

Risk Factors Comparison 2024-09-18 to 2023-09-25 Form: 10-K

Legend: **New Text** ~~Removed Text~~ ~~Unchanged Text~~ **Moved Text** **Section**

Our The Marygold Companies and its subsidiaries (referred to herein as “we,” “us,” “our” or similar expressions) are subject to certain risks and uncertainties in its business operations which are described below, **financial condition, results of operations, and stock price may be affected by a number of factors. In addition to the other information in this Annual Report on Form 10- K (“ Form 10- K ”), the following factors and the information contained under “ Special Note Regarding Forward- Looking Statements ” should be considered in evaluating our company and our businesses**. The risks and uncertainties described below are not the only risks we face. Additional risks and uncertainties that are presently unknown or are currently deemed immaterial may also impair our business operations. ~~The~~ **If any of the events or circumstances described in the** following risk ~~risks~~ **factors should be read in connection with the other information included in this annual report on Form 10- K, including Management’s Discussion and Analysis of Financial Condition and Results of Operations and our** ~~occur , our business, financial statements condition and results of operations could suffer and the related notes trading price of our shares of common stock could decline .~~ **Litigation Risks** The Company’s business and operation could be negatively affected by any material litigation involving the Company or its subsidiaries. USCF LLC, an indirect wholly- owned subsidiary of the Company, is currently ~~the~~ **subject to of** class action litigation. See “ ~~Item 3 Note 14 .~~ **Commitments and Contingencies- Legal Proceedings ” of to our consolidated financial statements included in this Annual Report on Form 10- K.** Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, are in the early stages of ~~the~~ proceedings, and are subject to appeal. In addition, because most legal proceedings are resolved over extended periods of time, potential losses are subject to change due to, among other things, new developments, changes in legal strategy, the outcome of intermediate procedural and substantive rulings and other parties’ settlement posture and their evaluation of the strength or weakness of their case against us. For these reasons, we are currently unable to predict the ultimate timing or outcome of, or reasonably estimate the possible losses or a range of possible losses resulting from, the matters described in “ Item 3. Legal Proceedings ” of this ~~Annual Report on Form 10- K and “ Note 14. Commitments and Contingencies – Legal Proceedings ”~~ **to our consolidated financial statements included in this** Form 10- K. In light of the inherent uncertainties involved in such matters, an adverse outcome in this litigation could materially adversely affect ~~our the Company’s~~ **our the** financial condition, results of operations or cash flows in any particular reporting period. ~~++Litigation--~~ **Litigation** could result in substantial costs and divert management’s attention and resources from ~~our a company’s~~ **our a company’s** business. Additionally, litigation could give rise to perceived uncertainties as to ~~our a company’s~~ **our a company’s** future, adversely affect ~~its our~~ **its our** relationships with ~~investors in our funds, customers and~~ **investors in our funds, customers and** vendors and make it more difficult to attract and retain qualified personnel. Also, a company subject to litigation may be required to incur significant legal fees and other expenses related to any litigation.

~~COVID- 19 Risk~~ The Company may be impacted by certain continuing aftereffects from the economic disruption imposed by the COVID- 19 pandemic, which was first detected in China in December 2019 and declared a pandemic by the World Health Organization in March 2020. COVID- 19 has resulted in numerous deaths, travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines and the imposition of both local and more widespread “ work from home ” measures, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The extent to which COVID- 19 will continue to affect the Company and its’ service providers will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID- 19 and the actions taken to contain COVID- 19. Given the significant economic and financial market disruptions associated with the COVID- 19 pandemic, the Company’s results of operations could be adversely impacted. Additional risks and uncertainties that are presently unknown or are currently deemed immaterial may also impair our business operations. These risk factors should be read in connection with the other information included in this annual report on Form 10- K, including Management’s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and the related notes.

Risks Related to our Business and Structure **We are** The Marygold Companies is a holding company, and ~~its our~~ **its our** only material assets are ~~its our~~ **its our** cash in hand, equity ~~and other~~ **and other** interests in ~~its our~~ **its our** operating subsidiaries, and ~~its our~~ **its our** other investments. As a result, ~~our The Marygold Companies’~~ **our The Marygold Companies’** principal source ~~sources~~ **sources** of cash flow ~~is are~~ **is are** distributions from ~~its our~~ **its our** subsidiaries and ~~its~~ **its** subsidiaries may be limited by law and by contract ~~in from~~ **in from** making distributions to ~~us The Marygold Companies-~~ **us The Marygold Companies-**. As a holding company, ~~our The Marygold Companies’~~ **our The Marygold Companies’** assets are ~~its~~ **its** cash and cash equivalents, ~~the~~ **the** equity interests in ~~its our~~ **its our** subsidiaries and ~~our~~ **our** other investments. The principal source of ~~our~~ **our** cash flow is distributions from our subsidiaries. Thus, our ability to finance future acquisitions or develop new projects is dependent on the ability of our subsidiaries to generate sufficient net income and cash flows to make upstream cash distributions to us. Our subsidiaries are separate legal entities, and although they may be wholly- owned or controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends, distributions or otherwise. The ability of our subsidiaries to distribute cash to us are and will remain subject to, among other things, restrictions that are contained in each subsidiaries’ financing agreements, availability of sufficient funds and applicable ~~state-~~ **state-** laws and regulatory restrictions. Claims of creditors of our subsidiaries generally will have priority as to the assets of such subsidiaries over our claims and claims of our creditors and stockholders. To the extent our cash flow is dependent on our subsidiaries ability to make distributions to us could materially limit our ability to grow, pursue business opportunities or make acquisitions that could be beneficial to our businesses, ~~including in connection~~ **including in connection**. ~~12Our business is subject to extensive~~

government regulation and oversight. Our failure to comply with extensive, complex, overlapping, and frequently changing rules, regulations, and legal interpretations could materially harm our business. Our business is subject to complex and changing laws, rules, regulations, policies, and legal interpretations in the markets in which we operate, including, but not limited to, those -- **the development of** governing and enforcing: banking, credit..... and licensing requirements. Any failure or **our Fintech app** perceived failure to comply with existing or..... will not violate such laws and regulations. We are dependent on certain key personnel, the loss of which may adversely affect our financial condition or results of operations. Major capital allocation decisions and investment decisions are made by Chief Executive Officer and Chairman of the Board of Directors, Nicholas Gerber, with consultation from key personnel, from our management team and the executive management teams from our subsidiaries. The executive management teams that lead the Company and our subsidiaries are also highly experienced and possess extensive skills in their industry. If Mr. Gerber were to become unavailable, there could be a material adverse impact on our operations. However, the Company's Board of Directors have the power and authority to fill a vacancy left by Mr. Gerber. The ability to retain key personnel is important to our success and future growth. Competition for these professionals can be intense, and we may not be able to retain and motivate our existing officers and senior employees and continue to compensate such individuals competitively. The unexpected loss of the services of one or more of these individuals could have a detrimental effect on our operations and negatively impact our financial condition or results of operations of our businesses and could hinder the ability of our business and our subsidiaries to effectively compete in the various industries in which we operate. We need qualified personnel to manage and operate our subsidiaries. Our decentralized business model requires that we retain qualified and competent managers to continue day- to- day operations of our subsidiaries and continue business operations in a changing political, business or regulatory environment. Our subsidiaries require qualified and competent personnel to execute their business plans and continue servicing their clients, suppliers and other stakeholders. Our inability to attract and retain qualified personnel to operate our business subsidiaries could negatively impact our operating results and our overall financial condition that is important to our success and future growth. **Risks related to commodity prices could materially and adversely affect USCF's business. In 2020, in the context of the COVID-19 pandemic and disputes among oil-producing countries regarding potential limits on the production of crude oil, significant market volatility occurred and is continuing in the crude oil markets as well as the oil futures markets. As a result of this, significant market volatility in the oil futures markets, the market price of the front month futures contract fell below zero for a period of time. Crude oil prices also vary depending on a number of factors affecting supply. For example, increased supply from the development of new oil supply sources and technologies to enhance recovery from existing sources tends to reduce crude oil prices to the extent such supply increases are not offset by commensurate growth in demand. Similarly, increases in industry refining or petrochemical manufacturing capacity may impact the supply of crude oil. World oil supply levels can also be affected by factors that reduce available supplies, such as adherence by member countries to the Organization of the Petroleum Exporting Countries ("OPEC") production quotas and the occurrence of wars, hostile actions, natural disasters, disruptions in competitors' operations, or unexpected unavailability of distribution channels that may disrupt supplies. Technological change can also alter the relative costs for companies in the petroleum industry to find, produce, and refine oil and to manufacture petrochemicals, which in turn may affect the supply of and demand for oil. The demand for crude oil also correlates closely with general economic growth rates. The occurrence of recessions or other periods of low or negative economic growth will typically have a direct adverse impact on crude oil prices. Other factors that affect general economic conditions in the world or in a major region, such as changes in population growth rates, periods of civil unrest, pandemics (including COVID-19), government austerity programs, or currency exchange rate fluctuations, can also impact the demand for crude oil. Sovereign debt downgrades, defaults, inability to access debt markets due to credit or legal constraints, liquidity crises, the breakup or restructuring of fiscal, monetary, or political systems such as the European Union, and other events or conditions that impair the functioning of financial markets and institutions also may adversely impact the demand for crude oil.** **Abnormally** -- **Abnormally** wide bid / ask spreads and market disruptions that halt or disrupt trading or create extreme volatility could undermine investor confidence in the ETP investment structure and limit investor acceptance of ETPs. ETPs trade on exchanges in market transactions that generally approximate the value of the referenced assets or underlying portfolio of securities held by the particular ETP. Trading involves risks including the potential lack of an active market for fund shares, abnormally wide bid / ask spreads (the difference between the prices at which shares of an ETP can be bought and sold) that can exist for a variety of reasons and losses from trading. These risks can be exacerbated during periods when there is low demand for an ETP, when the markets in the underlying investments are closed, when markets conditions are extremely volatile or when trading is disrupted. This could result in limited growth or a reduction in the overall ETP market and result in our **revenues** -- **revenue** not growing as rapidly as it has in the recent past or even in a reduction of **revenues** -- **revenue**. We derive a substantial portion of our revenues from our USCF Investments subsidiary **and**, as a result, our operating results are particularly exposed to investor sentiment toward investing in the **ETPs and** ETFs sponsored by USCF and advised by USCF Advisers. For the years ended June 30, **2024 and** 2023 **and** 2022, **approximately 58 % and** 60 % **and** 63 % of our revenues, respectively, were derived from USCF Investments operations, which consists of the management of ETPs and ETFs by USCF and USCF Advisers. As a result, our operating results are particularly exposed to the performance of these funds and our ability to maintain the assets under management of these funds, as well as investor sentiment toward investing in the funds **1** **2** strategies. If the assets under management in these funds were to decline, either because of declining market values or net outflows from these funds, our revenues would be adversely affected. We rely on third party suppliers, and our business may be affected by interruption of supplies or increases in product costs. Gourmet Foods obtains most food related products and services from third party suppliers. Gourmet Foods typically does not have long- term contracts with suppliers. Although Gourmet Foods **1** **2** purchasing volume can provide leverage when dealing with suppliers, suppliers may not provide the foodservice products and supplies Gourmet Foods needs in the quantities and at the time and prices requested. Gourmet Foods does not control the actual production of most of the products it sells. This means Gourmet Foods is also subject to delays caused by interruption in

production and increases in product costs based on conditions outside its control. These conditions include work slowdowns, work interruptions, strikes or other job actions by employees of suppliers; severe weather; crop conditions; product recalls; transportation interruptions; unavailability of fuel or increases in fuel costs; competitive demands; and natural disasters, terrorist attacks or other catastrophic events (including, but not limited to, the outbreak of food-borne illnesses in the United States). Gourmet Foods' inability to obtain adequate supplies of foodservice and related products because of any of these or other factors could mean that Gourmet Foods could not fulfill its obligations to its customers and, as a result, customers may turn to other distributors. Product recalls or other product liability claims could materially and adversely affect us. Selling products for human consumption involves inherent legal and other risks, including product contamination, spoilage, product tampering, allergens, or other adulteration. We could in the future be required to recall products due to suspected or confirmed product contamination, adulteration, product mislabeling or misbranding, tampering, undeclared allergens, or other deficiencies. Product recalls or market withdrawals could result in significant losses due to their costs, the destruction of product inventory, and lost sales due to the unavailability of the product for a period of time. Adverse attention about these types of concerns, whether or not valid, may damage our reputation, discourage consumers from buying our products, or cause production and delivery disruptions that could negatively impact our net sales and financial condition. We may also suffer losses if our products or operations violate applicable laws or regulations, or if our products cause injury, illness, or death. In addition, our marketing could face claims of false or deceptive advertising or other criticism. A significant product liability or other legal judgment or a related regulatory enforcement action against us, or a significant product recall, may materially and adversely affect our reputation and profitability. Moreover, even if a product liability or fraud claim is unsuccessful, has no merit, or is not pursued to conclusion, the negative publicity surrounding assertions against our products or processes could materially and adversely affect our product sales, financial condition, and operating results.

~~Our stock price may change significantly, and you may not be able to sell your shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result. The stock market may routinely experience periods of large or extreme volatility. In some instances, this volatility is unrelated or disproportionate to the operating performance of particular companies. • The trading price of our common stock may be adversely affected due to a number of factors, many of which we cannot control. These factors may include, among other things, results of operations that vary from the expectations of securities analysts and investors; changes in expectations as to our or our industry's future financial performance, including financial estimates and investment recommendations by securities analysts and investors, and the publication of research reports regarding the same; 14 • changes in general economic or market conditions or trends in our industry or markets; future issuances or sales or purchases of our common stock or other securities; • the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC; • changes in senior management or other key personnel.~~

In the past, we have expanded our business internationally. This expansion subjects us to increased operational, regulatory, financial and other risks. We face increased operational, regulatory, financial, compliance, reputational and foreign exchange rate risks as a result of our international expansion. The failure of our compliance and internal control systems to properly mitigate such additional risks, or of our operating infrastructure to support such expansion, could result in operational failures and regulatory fines or sanctions. If our international products and operations experience any negative consequences or are perceived negatively in non-U.S. markets, it may also harm our reputation in other markets, including the U.S. market. Our risk management policies and procedures, and those of our third-party vendors upon which we rely, may not be fully effective in identifying or mitigating risk exposure, including employee misconduct. If our policies and procedures do not adequately protect us from exposure to these risks, we may incur losses that would adversely affect our financial condition, reputation and market share. We have developed risk management policies and procedures and we continue to refine them as we conduct our business. Many of our procedures involve oversight of third-party vendors that provide us with critical services. Our policies and procedures to identify, monitor and manage risks may not be fully effective in mitigating our risk exposure. These risks are difficult to detect in advance and deter, and could harm our business, results of operations or financial condition. If our policies and procedures do not adequately protect us from exposure and our exposure is not adequately covered by insurance or other risk-shifting tools, we may incur losses that would adversely affect our financial condition and could cause a reduction in our revenues as investors in our products shift their investments to the products of our competitors. We rely on trademarks, trade secrets, and other forms of intellectual property protections, which may not be adequate to protect us from misappropriation or infringement of our intellectual property. We rely on a combination of trademark, trade secret and other intellectual property laws in the U.S. and foreign jurisdictions in which we operate our businesses. We have applied for registration of a limited number of trademarks in the U.S. and in certain other countries, some of which have been registered or issued. We cannot guarantee that our applications will be approved by the applicable governmental authorities, or that third parties will not seek to oppose or otherwise challenge our registrations or applications. We also rely on unregistered proprietary rights, including common law trademark protection. Third parties may use trademarks identical or confusingly similar to ours, or independently develop trade secrets or know-how similar or equivalent to ours. If our proprietary information is divulged to third parties, including our competitors, or our intellectual property rights are otherwise misappropriated or infringed, our business could be harmed or adversely affected.

~~failure or~~ perceived failure to comply with existing or new laws, regulations, or orders of any government authority (including changes to or expansion of their interpretation) may subject us to significant fines, penalties, criminal and civil lawsuits, forfeiture of significant assets, and enforcement actions in one or more jurisdictions; result in additional compliance and licensure requirements; cause us to lose existing licenses or prevent or delay us from obtaining additional licenses that may be required for our business; increase regulatory scrutiny of our business; divert management's time and attention from our business; restrict our operations; lead to increased friction for customers; force us to make changes to our business practices, products or operations; require us to engage in remediation activities; or delay planned transactions, product launches or improvements. Any of the foregoing could, individually or in the aggregate, harm our reputation, damage our brands and business, and adversely affect

our results of operations and financial condition. We have implemented policies and procedures designed to help ensure compliance with applicable laws and regulations, but there can be no assurance that our employees, contractors, and agents will not violate such laws **and regulations**.

Risks Related to Our Controlled Company Election and Status

We are a "controlled company" within the meaning of the NYSE American rules and rely on exemptions from various corporate governance requirements that provide protection to stockholders of other companies. We are a "controlled company" as defined in section 801 (a) of the NYSE American Company Guide because more than 50 % of the combined voting power of all of our outstanding common stock is beneficially owned or controlled by Messrs. Gerber and Schoenberger. Under the NYSE American rules, a company of which more than 50 % of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain NYSE American corporate governance requirements, including the requirements that:

- A majority of the Company's Board of Directors consist of independent directors;
- **the Company has an audit committee that is comprised of a minimum of three (3) independent directors with a written charter addressing the committee's purpose and responsibilities;**
- the Company has a nominating committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the Company has a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

These independence standards are intended to ensure that directors who meet those standards are free of any conflicting interest that could influence their actions as directors.

The Company may elect in the future to use certain of these controlled company exemptions and the Company may continue to use all or some of these exemptions in the future for so long as the Company is a controlled company. Although we may rely on NYSE American's controlled company exemptions in the future, we currently have **an a board comprised of a majority of independent board directors, audit committee**, nomination and governance committee and compensation committee. If the makeup of one or more of our board, **audit**, nomination and governance committee or compensation committee changes such that we no longer comply with the independence standard of the NYSE American guidelines, then our stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE American rules. The Company's CEO, through the Gerber Trust, controls a significant percentage of our common stock, and may exert significant control over matters subject to stockholder approval as well as heightened voting power at the board level, preventing other stockholders and new investors from influencing significant corporate decisions. Mr. Nicholas D. Gerber, the President and Chief Executive Officer of the Company and Chairman of the Board of the Company, is the beneficial owner of approximately 18,250,418,015,766 shares of our common stock, par value \$ 0.001 per share (the "Common Stock"), representing approximately 45.216% of our total issued and outstanding Common Stock (giving effect to the conversion of all Series B Preferred Stock). Mr. Gerber's Common Stock is held by the Nicholas and Melinda Gerber Living Trust (the "Gerber Trust"). Nicholas Gerber and Melinda Gerber serve as trustees of the Gerber Trust. As such, the Gerber Trust and Mr. Gerber share power to vote or to direct the vote of the shares and share power to dispose or to direct the disposition of Common Stock beneficially owned or controlled by Mr. Gerber. Mr. Scott Schoenberger is a member of the Board of **Directors of** the Company. Mr. Schoenberger's shares of Common Stock are held by the Schoenberger Family Trust (the "Schoenberger Trust"). Mr. Schoenberger serves as the sole trustee of the Schoenberger Trust. As such, the Schoenberger Trust and Mr. Schoenberger share power to vote or to direct the vote of the shares and share power to dispose or to direct the disposition of these shares. Shares of our Common Stock held by Schoenberger Trust total 4,697,993 shares, representing 11.646% of the outstanding shares of Common Stock (giving effect to the conversion of all Series B Preferred Stock). Additionally, pursuant to a voting agreement ("the Voting Agreement"), the Gerber Trust and Schoenberger Trust will continue to vote all shares of **our Voting voting Stock stock** owned by them to elect each of Messrs. Gerber and Schoenberger to the Board along with other designees mutually agreed upon. By virtue of the Voting Agreement, Messrs. Gerber and Schoenberger will represent **22 are entitled to 23,948,116,008,759 votes on matters submitted to or our 56 stockholders, or 57.843% of all votes on the Voting Stock with respect to matters submitted to our stockholders for their approval** that may have a material impact on Company strategy and shareholder rights. In addition, pursuant to the Company's Bylaws, Directors have voting power equivalent to their percentage of total **Share share** ownership, multiplied by the number of directors then on the **board Board of directors Directors**, rounded to the nearest whole number, with no Director holding less than one vote. As a result of Mr. Gerber's ownership of Company **Shares shares**, Mr. Gerber has a relatively higher number of votes relative to other directors, in proportion to Mr. Gerber's ownership interest in the Company.

Cyber Security General Business Risks

Our The efficient operation of our businesses -- **business is dependent and financial performance may be adversely affected by information systems interruptions, cybersecurity attacks or other disruptions which could have a material adverse effect on computer our business and results from operations. We depend upon information technology, infrastructure, including network, hardware and software systems to conduct our businesses. Unauthorized** Despite our implementation of security measures, there are numerous and evolving risks to cybersecurity and privacy, including **risks originating from intentional acts of criminal hackers, nation states and competitors, intentional and unintentional acts or omissions of customers, vendors, contractors, employees and other third parties that may result in damage, breakdown, or interruption from computer infiltration viruses, ransomware, malware denial-of-service attacks, phishing efforts, social engineering, fraudulent inducement, electronic fraud, wire fraud, human error or malfeasance, unauthorized access, natural disasters malicious software codes, computer viruses and telecommunications and electrical failures. Each of or our other businesses directly or indirectly store, collect and transmit sensitive data, including intellectual property, confidential information, proprietary business information, customer or personal data. The secure processing of such harmful computer campaigns data, maintenance, and transmission of such data is important to our operations. We face increased cybersecurity risks due to our reliance on internet technology. We may negatively impact not be able to anticipate all types of security threats our or be able business causing significant disruptions to implement**

security measures effective against all such threats ~~our~~ or business operations implement preventive measures effective against all such threats. We expect that The techniques used by cybercriminals change frequently and may not be recognized until launched and can originate from a wide variety of sources, as discussed above. Even if identified, we may not be subject able to a adequately investigate or remediate incidents or breaches due to attacks increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. Accordingly, our data protection efforts and related security measures may not be adequate to protect against highly targeted sophisticated cyber- attack attacks , or other improper disclosures of confidential and / or sensitive information. Additionally, we may have access to confidential or other sensitive information of our customers, suppliers, or services providers which despite our efforts to protect, may be vulnerable to security breaches, theft, or improper disclosure any of which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition. The increase in some personnel working remotely during and after the recent pandemic has increased the risk form for or our fashion in and our vendors and suppliers' security breaches and incidents. If a security breach or the other future as incident results in the unauthorized access to or use, disclosure, release, or other processing of confidential or proprietary information, we could incur liability and it may be necessary to notify persons, governmental authorities, supervisory bodies, the media and other parties pursuant to privacy and security laws. Any such access, disclosure or other loss attacks become more sophisticated and frequent to all industries and all businesses of every size information could result in legal claims, proceedings, liability under laws that protect the privacy of personal information of our employees or others, and any such event could disrupt our operations, damage our reputation, and cause loss of confidence in us. Our contracts with our customers, suppliers, or services providers may not contain limitation of liability and There there can be no assurance that limitations of liability in our contracts are sufficient to cyber-security measures and technology will adequately protect us from liabilities, damages, or claims related to privacy, data protection, or data security. Further, we can give no assurance that our insurance coverage will be adequate or sufficient to cover these-- the financial, legal, business or reputational losses that may result from and- an other risks interruption or breach of our systems , that including external risks such as natural disasters and power outages and internal risks coverage will continue to be available on commercially reasonable terms or at all, or that such coverage as insecure coding and human error. Although we have undertaken steps to prevent and mitigate cyber risks, there is no guarantee that our efforts will pay future claims prevent cyber attacks perpetrated against our information systems which could result in loss of assets and critical information, theft of intellectual property or inappropriate disclosure of confidential information and could expose us to remediation costs and reputational damage which could adversely affect our business in ways that cannot be predicted at this time. Any of these risks could materially affect our consolidated results of operations and consolidated financial results condition . Future acquisitions or business opportunities could involve unknown risks that could harm our business and adversely affect our financial condition and results of operations. We are a holding company that owns interests in a number of different businesses. We have in the past, and intend in the future, to acquire businesses that involve unknown risks, some of which will be particular to the industry in which the investment or acquisition targets operate, including risks in industries with which we are not familiar or experienced. There can be no assurance our due diligence investigations will identify every matter that could have a material adverse effect on us or the entities that we may acquire. We may be unable to adequately address the financial, legal and operational risks raised by such investments or acquisitions, especially if we are unfamiliar with the relevant industry, which can lead to significant losses on material investments. The realization of any unknown risks could expose us to unanticipated costs and liabilities and prevent or limit us from realizing the projected benefits of the investments or acquisitions, which could adversely affect our financial condition and liquidity. In addition, our financial condition, results of operations and the ability to service our debt may be adversely impacted depending on the specific risks applicable to any business we invest in or acquire and our ability to address those risks. 16 We We could consume resources in researching acquisitions, business opportunities or financings and capital market transactions that are not consummated, which could materially adversely affect subsequent attempts to locate and acquire or invest in another business. We are a holding company in the business of owning diverse and profitable businesses. Our business model also encompasses researching and investigating new acquisitions and business opportunities to support the growth of our Company. With each new contemplated acquisition or business opportunity, there are resources that must be allocated towards acquisition or engaging in a new business opportunity such as, the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments with respect to such transaction and may require substantial management time and attention and substantial costs for financial advisors, accountants, attorneys and other advisors. If a decision is made not to consummate a specific acquisition, business opportunity or financing and capital market transaction, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, even if an agreement is reached relating to a specific acquisition, investment target or financing, we may fail to consummate the investment or acquisition for any number of reasons, including those beyond our control. Any such event could consume significant management time and result in a loss to us of the related costs incurred, which could adversely affect our financial position and our ability to consummate other acquisitions and investments. We may not accurately predict revenue streams while we consume capital resources in acquiring new business opportunities or financings and capital market transactions or maintaining current capital investments which could materially and adversely impact our ability to meet operating expenses and capital requirements. We are a holding company with a business focus on investment management and financial technology industries. Our entry into financial technology through our Marygold subsidiary launched its fintech app in June 2023 and it is not a mature business. The financial technology industry is heavily occupied with well financed competition with extensive capital resources to fund prolific marketing campaigns of competing fintech apps. Our resources to fund our business objectives and ongoing operations are dependent on those of our subsidiaries. If a decision is made to finance and continue to make capital investments in our fintech subsidiary there

is no guarantee of success and revenue generation. Our ability to predict revenue generation from our subsidiaries may not be accurate from time to time. Our efforts to continue to make capital investments in our fintech subsidiary could have a detrimental effect on our operations and negatively impact our financial condition or results of operations of our businesses where our ability to accurately predict future revenue generation occurs and this could hinder the ability of our business and our other subsidiaries to effectively compete in the various industries in which we operate. We may fail to effectively integrate the businesses we acquire. Historically, a portion of our growth has come through acquisitions. If we are unable to integrate acquired businesses successfully or realize anticipated synergies in a timely manner, our business and results of operations may be adversely affected. Integrating acquired businesses may be more difficult in a region or market where we have limited expertise. A significant expansion of our business and operations, in terms of geography or magnitude, could strain our administrative and / or operational resources. Significant acquisitions may also require incurring debt. This could increase our interest expense and make it difficult for us to obtain financing for other significant acquisitions or capital investments in the future.

ITEM 1B - COVID- 19 Risk The Company may be impacted by certain continuing aftereffects from the economic disruption imposed by the COVID- 19 pandemic. UNRESOLVED STAFF COMMENTS- COVID- 19 has resulted in numerous deaths, travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines and the imposition of both local and more widespread “work from home” measures, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The extent to which COVID- 19 will continue to affect the Company and its’ service providers will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID- 19 and the actions taken to contain COVID- 19. Given the significant economic and financial market disruptions associated with the COVID- 19 pandemic, the Company’s results of operations could be adversely impacted. Additional risks and uncertainties that are presently unknown or are currently deemed immaterial may also impair our business operations. These risk factors should be read in connection with the other information included in this Annual Report on Form 10-K, including Management’s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and the related notes. Our business may be impacted by political events, war, terrorism, public health issues, natural disasters and other circumstances that are not within our control. War, terrorism, geopolitical uncertainties, public health issues, and other business interruptions have caused and could cause damage or disruption to international commerce and the global economy, and thus could have a material adverse effect on us, our suppliers, and manufacturing vendors. Our business operations are subject to interruption by natural disasters, fire, power shortages, nuclear power plant accidents, terrorist attacks, and other hostile acts, labor disputes, public health issues, and other events beyond our control. Such events could decrease demand for our products, make it difficult or impossible for us to make and deliver products or services to our customers, or to receive products from our suppliers, and create delays and inefficiencies in our supply chain. If major public health issues, including pandemics, arise, we could be adversely affected by more stringent employee travel restrictions, additional limitations in freight services, governmental actions limiting the movement of products between regions, delays in production ramps of new products, and disruptions in the operations of our vendors and suppliers. In the event of a natural disaster, we could incur significant losses, require substantial recovery time and experience significant expenditures in order to resume operations. Our intellectual property may not be adequately protected. We seek to protect our intellectual property rights through patents, trademarks, copyrights, trade secret laws, confidentiality agreements, and licensing arrangements, but we cannot ensure that we will be able to adequately protect our technology from misappropriation or infringement. We cannot ensure that our existing intellectual property rights will not be invalidated, circumvented, challenged, or rendered unenforceable. Our competitors may successfully challenge the validity of our patents, design non- infringing products, or deliberately infringe our patents. There can be no assurance that other companies are not investigating or developing other similar technologies. In addition, our intellectual property rights may not provide a competitive advantage to us or ensure that our products and technology will be adequately covered by our patents and other intellectual property. Any of these factors or the expiration, termination, or invalidity of one or more of our patents may have a material adverse effect on our business.

Risks Related to Ownership of Our Shares Our stock price may change significantly, and you may not be able to sell your shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result. The stock market may routinely experience periods of large or extreme volatility. In some instances, this volatility is unrelated or disproportionate to the operating performance of particular companies. The market price of our shares of common stock could be subject to wide fluctuations in response to many risk factors and many beyond our control, including:

- results of operations that vary from the expectations of securities analysts and investors
- changes in expectations as to our or our industries’ future financial performance, including financial estimates and investment recommendations by securities analysts and investors, and
- the publication of new or updated research reports by securities analysts;
- the public’s response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- changes in our senior management or other key personnel;
- results and timing of our product development, including related to our Fintech app;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- litigation or regulatory action regarding our products or services, including litigation related to our investment advisory services and ETFs;
- disputes or other developments related to our proprietary rights, including patents, litigation matters, and our ability to obtain, maintain, defend or enforce proprietary rights relating to our products or technologies;
- sales of our shares by us, our insiders, or other stockholders;
- actual or anticipated fluctuations in our competitors’ operating results or changes in their growth rates;
- in the event our cash flows are insufficient to fund our operations, our ability to raise additional financing, including in

connection with the development of our Fintech product or the acquisition of additional businesses; • changes in general economic or market conditions or trends in our industries or markets; future issuances or sales or purchases of our common stock or other securities. Furthermore, the U. S. stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions such as recessions, interest rate changes, or international currency fluctuations, may negatively impact the market price of shares of our common stock. In addition, such fluctuations could subject us to securities class action litigation, which could result in substantial costs and divert our management's attention from other business concerns, which could potentially harm our business. Also, because we are a controlled company, there is a limited market for our common stock, and we cannot assure our stockholders that a trading market will develop or persist. Additionally, selling short is a technique used by a stockholder to take advantage of an anticipated decline in the price of a security. A significant number of short sales or a large volume of other sales within a relatively short period of time can create downward pressure on the market price of a security. Holders of our securities could, therefore, experience a decline in the value of their investment as a result of short sales of our common stock. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our share price and trading volume could decline. The trading market for our shares will depend on the research and reports that securities or industry analysts publish about us or our business. There can be no assurance that analysts will cover us or provide favorable coverage. If one or more analysts downgrade our shares or change their opinion of our share price our share price may decline. In addition, if one or more analysts cease coverage of us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline. Current stock holdings may be diluted if we make future equity issuances or if outstanding options are exercised for shares of our common stock. "Dilution" refers to the reduction in the voting effect and proportionate ownership interest of a given number of shares of common stock as the total number of shares increases. Our issuance of additional stock, convertible preferred stock, or convertible debt may result in dilution to the interests of shareholders and may also result in the reduction of your stock price. The sale of a substantial number of shares into the market, or even the perception that sales could occur, could depress the price of our common stock. Also, the exercise of options may result in additional dilution. The holders of outstanding options, warrants and convertible securities or derivatives, if any, have the opportunity to profit from a rise in the market price of our shares, if any, without assuming the risk of ownership, with a resulting dilution in the interests of other stockholders. We may find it more difficult to raise additional equity capital if it should be needed for our business while the options, warrants and convertible securities are outstanding. Our board of directors may issue shares of preferred stock without stockholder approval. Our articles of incorporation authorize the issuance of up to 50,000,000 shares of preferred stock, of which 49,360,000 shares of Series B Preferred Stock are issued and outstanding. Our board of directors may, without shareholder approval, issue one or more new series of preferred stock with rights which could adversely affect the voting power or other rights of the holders of outstanding shares of our common stock. In addition, the issuance of shares of preferred stock may have the effect of rendering more difficult or discouraging, an acquisition or change of control of the company. Although we do not have any current plans to issue any additional shares of preferred stock, we may do so in the future. Future sales of our shares by our existing stockholders may cause our stock price to fall. The market price of our shares could decline as a result of sales by our existing stockholders of our shares in the market or the perception that these sales could occur. These sales might also make it more difficult for us to conduct an equity or equity-based financing at a time and price that we deem appropriate and thus inhibit our ability to raise additional capital when it is needed. Because we have not and do not intend to pay cash dividends, our stockholders receive no current income from holding our stock. We have paid no cash dividends on our capital stock to date and we currently intend to retain our future earnings, if any, to fund the development and growth of our business. We currently expect to retain earnings for use in the operation and expansion of our business, and therefore do not anticipate paying any cash dividends in the foreseeable future. As a result, capital appreciation, if any, of our Common Stock could be the sole source of gain for our stockholders for the foreseeable future. We incur substantial costs to operate as a public reporting company. We incur substantial legal, financial, accounting and other costs and expenses to operate as a public reporting company. We believe that these costs are a disproportionately larger percentage of our revenues than they are for many larger companies. In addition, the rules and regulations of the SEC impose significant requirements on public companies, including ongoing disclosure obligations and mandatory corporate governance practices. Our senior management and other personnel need to devote a substantial amount of time to ensure ongoing compliance with these requirements. Our common stock is currently listed on the NYSE American exchange. Under the NYSE American's continuing listing requirements, in the event our shares of common stock sell for a low price for a substantial period of time and we fail to effect a reverse stock split within a reasonable time after being notified of such potential action by the exchange, we may be subject to delisting from the exchange. Also, we must be current in our SEC reporting obligations. There can be no assurance that we will continue to meet all of the public company requirements to which we are subject on a timely basis, or at all, or that our compliance costs will not continue to be material.