

**THE MARYGOLD COMPANIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

	<u>December 31,</u> <u>2022</u>	<u>June 30, 2022</u> <u>(1)</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 14,579,438	\$ 12,915,620
Accounts receivable, net	1,104,856	959,350
Accounts receivable - related parties	1,767,220	2,230,874
Inventories	2,583,935	2,200,742
Prepaid income tax and tax receivable	1,046,909	1,166,318
Investments, at fair value	4,346,998	5,065,931
Other current assets	735,834	699,547
Total current assets	<u>26,165,190</u>	<u>25,238,382</u>
Restricted cash	406,642	1,013,279
Property, plant and equipment, net	1,306,675	1,391,894
Operating lease right-of-use asset	1,216,302	1,357,686
Goodwill	2,307,202	2,307,202
Intangible assets, net	2,509,098	2,708,896
Deferred tax assets, net - United States	753,078	753,078
Other assets, long - term	552,660	540,160
Total assets	<u>\$ 35,216,847</u>	<u>\$ 35,310,577</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,720,350	\$ 2,805,790
Expense waivers – related parties	163,576	70,199
Operating lease liabilities, current portion	682,484	660,957
Purchase consideration payable	604,990	1,237,207
Loans - property and equipment, current portion	33,384	33,496
Total current liabilities	<u>4,204,784</u>	<u>4,807,649</u>
<b>LONG-TERM LIABILITIES</b>		
Loans - property and equipment, net of current portion	427,490	459,178
Operating lease liabilities, net of current portion	569,190	743,923
Deferred tax liabilities, net-foreign	260,553	260,553
Total long-term liabilities	<u>1,257,233</u>	<u>1,463,654</u>
Total liabilities	<u>5,462,017</u>	<u>6,271,303</u>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.001 par value; 50,000,000 shares authorized		
Series B: 49,360 shares issued and outstanding at December 31, 2022 and at June 30, 2022	49	49
Common stock, \$0.001 par value; 900,000,000 shares authorized; 39,383,459 shares issued and outstanding at December 31, 2022 and at June 30, 2022	39,384	39,384
Additional paid-in capital	12,329,609	12,313,205
Accumulated other comprehensive loss	(214,600)	(234,790)
Retained earnings	17,600,388	16,921,426
Total stockholders' equity	<u>29,754,830</u>	<u>29,039,274</u>
Total liabilities and stockholders' equity	<u>\$ 35,216,847</u>	<u>\$ 35,310,577</u>

(1) Derived from audited financial statements

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

**THE MARYGOLD COMPANIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
**(UNAUDITED)**

	<b>Three Months Ended December 31, 2022</b>	<b>Three Months Ended December 31, 2021</b>	<b>Six Months Ended December 31, 2022</b>	<b>Six Months Ended December 31, 2021</b>
Net revenue				
Fund management - related party	\$ 5,266,171	\$ 5,701,384	\$ 10,685,606	\$ 11,358,411
Food products	1,932,304	2,108,257	3,869,752	4,468,402
Security systems	665,028	642,623	1,294,860	1,333,253
Beauty products	784,463	992,852	1,588,541	2,013,924
Financial services	<u>124,282</u>	<u>-</u>	<u>257,775</u>	<u>-</u>
Net revenue	<u>8,772,248</u>	<u>9,445,116</u>	<u>17,696,534</u>	<u>19,173,990</u>
Cost of revenue	2,230,954	2,417,798	4,255,969	5,068,538
Gross profit	<u>6,541,294</u>	<u>7,027,318</u>	<u>13,440,565</u>	<u>14,105,452</u>
Operating expense				
Salaries and compensation	2,804,759	2,576,285	5,173,141	4,707,440
General and administrative expense	1,820,469	1,198,209	3,511,867	3,317,711
Fund operations	1,112,244	1,102,237	2,252,832	2,203,853
Marketing and advertising	555,939	690,831	1,328,749	1,409,486
Depreciation and amortization	147,769	133,191	296,985	287,849
Legal settlement	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>
Total operating expenses	<u>6,441,180</u>	<u>5,700,753</u>	<u>12,563,574</u>	<u>14,426,339</u>
Income (loss) from operations	100,114	1,326,565	876,991	(320,887)
Other income (expense):				
Interest and dividend income	62,630	6,088	115,193	13,484
Interest expense	(3,596)	(10,085)	(11,403)	(20,285)
Other income (expense)	<u>129,975</u>	<u>(214,981)</u>	<u>31,761</u>	<u>(206,973)</u>
Total other income (expense), net	<u>189,009</u>	<u>(218,978)</u>	<u>135,551</u>	<u>(213,774)</u>
Income (loss) before income taxes	289,123	1,107,587	1,012,542	(534,661)
Provision for income taxes	(107,329)	(84,252)	(333,580)	(322,997)
Net income (loss)	<u>\$ 181,794</u>	<u>\$ 1,023,335</u>	<u>\$ 678,962</u>	<u>\$ (857,658)</u>
Weighted average shares of common stock				
Basic	<u>40,370,659</u>	<u>38,473,159</u>	<u>40,370,659</u>	<u>38,473,159</u>
Diluted	<u>40,370,659</u>	<u>38,473,159</u>	<u>40,383,722</u>	<u>38,473,159</u>
Net income (loss) per common share				
Basic and diluted	<u>\$ 0.00</u>	<u>\$ 0.03</u>	<u>\$ 0.02</u>	<u>\$ (0.02)</u>

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

**THE MARYGOLD COMPANIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(UNAUDITED)**

	<b>Three Months Ended December 31, 2022</b>	<b>Three Months Ended December 31, 2021</b>	<b>Six Months Ended December 31, 2022</b>	<b>Six Months Ended December 31, 2021</b>
Net income (loss)	\$ 181,794	\$ 1,023,335	\$ 678,962	\$ (857,658)
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	<u>333,949</u>	<u>(14,442)</u>	<u>20,190</u>	<u>(100,610)</u>
Comprehensive income (loss)	<u>\$ 515,743</u>	<u>\$ 1,008,893</u>	<u>\$ 699,152</u>	<u>\$ (958,268)</u>

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

**THE MARYGOLD COMPANIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**FOR THE THREE AND SIX MONTH PERIODS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021**  
**(UNAUDITED)**

Period Ending December 31, 2022	Preferred Stock (Series B)		Common Stock			Additional Paid - in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Number of Shares	Amount	Number of Shares	Par Value					
Balance at July 1, 2022	49,360	\$ 49	39,383,459	\$ 39,384		\$ 12,313,205	\$ (234,790)	\$ 16,921,426	\$ 29,039,274
Loss on currency translation	-	-	-	-	-	-	(313,759)	-	(313,759)
Stock-based compensation	-	-	-	-	6,700	-	-	-	6,700
Net income	-	-	-	-	-	-	-	497,168	497,168
Balance at September 30, 2022	49,360	\$ 49	39,383,459	\$ 39,384		\$ 12,319,905	\$ (548,549)	\$ 17,418,594	\$ 29,229,383
Gain on currency translation	-	-	-	-	-	-	333,949	-	333,949
Stock-based compensation	-	-	-	-	9,704	-	-	-	9,704
Net income	-	-	-	-	-	-	-	181,794	181,794
Balance at December 31, 2022	49,360	\$ 49	39,383,459	\$ 39,384		\$ 12,329,609	\$ (214,600)	\$ 17,600,388	\$ 29,754,830

Period Ending December 31, 2021	Preferred Stock (Series B)		Common Stock			Additional Paid - in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Number of Shares	Amount	Number of Shares	Par Value					
Balance at July 1, 2021	49,360	\$ 49	37,485,959	\$ 37,486		\$ 9,330,843	\$ 142,581	\$ 15,775,705	\$ 25,286,664
Loss on currency translation	-	-	-	-	-	-	(86,168)	-	(86,168)
Net loss	-	-	-	-	-	-	-	(1,880,993)	(1,880,993)
Balance at September 30, 2021	49,360	\$ 49	37,485,959	\$ 37,486		\$ 9,330,843	\$ 56,413	\$ 13,894,712	\$ 23,319,503
Loss on currency translation	-	-	-	-	-	-	(14,442)	-	(14,442)
Net income	-	-	-	-	-	-	-	1,023,335	1,023,335
Balance at December 31, 2021	49,360	\$ 49	37,485,959	\$ 37,486		\$ 9,330,843	\$ 41,971	\$ 14,918,047	\$ 24,328,396

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

	For the Six Month Period Ended December 31,	
	2022	2021
	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net income (loss)	\$ 678,962	\$ (857,658)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	296,985	287,849
Bad debt expense	582	-
Impairment to inventory value	288	3,478
Stock-based compensation	16,404	-
Unrealized gain on investments	(11,020)	(29,251)
Loss on disposal of equipment	-	37,189
Operating lease right-of-use asset - non-cash lease cost	147,363	337,850
Decrease (increase) in current assets:		
Accounts receivable, net	(199,029)	(118,395)
Accounts receivable - related party	463,654	256,020
Prepaid income taxes and tax receivable	121,124	(324,699)
Inventories	(360,765)	(196,514)
Other current assets	(33,427)	(74,549)
(Decrease) increase in current liabilities:		
Accounts payable and accrued expenses	(43,698)	(486,835)
Operating lease liabilities	(153,206)	(341,411)
Expense waivers - related party	93,378	59,064
Net cash provided by (used in) operating activities	1,017,595	(1,447,862)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(34,777)	(3,988)
Purchase consideration payable	(633,893)	-
Proceeds from sale of investments	1,000,000	506,492
Purchase of investments	(266,680)	(1,533,385)
Net cash provided by (used in) investing activities	64,650	(1,030,881)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of property and equipment loans	(7,099)	(7,208)
Principal payments of finance lease liability	(5,573)	(1,753)
Issuance costs pursuant to planned stock issuance	-	(249,720)
Net cash used in financing activities	(12,672)	(258,681)
Effect of exchange rate change on cash and cash equivalents	(12,392)	(50,404)
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	1,057,181	(2,787,828)
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING BALANCE</b>	13,928,899	16,086,944
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, ENDING BALANCE</b>	\$ 14,986,080	\$ 13,299,116
Cash and cash equivalents	14,579,438	13,285,452
Restricted cash	406,642	13,664
Total cash, cash equivalents and restricted cash shown in statement of cash flows	\$ 14,986,080	\$ 13,299,116
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the period for:		
Interest paid	\$ 7,855	\$ 8,046

Income taxes paid, net	\$ <u>164,396</u>	\$ <u>632,961</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Acquisition of operating right-of-use assets through operating lease liability	\$ <u>103,609</u>	<u>995,805</u>
Acquisition of equipment through finance lease liability	\$ <u>-</u>	\$ <u>150,625</u>

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