

THE MARYGOLD COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,915,620	\$ 16,072,955
Accounts receivable, net	959,350	1,070,541
Accounts receivable - related parties	2,230,874	2,038,054
Inventories	2,200,742	1,951,792
Prepaid income tax and tax receivable	1,166,318	747,343
Investments, at fair value	5,065,931	1,828,926
Other current assets	699,547	399,524
Total current assets	25,238,382	24,109,135
Restricted cash	1,013,279	13,989
Property, plant and equipment, net	1,391,894	1,573,445
Operating lease right-of-use asset	1,357,686	1,058,199
Goodwill	2,307,202	1,043,473
Intangible assets, net	2,708,896	2,341,803
Deferred tax assets, net - United States	753,078	827,476
Other assets, long - term	540,160	540,160
Total assets	\$ 35,310,577	\$ 31,507,680
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 2,805,790	\$ 3,862,874
Expense waivers – related parties	70,199	69,684
Operating lease liabilities, current portion	660,957	513,071
Purchase consideration payable	1,237,207	-
Notes payable - related parties	-	603,500
Loans-property and equipment, current portion	33,496	15,094
Total current liabilities	4,807,649	5,064,223
LONG-TERM LIABILITIES		
Loans-property and equipment, net of current portion	459,178	379,804
Operating lease liabilities, net of current portion	743,923	607,560
Deferred tax liabilities, net - foreign	260,553	169,429
Total long-term liabilities	1,463,654	1,156,793
Total liabilities	6,271,303	6,221,016
STOCKHOLDERS' EQUITY		
Convertible preferred stock, \$0.001 par value; 50,000,000 shares authorized		
Series B: 49,360 shares issued and outstanding at June 30, 2022 and at June 30, 2021	49	49
Common stock, \$0.001 par value; 900,000,000 shares authorized; 39,383,459 shares issued and outstanding at June 30, 2022 and 37,485,959 at June 30, 2021	39,384	37,486
Additional paid-in capital	12,313,205	9,330,843
Accumulated other comprehensive (loss) income	(234,790)	142,581
Retained earnings	16,921,426	15,775,705
Total stockholders' equity	29,039,274	25,286,664
Total liabilities and stockholders' equity	\$ 35,310,577	\$ 31,507,680

THE MARYGOLD COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	<u>Year Ended</u> <u>June 30, 2022</u>	<u>Year Ended</u> <u>June 30, 2021</u>
Net revenue		
Fund management - related party	\$ 23,835,348	\$ 25,169,182
Food products	7,930,888	8,263,267
Security systems	2,533,098	2,715,487
Beauty products and other	<u>3,529,789</u>	<u>3,756,512</u>
Net revenue	37,829,123	39,904,448
Cost of revenue	<u>9,194,783</u>	<u>9,290,616</u>
Gross profit	28,634,340	30,613,832
Operating expense		
Salaries and compensation	8,812,081	8,843,618
General and administrative expense	6,794,645	7,140,870
Fund operations	4,600,535	3,658,593
Marketing and advertising	2,985,659	2,952,295
Legal settlement	2,500,000	-
Depreciation and amortization	<u>561,019</u>	<u>599,979</u>
Total operating expenses	<u>26,253,939</u>	<u>23,195,355</u>
Income from operations	2,380,401	7,418,477
Other income (expense):		
Interest and dividend income	35,357	28,823
Interest expense	(31,512)	(40,375)
Other (expense) income, net	<u>(26,125)</u>	<u>227,976</u>
Total other (expense) income, net	<u>(22,280)</u>	<u>216,424</u>
Income before income taxes	2,358,121	7,634,901
Provision of income taxes	(1,212,400)	(1,785,458)
Net income	<u>\$ 1,145,721</u>	<u>\$ 5,849,443</u>
Weighted average shares		
Basic and diluted	<u>39,034,611</u>	<u>38,473,159</u>
Net income per share		
Basic and diluted	<u>\$ 0.03</u>	<u>\$ 0.15</u>

THE MARYGOLD COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 1,145,721	\$ 5,849,443
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	561,019	599,979
Deferred taxes	51,689	(19,092)
Bad debt expense	4,350	9,753
Inventory provision	10,509	65,021
Unrealized gain on investments	(28,474)	(582)
(Gain) loss on disposal of equipment	(17,455)	18,813
Operating lease right of use asset - non-cash lease cost	764,311	614,506
 (Increase) decrease in operating assets:		
Accounts receivable, net	44,356	(306,596)
Accounts receivable - related party	(192,820)	572,863
Prepaid income taxes and tax receivable	(431,005)	114,083
Inventories	(379,905)	(787,081)
Other current assets	(287,750)	223,590
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(1,048,279)	978,726
Operating lease liabilities	(777,082)	(361,823)
Expense waivers - related party	515	(352,207)
Net cash (used in) provided by operating activities	(580,300)	7,219,396
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for acquisition of business, net	(508,851)	(1,115,545)
Purchase of property, plant and equipment	(44,041)	(77,721)
Proceeds from sale of property, plant and equipment	31,612	-
Proceeds from sale of investments	508,122	-
Purchase of investments	(3,712,250)	(7,827)
Net cash used in investing activities	(3,725,408)	(1,201,093)
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from sale of common stock, net	2,984,260	-
Repayment of related party loans	(603,500)	-
Repayment of property and equipment loans	(41,884)	(28,434)
Net cash provided by (used in) financing activities	2,338,876	(28,434)
 Effect of exchange rate change on cash, cash equivalents and restricted cash	(191,213)	271,033
 NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(2,158,045)	6,260,902
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING BALANCE	16,086,944	9,826,042
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH, ENDING BALANCE	\$ 13,928,899	\$ 16,086,944
 Cash and cash equivalents	\$ 12,915,620	\$ 16,072,955
Restricted cash	1,013,279	13,989
Total cash, cash equivalents and restricted cash shown in statement of cash flows	\$ 13,928,899	\$ 16,086,944

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest paid	\$ 16,401	\$ 16,095
Income taxes paid, net	\$ 1,704,970	\$ 1,688,781

NON CASH INVESTING AND FINANCING ACTIVITIES

Reclassification of business acquisition deposit	\$ -	\$ 122,111
Purchase consideration payable	\$ 1,237,207	\$ -
Fair value of warrants of common stock issued to underwriters	\$ 132,000	\$ -
Acquisition of equipment through finance lease liability	\$ 150,625	\$ -
Establishment of operating right-of-use assets through operating lease obligations	\$ 1,057,965	\$ 730,741