

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

FRMO CORP.

A Delaware Corporation

Principal Executive Offices and Principal Place of Business:
1 North Lexington Avenue, Suite 12C
White Plains, NY 10601

914-632-6730
www.frmocorp.com
info@frmocorp.com
SIC Code: 6719 – Holding Company

Quarterly Report

For the period ended February 28, 2025 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

44,022,781 as of February 28, 2025 [Current Reporting Period],

44,022,781 as of May 31, 2024 [Most Recent Completed Fiscal Year End]

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

1) Name and address(es) of the issuer and its predecessors (if any)

¹ “Change in Control” shall mean any events resulting in:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

FRMO Corp.

FRMO Corp. is an active corporation incorporated in the state of Delaware in November 1993. The name of the Corporation was changed from FRM Nexus (a Delaware Corporation) to FRMO Corp. on November 29, 2000.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

1 North Lexington Avenue, Suite 12C
White Plains, NY 10601

The address(es) of the issuer's principal place of business:

1 North Lexington Avenue, Suite 12C
White Plains, NY 10601

☒ *Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name:

Broadridge Corporate Issuer Solutions, Inc.
1717 Arch Street, Suite 1300
Philadelphia, PA 19103

Phone: 800-733-1121

Email: Shareholder@Broadridge.com

Publicly Quoted or Traded Securities:

Trading symbol:	FRMO	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	30262F205	
Par or stated value:	\$0.001	
Total shares authorized:	90,000,000	as of date: February 28, 2024
Total shares outstanding:	44,022,781	as of date: February 28, 2024
Number of shares in the Public Float:	18,734,500	as of date: February 28, 2024
Total number of shareholders of record:	52	as of date: February 28, 2024

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol: n/a
Exact title and class of securities outstanding: Preferred Stock
CUSIP: n/a
Par or stated value: \$0.001
Total shares authorized: 2,000,000 as of date: February 28, 2025
Total shares outstanding: None as of date: February 28, 2025
Total number of shareholders of record: None as of date: February 28, 2025

Other classes of authorized or outstanding equity securities:

None

Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date: May 31, 2023 Common: 44,022,781 Preferred: None									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
October 5, 2023	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price	Common	N/A	N/A	Option Granted to Jay Hirschson	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended,

		of \$7.50 per share							is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 5, 2023	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$7.50 per share	Common	N/A	N/A	Option Granted to Alice C. Brennan	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 5, 2023	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$7.50 per share	Common	N/A	N/A	Option Granted to Hebert M. Chain	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 5, 2023	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$7.50 per share	Common	N/A	N/A	Option Granted to Dov Glickman	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 10, 2024	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.55 per share	Common	N/A	N/A	Option Granted to Jay Hirschson	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 10, 2024	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.55 per share	Common	N/A	N/A	Option Granted to Alice C. Brennan	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 10, 2024	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.55 per share	Common	N/A	N/A	Option Granted to Hebert M. Chain	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 10, 2024	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.55 per share	Common	N/A	N/A	Option Granted to Dov Glickman	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to

									the exemption provided by Section 4(2) of the Act.
Shares Outstanding Ending Balance on Date of This Report: Date: February 28, 2025 Common: 44,022,781 Preferred: None									

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarket.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The corporation is an intellectual capital firm identifying and managing investment strategies and business opportunities.

B. List any subsidiaries, parent company, or affiliated companies.

Fromex Equity Corp., a Delaware corporation, is a wholly owned subsidiary of FRMO Corp.

C. Describe the issuers' principal products or services.

The interim condensed consolidated financial statements include the accounts of FRMO Corporation and its controlled subsidiaries (collectively referred to as the "Company"). As of February 28, 2025 and May 31, 2024, the Company held a 21.88% and 21.84% equity interest in Horizon Kinetics Hard Assets LLC ("HKHA"), a company formed by Horizon Kinetics LLC ("Horizon") and certain officers, principal stockholders and directors of the Company. Through July 31, 2024, the Company held a 4.95% interest in Horizon, and on August 1, 2024, Horizon completed its previously announced merger with Scott's Liquid Gold Inc., which was renamed Horizon Kinetics Holding Corporation ("HKHC"). The Company now owns 4.42% of HKHC and earns substantially all of its advisory fees from HKHC and through July 31, 2024 from Horizon (see Note 4 – Investments, Investments under the Equity Method of Accounting). Due to the common control and ownership between HKHA and the Company's principal stockholders and directors, HKHA has been consolidated within the Company's financial statements. The noncontrolling interest of 78.12 % and 78.21% in HKHA has been eliminated from results of operations for the periods ended February 28/29, 2025 and 2024. Total stockholders' equity includes, as a separate item, the amount attributable to the noncontrolling interests.

D. Investment Concentration

The following are the approximate amounts of the Company's investments in equity securities and digital asset funds held directly and indirectly, through its various investments in managed funds, amounting to greater than 10% of stockholders' equity attributable to the Company ("Equity"). None of the Company's other direct or indirect investments were greater than 10% of Equity as of February 28, 2025 and May 31, 2024.

Investment	As of February 28, 2025		As of May 31, 2024	
	Amount	Percent of Equity	Amount	Percent of Equity
	(Unaudited)			
Investment A	\$ 273,028,000	70.9%	\$ 117,083,000	48.4%
Investment B	\$ 42,436,000	11.0%	\$ 37,695,367	15.6%

The following are the approximate amounts of investments included in the Company's investments in equity securities, and investments in limited partnerships and other equity investments (together, "Investments") held directly and indirectly, through its various investments in managed funds, amounting to greater than 10% of Investments. None of the Company's other direct or indirect investments were greater than 10% of Investments as of February 28, 2025 and May 31, 2024.

Investment	As of February 28, 2025		As of May 31, 2024	
	Amount	Percent of Investments	Amount	Percent of Investments
	(Unaudited)			
Investment A				
Equity securities	\$ 492,957,000	97.6%	\$ 211,986,000	95.6%
Investments in limited partnerships and other equity investments	\$ 128,846,000	59.2%	\$ 55,008,000	43.1%
Investment B				
Investments in limited partnerships and other equity investments	\$ 41,826,000	19.2%	\$ 37,144,000	29.1%

The following are the approximate amounts of the Company's investments in equity securities and digital asset funds held directly and indirectly, through its various investments in managed funds, amounting to greater than 10% of stockholders' equity attributable to the Company ("Equity"). None of the Company's other direct or indirect investments were greater than 10% of Equity as of February 28, 2025 and May 31, 2024.

Investment	Three Months Ended February 28, 2025		Three Months Ended February 29, 2024		Nine Months Ended February 28, 2025		Nine Months Ended February 29, 2024	
	Amount	Percent of Unrealized Gains	Amount	Percent of Unrealized Gains	Amount	Percent of Unrealized Gains	Amount	Percent of Unrealized Gains
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Investment A	\$ (59,427,000)	99.2%	\$ (9,706,000)	78.6%	\$ 280,827,000	99.3%	\$ 31,749,000	94.7%

5) Issuer's Facilities

Company leases fully furnished office space from Horizon Kinetics LLC at 1 North Lexington Avenue, Suite 12C, White Plains, New York 10601. The lease term is one year renewable for consecutive one-year periods until terminated.

Company owns two (2) warehouses, approximately 30,000 square feet each, situated on 3.56 acres of land located in North Carolina. The buildings are subject to a first mortgage with a principal balance of \$654,211 as of February 28, 2025.

6) Officers, Directors, and Control Persons

Name of Beneficial Owner	Shares Beneficially Owned or Controlled	Approximate Percentage of Shares outstanding
Murray Stahl	7,165,978	16.3%
Steven Bregman	5,987,829	13.6%
John C. Meditz	6,141,051	13.9%
Thomas C. Ewing	4,539,048	10.5%
Peter B. Doyle	4,226,140	9.6%
Lawrence J. Goldstein	1,865,632	4.2%
Santa Monica Partners, L.P.(1)	1,012,757	2.3%
Dov Glickman	4,400	*
Jay P. Hirschson	3,000	*
Alice C. Brennan	5,000	*
R. Rimmy Malhotra	6,150	*
Jay Kesslen	12,243	*
Therese Byars	50,640	*
Directors and executive officers as a group	31,019,868	70.5%

* Less than 1%

(1) Controlled by Mr. Goldstein

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

NONE

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

NONE

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

NONE

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

NONE

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NONE

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

NONE

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name:	Morris Simkin
Firm:	Law Office of Morris Simkin
Address 1:	5400 Broken Sound Blvd. NW, Apt. 431
Address 2:	Boca Raton, FL 33487
Phone:	(212) 455-0476
Email:	msimkin@securitiesregslawyer.com

Accountant or Auditor

Name:	John Basile, Engagement Partner
Firm:	Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Address 1:	66 Hudson Blvd E, Suite 2200
Address 2:	New York, NY 10001
Phone:	(212) 697-6900
Email:	John.Basile@bakertilly.com

Investor Relations

None

All other means of Investor Communication:

Twitter:	n/a
Discord:	n/a
LinkedIn	n/a
Facebook:	n/a
[Other]	n/a

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: n/a
Firm: n/a
Nature of Services: n/a
Address 1: n/a
Address 2: n/a
Phone: n/a
Email: n/a

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Therese Byars
Title: Corporate Secretary
Relationship to Issuer: Officer

B. The following financial statements were prepared in accordance with:

- ☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Victor Brodsky
Title: Accountant
Relationship to Issuer: Consultant

Describe the qualifications of the person or persons who prepared the financial statements:⁵ Certified Public Accountant, has prepared SEC filings for public companies including NASDAQ and OTC filers for over 40 years.

The financial statements listed in items 9Ca – 9Cf are appended to this Disclosure Statement.:

- a. Report of Independent Registered Public Accounting Firm
- b. Condensed Consolidated Balance Sheets
- c. Condensed Consolidated Statements of Income
- d. Condensed Consolidated Statements of Stockholders' Equity
- e. Condensed Consolidated Statements of Cash Flows
- f. Notes to Condensed Consolidated Financial Statements

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

I, Murray Stahl certify that:

1. I have reviewed this Disclosure Statement for FRMO Corp;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

4/14/2025

/s/ Murray Stahl

Principal Financial Officer:

I, Steven Bregman certify that:

1. I have reviewed this Disclosure Statement for FRMO Corp.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

4/14/2025

/s/ Steven Bregman

**FRMO CORPORATION
AND SUBSIDIARIES**

White Plains, New York

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

Including Report of Independent
Registered Public Accounting Firm

As of February 28, 2025 (Unaudited) and
May 31, 2024 and for the Three Months and Nine Months
Ended February 28/29, 2025 and 2024 (Unaudited)

**FRMO CORPORATION
AND SUBSIDIARIES**

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
FRMO Corporation and Subsidiaries

Results of Review of Interim Financial Statements

We have reviewed the accompanying interim condensed consolidated balance sheet of FRMO Corporation and subsidiaries (the Company) as of February 28, 2025, and the related condensed consolidated statements of operations for the three month and nine month periods ended February 28/29, 2025 and 2024, the condensed consolidated statements of stockholders' equity and cash flows for the nine month periods ended February 28/29, 2025 and 2024, and the related notes (collectively referred to as the "interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) and in accordance with auditing standards generally accepted in the United States of America (GAAS), the consolidated balance sheet of the Company as of May 31, 2024, and the related consolidated statements of income, stockholders' equity and cash flows for the year then ended (not presented herein), and in our report dated August 15, 2024, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of May 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These interim financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the relevant ethical requirements relating to our audit, which include standards of the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct. We conducted our reviews in accordance with the standards of the PCAOB and in accordance with GAAS applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the PCAOB or in accordance with GAAS, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Baker Tilly US, LLP

New York, New York
April 14, 2025

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FRMO CORPORATION
AND SUBSIDIARIES**
CONDENSED CONSOLIDATED BALANCE SHEETS
As of February 28, 2025 and May 31, 2024

<i>ASSETS</i>		
	February 28, 2025 (Unaudited)	May 31, 2024
Current Assets		
Cash and cash equivalents	\$ 43,877,956	\$ 39,189,906
Accounts receivable (due from related parties)	3,843,200	3,443,834
Prepaid income taxes	606,324	640,623
Equity securities, at fair value (cost of \$77,705,979 and \$76,720,971 at February 28, 2025 and May 31, 2024, respectively)	504,910,208	221,681,671
Digital assets, at fair value (cost of \$4,262,873 and \$4,189,488 at February 28, 2025 and May 31, 2024, respectively)	13,767,155	10,978,796
Other current assets	173,533	167,357
Total Current Assets	567,178,376	276,102,187
Digital mining assets, net of accumulated depreciation of \$603,631 and \$1,286,317 at February 28, 2025 and May 31, 2024, respectively)	1,028,169	1,139,972
Investments in limited partnerships and other equity investments at fair value (cost of \$46,310,653 and \$41,753,870 at February 28, 2025 and May 31, 2024, respectively)	217,676,773	127,578,968
Investments in Securities Exchanges	7,502,247	6,463,351
Other investments, at cost	469,430	469,430
Investment in Horizon Kinetics Holding Corporation (formerly Horizon Kinetics LLC at May 31, 2024)	19,517,345	17,204,752
Participation in Horizon Kinetics Holding Corporation (formerly Horizon Kinetics LLC at May 31, 2024) Revenue Stream	10,200,000	10,200,000
Total Assets	<u>\$823,572,340</u>	<u>\$439,158,660</u>
<i>LIABILITIES AND STOCKHOLDERS' EQUITY</i>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 643,879	\$ 589,228
Current portion of mortgage note payable	25,177	668,624
Securities sold, not yet purchased (proceeds of \$10,919,421 and \$10,575,986 at February 28, 2025 and May 31, 2024, respectively)	1,191,466	950,762
Total Current Liabilities	1,860,522	2,208,614
Deferred tax liability	70,129,006	33,668,129
Mortgage note payable, net of current portion	629,034	-
Total Liabilities	72,618,562	35,876,743
Stockholders' Equity		
Stockholders' Equity Attributable to the Company	384,974,832	242,136,692
Noncontrolling interests	365,978,946	161,145,225
Total Stockholders' Equity	750,953,778	403,281,917
Total Liabilities and Stockholders' Equity	<u>\$823,572,340</u>	<u>\$439,158,660</u>

See report of independent registered public accounting firm and notes to interim condensed consolidated financial statements.

FRMO CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended February 28/29,		Nine Months Ended February 28/29,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
REVENUE				
Fees and other income	\$ 2,231,623	\$ 621,860	\$ 3,848,575	\$ 2,005,468
Dividends and interest income, net	1,268,094	952,601	6,710,298	2,794,341
Net realized (losses) gains from investments	(27,000)	(24,102)	(47,106)	287,877
Equity earnings from limited partnerships, limited liability companies and other equity investments	8,188,244	513,530	9,276,929	2,856,462
Unrealized (losses) gains from investments	<u>(28,545,608)</u>	<u>16,264,475</u>	<u>81,848,701</u>	<u>41,524,696</u>
Total revenue before unrealized (losses) gains from equity securities and digital assets	(16,884,647)	18,328,364	101,637,397	49,468,844
Unrealized (losses) gains from equity securities	(59,915,162)	(12,349,537)	282,913,360	33,531,093
Unrealized (losses) gains from digital assets	<u>(1,951,004)</u>	<u>3,702,001</u>	<u>2,714,973</u>	<u>5,271,074</u>
Total Revenue	<u>(78,750,813)</u>	<u>9,680,828</u>	<u>387,265,730</u>	<u>88,271,011</u>
OPERATING EXPENSES				
General and administrative expenses	414,200	394,408	1,126,922	1,023,221
Depreciation	<u>38,703</u>	<u>67,076</u>	<u>136,943</u>	<u>200,197</u>
Total Expenses	<u>452,903</u>	<u>461,484</u>	<u>1,263,865</u>	<u>1,223,418</u>
(Loss) Income from Operations before Provision for Income Taxes	(79,203,716)	9,219,344	386,001,865	87,047,593
(Benefit from) Provision for Income Taxes	<u>(8,494,799)</u>	<u>3,743,062</u>	<u>38,397,338</u>	<u>13,678,436</u>
Net (Loss) Income	(70,708,917)	5,476,282	347,604,527	73,369,157
Less net (loss) income attributable to noncontrolling interests	<u>(42,005,458)</u>	<u>(7,512,628)</u>	<u>204,898,461</u>	<u>23,348,033</u>
Net (loss) income attributable to the Company	<u>\$ (28,703,459)</u>	<u>\$ 12,988,910</u>	<u>\$ 142,706,066</u>	<u>\$ 50,021,124</u>
NET (LOSS) INCOME PER COMMON SHARE				
Basic and diluted	<u>\$ (0.65)</u>	<u>\$ 0.30</u>	<u>\$ 3.24</u>	<u>\$ 1.14</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	<u>44,022,781</u>	<u>44,022,781</u>	<u>44,022,781</u>	<u>44,022,781</u>
Diluted	<u>44,022,781</u>	<u>44,025,624</u>	<u>44,030,172</u>	<u>44,026,234</u>

See report of independent registered public accounting firm and notes to interim condensed consolidated financial statements.

**FRMO CORPORATION
AND SUBSIDIARIES**

	Stockholders' Equity						
	Common Stock		Additional Paid-In Capital	Retained Earnings	Attributable to the Company	Non-Controlling Interests	Total Stockholders' Equity
	Shares	Amount					
BALANCE - June 1, 2023	44,022,781	\$ 44,022	\$ 41,754,855	\$ 127,483,881	\$ 169,282,758	\$ 114,831,651	\$ 284,114,409
Non-cash Compensation	-	-	77,400	-	77,400	-	77,400
Equity Compensation	-	-	49,800	-	49,800	-	49,800
Capital Accounts of Consolidated Limited Liability Company	-	-	42,595	-	42,595	-	42,595
Net income	-	-	-	50,021,124	50,021,124	23,348,033	73,369,157
Capital contributed to consolidated subsidiary from noncontrolling interests	-	-	-	-	-	174,970	174,970
BALANCE - February 29, 2024	44,022,781	\$ 44,022	\$ 41,924,650	\$ 177,505,005	\$ 219,473,677	\$ 138,354,654	\$ 357,828,331
	Stockholders' Equity						
	Common Stock		Additional Paid-In Capital	Retained Earnings	Attributable to the Company	Non-Controlling Interests	Total Stockholders' Equity
	Shares	Amount					
BALANCE - June 1, 2024	44,022,781	\$ 44,022	\$ 42,050,118	\$ 200,042,552	\$ 242,136,692	\$ 161,145,225	\$ 403,281,917
Non-cash Compensation	-	-	77,400	-	77,400	-	77,400
Equity Compensation	-	-	47,880	-	47,880	-	47,880
Capital Accounts of Consolidated Limited Liability Company	-	-	6,794	-	6,794	-	6,794
Net income	-	-	-	142,706,066	142,706,066	204,898,461	347,604,527
Capital contributed to consolidated subsidiary from noncontrolling interests	-	-	-	-	-	(64,740)	(64,740)
BALANCE - February 28, 2025	44,022,781	\$ 44,022	\$ 42,182,192	\$ 342,748,618	\$ 384,974,832	\$ 365,978,946	\$ 750,953,778

See report of independent registered public accounting firm and notes to interim condensed consolidated financial statements.

**FRMO CORPORATION
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

	February 28/29,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 347,604,527	\$ 73,369,157
Adjustments to reconcile net income to net cash flows from operating activities		
Equity compensation	47,880	49,800
Non-cash compensation	77,400	77,400
Net realized losses (gains) from investments	47,106	(287,877)
Equity earnings from limited partnerships, limited liability companies and other equity investments	(9,276,929)	(2,856,462)
Unrealized gains from investments subject to fair value valuation	(81,848,701)	(41,524,696)
Unrealized gains from equity securities	(282,913,360)	(33,531,093)
Unrealized gains from digital assets	(2,714,973)	(5,271,074)
Non-cash fee revenue	(73,386)	(334,754)
Depreciation	136,943	200,197
Deferred income tax	36,460,877	12,388,837
Changes in operating assets and liabilities:		
Accounts receivable	(399,366)	356,849
Prepaid income taxes and other current assets	28,123	164,370
Accounts payable and accrued expenses	54,651	1,863
Income taxes payable	-	152,922
Net Cash Flows from Operating Activities	<u>7,230,792</u>	<u>2,955,439</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	158,600	2,741,460
Purchases of investments	(1,008,484)	(4,334,373)
Proceeds from sale of digital assets	-	173
Proceeds from securities sold, not yet purchased	350,765	154,723
Purchases to cover securities previously sold	(5,735)	(96,861)
Distributions from limited partnerships	273,131	58,854
Other investments	(1,266,466)	(268,495)
Net proceeds (purchase) of digital mining assets, net of disposals	(25,140)	(217,223)
Net Cash Flows used in Investing Activities	<u>(1,523,329)</u>	<u>(1,961,742)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of other consolidated subsidiary equity	45,000	45,000
Distributions to members of consolidated limited liability company	(1,050,000)	(270,000)
Other financing activities	(14,413)	(23,298)
Net Cash Flows used in Financing Activities	<u>(1,019,413)</u>	<u>(248,298)</u>
Net Change in Cash and Cash Equivalents	4,688,050	745,399
CASH AND CASH EQUIVALENTS, Beginning of Period	39,189,906	38,077,492
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u><u>\$ 43,877,956</u></u>	<u><u>\$ 38,822,891</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for		
Income taxes	\$ 1,901,877	\$ 978,343
Interest	\$ 75,665	\$ 41,996
NONCASH INVESTING ACTIVITIES		
Investment acquired through the contribution of other investments	<u><u>\$ 717,588</u></u>	<u><u>\$ 383,711</u></u>

See report of independent registered public accounting firm and notes to interim condensed consolidated financial statements.

FRMO CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
Three Months and Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

NOTE 1 - Nature of Business and Basis of Presentation

The interim condensed consolidated financial statements include the accounts of FRMO Corporation and its controlled subsidiaries (collectively referred to as the "Company"). As of February 28, 2025 and May 31, 2024, the Company held a 21.88% and 21.84% equity interest in Horizon Kinetics Hard Assets LLC ("HKHA"), a company formed by Horizon Kinetics LLC ("Horizon") and certain officers, principal stockholders and directors of the Company. Through July 31, 2024, the Company held a 4.95% interest in Horizon, and on August 1, 2024, Horizon completed its previously announced merger with Scott's Liquid Gold Inc., which was renamed Horizon Kinetics Holding Corporation ("HKHC"). The Company now owns 4.42% of HKHC and earns substantially all of its advisory fees from HKHC and through July 31, 2024 from Horizon (see Note 4 – Investments, Investments under the Equity Method of Accounting). Due to the common control and ownership between HKHA and the Company's principal stockholders and directors, HKHA has been consolidated within the Company's financial statements. The noncontrolling interest of 78.12 % and 78.21% in HKHA has been eliminated from results of operations for the periods ended February 28/29, 2025 and 2024. Total stockholders' equity includes, as a separate item, the amount attributable to the noncontrolling interests. The Company maintains its corporate office in White Plains, New York.

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. The principles for interim condensed financial information do not require the inclusion of all the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements as of and for the year ended May 31, 2024 and notes thereto. The accompanying interim condensed consolidated financial statements have not been audited by an independent registered public accounting firm in accordance with standards of the Public Company Accounting Oversight Board (United States) but, in the opinion of management, such financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the Company's interim financial position and results of operations. The results of operations for the three months and nine months ended February 28, 2025 may not be indicative of the results that may be expected for the year ending May 31, 2025.

NOTE 2 - Summary of Significant Accounting Policies

Subsequent Events

The Company has evaluated all subsequent events from the date of the interim condensed consolidated balance sheets through April 14, 2025, which represents the date these interim condensed consolidated financial statements are available to be issued.

NOTE 3 - Adoption of New Accounting Pronouncements

The Company has determined that no recently issued accounting pronouncements will have a material impact on its interim condensed consolidated financial position, results of operations and cash flows, or do not apply to its operations.

FRMO CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
Three Months and Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

NOTE 4 - Investments

Limited Partnerships and Equity Investments

The Company's investments in limited partnerships and equity investments consist of the following as of February 28, 2025 and May 31, 2024:

	As of February 28, 2025 (Unaudited)		
	Cost or (Proceeds)	Net Unrealized Gains	Fair Value
Equity Securities	<u>\$ 77,705,979</u>	<u>\$427,204,229</u>	<u>\$504,910,208</u>
Investments in limited partnerships and other equity investments:			
Limited partnerships			
Investment in South LaSalle Partners, LP	<u>\$ 5,534,714</u>	<u>\$ 7,987,629</u>	<u>\$ 13,522,343</u>
Investments in managed funds			
Horizon Multi-Strategy Fund, LP	18,039,818	67,233,771	85,273,589
CDK Partners, LP	1,908,107	12,359,483	14,267,590
Polestar Fund, LP	16,528,764	75,934,964	92,463,728
Multi-Disciplinary Fund, LP	633,064	837,438	1,470,502
Kinetics Institutional Partners, LP	6,705	63,900	70,605
Shepherd I, LP	15,165	54,865	70,030
Other	<u>39,163</u>	<u>967,850</u>	<u>1,007,013</u>
Total investments in managed funds	<u>37,170,786</u>	<u>157,452,271</u>	<u>194,623,057</u>
Investment in Winland Holdings Corporation, 1,997,007 shares	<u>3,605,153</u>	<u>5,926,220</u>	<u>9,531,373</u>
Total investments in limited partnerships and other equity investments	<u>\$ 46,310,653</u>	<u>\$171,366,120</u>	<u>\$217,676,773</u>
Securities sold, not yet purchased (liability)	<u>\$(10,919,421)</u>	<u>\$ 9,727,955</u>	<u>\$ (1,191,466)</u>

FRMO CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
Three Months and Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

	As of May 31, 2024		
	Cost or (Proceeds)	Net Unrealized Gains	Fair Value
Equity Securities	<u>\$ 76,720,971</u>	<u>\$144,960,700</u>	<u>\$221,681,671</u>
Investments in limited partnerships and other equity investments:			
Limited partnerships			
Investment in South LaSalle Partners, LP	<u>\$ 5,543,994</u>	<u>\$ 5,944,824</u>	<u>\$ 11,488,818</u>
Investments in managed funds			
Horizon Multi-Strategy Fund, LP	15,953,087	34,332,219	50,285,306
CDK Partners, LP	1,790,997	6,674,187	8,465,184
Polestar Fund, LP	15,465,895	31,686,626	47,152,521
Multi-Disciplinary Fund, LP	613,511	397,809	1,011,320
Kinetics Institutional Partners, LP	6,081	31,839	37,920
Shepherd I, LP	13,608	27,284	40,892
Other	<u>28,010</u>	<u>415,662</u>	<u>443,672</u>
Total investments in managed funds	<u>33,871,189</u>	<u>73,565,626</u>	<u>107,436,815</u>
Investment in Winland Holdings Corporation, 1,712,311 shares	<u>2,338,687</u>	<u>6,314,648</u>	<u>8,653,335</u>
Total investments in limited partnerships and other equity investments	<u>\$ 41,753,870</u>	<u>\$ 85,825,098</u>	<u>\$127,578,968</u>
Securities sold, not yet purchased (liability)	<u>\$(10,575,986)</u>	<u>\$ 9,625,224</u>	<u>\$ (950,762)</u>

Investments in Unconsolidated Entities

Investment in Securities Exchanges

Investments in securities exchanges consist of the following as of February 28, 2025 and May 31, 2024:

	February 28, 2025 (Unaudited)	May 31, 2024
Miami International Holdings, Inc., at fair value (cost of \$4,322,905 at February 28, 2025 and May 31, 2024)	\$ 7,259,207	\$ 6,220,311
CNSX Markets, Inc.	<u>243,040</u>	<u>243,040</u>
Total securities exchanges	<u>\$ 7,502,247</u>	<u>\$ 6,463,351</u>

The Company elected to account for its investment in Miami International Holdings, Inc. under the fair value method of accounting. The Company holds less than a 2.00% interest in CNSX Markets, Inc., which is carried at cost.

FRMO CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
Three Months and Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

Other Investments

The following are the Company's other investments as of February 28, 2025 and May 31, 2024:

	February 28, 2025 (Unaudited)	May 31, 2024
Digital Asset Mining Entity:		
Consensus Mining and Seigniorage Corporation	\$ 393,169	\$ 393,169
Digital Currency Group, Inc.	76,261	76,261
Total other investments	<u>\$ 469,430</u>	<u>\$ 469,430</u>

The Company holds a less than a 1.00% interest in each of these other investments, which are carried at cost.

Investments under the Equity Method of Accounting

As disclosed in Note 1 to the condensed consolidated financial statements, through July 31, 2024, the Company held a 4.95% interest in Horizon and earned substantially all of its advisory fees from Horizon. On August 1, 2024, Horizon completed its previously announced merger with Scott's Liquid Gold Inc., which was renamed Horizon Kinetics Holding Corporation ("HKHC"). In connection with the merger, HKHC effected a reverse stock split of its outstanding shares of common stock at a ratio of 1-for-20, and issued 17,984,253 shares of common stock to the members of Horizon, including 823,863 shares to FRMO. Effective August 1, 2024, the Company's ownership interest in HKHC was reduced to 4.42%, and now earns substantially all of its advisory fees from HKHC.

Due to the common management with HKHC, and formerly Horizon through July 31, 2024, the Company's investment in HKHC and Horizon is accounted for under the equity method of accounting. Income (loss) from HKHC and Horizon is recorded quarterly on a calendar year basis. This investment has been reviewed for impairment with none being noted.

Concentration

The following are the approximate amounts of the Company's investments in equity securities and digital asset funds held directly and indirectly, through its various investments in managed funds, amounting to greater than 10% of stockholders' equity attributable to the Company ("Equity"). None of the Company's other direct or indirect investments were greater than 10% of Equity as of February 28, 2025 and May 31, 2024.

Investment	As of February 28, 2025		As of May 31, 2024	
	Amount	Percent of Equity	Amount	Percent of Equity
	(Unaudited)			
Investment A	\$ 273,028,000	70.9%	\$ 117,083,000	48.4%
Investment B	\$ 42,436,000	11.0%	\$ 37,695,367	15.6%

FRMO CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
Three Months and Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

The following are the approximate amounts of investments included in the Company's investments in equity securities, and investments in limited partnerships and other equity investments (together, "Investments") held directly and indirectly, through its various investments in managed funds, amounting to greater than 10% of Investments. None of the Company's other direct or indirect investments were greater than 10% of Investments as of February 28, 2025 and May 31, 2024.

Investment	As of February 28, 2025		As of May 31, 2024	
	Amount	Percent of Investments	Amount	Percent of Investments
	(Unaudited)			
Investment A				
Equity securities	\$ 492,957,000	97.6%	\$ 211,986,000	95.6%
Investments in limited partnerships and other equity investments	\$ 128,846,000	59.2%	\$ 55,008,000	43.1%
Investment B				
Investments in limited partnerships and other equity investments	\$ 41,826,000	19.2%	\$ 37,144,000	29.1%

The following are the approximate amounts of investments included in the Company's unrealized (losses) gains from equity securities amounting to greater than 10% of unrealized (losses) gains from equity securities. None of the Company's other investments were greater than 10% of unrealized (losses) gains from equity securities for the three months and nine months ended February 28/29, 2025 and 2024.

Investment	Three Months Ended February 28, 2025		Three Months Ended February 29, 2024		Nine Months Ended February 28, 2025		Nine Months Ended February 29, 2024	
	Amount	Percent of Unrealized Gains	Amount	Percent of Unrealized Gains	Amount	Percent of Unrealized Gains	Amount	Percent of Unrealized Gains
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Investment A	\$ (59,427,000)	99.2%	\$ (9,706,000)	78.6%	\$ 280,827,000	99.3%	\$ 31,749,000	94.7%

**FRMO CORPORATION
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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
Three Months and Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

NOTE 5 – Digital Assets Held

Digital Assets Held

The Company's holdings in digital assets consist of the following as of February 28, 2025 and May 31, 2024:

As of February 28, 2025 (Unaudited)				
	Units	Cost	Net Unrealized Gains	Fair Value
Digital assets held				
Bitcoin	158.7	\$ 3,958,585	\$ 9,423,519	\$ 13,382,104
Other digital assets		304,288	80,763	385,051
Total		<u>\$ 4,262,873</u>	<u>\$ 9,504,282</u>	<u>\$ 13,767,155</u>

As of May 31, 2024				
	Units	Cost	Net Unrealized Gains	Fair Value
Digital assets held				
Bitcoin	157.4	\$ 3,885,689	\$ 6,734,775	\$ 10,620,464
Other digital assets		303,799	54,533	358,332
Total		<u>\$ 4,189,488</u>	<u>\$ 6,789,308</u>	<u>\$ 10,978,796</u>

FRMO CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
Three Months and Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

NOTE 6 - Fair Value Measurements

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of February 28, 2025 and May 31, 2024, and indicates the fair value hierarchy the Company utilized to determine such fair values.

In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets.

In accordance with the fair value accounting requirements, companies may choose to measure eligible financial instruments and certain other items at fair value. The Company has elected the fair value option for its investments on an investment-by-investment basis at the time each investment is initially recognized in the financial statements or upon an event that gives rise to a new basis of accounting for these items. The Company has elected the fair value option for its investment in Winland Holdings Corporation.

As of February 28, 2025 (Unaudited)					
Fair Value Measurements at Reporting Date Using					
	Investments Measured at Net Asset Value	Quoted Prices			
		in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Total					
Assets (at fair value):					
Money Market Mutual Funds included in Cash and Cash Equivalents					
	\$ 42,990,557	\$ -	\$ 42,990,557	\$ -	\$ -
Other Investments:					
Equity Securities	\$ 504,910,208	\$ -	\$ 504,910,208	\$ -	\$ -
Digital Assets	13,767,155	-	13,767,155	-	-
Investment in Limited Partnerships and other Equity Investments	217,676,773	208,145,400	-	9,531,373	-
Total Other Investments	\$ 736,354,136	\$ 208,145,400	\$ 518,677,363	\$ 9,531,373	\$ -
Liabilities (at fair value):					
Common Stocks	\$ 1,191,466	\$ -	\$ 1,191,466	\$ -	\$ -

FRMO CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
Three Months and Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

		As of May 31, 2024			
		Fair Value Measurements at Reporting Date Using			
		Quoted Prices			
		Investments Measured at Net Asset Value	in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total					
Assets (at fair value):					
Money Market Mutual Funds included in Cash and Cash Equivalents					
	\$ 38,485,460	\$ -	\$ 38,485,460	\$ -	\$ -
Other Investments:					
Equity Securities	\$ 221,681,671	\$ -	\$ 221,681,671	\$ -	\$ -
Digital Assets	10,978,796	-	10,978,796	-	-
Investment in Limited Partnerships and other Equity Investments	127,578,968	118,925,633	-	8,653,335	-
Total Other Investments	\$ 360,239,435	\$ 118,925,633	\$ 232,660,467	\$ 8,653,335	\$ -
Liabilities (at fair value):					
Common Stocks	\$ 950,762	\$ -	\$ 950,762	\$ -	\$ -

NOTE 7 - Income Taxes

The Company files a consolidated federal income tax return and a combined state/city tax return with its wholly-owned subsidiary, Fromex Equities Corp. HKHA, which is included in consolidated net income (loss) before taxes, is a pass-through entity subject to K-1 reporting and is not included in the Company's consolidated income tax return. Pass-through income allocated to the Company is based on the Company's ownership percentage as of February 28, 2025 and May 31, 2024, which was 21.88% and 21.84%, respectively. Income tax attributable to the remaining noncontrolling interest of 78.12% and 78.16% represents a permanent difference related to "consolidation of noncontrolling interests" in the reconciliation table below of federal statutory rate to effective tax rate.

The Company records adjustments related to prior years' taxes during the period when they are identified, generally when the tax returns are filed. The effect of these adjustments on the current and prior periods (during which the differences originated) is evaluated based upon quantitative and qualitative factors and are considered in relation to the interim condensed consolidated financial statements taken as a whole for the respective periods.

FRMO CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
Three Months and Nine Months Ended February 28/29, 2025 and 2024 (Unaudited)

The (benefit from) provision for income taxes is comprised of the following:

	Three Months Ended February 28/29		Nine Months Ended February 28/29	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Current				
Federal	\$ 4,022	\$ 371,296	\$ 970,996	\$ 723,933
State and City	32,404	282,709	965,465	565,666
Total Current	<u>36,426</u>	<u>654,005</u>	<u>1,936,461</u>	<u>1,289,599</u>
Deferred				
Federal	(8,531,225)	3,089,057	36,460,877	12,388,837
State and City	-	-	-	-
Total Deferred	<u>(8,531,225)</u>	<u>3,089,057</u>	<u>36,460,877</u>	<u>12,388,837</u>
Total (Benefit from) Provision for Income Taxes	<u>\$ (8,494,799)</u>	<u>\$ 3,743,062</u>	<u>\$ 38,397,338</u>	<u>\$ 13,678,436</u>

The (benefit from) provision for income taxes includes estimated amounts for income and loss items derived from pass through entities. The actual amounts are determined upon completion of the Company's tax return and may differ from the amounts presented above due to the variable nature of these items.

Deferred tax assets and liabilities are determined using the enacted tax rates applicable to the period the temporary differences are expected to be recovered. The net deferred income taxes on the balance sheets reflect temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and income tax purposes, tax effected at a various rates depending on whether the temporary differences are subject to federal taxes, state and city taxes, or both.

The tax effects of temporary differences which give rise to the deferred tax liability consist of the following as of February 28, 2025 and May 31, 2024:

	February 28, 2025 (Unaudited)	May 31, 2024
Investments in limited partnerships	\$ 807,101	\$ 52,485
Investments in HKHC as of February 28, 2025 and Horizon as of May 31, 2024	826,694	132,660
Deferral of gain from like-kind exchange	3,403,699	3,403,699
Unrealized gain from equity securities, digital assets and investments in managed funds	<u>65,091,512</u>	<u>30,079,285</u>
Net Deferred Tax Liability	<u>\$ 70,129,006</u>	<u>\$ 33,668,129</u>

FRMO CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
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A reconciliation of the federal statutory rate to the effective tax rate is as follows for the three months and nine months ended February 28/29, 2025 and 2024:

	Three Months Ended February 28/29,				Nine Months Ended February 28/29,				
	2025		2024		2025		2024		
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		
Income before taxes	\$	(79,203,716)	100.0%	\$	9,219,344	100.0%	\$	87,047,593	100.0%
Computed expected tax expense	\$	(16,632,780)	21.0%	\$	1,936,062	21.0%	\$	81,060,392	21.0%
State and City taxes, net of federal benefit		25,599	0.0%		223,340	2.4%		762,717	0.2%
Permanent differences		(724,097)	0.9%		483	0.0%		(444,591)	-0.1%
Other		24	0.0%		88	0.0%		331	0.0%
Provision for income taxes before consolidation of noncontrolling interests		(17,331,254)	21.9%		2,159,973	23.4%		81,378,801	21.1%
Permanent differences related to consolidation of non controlling interests		8,836,455	-11.2%		1,583,089	17.2%		(42,981,464)	-11.1%
Total provision for income taxes	\$	(8,494,799)	10.7%	\$	3,743,062	40.6%	\$	38,397,337	9.9%
							\$	13,678,436	15.7%

NOTE 8 – Mortgage Payable

On November 8, 2019, the Company acquired a building located in North Carolina to be used in certain business operations for \$1,050,000. The building was purchased subject to an \$800,000 mortgage with a 3.9% interest rate and a balloon payment of \$655,255 due on the maturity date of November 6, 2024. The mortgage was extended through November 6, 2029 with a 7.45% interest rate and a balloon payment of \$522,374 due on the maturity date. The mortgage is also collateralized by an assignment of all rents received from the building. The building is currently rented to a related party, subject to a lease-free month to month rental of \$11,450 per month.

The following table presents contractual payments of the Company's obligation under this mortgage as of February 28, 2025:

For the Period Ending May 31,	Total (Unaudited)
2025 (Remainder of fiscal year)	\$ 6,421
2026	25,643
2027	27,649
2028	29,691
2029	32,133
2029	532,674
Total	<u>\$ 654,211</u>

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As of February 28, 2025 (Unaudited) and May 31, 2024 and for the
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NOTE 9 - Net (Loss) Income Per Common Share and Per Common Share Equivalent

Basic and diluted (loss) earnings per common share is calculated by dividing net (loss) income allocated to common stock by the weighted average common shares outstanding during the period. The weighted average number of shares of common stock used in the calculation of diluted earnings per share is adjusted for the dilutive effects of potential common shares including the assumed exercise of vested stock options based on the treasury stock method. Assumed exercise or conversion of potential common shares is only when the weighted average market price for the period exceeds the exercise price and the conversion price, and that the entity records earnings from continuing operations, as the inclusion of such adjustments would otherwise be anti-dilutive to earnings per share from continuing operations.

Potential common shares consist of unexercised stock options of 73,000 and 69,000 for the nine months ended February 28/29, 2025 and 2024, respectively.

As of February 28, 2025 and May 31, 2024 there were 24,000 vested options, respectively, with an exercise price below the weighted average market price of the Company's common stock during the period.

The reconciliation of the weighted average number of common shares used in the calculation of basic and diluted earnings per common share follows for the three months and nine months ended February 28/29:

	Three Months Ended February 28/29,		Nine Months Ended February 28/29,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Weighted Average Common Shares outstanding	44,022,781	44,022,781	44,022,781	44,022,781
Effect of Dilutive Securities, common share				
Exercise of stock options	-	2,843	7,391	3,453
Dilutive Potential Common Share Equiva	<u>44,022,781</u>	<u>44,025,624</u>	<u>44,030,172</u>	<u>44,026,234</u>

NOTE 10 - Stockholders' Equity

Redeemable Preferred Stock

The number of authorized Series R preferred shares is 5,000 with a par value of \$.001 per share. These shares are each convertible to 1,000 shares of the Company's common stock at the option of either the Company or the holder. There were no shares of preferred stock outstanding as of February 28, 2025 and May 31, 2024.

Stock Options

A summary of option activity as of February 28, 2025, and changes during the nine months then ended, is as follows:

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<i>Stock Options</i> (Unaudited)	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at June 1, 2023	69,000	\$ 7.80	3.79	\$ 23,840
Granted	12,000	\$ 8.55	6.62	\$ 6,240
Exercised	-	\$ -	-	\$ -
Expired	<u>(8,000)</u>	\$ 6.00	-	\$ 18,160
Outstanding at February 28, 2025	<u>73,000</u>	<u>\$ 8.12</u>	<u>4.00</u>	<u>\$ 83,630</u>
Vested and Exercisable at February 28, 2025	<u>73,000</u>	<u>\$ 8.12</u>	<u>4.00</u>	<u>\$ 83,630</u>

All stock options were vested as of February 28, 2025 and May 31, 2024.

The aggregate intrinsic value of options outstanding and options exercisable at February 28, 2025 and May 31, 2024 is calculated as the difference between the exercise price of the underlying options and the market price of FRMO's common stock for the shares that had exercise prices that were lower than the \$9.07 and \$7.04 closing price of FRMO's common stock on February 28, 2025 and May 31, 2024, respectively.

As of February 28, 2025, there was no unrecognized compensation cost related to unvested options.