

CROSSROADS IMPACT CORP. AND SUBSIDIARIES

Consolidated Financial Statements
As of and for the Quarter Ended April 30, 2024 and April 30, 2023

Crossroads Impact Corp.
Consolidated Balance Sheets

At	April 30, 2024	October 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 43,472,653	\$ 2,836,476
Restricted cash	25,831,810	51,422,377
Interest receivable	8,758,478	11,823,080
Current portion of mortgage notes receivable	1,528,895	2,258,111
Current portion of commercial/other notes receivable	51,971,580	76,698,978
Inventory	4,499,273	5,581,752
Prepaid expenses and other current assets	456,099	1,256,200
Income tax receivable	507,732	4,652,235
Total current assets	137,026,520	156,529,209
MORTGAGE NOTES RECEIVABLE, net of current maturities and allowance of \$0 and \$0 at Apr 30, 2024 and Oct 31, 2023, respectively	122,774,447	125,799,379
COMMERCIAL/OTHER NOTES RECEIVABLE, net of current maturities and allowance of \$5,785,632 and \$2,906,124 at Apr 30, 2024 and Oct. 31, 2023, respectively	309,562,178	256,643,908
PPP LOANS RECEIVABLE, net of discounts and allowance of \$2,403,677 and \$2,307,177 at Apr 30, 2024 and Oct 31, 2023, respectively	227,252,494	770,631,729
INVESTMENT - DEBT SECURITIES (Held-to-Maturity), net of deferred fees	65,402,076	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	78,198	121,778
GOODWILL	18,566,966	18,566,966
DEFERRED TAX ASSET	3,456,254	3,456,254
TOTAL ASSETS	\$ 883,598,529	\$ 1,396,576,478
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 3,592,538	\$ 4,052,421
Accrued liabilities	102,356,487	134,571,512
Escrow liabilities	1,164,781	3,616,874
Current portion of credit facilities	86,022,094	123,309,101
Current portion of other note payable	118,088	232,411
Current portion of acquisition notes payable	1,381,795	2,763,590
Current portion of CDFI Bond Guarantee Program	252,156	252,156
Total current liabilities	194,887,939	268,798,065
CREDIT FACILITIES, net of current maturities	101,378,018	31,220,259
OTHER NOTE PAYABLE, net of current maturities	489,850	489,850
CDFI Bond Guarantee Program	31,374,123	13,501,249
ACQUISITION NOTES PAYABLE, net of current maturities	277,871	277,871
FEDERAL PPP LIQUIDITY FACILITY ("PPPLF")	231,593,900	771,186,328
OTHER LONG-TERM LIABILITIES	37,521,902	51,188,058
TOTAL LIABILITIES	597,523,603	1,136,661,680
Common stock subject to possible redemption, \$0.001 par value, 10,687,727 shares issued and outstanding, at Apr 30, 2024 and Oct 31, 2023, at a redemption value of \$12.90 per share and \$11.98 per share, respectively	137,871,678	128,038,969
EQUITY		
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 Apr 30, 2024 and Oct 31, 2023, respectively	11,508	11,508
Additional paid in capital	63,239,707	73,241,541
Accumulated earnings	66,780,926	40,451,673
Crossroads Systems, Inc. stockholders' equity	130,032,141	113,704,722
Non-controlling interests	18,171,107	18,171,107
TOTAL EQUITY	148,203,248	131,875,829
TOTAL LIABILITIES, COMMON STOCK SUBJECT TO REDEMPTION AND EQUITY	\$ 883,598,529	\$ 1,396,576,478

Crossroads Impact Corp.
Consolidated Statements of Income

Six Months Ended April 30	2024		2023		Increase/(Decrease)		
					\$	%	
REVENUES							
Interest income	\$	36,105,807	\$	24,489,756	\$	11,616,051	47.4%
Property sales		2,594,200		6,033,150		(3,438,950)	-57.0%
PPP administrative fees		7,046,388		1,443,866		5,602,522	388.0%
Other revenue		2,777,638		2,541,877		235,761	9.3%
Total revenues		48,524,033		34,508,649		14,015,384	40.6%
COSTS AND EXPENSES							
Interest expense		12,131,297		7,989,354		4,141,943	51.8%
Cost of properties sold		2,635,131		5,640,490		(3,005,359)	-53.3%
Provision for loan loss		3,026,008		-		3,026,008	
General and administrative		7,837,257		7,965,689		(128,432)	-1.6%
PPP processing fees		(13,932,343)		1,802,803		(15,735,146)	-872.8%
Salaries and wages		2,435,532		2,640,011		(204,479)	-7.7%
Management bonus		-		-		-	
Total costs and expenses		14,132,882		26,038,347		(11,905,465)	-46%
Income from operations		34,391,151		8,470,302		25,920,849	306.0%
OTHER INCOME (EXPENSES)							
Interest expense		(131,807)		(242,560)		110,753	-45.7%
Realized Loss on Investment		-		-		-	
Total other income (expense)		(131,807)		(242,560)		110,753	-45.7%
Income before income tax provision		34,259,344		8,227,742		26,031,602	316.4%
INCOME TAX PROVISION		(7,194,503)		(1,731,880)		(5,462,623)	315.4%
NET INCOME		27,064,841		6,495,862		20,568,979	316.6%
Less: net income attributable to non-controlling interests		(735,588)		(495,000)		(240,588)	48.6%
NET INCOME ATTRIBUTABLE TO CONTROLLING INTERESTS	\$	26,329,253	\$	6,000,862	\$	20,328,391	338.8%
EARNINGS PER SHARE							
Net income per share - basic	\$	1.19	\$	0.66	\$	0.53	80%
Net income per share - fully diluted	\$	1.16	\$	0.65	\$	0.51	78%

Crossroads Impact Corp.
Consolidated Statements of Income

Three Months Ended April 30	2024	2023	Increase/(Decrease)	
	\$	\$	\$	%
REVENUES				
Interest income	\$ 18,673,868	\$ 12,509,879	\$ 6,163,989	49.3%
Property sales	2,024,300	3,941,250	(1,916,950)	-48.6%
PPP administrative fees	-	1,417,899	(1,417,899)	-100.0%
Other revenue	1,310,327	1,570,966	(260,639)	-16.6%
Total revenues	<u>22,008,495</u>	<u>19,439,994</u>	<u>2,568,501</u>	<u>13.2%</u>
COSTS AND EXPENSES				
Interest expense	5,636,483	4,917,182	719,301	14.6%
Cost of properties sold	1,864,651	3,618,056	(1,753,405)	-48.5%
Provision for loan loss	2,376,001	-	2,376,001	
General and administrative	3,297,527	4,048,113	(750,586)	-18.5%
PPP processing fees	(15,005,881)	31,805	(15,037,686)	-47280.9%
Salaries and wages	1,492,261	1,211,639	280,622	23.2%
Management Bonus	-	-	-	
Total costs and expenses	<u>(338,958)</u>	<u>13,826,795</u>	<u>(14,165,753)</u>	<u>-102.5%</u>
Income from operations	<u>22,347,453</u>	<u>5,613,199</u>	<u>16,734,254</u>	<u>298.1%</u>
OTHER EXPENSES				
Other income	-	-	-	0.0%
Interest expense	(57,348)	(113,724)	56,376	-49.6%
Total other expenses	<u>(57,348)</u>	<u>(113,724)</u>	<u>56,376</u>	<u>-49.6%</u>
Income before income tax provision	<u>22,290,105</u>	<u>5,499,475</u>	<u>16,790,630</u>	<u>305.3%</u>
INCOME TAX PROVISION	<u>(4,504,792)</u>	<u>(1,086,618)</u>	<u>(3,418,174)</u>	<u>314.6%</u>
NET INCOME	<u>17,785,313</u>	<u>4,412,857</u>	<u>13,372,456</u>	<u>303.0%</u>
Less: net income attributable to non-controlling interests	<u>(381,452)</u>	<u>(292,500)</u>	<u>(88,952)</u>	<u>30.4%</u>
NET INCOME ATTRIBUTABLE TO CONTROLLING INTERESTS	<u>\$ 17,403,861</u>	<u>\$ 4,120,357</u>	<u>\$ 13,283,504</u>	<u>322.4%</u>
EARNINGS PER SHARE				
Net income per share - basic	\$ 1.19	\$ 0.66	\$ 0.53	80%
Net income per share - fully diluted	\$ 1.16	\$ 0.65	\$ 0.51	78%

Crossroads Impact Corp.
Consolidated Statements of Cash Flows
Six Months Ended April 30

2024 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 27,065,112	\$ 6,495,862
Adjustments to reconcile net income to net cash used in operating activities:		
Stock based compensation	(169,125)	166,541
Amortization of deferred financing fees	309,890	31,188
Provision for income taxes	7,194,503	1,731,880
Change in right-of-use asset	43,580	-
Change in lease liability	(35,255)	-
Changes in operating assets and liabilities:		
Interest receivable	3,064,602	(2,204,896)
Notes receivable (Mortgage and commercial/other)	(24,436,724)	(117,145,754)
Inventory	1,082,479	900,168
Prepays and other assets	800,101	164,657
Accounts payable	(459,883)	2,550,934
Accrued liabilities	(41,693,207)	(16,855,989)
Escrow liabilities	(2,452,093)	(2,699,191)
Income tax payable	(7,194,503)	(1,731,880)
Net cash provided/(used) in operating activities	(36,880,523)	(128,596,480)

CASH FLOWS FROM INVESTING ACTIVITIES

PPP loans receivable	543,379,235	82,167,827
Cash paid for Investments - Debt Securities	(180,493)	(25,002,600)
Cash paid for investments	-	(1,800,080)
Cash received from investment in tax credit fund (equity method)	126,276	-
Net cash used in investing activities	543,325,018	55,365,147

CASH FLOWS FROM FINANCING ACTIVITIES

Payments of lease liabilities	(8,216)	-
Preferred equity dividend distributions	(735,859)	(447,288)
Common equity contributions/distributions	-	41,399,972
Principal payments on CDFI Bond Guarantee Program	(63,230)	14,000,000
Borrowings on credit facilities (mortgage line)	4,918,369	175,863
Principal payments on credit facilities (mortgage line)	(25,172,655)	-
Borrowings on credit facilities (inventory line)	-	2,576,811
Principal payments on credit facilities (inventory line)	(265,214)	-
Borrowings on credit facilities (credit facility)	63,964,219	-
Principal payments on credit facilities (credit facility)	(10,875,351)	59,288,721
Principal payments on other notes payable	(114,323)	(89,047)
Principal payments on acquisition note payable	(1,390,301)	(1,412,983)
Payments to the PPPLF	(539,592,428)	(100,647,448)
Net cash provided/(used) by financing activities	(491,398,885)	14,844,601

Net change in cash and cash equivalents and restricted cash	15,045,610	(58,386,732)
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	\$ 69,304,463	\$ 86,309,384

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for interest	\$ 16,958,622	\$ 3,259,364
Cash paid for income taxes	\$ 5,117,146	\$ -
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 61,200	\$ -
Operating cash flows from finance leases	\$ 1,408	\$ -
Financing cash flows from financing leases	\$ 8,216	\$ -
Right-of-use-assets obtained in exchange for operating lease obligations	\$ 156,448	\$ -
Right-of use-assets obtained in exchange for finance lease obligations	\$ 43,452	\$ -

Crossroads Impact Corp.
Consolidating Balance Sheet
At April 30, 2024

	Crossroads Impact Corp.	Crossroads Impact SPV's	Capital Plus Financial, LLC	Rise Line Business Credit, LLC	Eliminations	Total
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 245,562	\$ -	\$ 43,179,947	\$ 47,144	\$ -	\$ 43,472,653
Restricted cash	798,327	12,906,238	12,127,245	-	-	25,831,810
Interest receivable	-	2,881,645	5,876,833	-	-	8,758,478
Current portion of mortgage notes receivable	-	-	1,528,895	-	-	1,528,895
Current portion of commercial/other notes receivable	-	29,571,314	21,278,880	1,121,386	-	51,971,580
Intercompany receivables	-	-	86,728,548	8,249,273	(94,977,821)	-
Inventory	-	-	4,499,273	-	-	4,499,273
Prepaid expenses and other current assets	(72,575)	297,382	195,532	35,760	-	456,099
Income taxes payable	507,732	-	-	-	-	507,732
Total current assets	1,479,046	45,656,579	175,415,153	9,453,563	(94,977,821)	137,026,520
MORTGAGE NOTES RECEIVABLE, net of current maturities and allowance of \$0 at Jan 31, 2024	-	-	122,774,447	-	-	122,774,447
COMMERCIAL/OTHER NOTES RECEIVABLE, net of current maturities and allowance of \$3,459,632 Jan 31, 2024	(4,208,752)	305,699,622	8,071,308	-	-	309,562,178
PPP LOANS RECEIVABLE, net of discounts and allowance of \$2,403,677 at Jan 31, 2024	-	-	227,252,494	-	-	227,252,494
INVESTMENT - DEBT SECURITIES (Held-to-Maturity), net of deferred fees	(595,417)	41,652,600	24,344,893	-	-	65,402,076
INVESTMENTS (Held-to-Maturity)	-	-	1,800,080	-	-	1,800,080
INVESTMENT IN SOLAR TAX CREDIT FUND (Equity Method)	(2,320,684)	-	-	-	-	(2,320,684)
RIGHT TO USE ASSET	-	-	78,198	-	-	78,198
GOODWILL	18,566,966	-	-	-	-	18,566,966
DEFERRED TAX ASSET	3,456,254	-	-	-	-	3,456,254
INVESTMENT IN SUBSIDIARY	137,696,128	95,154,301	-	-	(232,850,429)	-
TOTAL ASSETS	\$ 154,073,541	\$ 488,163,102	\$ 559,736,573	\$ 9,453,563	\$ (327,828,250)	\$ 883,598,529
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 3,770,098	\$ (177,560)	\$ -	\$ 3,592,538
Accrued liabilities	1,711,805	5,929,437	94,715,244	-	-	102,356,486
Escrow liabilities	-	-	1,164,781	-	-	1,164,781
Intercompany payables	(74,201,857)	168,609,962	-	569,716	(94,977,821)	-
Current portion of credit facilities	59,952,173	-	26,069,921	-	-	86,022,094
Current portion of other note payable	-	-	118,088	-	-	118,088
Current portion of acquisition notes payable	1,381,795	-	-	-	-	1,381,795
Current portion of CDFI Bond Guarantee Program	-	-	252,156	-	-	252,156
Total current liabilities	(11,156,084)	174,539,399	126,090,288	392,156	(94,977,821)	194,887,938
CREDIT FACILITIES, net of current maturities	143,785	70,860,565	30,373,668	-	-	101,378,018
OTHER NOTE PAYABLE, net of current maturities	-	-	489,850	-	-	489,850
BOND GUARANTEE PROGRAM	-	-	31,374,123	-	-	31,374,123
ACQUISITION NOTES PAYABLE, net of current maturities	277,871	-	-	-	-	277,871
FEDERAL PPP LIQUIDITY FACILITY ("PPPLF")	-	-	231,593,900	-	-	231,593,900
OTHER LONG-TERM LIABILITIES	-	21,750,000	15,771,902	-	-	37,521,902
TOTAL LIABILITIES	(10,734,428)	267,149,964	435,693,731	392,156	(94,977,821)	597,523,602
Common stock subject to possible redemption, \$0.001 par value, 10,687,727 shares issued and outstanding, at Apr 30, 2024 at a redemption value of \$12.90 per share	137,871,678	-	-	-	-	137,871,678
EQUITY						
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)	11,508	-	-	3,000,000	(3,000,000)	11,508
Additional paid in capital	367,492,523	-	(304,252,816)	10,079,046	(10,079,046)	63,239,707
Accumulated earnings (deficit)	(340,567,740)	221,013,138	410,124,551	(4,017,639)	(219,771,383)	66,780,927
Crossroads Systems, Inc. stockholders' equity/deficit	26,936,291	221,013,138	105,871,735	9,061,407	(232,850,429)	130,032,142
Non-controlling interests	-	-	18,171,107	-	-	18,171,107
TOTAL EQUITY	26,936,291	221,013,138	124,042,842	9,061,407	(232,850,429)	148,203,249
TOTAL LIABILITIES, COMMON STOCK SUBJECT TO REDEMPTION AND EQUITY	\$ 154,073,541	\$ 488,163,102	\$ 559,736,573	\$ 9,453,563	\$ (327,828,250)	\$ 883,598,529

Crossroads Impact Corp.

Consolidating Statement of Income

Six Months Ended April 30, 2024

	Crossroads Impact Corp.	Crossroads Impact SPV's	Capital Plus Financial, LLC	Rise Line Business Credit, LLC	Eliminations	Total
REVENUES						
Interest income	\$ -	\$ 18,955,824	\$ 17,149,983	\$ -	\$ -	\$ 36,105,807
Property sales	-	-	2,594,200	-	-	2,594,200
PPP administrative fees	-	-	7,046,388	-	-	7,046,388
Other revenue	-	2,059,555	686,737	31,346	-	2,777,638
Total revenues	-	21,015,379	27,477,308	31,346	-	48,524,033
COSTS AND EXPENSES						
Interest expense	465,489	6,857,974	4,805,209	2,625	-	12,131,297
Provision for Loan Losses	-	(31,450)	2,081,458	976,000	-	3,026,008
MORTGAGE NOTES RECEIVABLE, net of current maturitie	-	-	2,635,131	-	-	2,635,131
General and administrative	1,848,659	3,943,306	1,933,788	111,504	-	7,837,257
PPP processing fees	-	-	(13,932,343)	-	-	(13,932,343)
PPP LOANS RECEIVABLE, net of discounts and allowance o	1,682,359	-	514,864	238,309	-	2,435,532
Management bonus	-	-	-	-	-	-
Total costs and expenses	3,996,507	10,769,830	(1,961,893)	1,328,438	-	14,132,882
Income (loss) from operations	(3,996,507)	10,245,549	29,439,201	(1,297,092)	-	34,391,151
OTHER INCOME (EXPENSES)						
Other Income	-	-	-	-	-	-
Interest expense	(131,807)	-	-	-	-	(131,807)
Other Income/Expense	-	-	-	-	-	-
Realized Loss on Investment	-	-	-	-	-	-
Total other income (expenses)	(131,807)	-	-	-	-	(131,807)
Income (loss) before income tax provision	(4,128,314)	10,245,549	29,439,201	(1,297,092)	-	34,259,344
INCOME TAX PROVISION	(7,194,503)	-	-	-	-	(7,194,503)
NET INCOME (LOSS)	(11,322,817)	10,245,549	29,439,201	(1,297,092)	-	27,064,841
Less: net income attributable to non-controlling interests	-	-	(735,588)	-	-	(735,588)
CONTROLLING INTERESTS	\$ (11,322,817)	\$ 10,245,549	\$ 28,703,613	\$ (1,297,092)	\$ -	\$ 26,329,253

Crossroads Impact Corp.
Consolidating Statement of Income

Three Months Ended April 30, 2024	Crossroads Impact Corp	Crossroads Impact SPV's	Capital Plus Financial, LLC	Rise Line Business Credit, LLC	Total
REVENUES					
Interest income	\$ -	\$ 9,932,707	\$ 8,741,161	\$ -	\$ 18,673,868
Property sales	-	-	2,024,300	-	2,024,300
PPP administrative fees	-	-	-	-	-
Other revenue	-	1,016,556	278,302	15,469	1,310,327
Total revenues	-	10,949,263	11,043,763	15,469	22,008,495
COSTS AND EXPENSES					
Interest expense	465,489	3,159,599	2,010,345	1,050	5,636,483
Provision for losn losses	-	-	1,950,001	426,000	2,376,001
Cost of properties sold	-	-	1,864,651	-	1,864,651
General and administrative	854,122	1,420,236	970,054	53,115	3,297,527
PPP processing fees	-	-	(15,005,881)	-	(15,005,881)
Salaries and wages	1,228,180	-	179,099	84,982	1,492,261
Management Bonus	-	-	-	-	-
Total costs and expenses	2,547,791	4,579,835	(8,031,731)	565,147	(338,958)
Income (loss) from operations	(2,547,791)	6,369,428	19,075,494	(549,678)	22,347,453
OTHER EXPENSES					
Interest expense	(57,348)	-	-	-	(57,348)
Other income (expense)	-	-	-	-	-
Realized Loss on Investment	-	-	-	-	-
Total other expenses	(57,348)	-	-	-	(57,348)
Income (loss) before income tax provision	(2,605,139)	6,369,428	19,075,494	(549,678)	22,290,105
INCOME TAX PROVISION	(4,504,792)	-	-	-	(4,504,792)
NET INCOME (LOSS)	(7,109,931)	6,369,428	19,075,494	(549,678)	17,785,313
Less: net income attributable to non-controlling interests	-	-	(381,452)	-	(381,452)
NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTERESTS	<u>\$ (7,109,931)</u>	<u>\$ 6,369,428</u>	<u>\$ 18,694,042</u>	<u>\$ (549,678)</u>	<u>\$ 17,403,861</u>