

# **CROSSROADS IMPACT CORP. AND SUBSIDIARIES**

Consolidated Financial Statements  
As of and for the Quarter Ended January, 31, 2024 and January 31, 2023

**Crossroads Impact Corp.**  
**Consolidated Balance Sheets**

At	Janauaray 31, 2024	October 31, 2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 46,936,708	\$ 2,836,476
Restricted cash	23,612,782	51,422,377
Interest receivable	5,238,179	11,823,080
Current portion of mortgage notes receivable	2,258,111	2,258,111
Current portion of commercial/other notes receivable	70,839,568	76,698,978
Inventory	5,724,054	5,581,752
Prepaid expenses and other current assets	704,772	1,256,200
Income tax receivable	1,962,524	4,652,235
Total current assets	157,276,698	156,529,209
MORTGAGE NOTES RECEIVABLE, net of current maturities and allowance of \$0 and \$0 at Jan 31, 2024 and Oct 31, 2023, respectively	124,320,393	125,799,379
COMMERCIAL/OTHER NOTES RECEIVABLE, net of current maturities and allowance of \$3,459,632 and \$2,906,124 at Jan. 31, 2024 and Oct. 31, 2023, respectively	278,173,189	256,643,908
PPP LOANS RECEIVABLE, net of discounts and allowance of \$2,403,677 and \$2,307,177 at Jan 31, 2024 and Oct 31, 2023, respectively	241,252,294	770,631,729
INVESTMENT - DEBT SECURITIES (Held-to-Maturity), net of deferred fees	65,282,770	65,221,583
INVESTMENTS (Held-to-Maturity)	1,800,080	1,800,080
INVESTMENT IN SOLAR TAX CREDIT FUND	(2,320,684)	(2,194,408)
RIGHT OF USE ASSET	100,088	121,778
GOODWILL	18,566,966	18,566,966
DEFERRED TAX ASSET	3,456,254	3,456,254
TOTAL ASSETS	<u>\$ 887,908,048</u>	<u>\$ 1,396,576,478</u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 4,198,294	\$ 4,052,421
Acerued liabilities	123,814,364	134,571,512
Escrow liabilities	710,581	3,616,874
Current portion of credit facilities	92,109,139	123,309,101
Current portion of other note payable	175,713	232,411
Current portion of acquisition notes payable	2,072,693	2,763,590
Current portion of CDFI Bond Guarantee Program	252,156	252,156
Total current liabilities	223,332,940	268,798,065
CREDIT FACILITIES, net of current maturities	103,476,525	31,220,259
OTHER NOTE PAYABLE, net of current maturities	489,849	489,850
CDFI Bond Guarantee Program	13,438,019	13,501,249
ACQUISITION NOTES PAYABLE, net of current maturities	277,871	277,871
FEDERAL PPP LIQUIDITY FACILITY ("PPPLF")	239,946,672	771,186,328
OTHER LONG-TERM LIABILITIES	38,109,057	51,188,058
TOTAL LIABILITIES	619,070,933	1,136,661,680
Common stock subject to possible redemption, \$0.001 par value, 10,687,727 shares issued and outstanding, at Jan 31, 2024 and Oct 31, 2023, at a redemption value of \$12.13 per share and \$11.98 per share, respectively	129,642,128	128,038,969
<b>EQUITY</b>		
Common stock, \$0.001 par value: 175,000,000 shares authorized; 11,507,751 shares issued and outstanding (excluding 10,687,727 shares subject to possible redemption) in Jan 31, 2024 and Oct 31, 2023, respectively	11,508	11,508
Additional paid in capital	71,635,307	73,241,541
Accumulated earnings	49,377,066	40,451,673
Crossroads Systems, Inc. stockholders' equity	121,023,881	113,704,722
Non-controlling interests	18,171,106	18,171,107
TOTAL EQUITY	139,194,987	131,875,829
TOTAL LIABILITIES, COMMON STOCK SUBJECT TO REDEMPTION AND EQUITY	<u>\$ 887,908,048</u>	<u>\$ 1,396,576,478</u>

**Crossroads Impact Corp.**  
**Consolidated Statements of Income**

Three Months Ended January 31	2024	2023	Increase/(Decrease)	
			\$	%
<b>REVENUES</b>				
Interest income	\$ 17,431,939	\$ 11,979,878	\$ 5,452,061	45.5%
Property sales	569,900	2,091,900	(1,522,000)	-72.8%
PPP administrative fees	7,046,388	25,967	7,020,421	27035.9%
Other revenue	1,467,312	970,911	496,401	51.1%
Total revenues	26,515,539	15,068,656	11,446,883	76.0%
<b>COSTS AND EXPENSES</b>				
Interest expense	6,494,813	3,072,172	3,422,641	111.4%
Cost of properties sold	770,479	2,022,434	(1,251,955)	-61.9%
Provision for loan loss	650,008	-	650,008	#DIV/0!
General and administrative	4,539,732	3,917,584	622,148	15.9%
PPP processing fees	1,073,538	1,770,998	(697,460)	-39.4%
Salaries and wages	943,270	1,428,372	(485,102)	-34.0%
Management bonus	-	-	-	
Total costs and expenses	14,471,840	12,211,560	2,260,280	19%
Income from operations	12,043,699	2,857,096	9,186,603	321.5%
<b>OTHER INCOME (EXPENSES)</b>				
Interest expense	(74,459)	(128,836)	54,377	-42.2%
Realized Loss on Investment	-	-	-	
Total other income (expense)	(74,459)	(128,836)	54,377	-42.2%
Income before income tax provision	11,969,240	2,728,260	9,240,980	338.7%
INCOME TAX PROVISION	(2,689,711)	(645,262)	(2,044,449)	316.8%
NET INCOME	9,279,529	2,082,998	7,196,531	345.5%
Less: net income attributable to non-controlling interests	(354,136)	(157,500)	(196,636)	124.8%
NET INCOME ATTRIBUTABLE TO CONTROLLING INTERESTS	\$ 8,925,393	\$ 1,925,498	\$ 6,999,895	363.5%
<b>EARNINGS PER SHARE</b>				
Net income per share - basic	\$ 0.40	\$ 0.23	\$ 0.17	74%
Net income per share - fully diluted	\$ 0.40	\$ 0.22	\$ 0.18	82%

**Crossroads Impact Corp.**  
**Consolidated Statements of Cash Flows**  
Three Months Ended January 31

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 9,279,529	\$ 2,082,998
Adjustments to reconcile net income to net cash used in operating activities:		
Stock based compensation	(3,075)	84,860
Amortization of deferred financing fees	309,890	31,188
Provision for income taxes	2,689,711	645,262
Change in right-of-use asset	21,690	-
Change in lease liability	(13,409)	-
Changes in operating assets and liabilities:		
Interest receivable	6,584,901	1,313,414
Notes receivable (Mortgage and commercial/other)	(14,190,885)	(91,822,600)
Inventory	(142,302)	(298,513)
Prepays and other assets	551,428	246,080
Accounts payable	145,873	(443,866)
Accrued liabilities	(21,124,813)	(41,153,707)
Escrow liabilities	(2,906,293)	(3,940,668)
Income tax payable	(2,689,711)	(645,262)
Net cash provided/(used) in operating activities	(21,487,466)	(133,900,814)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
PPP loans receivable	529,379,435	72,862,286
Cash paid for Investments - Debt Securities	(61,187)	(10,502,600)
Cash received from investment in tax credit fund (equity method)	126,276	-
Net cash used in investing activities	529,444,524	62,359,686
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of lease liabilities	(8,216)	-
Preferred equity dividend distributions	(354,137)	(158,791)
Common equity contributions/distributions	-	41,399,972
Principal payments on CDFI Bond Guarantee Program	(63,230)	-
Borrowings on credit facilities (mortgage line)	4,918,369	-
Principal payments on credit facilities (mortgage line)	(25,172,655)	(1,462,248)
Borrowings on credit facilities (inventory line)	-	2,752,674
Principal payments on credit facilities (inventory line)	(265,214)	-
Borrowings on credit facilities (credit facility)	72,149,771	38,214,748
Principal payments on credit facilities (credit facility)	(10,875,351)	-
Principal payments on other notes payable	(56,699)	(53,140)
Principal payments on acquisition note payable	(699,403)	(722,085)
Payments to the PPPLF	(531,239,656)	(82,411,327)
Net cash provided/(used) by financing activities	(491,666,421)	(2,440,197)
Net change in cash and cash equivalents and restricted cash	16,290,637	(73,981,325)
Cash and cash equivalents and restricted cash at beginning of period	54,258,853	144,696,116
Cash and cash equivalents and restricted cash at end of period	\$ 70,549,490	\$ 70,714,791

**Crossroads Impact Corp.**  
**Consolidating Balance Sheet**  
At January 31, 2024

	<b>Crossroads Impact Corp.</b>	<b>Crossroads Impact SPV's</b>	<b>Capital Plus Financial, LLC</b>	<b>Rise Line Business Credit, LLC</b>	<b>Eliminations</b>	<b>Total</b>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 225,585	\$ -	\$ 46,701,793	\$ 9,330	\$ -	\$ 46,936,708
Restricted cash	2,074	4,168,096	19,442,612	-	-	23,612,782
Interest receivable	-	3,129,009	2,109,170	-	-	5,238,179
Current portion of mortgage notes receivable	-	-	2,258,111	-	-	2,258,111
Current portion of commercial/other notes receivable	-	47,120,595	22,171,587	1,547,386	-	70,839,568
Intercompany receivables	-	-	66,648,696	8,249,273	(74,897,969)	-
Inventory	-	-	5,724,054	-	-	5,724,054
Prepaid expenses and other current assets	7,869	299,132	391,306	6,465	-	704,772
Income taxes payable	1,962,524	-	-	-	-	1,962,524
<b>Total current assets</b>	<b>2,198,052</b>	<b>54,716,832</b>	<b>165,447,329</b>	<b>9,812,454</b>	<b>(74,897,969)</b>	<b>157,276,698</b>
<b>MORTGAGE NOTES RECEIVABLE, net of current maturities and allowance of \$0 at Jan 31, 2024</b>	<b>-</b>	<b>-</b>	<b>124,320,393</b>	<b>-</b>	<b>-</b>	<b>124,320,393</b>
<b>COMMERCIAL/OTHER NOTES RECEIVABLE, net of current maturities and allowance of \$3,459,632 Jan 31, 2024</b>	<b>-</b>	<b>268,131,286</b>	<b>10,041,903</b>	<b>-</b>	<b>-</b>	<b>278,173,189</b>
<b>PPP LOANS RECEIVABLE, net of discounts and allowance of \$2,403,677 at Jan 31, 2024</b>	<b>-</b>	<b>-</b>	<b>241,252,294</b>	<b>-</b>	<b>-</b>	<b>241,252,294</b>
<b>INVESTMENT - DEBT SECURITIES (Held-to-Maturity), net of deferred fees</b>	<b>-</b>	<b>41,009,058</b>	<b>24,273,712</b>	<b>-</b>	<b>-</b>	<b>65,282,770</b>
<b>INVESTMENTS (Held-to-Maturity)</b>	<b>-</b>	<b>-</b>	<b>1,800,080</b>	<b>-</b>	<b>-</b>	<b>1,800,080</b>
<b>INVESTMENT IN SOLAR TAX CREDIT FUND (Equity Method)</b>	<b>(2,320,684)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,320,684)</b>
<b>RIGHT TO USE ASSET</b>	<b>-</b>	<b>-</b>	<b>100,088</b>	<b>-</b>	<b>-</b>	<b>100,088</b>
<b>GOODWILL</b>	<b>18,566,966</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,566,966</b>
<b>DEFERRED TAX ASSET</b>	<b>3,456,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,456,254</b>
<b>INVESTMENT IN SUBSIDIARY</b>	<b>137,696,128</b>	<b>95,154,301</b>	<b>-</b>	<b>-</b>	<b>(232,850,429)</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 159,596,716</b>	<b>\$ 459,011,477</b>	<b>\$ 567,235,799</b>	<b>\$ 9,812,454</b>	<b>\$ (307,748,398)</b>	<b>\$ 887,908,048</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 4,457,141	\$ (258,847)	\$ -	\$ 4,198,294
Accrued liabilities	5,108,380	1,982,397	116,723,587	-	-	123,814,364
Escrow liabilities	-	-	710,581	-	-	710,581
Intercompany payables	(73,294,451)	147,732,204	-	460,216	(74,897,969)	-
Current portion of credit facilities	53,147,855	-	38,961,284	-	-	92,109,139
Current portion of other note payable	-	-	175,713	-	-	175,713
Current portion of acquisition notes payable	2,072,693	-	-	-	-	2,072,693
Current portion of CDFI Bond Guarantee Program	-	-	252,156	-	-	252,156
<b>Total current liabilities</b>	<b>(12,965,523)</b>	<b>149,714,601</b>	<b>161,280,462</b>	<b>201,369</b>	<b>(74,897,969)</b>	<b>223,332,940</b>
<b>CREDIT FACILITIES, net of current maturities</b>	<b>-</b>	<b>72,340,667</b>	<b>31,135,858</b>	<b>-</b>	<b>-</b>	<b>103,476,525</b>
<b>OTHER NOTE PAYABLE, net of current maturities</b>	<b>-</b>	<b>-</b>	<b>489,849</b>	<b>-</b>	<b>-</b>	<b>489,849</b>
<b>BOND GUARANTEE PROGRAM</b>	<b>-</b>	<b>-</b>	<b>13,438,019</b>	<b>-</b>	<b>-</b>	<b>13,438,019</b>
<b>ACQUISITION NOTES PAYABLE, net of current maturities</b>	<b>277,871</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277,871</b>
<b>FEDERAL PPP LIQUIDITY FACILITY ("PPPLF")</b>	<b>-</b>	<b>-</b>	<b>239,946,672</b>	<b>-</b>	<b>-</b>	<b>239,946,672</b>
<b>OTHER LONG-TERM LIABILITIES</b>	<b>-</b>	<b>22,312,500</b>	<b>15,796,557</b>	<b>-</b>	<b>-</b>	<b>38,109,057</b>
<b>TOTAL LIABILITIES</b>	<b>(12,687,652)</b>	<b>244,367,768</b>	<b>462,087,417</b>	<b>201,369</b>	<b>(74,897,969)</b>	<b>619,070,933</b>
<b>Common stock subject to possible redemption, \$0.001 par value, 10,687,727 shares issued and outstanding, at Jan 31, 2024 at a redemption value of \$12.13 per share</b>	<b>128,038,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,038,969</b>
<b>EQUITY</b>						
<b>Common stock, \$0.001 par value: 175,000,000 shares authorized, 11,507,751 shares issued and outstanding (excluding 10,687,727 shares subject to possible redemption)</b>	<b>11,508</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>(3,000,000)</b>	<b>11,508</b>
<b>Additional paid in capital</b>	<b>377,491,282</b>	<b>-</b>	<b>(304,252,816)</b>	<b>10,079,046</b>	<b>(10,079,046)</b>	<b>73,238,466</b>
<b>Accumulated earnings (deficit)</b>	<b>(333,257,391)</b>	<b>214,643,709</b>	<b>391,230,092</b>	<b>(3,467,961)</b>	<b>(219,771,383)</b>	<b>49,377,066</b>
<b>Crossroads Systems, Inc. stockholders' equity/deficit</b>	<b>44,245,399</b>	<b>214,643,709</b>	<b>86,977,276</b>	<b>9,611,085</b>	<b>(232,850,429)</b>	<b>122,627,040</b>
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>18,171,106</b>	<b>-</b>	<b>-</b>	<b>18,171,106</b>
<b>TOTAL EQUITY</b>	<b>44,245,399</b>	<b>214,643,709</b>	<b>105,148,382</b>	<b>9,611,085</b>	<b>(232,850,429)</b>	<b>140,798,146</b>
<b>TOTAL LIABILITIES, COMMON STOCK SUBJECT TO REDEMPTION AND EQUITY</b>	<b>\$ 159,596,716</b>	<b>\$ 459,011,477</b>	<b>\$ 567,235,799</b>	<b>\$ 9,812,454</b>	<b>\$ (307,748,398)</b>	<b>\$ 887,908,048</b>

**Crossroads Impact Corp.****Consolidating Statement of Income**

Year Ended January 31, 2024

	<b>Crossroads Impact Corp.</b>	<b>Crossroads Impact SPV's</b>	<b>Capital Plus Financial, LLC</b>	<b>Rise Line Business Credit, LLC</b>	<b>Eliminations</b>	<b>Total</b>
<b>REVENUES</b>						
Interest income	\$ -	\$ 9,023,117	\$ 8,408,822	\$ -	\$ -	\$ 17,431,939
Property sales	-	-	569,900	-	-	569,900
PPP administrative fees	-	-	7,046,388	-	-	7,046,388
Other revenue	-	1,042,999	408,436	15,877	-	1,467,312
Total revenues	-	10,066,116	16,433,546	15,877	-	26,515,539
<b>COSTS AND EXPENSES</b>						
Interest expense	-	3,698,375	2,794,863	1,575	-	6,494,813
Provision for Loan Losses	-	(31,450)	131,458	550,000	-	650,008
MORTGAGE NOTES RECEIVABLE, net of current maturitie	-	-	770,479	-	-	770,479
General and administrative	996,285	2,521,321	963,737	58,389	-	4,539,732
PPP processing fees	-	-	1,073,538	-	-	1,073,538
PPP LOANS RECEIVABLE, net of discounts and allowance o	454,178	-	335,765	153,327	-	943,270
Management bonus	-	-	-	-	-	-
Total costs and expenses	1,450,463	6,188,246	6,069,840	763,291	-	14,471,840
Income (loss) from operations	(1,450,463)	3,877,870	10,363,706	(747,414)	-	12,043,699
<b>OTHER INCOME (EXPENSES)</b>						
Other Income	-	-	-	-	-	-
Interest expense	(74,459)	-	-	-	-	(74,459)
Other Income/Expense	-	-	-	-	-	-
Realized Loss on Investment	-	-	-	-	-	-
Total other income (expenses)	(74,459)	-	-	-	-	(74,459)
Income (loss) before income tax provision	(1,524,922)	3,877,870	10,363,706	(747,414)	-	11,969,240
INCOME TAX PROVISION	(2,689,711)	-	-	-	-	(2,689,711)
NET INCOME (LOSS)	(4,214,633)	3,877,870	10,363,706	(747,414)	-	9,279,529
Less: net income attributable to non-controlling interests	-	-	(354,136)	-	-	(354,136)
CONTROLLING INTERESTS	\$ (4,214,633)	\$ 3,877,870	\$ 10,009,570	\$ (747,414)	\$ -	\$ 8,925,393