”), with RiverPark and Cohanzick, pursuant to which RiverPark intended to sell to CBA certain assets and CBA intended to assume certain liabilities, including certain rights and responsibilities under the RiverPark Advisory Agreement (as defined herein) and the RiverPark Expense Limitation Agreement (as defined herein) relating to the provision of investment advisory services for the mutual fund known as RiverPark Strategic Income Fund (the “RiverPark Strategic Fund”), subject to certain terms and conditions set forth in the agreement.

Pursuant to the First RiverPark Agreement, no consideration was paid upon closing on May 12, 2023; however, CBA shall pay an amount approximately equal to 50% of RiverPark Strategic Fund’s management fees (as set forth in RiverPark Fund’s prospectus) to RiverPark (the prior adviser) and Cohanzick (the prior sub-adviser) for a period of three years after closing, and pay an amount approximately equal to 20% of the RiverPark Strategic Fund’s management fees in the fourth and fifth years after closing, as set forth in the First RiverPark Agreement. Notwithstanding the foregoing, certain of the amounts payable based on the RiverPark Strategic Fund’s management fees pursuant to the First RiverPark Agreement during the first three years after the closing shall be capped such that they are less than \$1.3 million in the aggregate.

In connection with the First RiverPark Agreement, Cohanzick and CBA entered into an agreement which prohibits Cohanzick from competing with a substantially similar strategic income strategy as the RiverPark Strategic Fund as an adviser or sub-adviser to a fund registered under the 1940 Act or any UCITS products.

During the years ended December 31, 2024 and 2023, payments made by CBA to Cohanzick in accordance with the First RiverPark Agreement totalled \$610,360 and \$219,972, respectively.

See Note 5 for more information.

### ***Services Agreement with Cohanzick***

In connection with the closing of the Mergers, CrossingBridge entered into a Services Agreement (the “Services Agreement”) with Cohanzick pursuant to which CrossingBridge will make available to Cohanzick certain of its employees to provide investment advisory, portfolio management and other services to Cohanzick and, through Cohanzick, to Cohanzick’s clients. Any such individuals will be subject to the oversight and control of Cohanzick, and any services so provided to Cohanzick or a client of Cohanzick will be provided by such CBA employees in the capacity of a supervised person of Cohanzick. Cohanzick additionally may use the systems of CBA or its affiliates for its daily operations; provided that appropriate policies, procedures, and other safeguards are established to assure that (a) the books and records of each of CBA and Cohanzick are created and maintained in a manner so as to be clearly separate and distinct from those of the other person and the clients of such person, and (b) confidential client and/or other material non-public information relating to the investment advisory activities of CBA or Cohanzick, as applicable, or other proprietary information regarding either such person or its clients, is safeguarded and maintained for the benefit of such person. As consideration for its services, Cohanzick will pay CBA a quarterly fee equal to 0.05% per annum of the monthly weighted average AUM during such quarter with respect to all clients for which Cohanzick has full investment discretion. Cohanzick and CrossingBridge will also split the payment of certain costs of other systems which use is shared between Cohanzick and CrossingBridge. The initial term of the agreement was one year from the Closing Date. The Services Agreement shall continue until terminated pursuant to its terms. Specifically, after August 11, 2023, either party may terminate the Services Agreement upon at least 120 days’ prior written notice to the other party. Notwithstanding the foregoing, either party may terminate the Services Agreement at any time upon written notice following a material breach of the Services Agreement by other party that remains uncured for at least 30 days after the other party receives notice of, or otherwise reasonably should have been aware of, the material breach.

Pursuant to the Cohanzick Agreement, the Services Agreement was terminated on March 8, 2024.

During the years ended December 31, 2024 and 2023, CBA reported \$61,387 and \$205,074, respectively, of operating expenses pursuant to the Services Agreement with Cohanzick.

During years ended December 31, 2024 and 2023, CBA earned \$81,633 and \$503,467, respectively, of revenue from the Services Agreement with Cohanzick.

### ***License Agreement between CBA and Cohanzick***

Pursuant to the Merger Agreement, the Company, through CBA, and Cohanzick entered into a license agreement. The license agreement provides CBA with the right to use and occupy certain office space originally leased by Cohanzick from a third-party landlord pursuant to a lease agreement dated November 23, 2018. The initial term of the license agreement runs through the first anniversary of the commencement date of the license agreement and will automatically renew for subsequent one-year terms unless otherwise earlier terminated pursuant to the terms thereof. Pursuant to the license agreement, CBA shall pay Cohanzick a fee equal to Licensee's Share (as defined herein) of the following charges: a monthly base rental and increases in certain taxes and operating expenses. "Licensee's Share" means for a calendar month that occurs in whole or in part during the term, the fraction, expressed as a percentage, the numerator of which is the number of CBA employees that occupied the licensed premises as of the first business day of such calendar month, and the denominator of which is the number of Cohanzick and CBA employees that occupied the premises as of the first business day of such calendar month, as reasonably determined by Cohanzick.

Pursuant to the Cohanzick Agreement, the License Agreement was terminated on March 8, 2024.

During the years ended December 31, 2024 and 2023, CBA paid \$17,287 and \$68,755, respectively, of rental expenses, including utilities, per the license agreement with Cohanzick.

### **Willow Oak Asset Management, LLC**

#### ***Sale of Willow Oak Asset Management and its Subsidiaries***

On May 10, 2024, Enterprise Diversified sold all of its equity in Willow Oak and Willow Oak's wholly-owned subsidiaries to PV 31, LLC, a Delaware limited liability company that is wholly-owned by Jessica Greer, the former Secretary and employee of the Company, pursuant to a Membership Interest Purchase Agreement. The aggregate purchase price to be paid to Enterprise Diversified, recognized as contingent consideration, is an amount equal to 10% of Willow Oak's future gross revenue, which will be paid to Enterprise Diversified on a quarterly basis beginning with the quarter ending June 30, 2024 and ending with the quarter ending June 30, 2034. Activity reported under the Willow Oak operations segment for the year ended December 31, 2024 only reflects Willow Oak activity through this sale date.

As reported on the accompanying consolidated statements of operations for the year ended December 31, 2024, the Company recognized an initial loss on the sale of Willow Oak in the amount of \$578,958, which is included under the Willow Oak operations segment. As there was no consideration paid by the buyer at closing, this loss represents the carrying value of Willow Oak assets included in the Membership Interest Purchase Agreement as of May 10, 2024.

The loss recognized from the Willow Oak sale has been determined using the "Loss Recovery Approach." This approach requires that the contingent consideration, the future revenue share to be received, be valued at the lesser of the amount of the "probable," defined as a greater than 50% likelihood, future proceeds or the carrying value of the disposed assets. Due to the unpredictability of the contingent consideration, and management's inherent lack of control over the buyer's operations, management determined it would be most prudent not to attempt to value the contingent consideration as of the sale date. This results in assigning the contingent consideration a current valuation of zero. As the future revenue share is deemed probable, it will be subsequently recognized as a recovery of loss and will offset the initial loss recorded. Accordingly, during the year ended December 31, 2024, an offsetting recovery of loss on sale of \$17,553 is included under other income under the other operations segment. The net adjusted loss recognized on the Willow Oak sale after recoveries during the year ended December 31, 2024 is detailed below:

Intangible assets, net	\$	478,003
Accounts receivable, net		38,057
Cash		62,898
Initial loss recognized on sale		578,958
Less: total revenue share earned (loss recovery)		(17,553)
Adjusted loss recognized on sale after recoveries	\$	561,405

### ***Due to Affiliate***

As of the year ended December 31, 2024, the Company's consolidated balance sheets include \$21,474 as an amount due to affiliates. This amount is comprised of legal fee reimbursements that are owed to certain CBA funds as well as travel expenses that are owed to Cohanzick Management for shared accommodations. Both of these amounts and expenses are part of the Company's normal course of operations. No comparable liability was recorded as of December 31, 2023.

#### NOTE 4. COHANZICK MANAGEMENT ASSET ACQUISITION

As discussed in Note 3, on March 8, 2024, Cohanzick, the Company's majority stockholder and historical sole member of CBA that is majority owned by the Company's CEO and director, David Sherman, entered into an Asset Purchase Agreement (the "Cohanzick Agreement") with CBA pursuant to which Cohanzick assigned certain investment advisory contracts, including certain SMA contracts and a sub-advisory contract, and additional assets, and CBA assumed certain liabilities arising from such advisory contracts. As part of the Cohanzick Agreement, Cohanzick deregistered as a registered investment advisor, and the historical Services Agreement and License Agreement between Cohanzick and CBA were terminated. CBA paid Cohanzick \$10,000,000 for the advisory contracts by way of a promissory note. The promissory note provides that CBA will pay Cohanzick quarterly interest payments beginning on June 30, 2024 at a rate of 8% per annum until the note is paid in full. The note matures on March 8, 2031. CBA cannot prepay all or any portion of the principal amount of the note prior to March 8, 2027. After March 8, 2027, CBA may prepay the note without any penalty or premium. The note is solely an obligation of CBA and is non-recourse to ENDI. As of the period ended September 30, 2024, \$201,644 of accrued interest and \$10,000,000 of unpaid principal related to the promissory note is included on the accompanying condensed consolidated balance sheets.

As discussed in Note 3, on March 9, 2024, in connection with the Cohanzick Agreement, CBA entered into the Second RiverPark Agreement with RiverPark Advisors, LLC and Cohanzick, in which CBA replaced Cohanzick as the sub-adviser to the RiverPark Short Term High Yield Fund (the "RiverPark Fund"). RiverPark remains the advisor to the RiverPark Fund. Pursuant to the Second RiverPark Agreement, CBA is entitled to approximately 50% of the RiverPark Fund's management fees.

The Cohanzick Agreement transaction is classified as an asset acquisition, and the costs of the acquisition were allocated to the assets acquired on the basis of their relative fair values. Assets acquired primarily consisted of customer relationships and investment contracts.

When accounting for this transaction, the Company applied the guidance in Accounting Standards Update (ASU) 2017-01, Business Combinations (Topic 805) - Clarifying the Definition of a Business. This ASU provides a screen test that specifies when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the "set" is not a business, and therefore, the transaction must be accounted for as an asset acquisition.

The acquisition-date fair value of the consideration transferred and the allocation of cost to the assets acquired and liabilities assumed at the acquisition date related to the Cohanzick Management asset acquisition are as follows:

Note payable	\$ 10,000,000
Transaction costs	102,647
Total purchase price	<u>\$ 10,102,647</u>
Allocation of cost to assets acquired:	
Customer relationships	\$ 9,900,594
Investment management agreements	202,053
Total cost of assets acquired	<u>\$ 10,102,647</u>

#### NOTE 5. RIVERPARK STRATEGIC INCOME FUND ASSET ACQUISITION

As discussed in Note 3, on November 18, 2022, CBA, entered into the First RiverPark Agreement with RiverPark Advisors, LLC and Cohanzick pursuant to which RiverPark Advisors, LLC intended to sell to CBA certain assets and CBA intended to assume certain liabilities, including certain rights and responsibilities under the RiverPark Advisory Agreement (as defined herein) and the RiverPark Expense Limitation Agreement (as defined herein) relating to the provision of investment advisory services for the mutual fund known as the RiverPark Strategic Income Fund (the "RiverPark Strategic Fund"), subject to certain terms and conditions set forth in the agreement.

On May 10, 2023, the board of trustees of the RiverPark Strategic Fund and holders of a majority of the outstanding voting securities of RiverPark Strategic Fund approved the First RiverPark Agreement and the transactions contemplated thereby. On May 12, 2023 (the "Closing Date"), as contemplated by the First RiverPark Agreement, CBA assumed (i) the advisory services role under that certain Amended and Restated Investment Advisory Agreement (the "RiverPark Advisory Agreement") dated February 14, 2012 by and between RiverPark and RiverPark Funds Trust ("RiverPark Trust") pursuant to which RiverPark provided investment advisory services to the RiverPark Strategic Fund and (ii) the Operating Expense Limitation Agreement ("RiverPark Expense Limitation Agreement") dated as of July 1, 2019 by and between RiverPark and RiverPark Trust. Furthermore, pursuant to the First RiverPark Agreement, on the Closing Date, the parties to that certain Sub-Advisory Agreement dated as of August 1, 2012 by and among RiverPark, Cohanzick and the RiverPark Trust, on behalf of the RiverPark Strategic Fund, have terminated such agreement and made CrossingBridge a party to the RiverPark Expense Limitation Agreement. Furthermore, in connection with the First RiverPark Agreement, Cohanzick and CBA entered into an agreement which prohibits Cohanzick from competing with a substantially similar strategic income strategy as the RiverPark Strategic Fund as an adviser or sub-adviser to a fund registered under 1940 Act or any UCITS products.

Pursuant to the First RiverPark Agreement, no consideration was paid upon closing; however, CBA shall pay an amount approximately equal to 50% of RiverPark Strategic Fund’s management fees (as set forth in RiverPark Strategic Fund’s prospectus) to RiverPark (the prior adviser) and Cohanzick (the prior sub-adviser) for a period of three years after closing, and pay an amount approximately equal to 20% of the RiverPark Strategic Fund’s management fees in the fourth and fifth years after closing as set forth in the First RiverPark Agreement. Notwithstanding the foregoing, certain of the amounts payable based on the RiverPark Strategic Fund’s management fees pursuant to the First RiverPark Agreement during the first three years after the closing shall be capped such that they are less than \$1.3 million in the aggregate. This liability is reported on the Company’s consolidated balance sheets as an earn-out liability.

The RiverPark Strategic Fund transaction is classified as an asset acquisition, and the costs of the acquisition were allocated to the assets acquired on the basis of their relative fair values. Assets acquired primarily consisted of customer relationships, investment contracts, and a noncompete agreement.

By applying the guidance in ASC 323-10-25-2A and ASC 323-10-25-2B to an asset acquisition, as the fair value of the group of assets exceeds the initial consideration, the consideration is recorded as the lesser of the maximum amount of contingent consideration or the excess of the fair value of the net assets acquired over the initial consideration paid. As the initial consideration of the transaction was \$0 and there is no maximum amount to the contingent consideration, the latter scenario is applied. The purchase price of \$2,341,600 consisted of a combination of \$2,141,612 in variable cash payments and \$199,988 of acquisition costs incurred by the Company in connection with the transaction. Variable cash payments are based on a percentage of the RiverPark Strategic Fund net advisory fees earned and daily average assets under management of the fund. Payments are to be made quarterly over the next five years.

The acquisition-date fair value of the consideration transferred and the allocation of cost to the assets acquired and liabilities assumed at the acquisition date related to the RiverPark Strategic Income Fund asset acquisition are as follows:

Acquisition-date fair value of variable cash payments	\$	2,141,612
Transaction costs		199,988
Total purchase price	\$	<u>2,341,600</u>

Allocation of cost to assets acquired:		
Customer relationships	\$	2,294,768
Investment management agreements		23,416
Noncompete agreement		23,416
Total cost of assets acquired	\$	<u>2,341,600</u>

As of December 31, 2024, of the original \$2,141,612 acquisition-date fair value recorded as an earn-out liability, only a \$86,280 balance remains on the accompanying consolidated balance sheets. As the variable cash payments are required until May 2028, a five-year period from the Closing Date and approximately a 3.5-year period from December 31, 2024, CBA’s total variable cash payment amounts will exceed the fair value amount originally recorded as consideration for the RiverPark Strategic Income Fund asset acquisition. When the contingency is ultimately resolved, the additional contingent consideration issued or issuable over \$2,141,612, the amount that was initially recognized as a liability, will be considered an additional cost of the acquisition. These additional costs will then be allocated to the qualifying assets on a relative fair value basis, which include the customer relationships, investment management agreements, and noncompete agreement, as noted above.

#### NOTE 6. FAIR VALUE OF ASSETS AND LIABILITIES

GAAP defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date and establishes a hierarchy for disclosing assets and liabilities measured at fair value based on the inputs used to value them. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are based on market pricing data obtained from sources independent of the Company. Unobservable inputs reflect management’s judgment about the assumptions market participants would use in pricing the asset or liability. The fair value hierarchy includes three levels based on the objectivity of the inputs as follows:

- Level I - inputs are quoted prices in active markets as of the measurement date for identical assets and liabilities that the Company has the ability to access. This category includes exchange-traded mutual funds and equity securities;
- Level II - inputs are inputs other than quoted prices included in Level I that are observable for the asset or liability, either directly or indirectly. Level II inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates or yield curves, that are observable at commonly quoted intervals; this category includes mortgage-backed securities, asset-backed securities, corporate debt securities, certificates of deposit, commercial paper, U.S. agency and municipal debt securities, U.S. Treasury securities, and derivative contracts; and
- Level III - inputs are unobservable inputs for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The measurements are highly subjective.

The availability of observable inputs can vary and is affected by a variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is the greatest for assets or liabilities categorized in Level III.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The following table presents information about the Company's assets measured at fair value as of the years ended December 31, 2024 and 2023.

	<u>Level I</u> <u>Quoted Prices</u> <u>in Active</u> <u>Markets for</u> <u>Identical Assets</u>	<u>Level II</u> <u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u>	<u>Level III</u> <u>Significant</u> <u>Unobservable</u> <u>Inputs</u>	<u>Excluded (a)</u>
<b>December 31, 2024</b>				
Investments in securities, at fair value (cost \$8,526,333)	\$ 8,561,449	\$ 560,000	\$ -	\$ -
W-1 Warrant and Class B Common Stock liability, at fair value	-	-	5,598,000	-
Investment in limited partnership, at net asset value	-	-	-	1,085,259
Investment in warrants, at fair value (cost \$0)	-	-	32,000	-
<b>Total</b>	<u>\$ 8,561,449</u>	<u>\$ 560,000</u>	<u>\$ 5,630,000</u>	<u>\$ 1,085,259</u>

	<u>Level I</u> <u>Quoted Prices</u> <u>in Active</u> <u>Markets for</u> <u>Identical Assets</u>	<u>Level II</u> <u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u>	<u>Level III</u> <u>Significant</u> <u>Unobservable</u> <u>Inputs</u>	<u>Excluded (a)</u>
<b>December 31, 2023</b>				
Investments in securities, at fair value (cost \$7,847,039)	\$ 7,715,075	\$ -	\$ -	\$ -
W-1 Warrant and Class B Common Stock liability, at fair value	-	-	464,000	-
Investment in limited partnership, at net asset value	-	-	-	348,815
Investment in warrants, at fair value (cost \$0)	-	-	62,400	-
<b>Total</b>	<u>\$ 7,715,075</u>	<u>\$ -</u>	<u>\$ 526,400</u>	<u>\$ 348,815</u>

(a) Certain investments that are measured at fair value using the reported net asset value ("NAV") per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the condensed consolidated balance sheets.

#### Assets and Liabilities Measured at Fair Value on a Recurring Basis

As discussed previously, through Enterprise Diversified, the Company holds Level I and Level II investments, among which include shares of CrossingBridge Ultra-Short Duration Fund, CrossingBridge Low Duration High Income Fund, RiverPark Strategic Income Fund, CrossingBridge Nordic High Income Bond Fund, and CrossingBridge Responsible Credit Fund, which are SEC registered mutual funds for which CBA is the adviser, as well as shares of CrossingBridge Pre-Merger SPAC ETF, which is an ETF also advised by CBA. As of December 31, 2024 and 2023, Level I investments held by the Company in investment products advised by CBA totalled \$7,506,631 and \$6,520,899, respectively. The Company's remaining Level I and Level II investments held as of December 31, 2024 and 2023 include marketable U.S. fixed income and equity securities. There are no liquidity restrictions in connection with these investments held through Enterprise Diversified.

The Company's investment in the commodity-based limited partnership and its investment in the National Stock Exchange of India limited partnership are measured using NAV as the practical expedient and are exempt from the fair value hierarchy. The NAVs are based on the value of the underlying assets owned by the funds, minus their liabilities, and are allocated based on total fund contributions. The Company's investments in these limited partnerships are remeasured to fair value on a recurring basis and realized and unrealized gains and losses are recognized as investment income in the period of adjustment. As of the years ended December 31, 2024 and 2023, these investments are carried at their total reported NAV of \$1,085,259 and \$348,815, respectively. During the years ended December 31, 2024 and 2023, we recognized \$243,721 and (\$13,845), respectively, of net investment gains (losses) related to these investments.

Included as part of the Company's July 14, 2023 private placement investment through Enterprise Diversified, the Company received 100,000 warrants of the issuer's public parent company. The warrants are not registered or freely tradable and were not transferrable until after December 15, 2023. Due to these restrictions, the Company did not assign a value to the warrants prior to December 15, 2023. As of December 31, 2023, the warrants are now transferrable but are still unregistered and contain various other trading restrictions. In order to value these warrants as of the years ended December 31, 2024 and 2023, the Company applied a marketability discount to similar like-kind warrants of the same company that actively trade on the OTCQX tier of the OTC Market. The Company evaluated similar marketability discounts applied to other OTC traded companies to arrive at a 20% discount rate. By applying the 20% discount rate to the most recent closing price of the comparable freely traded warrants, the Company valued the 100,000 warrants at \$32,000 and \$62,400 as of December 31, 2024 and 2023, respectively. Due to the lack of observable inputs used in the Company's calculation, the warrants have been classified as a Level III investment. During the years ended December 31, 2024 and 2023, we recognized (\$30,400) and \$62,400, respectively, of net investment income (losses) related to these warrants.

As discussed previously, pursuant to the Merger Agreement, the Company issued 1,800,000 Class B Common Shares that are mandatorily redeemable upon exercise of the W-1 Warrant. Management has determined that the W-1 Warrant represents an embedded equity-linked feature within the Class B Common Shares and therefore is valued in conjunction with the Class B Common Shares as a long-term liability on the consolidated balance sheets. The value of the W-1 Warrant and Class B Common Shares is determined using a Black-Scholes pricing model, resulting in a Level III classification. The pricing model considers a variety of inputs at each measurement date including, but not exclusively, a 30-day VWAP of the Company's closing stock price, the Company's estimated equity volatility over the remaining warrant term, the warrant exercise price, the Company's annual rate of dividends, the bond equivalent yield, and the remaining term of the W-1 Warrant. Additionally, as the W-1 Warrant and Class B Common Shares are beneficially owned by Cohanzick, an affiliate shareholder of the Company, a discount is applied based on an analysis of the underlying marketability of the Company's Class A Common Stock with respect to Rule 144 restrictions. Rule 144 restrictions place a limit on the number of shares that can be sold by an affiliate shareholder based on the issuer's total number of shares outstanding as well as the issuer's average weekly trading volume. This limit results in a longer anticipated divestiture period for an affiliate shareholder compared to a non-affiliate shareholder, which comparatively reduces the underlying value of the W-1 Warrant and Class B Common Shares held by an affiliate shareholder compared to a non-affiliate shareholder.

This value is remeasured at each reporting date with the change in value flowing through the consolidated statements of operations for the relevant period. The table below represents the relevant inputs used in the value determination as of December 31, 2024 and change in value from December 31, 2023 to December 31, 2024.

#### **W-1 Warrant and Class B Common Stock**

*Inputs below are as of December 31, 2024*

ENDI Corp. 30-day VWAP closing stock price	\$	11.84
Warrant exercise price	\$	8.00
Remaining term of W-1 Warrant		2.61
Estimated equity volatility over remaining term		30.00%
ENDI Corp. annual rate of dividends		0.00%
Bond equivalent yield		4.26%
Discount for lack of marketability		14.00%
Total Class A Common Shares outstanding		5,270,460
Number of W-1 and W-2 Warrants issued and outstanding		2,050,000
December 31, 2023	\$	464,000
Plus: Unrealized losses reported in other income		371,920
March 31, 2024		835,920
Plus: Unrealized losses reported in other income		3,266,080
June 30, 2024		4,102,000
Less: Unrealized gains reported in other income		(433,240)
September 30, 2024		3,668,760
Plus: Unrealized losses reported in other income	\$	1,929,240
December 31, 2024	\$	5,598,000

## Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company analyzes its intangible assets — goodwill, customer relationships, trade names, investment management agreements, non-compete agreement, and domain names — on an annual basis or more often if events or changes in circumstances indicate potential impairments. No impairments were recorded during the years ended December 31, 2024 and 2023.

As discussed previously, the Company entered into a contingent consideration arrangement pursuant to the First RiverPark Agreement, which is included on the consolidated balance sheets as of December 31, 2024 and 2023 for \$86,280 and \$1,427,212, respectively, including both the short and long-term portions as an earn-out liability. Contingent payment obligations related to asset purchases, if estimable and probable of payment, are initially recorded at their estimated value. As CBA's total variable cash payment amounts will exceed the fair value amount originally recorded as consideration, the additional contingent consideration issued or issuable over the amount that was initially recognized as a liability, will be considered an additional cost of the acquisition. These additional costs will then be allocated to the qualifying assets on a relative fair value basis as incurred.

## NOTE 7. INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT

The Company's intangible assets as of December 31, 2024 and 2023 are included below.

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Customer relationships	\$ 12,685,362	\$ 3,294,768
Domain names	144,826	144,826
Trade names	40,000	80,000
Investment management agreements	225,469	23,416
Noncompete agreement	23,416	23,416
	<u>13,119,073</u>	<u>3,566,426</u>
Less: accumulated amortization	<u>(2,505,292)</u>	<u>(411,136)</u>
Intangible assets, net	<u>\$ 10,613,781</u>	<u>\$ 3,155,290</u>

Amortization expenses on intangible assets during the years ended December 31, 2024 and 2023 totalled \$2,166,153 and \$380,062, respectively.

The cost of property and equipment as of December 31, 2024 and 2023 consisted of the following:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Property and equipment	\$ 119,099	\$ 108,501
Less: accumulated depreciation	<u>(25,628)</u>	<u>(1,808)</u>
Property and equipment, net	<u>\$ 93,471</u>	<u>\$ 106,693</u>

Depreciation expense on property and equipment totalled \$23,820 and \$1,808 for the years ended December 31, 2024 and 2023, respectively.

## NOTE 8. DEBT

On March 8, 2024, pursuant to the Cohanzick Agreement, CBA entered into a promissory note with Cohanzick in the amount of \$10,000,000. The promissory note provides that CBA will pay Cohanzick quarterly interest payments beginning on June 30, 2024 at a rate of 8% per annum until the note is paid in full. The note matures on March 8, 2031. CBA cannot prepay all or any portion of the principal amount of the note prior to March 8, 2027. After March 8, 2027, CBA may prepay the note without any penalty or premium. The note is solely an obligation of CBA and is non-recourse to ENDI. As of the year ended December 31, 2024, \$201,644 of accrued interest and \$10,000,000 of unpaid principal related to the promissory note is included on the accompanying consolidated balance sheets.

See Notes 4 and 5 for additional information.

## NOTE 9. SEGMENT INFORMATION

During the year ended December 31, 2024, the Company operated through four reportable segments: CrossingBridge operations, Willow Oak operations prior to the sale on May 10, 2024, internet operations, and other operations. Each reporting segment has separate and distinct revenues and expenses.

The CrossingBridge operations segment includes revenue and expenses derived from investment management and advisory and sub-advisory services. Assets reported under the CrossingBridge operations segment as of the year ended December 31, 2024 primarily include customer relationships that were acquired as part of the Cohanzick Management and RiverPark Strategic Income Fund transactions.

Prior to the sale on May 10, 2024, the Willow Oak operations segment included revenues and expenses derived from various joint ventures, service offerings, and initiatives undertaken in the asset management industry. As noted previously, there are no assets reported under the Willow Oak operations segment as of the year ended December 31, 2024.

The internet operations segment includes revenue and expenses related to the Company's sale of internet access, e-mail and hosting, storage, and other ancillary services. The Company's internet segment includes revenue generated by operations in both the United States and Canada. Included in consolidated statements of operations for the years ended December 31, 2024 and 2023, the internet operations segment generated revenue of \$666,762 and \$689,802 in the United States and revenue of \$31,625 and \$35,968 in Canada, respectively. All assets reported under the internet operations segment for the years ended December 31, 2024 and 2023, are located within the United States. Assets reported under the internet operations segment as of the year ended December 31, 2024 primarily include customer relationships that were valued pursuant to the Business Combination in August 2022.

The other operations segment includes revenue and expenses from nonrecurring or one-time strategic funding or similar activity and any revenue or expenses derived from corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company. Assets reported under the other operations segment as of the year ended December 31, 2024 primarily include cash and cash equivalents, investments in securities at fair value, and investments in private companies at cost. These assets are primarily comprised of assets acquired pursuant to the Business Combination in August 2022, but also include opportunistic investments made during the current and prior year through Enterprise Diversified.

The Company's chief operating decision maker ("CODM") is David Sherman, the Company's CEO and Principal Executive Officer. As the CODM, David Sherman is responsible for the Company's overall resource allocation and performance assessment of each segment. Certain final measures are consistently reported as part of the CODM's ongoing evaluation of the Company's operating segments. These measures include revenue and segment earnings before interest, taxes, depreciation and amortization ("segment EBITDA"). Segment EBITDA is a non-GAAP financial measure that we calculate as net income (loss), adjusted for income taxes (benefit); interest expense; and depreciation and amortization expenses.

Summarized financial information concerning the Company's reportable segments is shown in the following tables for the years ended December 31, 2024 and 2023.

<b>Year Ended December 31, 2024</b>	<b>CrossingBridge</b>	<b>Willow Oak</b>	<b>Internet</b>	<b>Other</b>	<b>Consolidated</b>
Revenues	\$ 14,598,596	\$ 62,383	\$ 698,387	\$ -	\$ 15,359,366
Cost of revenue	-	-	200,160	-	200,160
Operating expenses	9,011,538	124,956	191,374	1,779,522	11,107,390
Other income (expenses)	(370,421)	(578,527)	3,255	(4,665,951)	(5,611,644)
Net income (loss)	5,216,637	(641,100)	310,108	(6,445,473)	(1,559,828)
Plus: interest expense	653,151	-	-	-	653,151
Plus: income tax expense	-	-	-	930,728	930,728
Plus: depreciation and amortization expense	2,135,209	14,048	40,716	-	2,189,973
Segment EBITDA	8,004,997	(627,052)	350,824	(5,514,745)	2,214,024
Goodwill	737,869	-	-	-	737,869
Identifiable assets	\$ 15,624,448	\$ -	\$ 672,353	\$ 21,517,607	\$ 37,814,408
<b>Year Ended December 31, 2023</b>	<b>CrossingBridge</b>	<b>Willow Oak</b>	<b>Internet</b>	<b>Other</b>	<b>Consolidated</b>
Revenues	\$ 8,678,783	\$ 182,970	\$ 725,770	\$ -	\$ 9,587,523
Cost of revenue	-	-	218,269	-	218,269
Operating expenses	5,261,667	399,928	234,173	1,753,039	7,648,807
Other income (expenses)	72,094	1,104	(19,882)	755,788	809,104
Net income (loss)	3,489,210	(215,854)	253,446	(997,251)	2,529,551
Plus: interest expense	-	-	-	-	-
Plus: income tax expense	-	-	-	613,504	613,504
Plus: depreciation and amortization expense	299,010	42,144	40,716	-	381,870
Segment EBITDA	3,788,220	(173,710)	294,162	(383,747)	3,524,925
Goodwill	737,869	-	-	-	737,869
Identifiable assets	\$ 7,472,058	\$ 661,177	\$ 805,306	\$ 15,840,578	\$ 24,779,119

## NOTE 10. COMMITMENTS AND CONTINGENCIES

### Leases

Beginning on October 1, 2024, CBA entered into a five-year lease agreement for approximately 3,035 square feet of office space located in Pleasantville, New York. Pursuant to the lease agreement, monthly rent is equal to \$8,205 per month for the first three years, \$8,455 for the last two years, and the tenant is responsible for certain utilities. As of December 31, 2024, \$392,165, including short- and long-term portions, is recorded as a lease right of use asset and \$392,465, including short- and long-term portions, is recorded as a lease liability on the accompanying consolidated balance sheets. During the year ended December 31, 2024, the Company, under the CrossingBridge operations segment, reported \$27,988 of rental expenses, including utilities, related to this lease agreement. A maturity analysis of the total lease liability related to this operating lease agreement over the next five years is included below.

2025	\$ 69,577
2026	75,352
2027	82,361
2028	91,555
2029	73,620
Total	<u>\$ 392,465</u>

As of December 31, 2023, the Company had no long-term leases that required right-of-use assets or lease liabilities to be recognized.

In accordance with ongoing accounting policy elections, the Company does not recognize right-of-use assets or lease liabilities for short-term or month-to-month leases. Total rental expenses attributed to short-term leases, including its membership agreement through ENDI Corp. and its License Agreement through CBA, for the years ended December 31, 2024 and 2023 were \$88,010 and \$81,785, respectively.

There are no other operating lease costs for the years ended December 31, 2024 and 2023.

## **Other Commitments**

### ***Registration Rights Agreement***

On the Closing Date of the Business Combination, the Company entered into the RRA with certain stockholders that are deemed to be affiliates of ENDI immediately following the closing of the Mergers, pursuant to which such stockholders' Class A Common Shares, including the Class A Common Shares underlying any warrants issued in connection with the Mergers, will be registered for resale on a registration statement to be filed by the Company with the SEC under the Securities Act of 1933, as amended. On May 1, 2023, the Company entered into a second amendment to the RRA pursuant to which the parties extended the deadline by which the Company shall prepare and file or cause to be prepared and filed with the SEC a registration statement to on or before August 1, 2023, and on August 1, 2023, the Company entered into a third amendment to the RRA pursuant to which the parties extended the deadline by which the Company shall prepare and file or cause to be prepared and filed with the SEC a registration statement to on or before March 31, 2024. On January 12, 2024, the Company entered into an amendment to the RRA that indefinitely defers the Company's obligation to file a shelf registration statement relating to the resale of such securities.

### **Litigation & Legal Proceedings**

#### ***Enterprise Diversified, Inc. (f/k/a Sitestar Corporation) v. Frank Erhartic, Jr.***

On April 12, 2016, Enterprise Diversified filed a civil action complaint against Frank Erhartic, Jr. (the "Former CEO"), Enterprise Diversified's former CEO and director (prior to December 14, 2015) and an owner of record of Enterprise Diversified's common stock, alleging, among other things, that the Former CEO engaged in, and caused Enterprise Diversified to engage in, to its detriment, a series of unauthorized related party transactions; causing Enterprise Diversified to overpay certain expenses that the Former CEO personally benefited from.

The lawsuit was tried to a jury in the Circuit Court for the City of Lynchburg (Lynchburg, Virginia) in September 2023, and the jury returned a unanimous verdict in favor of Enterprise Diversified and against the Former CEO. On September 25, 2023, the Court entered a civil judgment in favor of Enterprise Diversified in the amount of \$243,423, plus interest in the amount of 6% per year until the judgement is paid in full (the "Judgment"). The Former CEO filed a Notice of Appeal on October 17, 2023.

On November 27, 2023, Enterprise Diversified initiated a civil action in Nevada to domesticate the Judgment to execute on the Former CEO's stock in Enterprise Diversified. Following a statutorily required stay of execution, on February 13, 2024, Enterprise Diversified filed a request with the court to require the Former CEO to deliver his shares to Enterprise Diversified, or in the alternative, to allow Enterprise Diversified to issue 196,673 replacement shares (the "Replacement Shares") to the Former CEO.

On April 10, 2024, the Former CEO and the Company entered into a Settlement and Release Agreement pursuant to which the Former CEO acknowledged the Nevada Court's motion on issuing the Replacement Shares and agreed to allow the Company to redeem the Replacement Shares to satisfy the Judgment. The price for each Replacement Share redeemed was based on the Company's closing price as of April 10, 2024, but would not be less than \$4.72 per Replacement Share and not more than \$5.12 per Replacement Share (the "Purchase Price"). The Settlement and Release Agreement provided that the Company was entitled to credit the amount owed by the Former CEO under the Judgment (\$243,423) against the aggregate Purchase Price to be paid for the redemption.

On April 19, 2024, the Nevada Court granted Enterprise Diversified's request, and once in possession of the Replacement Shares, Enterprise Diversified was entitled to execute on the shares to satisfy amounts owed under the Judgment.

On May 14, 2024, the Company completed the issuance of the Replacement Shares to the Former CEO and then redeemed all of the Replacement Shares to satisfy the Judgment.

Included on the accompanying consolidated statements of operations for the year ended December 31, 2024 is \$243,423 of other income related to the execution of the Settlement and Release Agreement. This amount represents the value of the Judgment received and collected by the Company.

As of December 31, 2024, the Company is not aware of any pending or open items or actions related to this matter.

## NOTE 11. INCOME TAXES

The provision for federal and state income taxes for the years ended December 31, 2024 and 2023 included the following:

	<b>Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current provision (benefit):		
Federal	\$ 1,167,851	\$ 307,923
State	133,109	39,872
Deferred provision (benefit):		
Federal	(345,840)	280,776
State	(24,392)	(15,067)
Valuation allowance		-
Total income tax expense	<u>\$ 930,728</u>	<u>\$ 613,504</u>

Deferred tax assets and liabilities reflect the net effect of temporary differences between the carrying amount of assets and liabilities used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31, 2024 and 2023 are as follows:

	<b>Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Deferred tax assets:		
Net operating loss carryforwards	\$ 1,209,834	\$ 1,289,646
Carrying value differences	548,859	215,337
Net deferred tax assets	1,758,693	1,504,983
Deferred tax liabilities:		
Carrying value differences	(240,619)	(355,632)
Net deferreds	<u>\$ 1,518,074</u>	<u>\$ 1,149,351</u>

A reconciliation between the Company's effective tax rate on income from continuing operations and the statutory tax rate for the years ended December 31, 2024 and 2023, is as follows:

	<b>Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Net income tax provision (benefit) at federal statutory rate of 21%	\$ (132,111)	\$ 660,042
Adjustments to reconcile to the effective rate:		
State and local income tax (benefit), net of federal tax benefits	75,696	57,143
W-1 Warrant mark-to-market	1,078,140	(23,520)
Dividends received deduction	(75,032)	(48,224)
Non-taxable gain	-	(35,112)
Other	(15,965)	3,175
Effective income tax provision (benefit)	<u>\$ 930,728</u>	<u>\$ 613,504</u>

GAAP provides for the recognition of deferred tax assets if realization of such assets is more likely than not. As of December 31, 2024 and 2023, the Company had federal and state net operating loss carryforwards of approximately \$5.6 million and \$6.0 million, respectively. A portion of these carryforwards will expire in various amounts beginning in 2035, however the majority of these carryforwards will not expire as they were generated after December 31, 2017. The Company expects it will be able to use its carryforwards subject to expiration in full prior to 2035. Section 382 limits the use of net operating loss carryforwards in certain situations where changes occur in the stock ownership of a company. Net operating losses that arose prior to that ownership change will have limited availability to offset taxable income arising in periods following the ownership change. During the year ended December 31, 2022, the Company performed an analysis to determine if a change of control occurred as a product of the Business Combination and has determined that a change of control is more likely than not to have occurred on August 11, 2022. Under Section 382, net operating loss carryforwards that arose prior to the ownership change will have limited availability to offset taxable income arising in future periods following the ownership change. Section 382 imposes multiple separate and distinct limits on the utilization of pre-change of control net operating losses based on the fair market value of the Company immediately prior to the change of control, as well as certain activities that may or may not occur during the 60 months immediately following the change of control. While the majority of the Company's historic net operating losses will be limited to an annual threshold, the majority of historic net operating losses also will not be subject to future expiration. As of the years ended December 31, 2024 and 2023, the Company has not provided a valuation allowance against its net operating losses as the Company expects to be able to use its net operating losses in full to offset future taxable income generated by the Company.

The Company is required to recognize in the financial statements the impact of a tax position, if that position is not more likely than not of being sustained on audit, based on the technical merits of the position. The Company's policy is to record interest and penalties related to unrecognized tax benefits in income tax expense. There was no unrecognized tax benefit as of December 31, 2024 and 2023. The Company does not expect that its uncertain tax positions will materially change in the next 12 months. No liability related to uncertain tax positions is recorded on the accompanying financial statements related to uncertain tax positions.

The Company operates in various tax jurisdictions and is subject to audit by various tax authorities. To the extent of the Company's tax loss carryovers, the Company's federal and state tax returns will be subject to examination by the tax authorities from the earliest years in which such tax attributes arise. While the amount of those tax loss carryovers continues to be subject to adjustment, any assessment of additional tax for those prior years is generally barred, except for the three most recent years (federal) or four most recent years (state). Tax contingencies are based upon their technical merits, relative law, and the specific facts and circumstances as of each reporting period. Changes in facts and circumstances could result in material changes to the amounts recorded for such tax contingencies.

During the years ended December 31, 2024 and 2023, the Company reported \$930,728 and \$613,504 of income tax expenses, respectively, as a result of the Company's current tax liabilities and the change in the Company's net deferred tax assets.

## **NOTE 12. STOCKHOLDERS' EQUITY**

### **Classes of Shares**

As of December 31, 2024, the Company's Certificate of Incorporation authorizes the issuance of an aggregate of 17,800,000 shares of capital stock of the Company consisting of 14,000,000 authorized shares of Class A Common Stock, par value of \$0.0001 per share, 1,800,000 authorized shares of Class B Common Stock, par value of \$0.0001 per share, and 2,000,000 shares of preferred stock, par value of \$0.0001 per share ("Preferred Stock").

#### ***Class A Common Stock***

As of December 31, 2024, 5,270,460 shares of the Company's Class A Common Stock were issued and outstanding.

Holders of the Company's Class A Common Stock are entitled to one vote per share on all matters on which stockholders of the Company generally or holders of the Company's Class A Common Stock as a separate class are entitled to vote. However, holders of the Company's Class A Common Stock will have no voting power as to any amendment to Company's Certificate of Incorporation relating solely to the terms of any outstanding series of ENDI Corp. Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Company's Certificate of Incorporation or pursuant to the Delaware General Corporation Law ("DGCL").

Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any other outstanding class or series of stock of the Company, having a preference over or the right to participate with the Class A Common Stock with respect to the payment of dividends and other distributions in cash, property or shares of stock of the Company, holders of the Company's Class A Common Stock are entitled to receive such dividends and other distributions in cash, property or shares of ENDI Corp. stock when, as and if declared thereon by the Company's board of directors from assets or funds legally available therefor. Upon a liquidation, dissolution or winding up of the Company's affairs, after payment or provision for payment of the debts and other liabilities of the Company and of the preferential and other amounts, if any, to which the holders of ENDI Corp. Preferred Stock shall be entitled, the holders of all outstanding shares of ENDI Corp.'s Class A Common Stock will be entitled to receive, on a pro rata basis, the remaining assets of the Company available for distribution rateably in proportion to the number of shares held by each such stockholder.

#### ***Class B Common Stock***

As of December 31, 2024, 1,800,000 shares of the Company's Class B Common Stock were issued and outstanding.

Holders of the Company's Class B Common Stock are entitled to one vote per share on all matters on which stockholders of the Company generally or holders of Company's Class B Common Stock as a separate class are entitled to vote. However, holders of the Company's Class B Common Stock will have no voting power as to any amendment to the Company's Certificate of Incorporation relating solely to the terms of any outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Company's Certificate of Incorporation or pursuant to the DGCL. The holders of ENDI Corp.'s Class B Common Stock are not entitled to receive any dividends or other distributions in cash, property, or shares of the Company's stock and will not be entitled to receive any assets of ENDI Corp. in the event of any liquidation, dissolution, or winding up of the Company's affairs.

### ***Preferred Stock***

As of December 31, 2024, the Company had no issued shares of Preferred Stock.

The voting, dividend, distribution, and any other rights of holders of any series of the Company's Preferred Stock will be as described in the applicable Certificate of Designation designating such series of Preferred Stock.

### ***Treasury Stock***

As defined in Note 10, pursuant to the Settlement and Release Agreement entered into on April 10, 2024, on May 14, 2024, the Company redeemed all of the Replacement Shares, totalling 196,673 shares of the Company's Class A Common Stock, for total consideration of \$1,180,088 or approximately \$6.00 per share. As of December 31, 2024, these shares are held as treasury stock at their cost basis on the accompanying consolidated balance sheets.

During the year ended December 31, 2024, the board of directors of the Company approved, and the Company completed, the repurchase and subsequent cancellation of 1,000 shares of Class A Common Stock for total consideration of \$8,250 or \$8.25 per share.

### **Issuances of Unregistered Shares of Common Stock**

On February 20, 2024, the Company issued a total of 15,750 unregistered shares of its Class A Common Stock to members of the Board of Directors in line with the Company's 2022 Omnibus Equity Incentive Plan dated December 19, 2022. Please see the section titled "Stock Compensation Expense" in Note 2 for additional information. To the extent this issuance constituted an offer or sale of securities under the Securities Act, it was exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act and Regulation D Rule 506, as a transaction by an issuer not involving a public offering.

Subsequent to the year ended December 31, 2024, on January 1, 2025, the Company issued a total of 20,690 unregistered shares of its Class A Common Stock to settle previously outstanding restricted stock awards to a Company employee in line with the Company's 2022 Omnibus Equity Incentive Plan dated December 19, 2022. Please see the section titled "Stock Compensation Expense" in Note 2 for additional information. To the extent this issuance constituted an offer or sale of securities under the Securities Act, it was exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act and Regulation D Rule 506, as a transaction by an issuer not involving a public offering.

Subsequent to the year ended December 31, 2024, on March 12, 2025, the Company issued a total of 18,131 unregistered shares of its Class A Common Stock to members of the Board of Directors in line with the Company's 2022 Omnibus Equity Incentive Plan dated December 19, 2022. Please see the section titled "Stock Compensation Expense" in Note 2 for additional information. To the extent this issuance constituted an offer or sale of securities under the Securities Act, it was exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act and Regulation D Rule 506, as a transaction by an issuer not involving a public offering.

### **NOTE 13. SUBSEQUENT EVENTS**

Management has evaluated all subsequent events from December 31, 2024, through March 28, 2024, the date the consolidated financial statements were issued. Management concluded that no additional subsequent events have occurred that would require recognition or disclosure in the unaudited condensed consolidated financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Overview

During the year ended December 31, 2024, ENDI Corp. operated through the following four reportable segments:

- CrossingBridge Operations - this segment includes revenue and expenses derived from the Company's investment advisory and sub-advisory services offered through various SEC registered mutual funds, an ETF, a UCITS fund, and separately managed accounts through CrossingBridge Advisors, LLC;
- Willow Oak Operations - prior to its sale on May 10, 2024, this segment included revenue and expenses derived from the Company's various joint ventures, service offerings, and initiatives undertaken in the asset management industry through Willow Oak Asset Management, LLC and its subsidiaries;
- Internet Operations - this segment includes revenue and expenses related to the Company's sale of internet access, e-mail and hosting, storage, and other ancillary services through Sitestar.net, Inc.; and
- Other Operations - this segment includes any revenue and expenses from the Company's nonrecurring or one-time strategic funding or similar activity that is not considered to be one of the Company's primary lines of business, and any revenue or expenses derived from the Company's corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company.

The management of the Company also continually reviews various business opportunities for the Company, including those in other lines of business.

### Deregistration

On January 12, 2024, we filed a Form 15 certifying the deregistration of our Class A common stock under Section 12(6) of the Exchange Act and suspension of our duty to file reports under Sections 13 and 15(d) of the Exchange Act.

### Products and Services

#### *CrossingBridge Operations*

As of December 31, 2024, CBA serves as an adviser or manager to its seven proprietary products and SMAs, and sub-adviser to four additional products. As of December 31, 2024, the assets under management ("AUM") for CBA, including advised, managed, and sub-advised funds and accounts, were in excess of \$3.4 billion.

On June 28, 2024, CBA entered into a strategic partnership with NCI Advisory A/S ("NCI"), a Nordic debt asset management firm based in Denmark. NCI operates in the primary and secondary Nordic high-yield bonds and direct loans market. Pursuant to the Share Sale and Purchase Agreement entered into on June 28, 2024 ("SPA"), CBA acquired nine percent (9%) of the membership interests of NCI for cash consideration of \$505,386. If certain conditions were satisfied, including CBA obtaining approval from the Danish Financial Supervisory Authority to become a shareholder in NCI in accordance with Danish laws, CBA could acquire an additional 16% of NCI, for ownership of 25% of the total membership interests of NCI.

On September 30, 2024, CrossingBridge launched CrossingBridge Nordic High Income Bond Fund (Ticker: NRDCX). The fund has a primary strategy of investing in high-yield debt issued, originated, or underwritten out of the Nordic countries, which are defined as Denmark, Norway, Sweden, Finland, and Iceland.

On November 8, 2024, the conditions for purchasing the additional 16% of NCI were satisfied. As such, on November 13, 2024, CBA acquired an additional 16% of NCI, for ownership of 25% of the total membership interests of NCI, for an additional purchase price of \$898,800. In connection with the SPA and the additional purchase of 16% of NCI, CBA and NCI entered into a Services Agreement. Pursuant to the Services Agreement, NCI provides certain consulting and research services to CBA in exchange for a portion of the aggregate investment advisory fees received by CBA with respect to the U.S. mutual fund named CrossingBridge Nordic High Income Bond Fund.

On November 1, 2024, CrossingBridge Advisors became the sub-adviser to the AlphaCentric Real Income Fund (Ticker: SIIIX). As of November 1, 2024, the AlphaCentric Real Income Fund had approximately \$55 million in assets under management.

Details of CBA's products are included below.

<b>Product Name</b>	<b>Ticker Symbol<sup>(a)</sup></b>	<b>Inception Date</b>	<b>Advisory Role</b>	<b>AUM as of December 31, 2024 (in dollars)</b>
CrossingBridge Low Duration High Income Fund	CBLDX	January 31, 2018	Adviser	1,111,224,567
CrossingBridge Ultra-Short Duration Fund	CBUDX	June 30, 2021	Adviser	203,750,097
RiverPark Strategic Income Fund	RSIIX	September 30, 2013 <sup>(b)</sup>	Adviser	533,839,592
CrossingBridge Responsible Credit Fund	CBRDX	June 30, 2021	Adviser	49,540,702
CrossingBridge Pre-Merger SPAC ETF	SPC	September 20, 2021	Adviser	64,549,272
CrossingBridge Low Duration High Income Fund (UCITS)	CBIUIUS ID	October 23, 2023	Manager	111,105,721
CrossingBridge Nordic High Income Bond Fund	NRDCX	October 1, 2024	Adviser	26,353,384
RiverPark Short Term High Yield Fund	RPHIX	September 30, 2010 <sup>(c)</sup>	Sub-adviser	739,238,403
Destinations Low Duration Fixed Income Fund	DLDFX	March 20, 2017	Sub-adviser	148,417,111
Destinations Global Fixed Income Opportunities Fund	DGFFX	March 20, 2017	Sub-adviser	268,057,137
AlphaCentric Real Income Fund	SIIIX	November 1, 2024 <sup>(d)</sup>	Sub-adviser	55,498,000

<sup>(a)</sup> Ticker symbol listed here corresponds to the institutional share class for the associated product.

<sup>(b)</sup> CrossingBridge became the adviser to the RiverPark Strategic Income Fund as of May 12, 2023.

<sup>(c)</sup> CrossingBridge became the sub-adviser to the RiverPark Short Term High Yield Fund on March 9, 2024.

<sup>(d)</sup> CrossingBridge became the sub-adviser to the AlphaCentric Real Income Fund on November 1, 2024.

CBA's investment strategies with associated advised, managed, and sub-advised mutual funds, UCITS, and the ETF are as follows:

#### Ultra-Short Duration Strategies

##### *Ultra-Short Duration*

- Primarily invest in investment grade fixed income securities with an ultra-short portfolio duration target of typically one or less.
  - CrossingBridge Ultra-Short Duration Fund is advised.

##### *Short-term High Yield*

- Primarily invest in high yield securities with an ultra-short portfolio duration target of typically four to eight months.
  - RiverPark Short Term High Yield Fund is sub-advised.

### *Pre-Merger SPACs*

- Primarily invest in purchasing common stock and units of special purpose acquisition companies (“SPACs”) that are trading at or below their pro rata share of the collateral trust account with the intent of disposing the shares prior to a business combination. Aims to capture the fixed income nature of pre-merger SPACs along with the potential equity upside that they present.
  - CrossingBridge Pre-Merger SPAC ETF is advised.

### Low Duration Strategies

#### *Low Duration High Income*

- Primarily invest in below investment grade fixed income securities with a short portfolio duration target of three or less.
  - CrossingBridge Low Duration High Income Fund is advised.
  - CrossingBridge Low Duration High Income Fund (UCITS) is managed.
  - Destinations Low Duration Fixed Income Fund is sub-advised.

### Strategic Income Strategies

#### *Strategic Income*

- A flexible investment and duration mandate without restrictions as to issuer credit quality, capitalization, or security maturity.
  - RiverPark Strategic Income Fund is advised.
  - Destinations Global Fixed Income Opportunities Fund is sub-advised.

#### *Nordic Debt*

- Primarily invest in high-yield debt issued, originated, or underwritten out of the Nordic countries, which are defined as Denmark, Norway, Sweden, Finland, and Iceland.
  - CrossingBridge Nordic High Income Bond Fund is advised.

#### *Real Income*

- Invests across the capital structure in debt and equity securities issued primarily by real estate businesses and related services as well as those with hard asset focuses.
  - AlphaCentric Real Income Fund is sub-advised.

#### *Responsible Investing*

- Primarily invest in corporate debt of issuers that portray a mindfulness toward environment, social, and governance (“ESG”) practices. The strategy has a flexible investment and duration mandate without restrictions as to issuer credit quality, capitalization, or security maturity. Further, the strategy may have concentrated holdings.
- CBA uses its “responsible investing criteria” (i.e., specific exclusionary and inclusionary criteria based on ESG standards) when making investment decisions for this strategy. To the extent an issuer’s business generates 10% or more of its revenues from certain businesses considered by CBA to be incompatible with its ESG criteria, then such business will be deemed “primarily engaged” in such business and excluded from the portfolio. CBA’s ESG criteria excludes issuers primarily engaged in weapons, tobacco, alcohol, gambling, pornography, and other related categories. After applying the initial exclusionary screen, CBA applies an inclusionary screen based on environmental objectives (such as reduction of carbon emissions), social objectives (such as treating all constituencies in a proper and ethical manner) and governance objectives (such as diversification of backgrounds, skills, and philosophy among an issuers board or executive officers). CBA utilizes a proprietary matrix to measure an issuer’s ESG engagement. CBA’s proprietary matrix sets a minimum threshold level that must be achieved for an issuer’s securities or other instruments to satisfy the fund’s responsible investing criteria. Ratings are based on positive and negative attributes, both of which can have an impact on the final score given to an issuer. CBA sources information relating to its responsible investing criteria from publicly-available resources such as financial filings, presentations, news articles, and management discussions. CBA monitors an issuer’s conformity to its responsible investing criteria and each holding is formally reviewed by CBA at least annually.
  - CrossingBridge Responsible Credit Fund is advised.

Management believes that the greatest negative impact on portfolio returns is the failure of a large position to perform according to the original thesis, which results in loss of capital. We attempt to mitigate this risk through investment analysis, portfolio construction, and hedging of risks with respect to individual positions and/or the overall portfolio as we see fit. In most cases, our investment analysis begins with a fundamental understanding of an issuer's business model and management objectives followed by an analysis of its capital structure. Depending on the nature of the investment, the analysis may continue with a more in-depth study of legal aspects, pending transactions, and processes that may impact the issuer. A good investment in a bad business is not a recipe for enduring success.

CBA's primary objective is to fulfil its fiduciary duty to its clients while its secondary objective is to grow its intrinsic value to achieve an adequate long-term return for our Company.

### ***Willow Oak Operations***

Prior to its sale on May 10, 2024, the Company operated its Willow Oak operations business through its wholly-owned subsidiaries, Willow Oak Asset Management, LLC ("Willow Oak"), Willow Oak Capital Management, LLC, Willow Oak Asset Management Affiliate Management Services, LLC ("Willow Oak AMS") and Willow Oak Asset Management Fund Management Services, LLC ("Willow Oak FMS").

On May 10, 2024, Enterprise Diversified sold all of its equity in Willow Oak to PV 31, LLC, a Delaware limited liability company that is wholly-owned by Jessica Greer, the former Secretary and employee of the Company, pursuant to a Membership Interest Purchase Agreement. The aggregate purchase price to be paid to Enterprise Diversified is an amount equal to 10% of Willow Oak's gross revenue which will be paid to Enterprise Diversified on a quarterly basis beginning with the quarter ending June 30, 2024 and ending with the quarter ending June 30, 2034. Activity reported for the year ended December 31, 2024 only reflects activity through the sale date.

### ***Internet Operations***

The Company operates its internet operations segment through Sitestar.net, its wholly-owned subsidiary.

Sitestar.net is an internet service provider ("ISP") that offers consumer and business-grade internet access, e-mail hosting and storage, wholesale managed modem services, web hosting, third-party software as a reseller, and various ancillary services. Sitestar.net provides services to customers in the United States and Canada. This segment markets and sells narrow-band (dial-up and integrated services digital network ("ISDN")) and broadband services (Digital Subscriber Line ("DSL"), fiber-optic, and wireless), as well as web hosting and related services to consumers and businesses. Customers may also subscribe to web hosting plans to include email access and storage. Customer contracts through the internet operations segment can be structured as monthly or annual contracts. Under annual contracts, the subscriber pays a one-time annual fee and under monthly contracts, the subscriber is billed monthly. While Sitestar.net provides customer service support for account management and technical troubleshooting, Sitestar.net does not own or maintain the physical infrastructure (fiber-optic lines, cable lines, phone lines, or e-mail servers) through which its services are provided.

We may in the future be subject to U.S. and international laws and regulations applicable to access or commerce on the internet covering issues such as user privacy, freedom of expression, pricing, characteristics and quality of products and services, taxation, advertising, intellectual property rights, and information security. As such, our business may be affected by the repeal, modification, or adoption of various laws and regulations that cover a wide range of issues at the international, federal, state, and local levels.

In addition, the Company owns a portfolio of domain names. Management endeavours to identify the market value for domain names owned by the Company in order to assess potential income opportunities. Management evaluates these domain names for third-party sales potential, as well as for other marketing opportunities that could generate new revenue from current customers who utilize the domain names.

The current focus of our internet operations segment is to generate cash flow, work to make our costs variable, and reinvest in our operations when an acceptable return is available.

### ***Other Operations***

The Company operates its other operations segment which includes nonrecurring or one-time strategic funding or similar activity and other corporate operations that are not considered to be one of the Company's primary lines of business. Below are the primary activities comprising other operations during the year ended December 31, 2024. Additional investment activity that is not specifically mentioned below is included in the accompanying consolidated financial statements.

Management of the Company also continually reviews various business opportunities for the Company, including those in other lines of business. Our primary focus is on generating cash flow so that we have the flexibility to pursue opportunities as they present themselves. We intend to only invest cash in a segment if we believe that the return on the invested capital is appropriate for the risk associated with the investment. This consideration is measured against all investment opportunities available to us and is not limited to the foregoing segments nor our historical operations.

#### *Enterprise Diversified, Inc.*

On December 10, 2024, through Enterprise Diversified, we invested \$1,000,000 in a limited partnership primarily employing an appraisal rights strategy. The general partner is entitled to certain management and performance fees. As of the year ended December 31, 2024, this investment is carried at its cost basis due to its limited activity prior to year end.

On December 3, 2024, through Enterprise Diversified, we made a capital contribution of \$550,000 in a private partnership that operates as a designer and builder of energy and industrial storage facilities, representing less than a 1% ownership stake. This investment is carried at the lower of its cost basis or impaired value.

On October 11, 2024, through Enterprise Diversified, we made a capital contribution of \$250,000 in a private real estate development and management partnership, representing approximately a 5% ownership stake. This investment is carried at the lower of its cost basis or impaired value. During the year ended December 31, 2024, management did not identify any impairment events or adjustments related to this investment. On November 12, 2024, through Enterprise Diversified as the lender, we entered into a bridge financing arrangement by issuing a \$1,000,000 promissory note to the same real estate development and management partnership. The promissory note earns interest at 12% per annum, interest payments are due monthly, and the note matures on November 12, 2025 with an extension option for a maximum of six months. The promissory note is secured by real estate owned by the borrower.

On April 8, 2024, April 15, 2024, August 6, 2024, and November 11, 2024, through Enterprise Diversified, we purchased a total of 53,400 Class B Common Shares of a private corporation operating in the consumer insurance space for a total investment of \$353,118 as of the year ended December 31, 2024. This investment is carried at the lower of its cost basis or impaired value.

On February 20, 2024, through Enterprise Diversified, we committed \$500,000 through a subscription agreement for a limited partnership that has acquired equity shares of the National Stock Exchange of India. As of the year ended December 31, 2024, \$487,782 of the capital has been contributed and the value of this investment is recorded at its reported net asset value (“NAV”) of \$783,692 on the accompanying consolidated balance sheets. This investment is subject to various liquidity restrictions for a five-year period.

#### *eBuild Ventures, LLC*

Pursuant to the Merger Agreement, the Company was transferred interests of eBuild Ventures, LLC (“eBuild”) on the Closing Date. eBuild acquires, or provides growth equity to, businesses across various consumer and service industries.

On September 8, 2022 and December 2, 2024, through eBuild, we made capital contributions of \$450,000 and \$300,444, respectively, representing approximately a 9% ownership stake, in a start-up phase private company that operates in the consumer beverage product space. Prior to our additional investment on December 2, 2024, this investment was valued using the equity method. Subsequent to our additional investment on December 2, 2024, which included various amendments to and restrictions on the Company’s voting rights, this investment is valued at the lower of its cost basis or impaired value, which totalled \$505,910 as of December 31, 2024.

On March 16, 2023, through eBuild, we made a conditional shareholder contribution of \$955,266 and were issued approximately a 3% ownership stake in a private company that operates in the consumer products e-commerce space fulfilled by Amazon. During the quarterly period ended March 31, 2024, the private company redeemed the contribution in full. There is no remaining value attributed to this investment on the accompanying consolidated balance sheets as of the year ended December 31, 2024.

#### *Corporate Operations*

Corporate operations include any revenue or expenses derived from the Company’s corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company. Also included under corporate operations is investment activity earned through the reinvestment of corporate cash. Corporate investments are typically short-term, highly liquid investments, including vehicles such as mutual funds, ETFs, commercial paper, and corporate and municipal bonds.

As of December 31, 2024, through Enterprise Diversified under the other operations segment, the Company is directly invested in five CrossingBridge mutual funds: CrossingBridge Responsible Credit Fund, CrossingBridge Ultra Short Duration Fund, CrossingBridge Low Duration High Income Fund, RiverPark Strategic Income Fund, and CrossingBridge Nordic High Income Bond Fund for a total of \$7,250,840.

The Company also routinely invests in CrossingBridge Pre-Merger SPAC ETF through its other operations segment as well, which as of December 31, 2024, totalled \$255,791.

There are no liquidity restrictions in connection with these investments and any intercompany revenue and expenses have been eliminated in consolidation.

## Summary of Financial Performance

Stockholders' equity decreased from \$23,113,090 at December 31, 2023 to \$20,801,969 at December 31, 2024. This change was primarily attributed to net income earned by the Company's operating segments during the year ended December 31, 2024. During the year ended December 31, 2024, the CrossingBridge operations segment generated \$5,216,637 of net income, the internet operations segment generated \$310,108 of net income, prior to its sale on May 10, 2024, the Willow Oak operations segment generated \$641,100 of net loss, and the other operations segment generated \$6,445,473 of net loss. Corporate expenses for the year ended December 31, 2024 included in the net loss from other operations totalled \$1,659,835. Total comprehensive net loss for all segments for the year ended December 31, 2024 was \$1,559,828.

## EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP financial measures that we believe provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors. We have included EBITDA and adjusted EBITDA in this annual report because they are key metrics we use to evaluate our financial and operating performance, generate future operating plans, and make strategic decisions for the allocation of capital. We calculate EBITDA as net income (loss), adjusted for income taxes (benefit); interest expense; and depreciation and amortization expense. We then calculate adjusted EBITDA by further adjusting for non-cash and/or one-time transactions that management considers to be significant. For the years ended December 31, 2024 and 2023, adjusted EBITDA includes adjustments for the non-cash W-1 Warrant revaluation and stock compensation expense, and the one-time loss on the sale of Willow Oak, the gain on settlement, the note receivable revaluation, and other income on investments.

While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for the related financial information prepared in accordance with US GAAP.

The following table presents a reconciliation of net loss, the most directly comparable GAAP measure, to EBITDA and EBITDA to adjusted EBITDA for each of the periods indicated and can be found on the accompanying consolidated statements of operations:

	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
<b>Reconciliation of net income (loss) to EBITDA:</b>		
Net income (loss)	\$ (1,559,828)	\$ 2,529,551
Interest expense on promissory note	653,151	-
Income tax expense	930,728	613,504
Amortization and depreciation	2,189,973	381,870
<b>EBITDA</b>	<b>\$ 2,214,024</b>	<b>\$ 3,524,925</b>
<b>Reconciliation of EBITDA to adjusted EBITDA:</b>		
EBITDA	\$ 2,214,024	\$ 3,524,925
W-1 Warrant mark-to-market	5,134,000	(112,000)
Loss on sale of Willow Oak, net of recoveries	561,405	-
Gain on settlement	(243,423)	-
Stock compensation expenses	263,973	200,846
Note receivable revaluation	-	(334,400)
Other income on investments	(1,435,248)	(1,142,949)
<b>Adjusted EBITDA</b>	<b>\$ 6,494,731</b>	<b>\$ 2,136,422</b>

## Results of Operations

### CrossingBridge Operations

Revenue attributed to the CrossingBridge operations segment for the year ended December 31, 2024 was \$14,598,596, representing an increase of \$5,919,813 compared to the year ended December 31, 2023. This increase was due to revenue attributed to additional management fees earned pursuant to the Cohanzick Management asset acquisition as well as an approximately 64% increase in the AUM of CBA's advised mutual fund, UCITS, and ETF products, as noted above. The increase in revenue was offset by an increase of \$3,749,871 in operating expenses, which totalled \$9,011,538 for the year ended December 31, 2024. The increase in operating expenses for the year ended December 31, 2024, compared to the year ended December 31, 2023, was primarily associated with an increase in amortization expenses and compensation-related expenses. Other net expenses attributed to the CrossingBridge operations segment for the year ended December 31, 2024 totalled \$370,421, increasing by \$442,515 from the year ended December 31, 2023. This increase in other net expenses was due primarily to interest expenses incurred as part of the promissory note to Cohanzick pursuant to the Cohanzick Management asset acquisition. Net income for the CrossingBridge operations segment for the year ended December 31, 2024 totalled \$5,216,637, which compares to net income for the year ended December 31, 2023 of \$3,489,210.

Compensation-related costs represent CBA's most significant cash-paid operating expenses and are typically comprised of salaries, bonuses, and benefits. Bonuses are subjective and based on individual performance, the underlying funds' performance, and profitability of the Company, as well as the consideration of future outlook. Compensation-related costs increased by \$1,165,764 for the year ended December 31, 2024, compared to the year ended December 31, 2023. The increase was due to salary increases that took effect at the beginning of the current period, an increase in annual bonus amounts, and the hiring of three additional employees during the year ended December 31, 2024. Compensation-related expenses can fluctuate period over period as management evaluates investment performance, individual performance, Company performance, and other factors.

An increase in non-cash amortization expense of \$1,814,187 during the year ended December 31, 2024 compared to the year ended December 31, 2023 for the CrossingBridge operations segment is the product of newly acquired intangible assets recorded and amortized pursuant to the Cohanzick transaction and RiverPark Strategic Income Fund transaction, which closed during March 2024 and May 2023, respectively.

CBA expects that its net margin will fluctuate from period to period based on various factors, including: revenues, investment results, and the development of investment strategies, products, and/or channels. Excluding interest, tax, depreciation and amortization expenses, CBA's net margins increased by approximately 11%, from approximately 44% to approximately 55%, during the year ended December 31, 2024 compared to the year ended December 31, 2023.

During the year ended December 31, 2024, CBA recognized \$83,381 of other income related to its strategic partnership with NCI, which is accounted for under the equity method. No comparable activity exists for the year ended December 31, 2023.

### Assets Under Management

CBA derives its revenue from its investment advisory fees. Investment advisory fees paid to CBA are based on the value of the investment portfolios it manages and fluctuate with changes in the total value of its AUM.

CBA's revenues are highly dependent on both the value and composition of AUM. The following is a summary of CBA's AUM by product and investment strategy as of December 31, 2024 and December 31, 2023.

<b>Assets Under Management by Product</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>% Change</b>
(in millions, except percentages)			
Advised funds	2,100	1,283	63.7%
Sub-advised funds	1,211	560	116.3%
Managed accounts	126	-	-
Total AUM	3,437	1,843	86.5%

<b>Assets Under Management by Investment Strategy</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>% Change</b>
(in millions, except percentages)			
Ultra-short duration	943	100	843.0%
Low duration	1,435	1,009	42.2%
Strategic income	933	734	27.1%
Managed accounts	126	-	-
Total AUM	3,437	1,843	86.5%

The following tables represent CBA's AUM flows for its advised and sub-advised mutual funds, ETF, and UCITS products over the indicated quarterly periods:

*CrossingBridge Low Duration High Income Fund (in dollars)*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
1Q 2024	649,524,598	129,651,564	(51,241,813)	16,810,034	744,744,383
2Q 2024	744,744,383	228,431,654	(65,342,231)	10,732,171	918,565,977
3Q 2024	918,565,977	210,827,519	(113,455,441)	19,412,116	1,035,350,171
4Q 2024	1,035,350,171	194,565,246	(132,536,599)	13,845,749	1,111,224,567

*CrossingBridge Ultra-Short Duration Fund (in dollars)*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
1Q 2024	100,199,722	13,230,941	(5,141,562)	1,722,951	110,012,052
2Q 2024	110,012,052	20,850,665	(5,089,489)	1,393,185	127,166,413
3Q 2024	127,166,413	48,241,110	(8,362,692)	2,170,862	169,215,693
4Q 2024	169,215,693	42,536,150	(10,377,475)	2,375,729	203,750,097

*RiverPark Strategic Income Fund (in dollars)*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
1Q 2024	376,111,942	50,984,326	(30,821,095)	11,487,185	407,762,358
2Q 2024	407,762,358	102,352,712	(69,006,475)	4,143,378	445,251,973
3Q 2024	445,251,973	98,631,200	(50,994,015)	10,590,864	503,480,022
4Q 2024	503,480,022	107,299,392	(87,118,150)	10,178,328	533,839,592

*CrossingBridge Responsible Credit Fund (in dollars)*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
1Q 2024	30,739,930	7,662,094	(3,505,853)	789,368	35,685,539
2Q 2024	35,685,539	2,953,019	(3,090,769)	222,943	35,770,732
3Q 2024	35,770,732	7,156,271	(3,000,455)	762,942	40,689,490
4Q 2024	40,689,490	13,511,172	(5,548,038)	888,078	49,540,702

*CrossingBridge Pre-Merger SPAC ETF (in dollars)*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
1Q 2024	67,937,047	2,553,521	-	816,086	71,306,654
2Q 2024	71,306,654	1,504,653	(3,223,235)	721,564	70,309,636
3Q 2024	70,309,636	-	(2,189,930)	812,876	68,932,582
4Q 2024	68,932,582	-	(5,247,306)	863,996	64,549,272

*CrossingBridge Low Duration High Income Fund (UCITS) (in dollars)*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
1Q 2024	58,625,855	23,555,414	(1,165,402)	173,231	81,189,098
2Q 2024	81,189,098	12,597,861	(2,406,525)	787,692	92,168,126
3Q 2024	92,168,126	14,220,252	(887,555)	884,126	106,384,949
4Q 2024	106,384,949	13,107,456	(8,925,736)	539,052	111,105,721

*CrossingBridge Nordic High Income Bond Fund (in dollars)*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
3Q 2024	-	2,000,000	-	-	2,000,000
4Q 2024	2,000,000	26,397,052	(2,694,625)	650,957	26,353,384

*RiverPark Short Term High Yield Fund (in dollars)  
Sub-advised starting on March 9, 2024*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
1Q 2024	-	802,506,399	(11,911,456)	42,546	790,637,489
2Q 2024	790,637,489	35,591,959	(57,448,890)	11,936,159	780,716,717
3Q 2024	780,716,717	49,841,030	(57,648,133)	9,638,346	782,547,960
4Q 2024	782,547,960	52,912,700	(109,559,891)	13,337,634	739,238,403

*Destinations Low Duration Fixed Income Fund (in dollars)*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
1Q 2024	233,291,769	-	(67,000,000)	7,062,747	173,354,516
2Q 2024	173,354,516	-	(8,000,000)	3,711,873	169,066,389
3Q 2024	169,066,389	-	(8,000,000)	2,614,477	163,680,866
4Q 2024	163,680,866	-	(17,000,000)	1,736,245	148,417,111

*Destinations Global Fixed Income Opportunities Fund (in dollars)*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
1Q 2024	326,954,343	7,000,000	(20,000,000)	12,136,563	326,090,906
2Q 2024	326,090,906	-	-	3,247,657	329,338,563
3Q 2024	329,338,563	-	(32,000,000)	6,981,117	304,319,680
4Q 2024	304,319,680	-	(42,000,000)	5,737,457	268,057,137

*AlphaCentric Real Income Fund (in dollars)  
Sub-advised starting November 1, 2024*

	<b>Beginning Balance</b>	<b>Gross Inflows</b>	<b>Gross Outflows</b>	<b>Market Appreciation (Depreciation)</b>	<b>Ending Balance</b>
4Q 2024	-	57,695,362	(2,086,910)	(110,452)	55,498,000

In the tables above, gross inflows include reinvested dividends and gross outflows include dividends paid/withdrawn from the funds.

As of December 31, 2024 compared to December 31, 2023, CBA's AUM increased by approximately 87% to approximately \$3.44 billion. The overall net increase in AUM was primarily the result of CBA becoming the sub-advisor to the RiverPark Short Term High Yield Fund, which added approximately \$0.74 billion in AUM as of December 31, 2024 compared to December 31, 2023, and organic year-over-year growth in the CrossingBridge Low Duration High Income Fund, which added approximately \$0.46 billion in AUM. Net outflows period over period are primarily attributable to a reduction of assets in the Destinations Low Duration Fixed Income and Destinations Global Fixed Income Opportunities sub-advised accounts. Every proprietary CrossingBridge advised fund, with the exception of CrossingBridge Pre-Merger SPAC ETF, increased their AUM period over period. The AUM of CBA's proprietary advised funds and accounts as of December 31, 2024, having higher management fee rates than CBA's sub-advised funds, grew by approximately 64% compared to the AUM of advised funds and accounts as of December 31, 2023. The approximate 116% increase in CBA's sub-advised AUM between December 31, 2023 and December 31, 2024 is largely due to the RiverPark Short Term High Yield Fund.

CBA has seen interest in its funds continuing to grow in the registered investment adviser, bank/trust company, and family office segments of the market and believes that widening credit spreads and/or falling interest rates may also help drive momentum for additional AUM growth. CBA expects to see continued demand for the CrossingBridge mutual funds as downside risk-management remains a priority for investors in an environment where credit spreads remain tight and interest rate volatility and uncertainty is heightened.

The CrossingBridge Pre-Merger SPAC ETF was launched on September 20, 2021. The size of the opportunity set, however, has significantly decreased from peak levels as a substantial amount of SPACs have either completed deals or liquidated, paired with a slowdown in new issuance/capital market activity over the past year. Looking forward, we believe the size of the SPAC market may continue to fluctuate and will be dependent upon a number of factors, including the number and size of mergers and/or liquidations as well as new issues. CBA will continue to closely monitor developments in the market.

### Performance

Although performance is a key metric to measure an adviser's success, there are other metrics that CBA believes are more meaningful to its investors, including downside protection during difficult environments, sensitivity to rising interest rates, upside/downside capture, and the risk-adjusted return. Although CBA does not manage to benchmarks, CBA does provide benchmarks to investors as a frame of reference, which are set forth below:

	4Q 2024	3Q 2024	2Q 2024	1Q 2024
<b>CrossingBridge Low Duration High Income Fund</b>	<b>1.28%</b>	<b>1.99%</b>	<b>1.30%</b>	<b>2.43%</b>
ICE BofA 0-3 Year US HY Index ex Financials	1.34%	4.55%	1.31%	1.90%
ICE BofA 1-3 Year Corporate Index	0.21%	3.16%	1.11%	0.85%
ICE BofA 0-3 Year US Treasury Index	0.30%	2.46%	1.05%	0.59%
<b>CrossingBridge Ultra-Short Duration Fund</b>	<b>1.29%</b>	<b>1.52%</b>	<b>1.21%</b>	<b>1.66%</b>
ICE BofA 0-1 Year US Corporate Index	1.16%	1.73%	1.37%	1.36%
ICE BofA 0-1 Year US Treasury Index	1.08%	1.61%	1.26%	1.15%
ICE BofA 0-3 Year US Fixed Rate Asset Backed Securities Index	0.84%	2.45%	1.28%	1.15%
<b>RiverPark Strategic Income Fund Inst. Class</b>	<b>1.94%</b>	<b>2.29%</b>	<b>0.98%</b>	<b>2.97%</b>
<b>RiverPark Strategic Income Fund Retail Class</b>	<b>1.87%</b>	<b>2.22%</b>	<b>0.92%</b>	<b>2.91%</b>
ICE BofA US High Yield Index	0.16%	5.28%	1.09%	1.51%
ICE BofA US Corporate Index	(2.84)%	5.72%	0.12%	(0.08)%
ICE BofA 3-7 Year US Treasury Index	(2.37)%	4.47%	0.55%	(0.59)%
<b>CrossingBridge Responsible Credit Fund</b>	<b>2.04%</b>	<b>2.03%</b>	<b>0.60%</b>	<b>2.43%</b>
ICE BofA US High Yield Index	0.16%	5.28%	1.09%	1.51%
ICE BofA US Corporate Index	(2.84)%	5.72%	0.12%	(0.08)%
ICE BofA 3-7 Year US Treasury Index	(2.37)%	4.47%	0.55%	(0.59)%
<b>CrossingBridge Pre-Merger SPAC ETF (Price)</b>	<b>1.14%</b>	<b>1.08%</b>	<b>1.17%</b>	<b>1.11%</b>
<b>CrossingBridge Pre-Merger SPAC ETF (NAV)</b>	<b>1.26%</b>	<b>1.17%</b>	<b>1.03%</b>	<b>1.18%</b>
ICE BofA 0-3 Year US Treasury Index	0.30%	2.46%	1.05%	0.59%
<b>CrossingBridge Low Duration High Income Fund (US Share Class)</b>	<b>0.99%</b>	<b>2.16%</b>	<b>1.69%</b>	<b>2.03%</b>
ICE BofA 0-3 Year US Treasury Index	0.30%	2.46%	1.05%	0.59%
<b>CrossingBridge Nordic High Income Bond Fund</b>	<b>1.86%</b>			
ICE BofA US High Yield Index	0.16%			
ICE BofA Global Floating Rate High Yield Index	1.94%			
ICE BofA 3-7 Year US Treasury Index	2.37%			
<b>RiverPark Short Term High Yield Fund Inst. Class</b>	<b>1.23%</b>	<b>1.38%</b>	<b>1.49%</b>	<b>1.45%</b>
<b>RiverPark Short Term High Yield Fund Retail Class</b>	<b>1.18%</b>	<b>1.32%</b>	<b>1.44%</b>	<b>1.30%</b>
ICE BofA 1-3 Year US Corporate Index	0.21%	3.16%	1.11%	0.85%
ICE BofA 1 Year US Treasuries Index	0.70%	2.03%	1.11%	0.83%
ICE BofA 0-3 Year US HY Index ex Financials	1.34%	4.55%	1.31%	1.90%

With respect to both Destinations Low Duration Fixed Income Fund and Destinations Global Fixed Income Opportunities Fund (collectively, the “Destination Funds”), CBA serves as one sub-adviser as part of a manager-of-managers strategy. As one of multiple sub-advisers, CBA does not select the benchmarks and does not have a license to use the benchmark performance information for the Destination Funds. CBA believes that the benchmark performance information is not material in this context because CBA’s advisory services with respect to the Destination Funds involves only a portion of the assets of the Destination Funds while the benchmarks are selected as an appropriate comparison based on the entire portfolio of the Destination Funds across all of the relevant sub-advisers.

As CBA was recently appointed as the sub-adviser to the AlphaCentric Real Income Fund as of November 1, 2024, CBA inherited the legacy portfolio of the fund. During the year ended December 31, 2024, CBA began the process of transitioning the portfolio to a strategy that more closely reflects CBA’s investment mandates. Performance for the AlphaCentric Real Income Fund for the year ended December 31, 2024 includes performance for the fund’s prior sub-advisor and not exclusively for the period in which CBA was the sub-adviser.

All of CBA’s proprietary advised products generated positive returns for investors during the years ended December 31, 2024 and 2023. During the years ended December 31, 2024 and 2023, CBA believes its contributions to the performance of Destinations Low Duration Fixed Income Fund and the Destinations Global Fixed Income Opportunities Fund were accretive as CBA continues to be a steward of a significant allocation within these funds.

### ***Willow Oak Operations***

On May 10, 2024, Enterprise Diversified sold all of its equity in Willow Oak and Willow Oak’s wholly-owned subsidiaries to PV 31, LLC, a Delaware limited liability company that is wholly-owned by Jessica Greer, the former Secretary and employee of the Company, pursuant to a Membership Interest Purchase Agreement. The aggregate purchase price to be paid to Enterprise Diversified, recognized as contingent consideration, is an amount equal to 10% of Willow Oak’s future gross revenue which will be paid to Enterprise Diversified on a quarterly basis beginning with the quarter ending June 30, 2024 and ending with the quarter ending June 30, 2034. Activity reported under the Willow Oak operations segment for the year period ended December 31, 2024 only reflects activity through the sale date.

Prior to the sale on May 10, 2024, Willow Oak generated its revenue through various fee share and consulting agreements with private investment firms and partnerships in exchange for providing operational services. Willow Oak did not manage, direct, or invest any capital itself, but rather earned fee shares based on its service agreements and the AUM and periodic performance of the investment firms and partnerships with which it partnered. Fee shares earned on AUM, management fee shares, and fund management services revenue were recognized and recorded on a monthly or quarterly basis in alignment with the underlying terms of each investment partnership. Revenue fee shares earned on performance were recognized and recorded only when the underlying investment partnership’s performance crystalized, which was typically on an annual, calendar-year basis. As performance fee shares were based on investments returns, these fee shares had the potential to be highly variable.

During the year ended December 31, 2024, prior to its sale on May 10, 2024, the Willow Oak operations segment generated \$62,383 of revenue. Operating expenses totalled \$124,956, net other expenses totalled \$578,527, and the segment’s net loss totalled \$641,100 during the year ended December 31, 2024. Net other expenses for the Willow Oak operations segment for the year ended December 31, 2024, consist primarily of the initial loss related to the sale of Willow Oak, which totalled \$578,958. Compensation and related payroll costs represented Willow Oak’s most significant operating expense during the year ended December 31, 2024.

This compares to the year ended December 31, 2023, when the Willow Oak operations segment generated \$182,970 of revenue, operating expenses totalled \$399,928, other expenses totalled \$1,104, and the segment’s net loss totalled \$215,854.

### ***Internet Operations***

As of December 31, 2024, the internet operations segment had a total of 4,996 customer accounts across the U.S. and Canada. As of December 31, 2024, approximately 92% of our customer accounts are U.S.-based, while approximately 8% are Canada-based. During the year ended December 31, 2024, approximately 43% of our revenue was driven by internet access services, with the remaining approximately 57% being earned through web hosting, email, and other web-based services.

Revenue generated by our U.S. customers totalled \$666,762 and \$689,802, and revenue generated by our Canadian customers totalled \$31,625 and \$35,968 during the years ended December 31, 2024 and 2023, respectively.

During the year ended December 31, 2024, the internet operations segment, generated \$698,387 of revenue, cost of revenue totalled \$200,160, operating expenses totalled \$191,374, other income totalled \$3,255, and net income totalled \$310,108.

This compares to the year ended December 31, 2023, when the internet operations segment generated \$725,770 of revenue, cost of revenue totalled \$218,269, operating expenses totalled \$234,173, other expenses totalled \$19,882, and net income totalled \$253,446.

Year over year, the internet operations segment increased its net margin from approximately 35% for the year ended December 31, 2023, to approximately 44% for the year ended December 31, 2024. The increase in net margin during the current year is largely due to a decrease in compensation-related expenses.

### ***Other Operations***

During the year ended December 31, 2024, our other operations segment did not produce any revenue or cost of revenue, operating expenses totalled \$1,779,522, and other expenses totalled \$4,665,951. Corporate operating expenses accounted for \$1,659,835 of reported operating expenses for our other operations segment during the year ended December 31, 2024. Included in corporate operating expenses during the year ended December 31, 2024 are \$398,491 of professional fees, \$645,622 of compensation related expenses, and \$263,973 of non-cash stock compensation expenses recorded as part of equity awards granted to directors and employees under the Company's 2022 Omnibus Equity Incentive Plan. During the year ended December 31, 2024, the other operations segment reported \$5,134,000 of other non-cash expenses related to the revaluation of the W-1 Warrants, \$925,864 of interest and dividend income and \$213,917 of other net investment income. During the year ended December 31, 2024, the other operations segment also reported \$243,423 of income related to its legal settlement with the Company's former CEO. See Note 10 for more information. This resulted in a net loss of \$6,445,473 for the other operations segment for the year ended December 31, 2024.

This compares to the year ended December 31, 2023, when our other operations segment did not produce any revenue or cost of revenue, operating expenses totalled \$1,753,039, and other income totalled \$755,788. Corporate operating expenses accounted for \$1,666,022 of reported operating expenses for our other operations segment during the year ended December 31, 2023. Included in corporate operating expenses during the year ended December 31, 2023 are \$697,386 of professional fees, \$467,617 of compensation related expenses, and \$200,846 of non-cash stock compensation expenses recorded as part of equity awards granted to directors and employees under the Company's 2022 Omnibus Equity Incentive Plan. During the year ended December 31, 2023, the other operations segment reported \$112,000 of other non-cash income related to the revaluation of the W-1 Warrants, \$846,916 of interest and dividend income and \$183,511 of other net investment income. During the year ended December 31, 2023, the other operations segment also reported \$334,400 of other income related to the gain on the Company's amended and restated promissory note issued by Triad DIP Investors, LLC. This resulted in a net loss of \$997,251 for the other operations segment for the year ended December 31, 2023.

The year-over-year increase in compensation related expenses reported under the other operations segment of \$178,005 is largely due to the cash settlement of certain employee restricted stock unit awards pursuant to the ENDI Corp. 2022 Omnibus Equity Incentive Plan. Please see the section titled "Stock Compensation Expense" in Note 2 for additional information.

The year-over-year increase in non-cash expenses related to the revaluation of the W-1 Warrants is based on a Black-Scholes pricing model, which is largely dependent on a variety of factors, including, but not limited to, the 30-day VWAP of the Company's closing stock price, the Company's estimated equity volatility over the remaining warrant term, the warrant exercise price, the Company's annual rate of dividends, the bond equivalent yield, and the remaining term of the W-1 Warrant. Please see Note 6 for additional information.

During the years ended December 31, 2024 and 2023, the Company reported \$930,728 and \$613,504, respectively, of income tax expense as a result of the Company's current tax liabilities.

### **Liquidity and Capital Resources**

Our primary focus is on generating cash flow so that we have the flexibility to pursue opportunities as they present themselves. We intend to only invest cash in a segment if we believe that the return on the invested capital is appropriate for the risk associated with the investment. This consideration is measured against all investment opportunities available to us and is not limited to these particular segments nor our historical operations.

Significant amounts of our assets are comprised of cash and cash equivalents, investments in securities, and accounts receivable. Our main source of liquidity is cash flows from operating activities, which are primarily generated from investment advisory fees generated through our CrossingBridge operations segment. Cash and cash equivalents, investments in securities, and net accounts receivable represented approximately \$7.8 million, \$8.4 million and \$1.7 million of total assets as of December 31, 2024, respectively, and approximately \$9.0 million, \$7.7 million and \$1.1 million of total assets as of December 31, 2023, respectively. We believe that these sources of liquidity, as well as continuing cash flows from operating activities will be sufficient to meet our current and future operating needs for at least the next 12 months from the date of filing of this report.

In line with our objectives, we anticipate that our main uses of cash will be for operating expenses and seed capital to fund new and existing investment strategies through our CrossingBridge and pursue diversified and strategic business initiatives through our other operations segment. Our management regularly reviews various factors to determine whether we have capital in excess of that required for our business, and the appropriate uses of any such excess capital.

The aging of accounts receivable as of December 30, 2024 and December 31, 2023 is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current	\$ 1,717,949	\$ 1,052,151
30 - 60 days	3,576	6,658
60+ days	1,006	5,604
Total	<u>\$ 1,722,531</u>	<u>\$ 1,064,413</u>

We have no material capital expenditure requirements.

## Cash Flow Analysis

### *Cash Flows from Operating Activities*

The Company reported \$6,448,543 of net cash provided by operating activities during the year ended December 31, 2024. The W-1 Warrant revaluation, amortization and depreciation expenses, and an increase in accounts receivable under the CrossingBridge operations segment represented significant adjusting items to cash flows generated through operations during the current year. The Company reported \$2,705,976 of net cash provided by operating activities during the year ended December 31, 2023. The realized gain on the note receivable, amortization and depreciation expenses, and an increase in accounts receivable represented significant adjusting items to cash flows generated through operations during the prior year.

### *Cash Flows from Investing Activities*

The Company reported \$6,288,407 of net cash used in investing activities during the year ended December 31, 2024. This was primarily related to an increase in investments in private companies, an increase in investments in limited partnerships, and the issuance of the promissory note receivable, and was offset by the redemption of a conditional shareholder investment during the current year. The Company reported \$3,822,607 of net cash used in investing activities for the year ended December 31, 2023. This was primarily related to a net increase in investments and investments made in private companies during the prior year.

### *Cash Flows from Financing Activities*

The Company reported \$2,112,775 of net cash flows used in financing activities during the year ended December 31, 2024. This was related to the purchase of treasury stock and the payment of earn-outs of the Company's contingent liability during the current year. The Company reported \$590,577 of net cash flows used in financing activities for the year ended December 31, 2023. This was primarily related to the payment of earn-outs related to the RiverPark Strategic Income Fund transaction during the prior year.

## Off-Balance Sheet Arrangements

The Company is not party to any off-balance sheet arrangements.

## 10) Issuer Certification

*Principal Executive Officer:*

I, David Sherman, certify that:

1. I have reviewed this Disclosure Statement for ENDI Corp.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 28, 2025

/s/ David Sherman

*Principal Financial Officer:*

I, Alea K. Howard certify that:

1. I have reviewed this Disclosure Statement for ENDI Corp.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 28, 2025

/s/ Alea K. Howard