

CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>December 31, 2019</u>	<u>June 30, 2019</u> (AUDITED)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,532,285	\$ 6,481,815
Accounts receivable, net	811,699	939,649
Accounts receivable - related parties	1,002,708	1,037,146
Inventories	1,219,403	1,008,662
Prepaid income tax and tax receivable	1,346,703	1,754,369
Investments	3,792,918	3,756,596
Other current assets	272,814	546,105
Total current assets	<u>14,978,530</u>	<u>15,524,342</u>
Restricted cash	13,468	13,436
Property and equipment, net	1,298,455	757,014
Operating lease right-of-use asset	928,964	-
Goodwill	915,790	915,790
Intangible assets, net	2,490,590	2,659,723
Deferred tax assets, net	859,696	859,696
Other assets, long - term	523,607	523,607
Total assets	<u>\$ 22,009,100</u>	<u>\$ 21,253,608</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 2,118,950	\$ 2,867,081
Expense waivers – related parties	288,119	325,821
Current portion operating lease liabilities	366,617	-
Notes payable - related parties	3,500	3,500
Loans - property and equipment, current portion	13,556	26,241
Total current liabilities	<u>2,790,742</u>	<u>3,222,643</u>
LONG TERM LIABILITIES		
Notes payable - related parties	600,000	600,000
Loans - property and equipment, net of current portion	384,412	61,057
Long-term operating lease liabilities	600,231	-
Deferred tax liabilities	176,578	176,578
Total long-term liabilities	<u>1,761,221</u>	<u>837,635</u>
Total liabilities	<u>4,551,963</u>	<u>4,060,278</u>
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value; 50,000,000 authorized		
Series B: 53,032 issued and outstanding at December 31, 2019 and at June 30, 2019	53	53
Common stock, \$0.001 par value; 900,000,000 shares authorized; 37,412,519 shares issued and outstanding at December 31, 2019 and 37,237,519 at June 30, 2019	37,412	37,237
Additional paid-in capital	9,292,955	9,178,838
Accumulated other comprehensive (loss)	(6,122)	(175,659)
Retained earnings	8,132,839	8,152,861
Total stockholders' equity	<u>17,457,137</u>	<u>17,193,330</u>
Total liabilities and stockholders' equity	<u>\$ 22,009,100</u>	<u>\$ 21,253,608</u>

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

CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three-Month Periods Ended December 31,		For the Six-Month Periods Ended December 31,	
	2019	2018	2019	2018
Net revenue				
Fund management - related party	\$ 2,839,718	\$ 3,939,004	\$ 5,880,287	\$ 8,161,988
Food products	1,320,357	1,145,410	2,570,334	2,339,704
Security systems	733,533	714,069	1,506,753	1,561,100
Beauty products and other	902,928	897,457	1,866,601	1,799,786
Net revenue	<u>5,796,536</u>	<u>6,695,940</u>	<u>11,823,975</u>	<u>13,862,578</u>
Cost of revenue	1,724,507	1,751,280	3,493,827	3,584,431
Gross profit	<u>4,072,029</u>	<u>4,944,660</u>	<u>8,330,148</u>	<u>10,278,147</u>
Operating expense				
General and administrative expense	986,392	1,076,585	2,106,392	2,148,468
Fund operations	727,450	1,144,734	1,537,287	2,410,388
Marketing and advertising	634,871	762,742	1,210,003	1,634,484
Depreciation and amortization	150,485	174,657	300,148	349,096
Salaries and compensation	1,673,443	1,721,688	3,216,485	3,104,842
Total operating expenses	<u>4,172,641</u>	<u>4,880,406</u>	<u>8,370,315</u>	<u>9,647,278</u>
(Loss) Income from operations	<u>(100,612)</u>	<u>64,254</u>	<u>(40,167)</u>	<u>630,869</u>
Other (expense) income:				
Other (expense) income	(31,347)	(320,048)	(22,458)	(493,083)
Interest and dividend income	26,403	351,582	52,239	355,364
Interest expense	(10,246)	(7,269)	(21,248)	(15,377)
Total other (expense) income, net	<u>(15,190)</u>	<u>24,265</u>	<u>8,533</u>	<u>(153,096)</u>
(Loss) Income before income taxes	(115,802)	88,519	(31,634)	477,773
Benefit (Provision) of income taxes	40,888	(25,358)	11,612	(129,106)
Net (loss) income	<u>\$ (74,914)</u>	<u>\$ 63,161</u>	<u>\$ (20,022)</u>	<u>\$ 348,667</u>
Weighted average shares of common stock				
Basic	<u>37,412,519</u>	<u>29,559,139</u>	<u>37,368,769</u>	<u>29,559,139</u>
Diluted	<u>37,412,519</u>	<u>38,298,159</u>	<u>37,368,769</u>	<u>38,298,159</u>
Net income per common share				
Basic	<u>(0.00)</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.01</u>
Diluted	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.01</u>

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

CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

	<u>Three Months Ended December 31,</u>		<u>Six Months Ended December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net (loss) income	\$ (74,914)	\$ 63,161	\$ (20,022)	\$ 348,667
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	135,588	(47,125)	169,537	(58,708)
Comprehensive income	<u>\$ 60,674</u>	<u>\$ 16,036</u>	<u>\$ 149,515</u>	<u>\$ 289,959</u>

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CONCIERGE TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Six Month Period Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$ (20,022)	\$ 348,667
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	300,148	349,096
Stock based vendor compensation	114,292	-
Bad debt expense	91	-
Unrealized loss on investments	688	314,313
Loss on disposal of equipment	-	1,434
Operating lease right-of-use asset - Non-cash lease cost	184,876	-
Decrease (increase) in current assets:		
Accounts receivable, net	130,917	142,174
Accounts receivable - related party	34,437	226,377
Prepaid income taxes and tax receivable	427,260	(64,010)
Inventories	(207,324)	(306,271)
Other current assets	94,986	178,635
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	(781,736)	(309,587)
Operating lease liabilities	(184,068)	-
Expense waivers - related party	(37,702)	(273,655)
Net cash provided by operating activities	<u>56,843</u>	<u>607,173</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for acquisition of business assets	-	(45,000)
Purchase of real estate and equipment – net of disposal	(495,579)	(8,984)
Sale of investments	-	180,000
Purchase of investments	(29,060)	(346,759)
Net cash (used in) investing activities	<u>(524,639)</u>	<u>(220,743)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans - real estate, property and equipment	404,518	-
Repayment of equipment loan	(94,613)	(96,525)
Net cash provided by (used in) financing activities	<u>309,905</u>	<u>(96,525)</u>
Effect of exchange rate change on cash and cash equivalents	208,393	(30,515)
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	50,502	259,390
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING BALANCE	6,495,251	7,524,114
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, ENDING BALANCE	<u>\$ 6,545,753</u>	<u>\$ 7,783,504</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest paid	\$ 8,990	\$ -
Income taxes-U.S.	\$ 159,363	\$ 43,000
Non-Cash financing and investing activities:		
Acquisition of operating right-of-use assets through operating lease obligations	\$ 1,150,916	\$ -
Reclassification of deposit from other current assets to property and equipment	\$ 178,276	\$ -

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