Message from the Chairman
October 2019

Concierge's gain in net profits for the 12 months ended June 30, 2019 was a thin $0.2 million, which increased the per-share book value of our stock by 1.3%. Since the present management team and corporate holding company structure was established only four years ago, fully diluted per share book value has grown from $0.21 to $0.45 (1), a rate of 21.6% compounded annually. Our goal is to have the growth of book value and stock price exceed the growth of the FTSE Global All Cap index on average over time.

Concierge's Performance vs. the FTSE Global All Cap Index as of June 30, 2019

Fiscal Year Ending June	CNCG Book Value Per share (1)(2)	CNCG Book Value % Change	CNCG Stock Price (1)	CNCG Stock Price % Change	FTSE Global All Cap Index with dividends included % Change
2016	$0.21		$1.05		
2017	$0.34	67.9%	$1.77	68.5%	18.9%
2018	$0.44	28.6%	$0.70	-60.5%	11.5%
2019	$0.45	1.3%	$0.65	-7.1%	5.3%

(1) Adjusted for splits. (2) Fully Diluted Shares

Last year, I ended the CEO shareholder letter with "Go big or go home."
Sad to say, but "Honey, I'm still at home."

Our subsidiary presidents, as always, managed their firms well. Each made nice profits, which they sent up for me to allocate appropriately. A special shout-out goes to Rob, Nicole and Helen at Brigadier, who besides increasing sales and profits, did a good job of building long-term strength of the firm by buying the building they operate in at an attractive price, expanding the region they cover from one city to the entire province of Saskatchewan, and entering a new line of business-- fire alarm system monitoring.

There were five things this year we worked on to allocate the profits generated by the subsidiaries. Two were bolt-on acquisitions, one was a brand-new acquisition which would have added a nice fast- growing franchisor to the mix, and two are internal projects.

The two bolt-on acquisitions did not pan out and are no longer occupying our time. They would have been nice to do, but with each, at the last minute, something came up, and we decided the new risk-to-reward ratio was no longer worth it.

I am sad about the franchisor. It would have been a fantastic opportunity for both Concierge and them. With luck and time, we may still be able to convince them to join us.

M&A, or Mergers and Acquisitions, should really be called Malevolents & Antagonists. Buying and selling businesses is a long and complicated process that involves the most suspicious and emotional of animals--humans. Every participant, from banker, broker, lawyer, accountant, buyer, seller to bakers' man wants the last say on every detail and step of the transaction, and each has their own agenda. Given a firm name, website, price and a few years of reliable financial information, I can typically evaluate if Concierge wants to buy a business within 5 to 30 minutes. What happens after that I feel is often out of my hands. As more people become involved, seemingly simple transactions get exponentially more complex. I have seen the due diligence of some become check box rote exercises for others. While some think they understand a business's fundamentals, people's motivations and emotions, or what good questions to ask, they don't, and therefore often get wrong or mis-informed answers, or and end up doing wealth destroying deals. I would rather not do 100 deals than do one that destroys our wealth.

James Grant, a good, modern financial writer, recently wrote a book called Bagehot (about Walter Bagehot, a Victorian financial writer and editor of the Economist). Our philosophy of not doing deals can best be described by them;

> Business is harmed by the disposition to heedless action. The source of every speculative mania, besides corruptingly low interest rates [*which we have now-ndg*], is the drive to do much with too little. Investing one's own capital may occupy four hours a day. Trying to fill the other four, and to operate on a grander scale, restless people incur debt; it ruins them. "If they could only have sat idle the other four hours, they would have been rich men."

We attempt to minimize being wrong by creating win/win situations for us and the owners of businesses who want to sell to Concierge. If an owner only cares about getting the highest price for their business, they should hire a banker and sell to a roll-up or private equity firm, who could care less about the brand, name, culture or people of the business being acquired. If, however, the owner cares about those things and wants to make sure his business continues as is, then talk to us. You'll get a fair price, and hopefully more satisfaction knowing your baby is in good hands. And, if you like, we can even talk about buying your business over time so that you can continue to run it as you like and possibly get additional upside.

Even though M&A is long, hard, takes time, and more often than not ends in nothing happening, Concierge will continue to peruse this avenue of growth when appropriate opportunities present themselves.

As of today, we are not working on buying any private firm. Nor do we see opportunity to invest your money in public pieces of businesses called stocks. The same evaluation of value that I use to see if a private firm is good enough for Concierge to buy in its entirety, I use in buying shares of a public company. While our preference is to buy the entirety of a private firm and gain control, versus being a passive investor in some other person's firm, at the right price, this strategy make sense. Buying stock of a public firm on an exchange is also a lot cheaper and faster than buying a private firm. As of today, we have not bought any public stock. In general, practically all stocks look expensive today, and some in the technology sector look astronomic. How firms can go public while losing hundreds of millions of dollars is beyond me and something we will run away from every day.

Not buying private firms, not buying public ones. What have we done in the acquisition arena this past year?

Nothing.

Which is why cash has increased, or would have had we not paid off the last debt installment incurred from buying Original Sprout. We were perfectly happy doing nothing.

Well, that's not quite true. We itch for valuations to become reasonable again. We continue to scour the earth looking for profitable established businesses for sale with management in place. We attend conferences and road shows, attempting to tell our story to prospective investors, and we take on new internal projects.

One thing we have recently done, is engage Maxim Group LLC to provide investment banking services. See Note 17 in the 10K. As you know, one of my goals for the last three fiscal years has been to get our stock listed on a national exchange like the NYSE Amex. I am hopeful, with Maxim's help, that this will be the fiscal year. If our stock price was at $2.50 per share, we would meet all the criteria for a listing on the NYSE Amex.

NYSE Amex Standard 3 requirements:

STANDARD NAME	STANDARD NUMBER	CONIERGE NUMBER (3)
Market Capitalization	$50 Million	$38 Million ($76 mill @ $2.00 share)
Market Value of Public Float	$15 Million	$6 Million (~$15 mill @ $2.50 share)
Stockholders' Equity	$4 Million	$17 Million
Minimum Price	$2 Per Share	$.98

(3) As of June 30, 2019

Lastly, we have been working on two internal projects since August of 2018. In-depth explanations of them will have to wait until next year, since they are not quite ready for their coming out parties. Those with eagle eyes would have seen this teaser in the 10K under Plan of Operation for the next Twelve Months: "invest in the development of FinTech opportunities in the financial services space," and a press release in May 2019, where John Love (CEO of USCF Investments) announced a collaboration with Kadena and said, "We see the potential to leverage blockchain in the investment space and identify new opportunities for innovation in asset management. Kadena has solved scalability and security constraints previously associated with blockchains to offer exciting potential applications."

Summary

Overall, a flat year. We did not add any new businesses to Concierge, but the operating divisions continued to be profitable. Brigadier and Original Sprout had nice increases in sales and profits, Gourmet Foods was flat but still profitable and gave us a nice return on our original investment. USCF Investments, while still profitable saw substantial decreases in assets under management. There is not much to say about this except people have not generally been investing much in the commodity sector, which is the business of USCF Investments, for 5 years, and the trend continued, as did the trend for commodity-based investing in general. At some point, the commodity cycle will turn and USCF Investments will be a major beneficiary. Until that day, our team works hard educating people about the funds and getting them on new distribution channels.

Last year's goal was "Go big or go home." This year is more focused. Continue to grow the existing subsidiaries, work on the two big internal projects, execute the plan Maxim has for us, and hope it succeeds.

The annual shareholders' meeting is on November 12th at 1pm at the Oakland Airport Hilton.
Additional details will follow in a formal notice to all shareholders. Hope you can make it.

As always, feel free to email me directly at ngerber@conciergetechnology.net anytime about anything.

Thank you for being a shareholder of Concierge Technologies, Inc.

Nicholas D. Gerber
Chairman of the Board
Chief Executive Officer

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