

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 29, 2024 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

44,022,781 as of February 29, 2024 [Current Reporting Period],

44,022,781 as of May 31, 2023 [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 29, 2024
Total shares outstanding:	44,022,781	as of date: February 29, 2024
Number of shares in the Public Float:	16,908,994	as of date: February 29, 2024
Total number of shareholders of record:	54	as of date: February 29, 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 29, 2024
 Total shares outstanding: None as of date: February 29, 2024
 Total number of shareholders of record: None as of date: February 29, 2024

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, 2022 Common: 44,017,781 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 3, 2022	Option Exercise	Option exercise of 5,000 shares of common stock at price of \$7.98 per	Common	Value of Shares at issuance \$9.90 per share	Yes	Option Exercised by Allan Kornfeld	Option Exercise	Shares are restricted for at least 1 year from issue date.	Shares carry the customary Securities Act of 1933 legend.

		share Grant date: 10/8/15							
October 6, 2022	Option grant	Option grant to purchase 5,000 shares of common stock, exercise price of \$9.00 per share	Common	N/A	N/A	Option Granted to Allan Kornfeld	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 6, 2022	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$9.00 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 6, 2022	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$9.00 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 6, 2022	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$9.00 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 6, 2022	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$9.00 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 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 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 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.
Shares Outstanding Ending Balance on Date of This Report: Date: February 29, 2024 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.otcmarketst.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 29, 2024 and May 31, 2023, the Company held a 21.79% and 21.80% 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. The Company also holds a 4.95% interest in Horizon and earns substantially all of its advisory fees from Horizon. 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 78.21 % and 78.20% in HKHA has been eliminated from results of operations for the periods ended February 29, 2024 and May 31, 2023. 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.

D. Investment Concentration

The following are the approximate amounts of the Company's investments in equity securities and digital assets 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 29, 2024 and May 31, 2023.

Investment	As of February 29, 2024		As of May 31, 2023	
	Amount	Percent of Equity	Amount	Percent of Equity
	(Unaudited)			
Investment A	\$ 99,773,000	45.5%	\$ 78,849,000	46.6%
Investment B	\$ 34,640,000	15.8%	na	na

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 29, 2024 and May 31, 2023.

Investment	As of February 29, 2024		As of May 31, 2023	
	Amount	Percent of Investments	Amount	Percent of Investments
	(Unaudited)			
Investment A				
Equity securities	\$ 181,063,000	95.2%	\$ 146,790,000	94.4%
Investments in limited partnerships and other equity investments	\$ 47,006,000	41.1%	\$ 37,985,000	53.8%
Investment B				
Investments in limited partnerships and other equity investments	\$ 34,132,000	29.8%	\$ 9,930,000	14.1%

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 29, 2024 and 2023.

Investment	Three Months Ended February 29, 2024		Three Months Ended February 28, 2023		Nine Months Ended February 29, 2024		Nine Months Ended February 28, 2023	
	Amount	Percent of Unrealized (Losses) Gains	Amount	Percent of Unrealized (Losses) Gains	Amount	Percent of Unrealized (Losses) Gains	Amount	Percent of Unrealized (Losses) Gains
	(Unaudited)							
Investment A	\$ (10,987,000)	89.0%	\$ (91,142,000)	99.8%	\$ 30,469,000	90.9%	\$ 23,540,000	94.1%

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 \$676,542 as of February 29,2024.

6) Officers, Directors, and Control Persons

Name of Beneficial Owner	Shares Beneficially Owned or Controlled	Approximate Percentage of Shares outstanding
Murray Stahl	7,165,736	16.3%
Steven Bregman	6,547,056	14.9%
John C. Meditz	6,458,851	14.7%
Thomas C. Ewing	4,539,048	10.5%
Peter B. Doyle	4,226,140	9.6%
Lawrence J. Goldstein	1,861,774	4.3%
Santa Monica Partners, L.P.(1)	1,008,897	2.3%
Dov Glickman	4,420	*
Jay P. Hirschson	3,000	*
Herbert M. Chain	1,000	*
Alice C. Brennan	1,500	*
Directors and executive officers as a group	31,817,422	72.3%

* 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@securitiesreglawyer.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) Financial Statements

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

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

B.

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

- IFRS
 U.S. GAAP

D. 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 9a – 9f 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

E. The financial statements for this reporting period were prepared by (name of individual):

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

Describe the qualifications of the person or persons who prepared the financial statements: CPA

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.

4/11/2024

/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.

4/11/2024

/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 29, 2024 (Unaudited) and
May 31, 2023 and for the Three Months and Nine Months
Ended February 29/28, 2024 and 2023 (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 29, 2024, and the related condensed consolidated statements of income for the three month and nine month periods ended February 29/28, 2024 and 2023, the condensed consolidated statements of stockholders' equity and cash flows for the nine month periods ended February 29/28, 2024 and 2023, 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, 2023, 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, 2023, 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, 2023, 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 11, 2024

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FRMO CORPORATION
AND SUBSIDIARIES**
CONDENSED CONSOLIDATED BALANCE SHEETS
As of February 29, 2024 and May 31, 2023

<i>ASSETS</i>	February 29, 2024 (Unaudited)	May 31, 2023
Current Assets		
Cash and cash equivalents	\$ 38,822,891	\$ 38,077,492
Accounts receivable (due from related parties)	2,857,283	3,214,132
Prepaid income taxes	-	158,004
Equity securities, at fair value (cost of \$76,498,840 and \$74,176,757 at February 29, 2024 and May 31, 2023, respectively)	190,174,958	155,512,185
Digital assets, at fair value (cost of \$4,034,156 and \$3,699,554 at February 29, 2024 and May 31, 2023, respectively)	9,822,491	4,216,814
Other current assets	160,931	167,297
Total Current Assets	<u>241,838,554</u>	<u>201,345,924</u>
Digital mining assets, net of accumulated depreciation of \$1,238,374 and \$1,050,854 at February 29, 2024 and May 31, 2023, respectively	1,323,621	1,330,754
Investments in limited partnerships and other equity investments at fair value (cost of \$41,186,312 and \$39,021,622 at February 29, 2024 and May 31, 2023, respectively)	114,475,316	70,656,050
Investments in Securities Exchanges, at cost	4,869,070	4,869,070
Other investments, at cost	484,409	484,409
Investment in Horizon Kinetics LLC	15,348,458	14,607,525
Participation in Horizon Kinetics LLC Revenue Stream	10,200,000	10,200,000
Total Assets	<u><u>\$388,539,428</u></u>	<u><u>\$303,493,732</u></u>
<i>LIABILITIES AND STOCKHOLDERS' EQUITY</i>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 324,494	\$ 322,631
Income taxes payable	152,922	-
Current portion of mortgage note payable	676,542	31,215
Securities sold, not yet purchased (proceeds of \$10,698,730 and \$10,670,820 at February 29, 2024 and May 31, 2023, respectively)	1,164,360	2,352,910
Total Current Liabilities	<u>2,318,318</u>	<u>2,706,756</u>
Deferred tax liability	28,392,779	16,003,942
Mortgage payable, net of current portion	-	668,625
Total Liabilities	<u>30,711,097</u>	<u>19,379,323</u>
Stockholders' Equity		
Stockholders' Equity Attributable to the Company	219,473,677	169,282,758
Noncontrolling interests	138,354,654	114,831,651
Total Stockholders' Equity	<u>357,828,331</u>	<u>284,114,409</u>
Total Liabilities and Stockholders' Equity	<u><u>\$388,539,428</u></u>	<u><u>\$303,493,732</u></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		Nine Months Ended	
	February 29/28,		February 29/28,	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
REVENUE				
Fees and other income	\$ 621,860	\$ 927,666	\$ 2,005,468	\$ 2,484,251
Dividends and interest income, net	952,601	830,048	2,794,341	4,208,234
Net realized (losses) gains from investments	(24,102)	(85,154)	287,877	(563,570)
Equity earnings from limited partnerships and limited liability companies	513,530	1,491,323	2,856,462	2,298,906
Unrealized gains (losses) from investments	<u>16,264,475</u>	<u>(22,471,715)</u>	<u>41,524,696</u>	<u>(1,047,530)</u>
Total revenue before unrealized (losses) gains from equity securities and digital assets	18,328,364	(19,307,832)	49,468,844	7,380,291
Unrealized (losses) gains from equity securities	(12,349,537)	(91,326,265)	33,531,093	25,028,200
Unrealized gains (losses) from digital assets	<u>3,702,001</u>	<u>902,103</u>	<u>5,271,074</u>	<u>(1,022,304)</u>
Total Revenue	<u>9,680,828</u>	<u>(109,731,994)</u>	<u>88,271,011</u>	<u>31,386,187</u>
OPERATING EXPENSES				
General and administrative expenses	394,408	249,884	1,023,221	1,227,026
Depreciation	<u>67,076</u>	<u>71,505</u>	<u>200,197</u>	<u>266,847</u>
Total Expenses	<u>461,484</u>	<u>321,389</u>	<u>1,223,418</u>	<u>1,493,873</u>
Income (Loss) from Operations before Provision for (Benefit from) Income Taxes				
(Benefit from) Income Taxes	9,219,344	(110,053,383)	87,047,593	29,892,314
Provision for (Benefit from) Income Taxes	<u>3,743,062</u>	<u>(8,891,300)</u>	<u>13,678,436</u>	<u>2,852,220</u>
Net Income (Loss)	5,476,282	(101,162,083)	73,369,157	27,040,094
Less net (loss) income attributable to noncontrolling interests	<u>(7,512,628)</u>	<u>(66,261,061)</u>	<u>23,348,033</u>	<u>19,593,269</u>
Net income (loss) attributable to the Company	<u>\$ 12,988,910</u>	<u>\$ (34,901,022)</u>	<u>\$ 50,021,124</u>	<u>\$ 7,446,825</u>
NET INCOME (LOSS) PER COMMON SHARE				
Basic and diluted	<u>\$ 0.30</u>	<u>\$ (0.79)</u>	<u>\$ 1.14</u>	<u>\$ 0.17</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	<u>44,022,781</u>	<u>44,022,781</u>	<u>44,022,781</u>	<u>44,020,492</u>
Diluted	<u>44,025,624</u>	<u>44,022,781</u>	<u>44,026,234</u>	<u>44,032,153</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 STOCKHOLDERS' EQUITY
For the Nine Months Ended February 29/28, 2024 and 2023 (Unaudited)

	Stockholders' Equity						
	Common Stock Shares	Amount	Additional Paid-In Capital	Retained Earnings	Attributable to the Company	Non- Controlling Interests	Total Stockholders' Equity
BALANCE - June 1, 2022	44,017,781	\$ 44,017	\$ 41,276,829	\$ 140,087,853	181,408,699	\$ 132,918,741	\$ 314,327,440
Equity Compensation	-	-	84,320	-	84,320	-	84,320
Exercise of Stock Options	5,000	5	39,895	-	39,900	-	39,900
Non-cash Compensation	-	-	77,400	-	77,400	-	77,400
Capital Accounts of Consolidated Limited Liability Company	-	-	263,817	-	263,817	-	263,817
Net income	-	-	-	7,446,825	7,446,825	19,593,269	27,040,094
Capital contributed to consolidated subsidiary from noncontrolling interests	-	-	-	-	-	1,095,993	1,095,993
BALANCE - February 28, 2023	<u>44,022,781</u>	<u>\$ 44,022</u>	<u>\$ 41,742,261</u>	<u>\$ 147,534,678</u>	<u>\$ 189,320,961</u>	<u>\$ 153,608,003</u>	<u>\$ 342,928,964</u>
					Stockholders' Equity		
	Common Stock Shares	Amount	Additional Paid-In Capital	Retained Earnings	Attributable to the Company	Non- Controlling Interests	Total Stockholders' Equity
BALANCE - June 1, 2023	44,022,781	\$ 44,022	\$ 41,754,855	\$ 127,483,881	169,282,758	\$ 114,831,651	\$ 284,114,409
Equity Compensation	-	-	49,800	-	49,800	-	49,800
Non-cash Compensation	-	-	77,400	-	77,400	-	77,400
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	<u>44,022,781</u>	<u>\$ 44,022</u>	<u>\$ 41,924,650</u>	<u>\$ 177,505,005</u>	<u>\$ 219,473,677</u>	<u>\$ 138,354,654</u>	<u>\$ 357,828,331</u>

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 29/28, 2024 and 2023

	February 29/28,	
	2024	2023
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 73,369,157	\$ 27,040,094
Adjustments to reconcile net income to net cash flows from operating activities		
Equity compensation	49,800	77,400
Non-cash compensation	77,400	84,320
Net realized (gains) losses from investments	(287,877)	563,570
Equity earnings from limited partnerships and limited liability companies	(2,856,462)	(2,298,906)
Unrealized (gains) losses from investments subject to fair value valuation	(41,524,696)	1,047,530
Unrealized gains from equity securities	(33,531,093)	(25,028,200)
Unrealized (gains) losses from digital assets	(5,271,074)	1,022,304
Non-cash fee revenue	(334,754)	(304,777)
Depreciation	200,197	266,847
Deferred income tax	12,388,837	1,285,252
Changes in operating assets and liabilities:		
Accounts receivable	356,849	(371,390)
Prepaid income taxes and other current assets	164,370	732,470
Accounts payable and accrued expenses	1,863	14,221
Income taxes payable	152,922	165,013
Net Cash Flows from Operating Activities	<u>2,955,439</u>	<u>4,295,748</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,741,460	879,444
Purchases of investments	(4,334,373)	(1,722,832)
Proceeds from sale of digital assets	173	-
Proceeds from securities sold, not yet purchased	154,723	1,571,610
Purchases to cover securities previously sold	(96,861)	(709,781)
Distributions from limited partnerships	58,854	170,518
Other investments	(268,495)	(35,566)
Purchase of digital mining assets, net of disposals	(217,223)	(38,157)
Net Cash Flows (used in) from Investing Activities	<u>(1,961,742)</u>	<u>115,236</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	(270,000)	(780,000)
Other financing activities	(23,298)	17,492
Net Cash Flows used in Financing Activities	<u>(248,298)</u>	<u>(717,508)</u>
Net Change in Cash and Cash Equivalents	745,399	3,693,476
CASH AND CASH EQUIVALENTS, Beginning of Period	38,077,492	33,289,454
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 38,822,891</u>	<u>\$ 36,982,930</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for		
Income taxes	\$ 978,343	\$ 644,906
Interest	\$ 41,996	\$ 116,235
NONCASH INVESTING ACTIVITIES		
Investment acquired through the contribution of other investments	<u>\$ 383,711</u>	<u>\$ 1,924,293</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 29, 2024 (Unaudited) and May 31, 2023 and for the
Three Months and Nine Months Ended February 29/28, 2024 and 2023 (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 29, 2024 and May 31, 2023, the Company held a 21.79% and 21.80% 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. The Company also holds a 4.95% interest in Horizon and earns substantially all of its advisory fees from Horizon. 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 78.21 % and 78.20% in HKHA has been eliminated from results of operations for the periods ended February 29, 2024 and May 31, 2023. 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, 2023 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 29, 2024 may not be indicative of the results that may be expected for the year ending May 31, 2024.

NOTE 2 - Summary of Significant Accounting Policies

Digital Assets Held at Fair Value

As of February 29, 2024 and May 31, 2023, the Company held \$9,822,491 and \$4,216,814 of digital assets at fair value. The Company records digital assets held at fair value on the condensed consolidated balance sheets within the Digital assets held line item. The activity from remeasurement of digital assets at fair value is reflected in the condensed consolidated statements of operations within Unrealized gains (losses) from digital assets. Digital assets that are mined and held, are received as noncash fee revenue, and are presented as cash flows from operating activities, while other sales and purchases are reflected as cash flows from investing activities in the condensed consolidated statements of cash flows. Refer to Note 4, Investments - Digital Assets Held, and Note 5, Fair Value Measurements, for additional information.

Subsequent Events

The Company has evaluated all subsequent events from the date of the interim condensed consolidated balance sheets through April 11, 2024, which represents the date these interim condensed consolidated financial statements are available to be issued.

**FRMO CORPORATION
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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 29, 2024 (Unaudited) and May 31, 2023 and for the
Three Months and Nine Months Ended February 29/28, 2024 and 2023 (Unaudited)

NOTE 3 - Adoption of New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board issued ASU No. 2023-08, *Intangibles — Goodwill and Other — Crypto Assets* (Subtopic 350-60) (ASU 2023-08), which provides an update to existing digital asset guidance and requires an entity to measure certain digital assets at fair value. In addition, this guidance requires additional disclosures related to digital assets once it is adopted. The ASU is effective for reporting periods with fiscal years beginning on or after December 2024 with early adoption permissible. The Company has elected to early adopt the ASU in accordance with its guidance which requires any adjustments to be reflected as of the beginning of the fiscal year. Prior year balances were reclassified to conform with the current year presentation.

The Company reflects digital assets held at fair value on the condensed consolidated balance sheets and condensed consolidated statements of cash flows, the activity from remeasurement of digital assets at fair value on the condensed consolidated statements of operations, and the required expanded disclosures in Note 4, *Investments - Digital Assets Held*. The cumulative effect adjustment resulting from the adoption of ASU 2023-08 was not material to the condensed financial statements.

The Company has determined that no other 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.

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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 29, 2024 and May 31, 2023:

	As of February 29, 2024 (Unaudited)		
	Cost or (Proceeds)	Net Unrealized Gains	Fair Value
Equity Securities	\$ 76,498,840	\$113,676,118	\$ 190,174,958
Investments in limited partnerships and other equity investments:			
Limited partnerships			
Investment in South LaSalle Partners, LP	\$ 5,547,392	\$ 6,865,158	\$ 12,412,550
Investments in managed funds			
Horizon Multi-Strategy Fund, LP	15,908,943	28,620,559	44,529,502
CDK Partners, LP	1,783,706	5,780,151	7,563,857
Polestar Fund, LP	15,368,487	26,125,029	41,493,516
Multi-Disciplinary Fund, LP	608,196	330,557	938,753
Kinetics Institutional Partners, LP	6,081	27,728	33,809
Shepherd I, LP	13,154	23,577	36,731
Other	6,284	364,504	370,788
Total Investments in Managed Funds	33,694,851	61,272,105	94,966,956
Investment in Winland Holdings Corporation, 1,592,700 shares	1,944,069	5,151,741	7,095,810
Total investments in limited partnerships and other equity investments	\$ 41,186,312	\$ 73,289,004	\$ 114,475,316
Securities sold, not yet purchased (liability)	\$(10,698,730)	\$ 9,534,370	\$ (1,164,360)

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As of February 29, 2024 (Unaudited) and May 31, 2023 and for the
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NOTE 4 - Investments (cont.)

	As of May 31, 2023		
	Cost or (Proceeds)	Net Unrealized Gains	Fair Value
Equity Securities	<u>\$ 74,176,757</u>	<u>\$ 81,335,428</u>	<u>\$155,512,185</u>
Investments in limited partnerships and other equity investments:			
Limited partnerships			
Investment in South LaSalle Partners, LP	<u>\$ 5,551,425</u>	<u>\$ 3,008,160</u>	<u>\$ 8,559,585</u>
Investments in managed funds			
Horizon Multi-Strategy Fund, LP	15,195,225	9,828,876	25,024,101
CDK Partners, LP	1,375,367	2,898,502	4,273,869
Polestar Fund, LP	14,603,543	13,969,021	28,572,564
Multi-Disciplinary Fund, LP	594,128	112,340	706,468
Kinetics Institutional Partners, LP	8,111	14,613	22,724
Shepherd I, LP	15,735	4,252	19,987
Other	2,514	248,286	250,800
Total Investments in Managed Funds	<u>31,794,623</u>	<u>27,075,890</u>	<u>58,870,513</u>
Investment in Winland Holdings Corporation, 1,500,443 shares	<u>1,675,574</u>	<u>1,550,378</u>	<u>3,225,952</u>
Total investments in limited partnerships and other equity investments	<u>\$ 39,021,622</u>	<u>\$ 31,634,428</u>	<u>\$ 70,656,050</u>
Securities sold, not yet purchased (liability)	<u>\$(10,670,820)</u>	<u>\$ 8,317,910</u>	<u>\$ (2,352,910)</u>

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As of February 29, 2024 (Unaudited) and May 31, 2023 and for the
Three Months and Nine Months Ended February 29/28, 2024 and 2023 (Unaudited)

Digital Asset Held

The Company's holdings in digital assets consist of the following as of February 29, 2024 and May 31, 2023:

As of February 29, 2024				
Digital assets held	Units	Cost	Net Unrealized Gains (Losses)	Fair Value
Bitcoin	158	\$ 3,771,937	\$ 5,753,362	\$ 9,525,299
Other digital assets		262,219	34,973	297,192
Total		\$ 4,034,156	\$ 5,788,335	\$ 9,822,491

As of May 31, 2023				
Digital assets held	Units	Cost	Net Unrealized Gains (Losses)	Fair Value
Bitcoin	147	\$ 3,441,059	\$ 524,184	\$ 3,965,243
Other digital assets		258,495	(6,924)	251,571
Total		\$ 3,699,554	\$ 517,260	\$ 4,216,814

Investments in Unconsolidated Entities

Investment in Securities Exchanges

Investments in securities exchanges are carried at cost and consist of the following as of February 29, 2024 (unaudited) and May 31, 2023:

	February 29, 2024 (Unaudited)	May 31, 2023
Miami International Holdings, Inc.	\$ 4,626,030	\$ 4,626,030
CNSX Markets, Inc.	243,040	243,040
Total securities exchanges	\$ 4,869,070	\$ 4,869,070

The Company holds a less than a 2.00% interest in these stock exchanges.

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Three Months and Nine Months Ended February 29/28, 2024 and 2023 (Unaudited)

NOTE 4 - Investments (cont.)

Other Investments

The following are the Company's other investments as of February 29, 2024 and May 31, 2023:

	February 29, 2024	May 31, 2023
	(Unaudited)	
Cryptocurrency Mining Entities		
Consensus Mining and Seigniorage Corporation	\$ 393,169	\$ 393,169
HM Tech, LLC	14,979	14,979
Total cryptocurrency mining entities	408,148	408,148
Digital Currency Group, Inc.	76,261	76,261
Total other investments	\$ 484,409	\$ 484,409

The Company holds a 7.434% interest in HM Tech, LLC and is accounted for under the equity method of accounting. The Company holds a less than a 1.00% interest in each of the other investments, which are carried at cost.

Investment Concentration

The following are the approximate amounts of the Company's investments in equity securities and digital assets 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 29, 2024 and May 31, 2023.

Investment	As of February 29, 2024		As of May 31, 2023	
	Amount	Percent of Equity	Amount	Percent of Equity
	(Unaudited)			
Investment A	\$ 99,773,000	45.5%	\$ 78,849,000	46.6%
Investment B	\$ 34,640,000	15.8%	na	na

**FRMO CORPORATION
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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As of February 29, 2024 (Unaudited) and May 31, 2023 and for the
Three Months and Nine Months Ended February 29/28, 2024 and 2023 (Unaudited)

NOTE 4 - Investments (cont.)

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 29, 2024 and May 31, 2023.

Investment	As of February 29, 2024		As of May 31, 2023	
	Amount	Percent of Investments	Amount	Percent of Investments
	(Unaudited)			
Investment A				
Equity securities	\$ 181,063,000	95.2%	\$ 146,790,000	94.4%
Investments in limited partnerships and other equity investments	\$ 47,006,000	41.1%	\$ 37,985,000	53.8%
Investment B				
Investments in limited partnerships and other equity investments	\$ 34,132,000	29.8%	\$ 9,930,000	14.1%

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 29, 2024 and 2023.

Investment	Three Months Ended February 29, 2024		Three Months Ended February 28, 2023		Nine Months Ended February 29, 2024		Nine Months Ended February 28, 2023	
	Amount	Percent of Unrealized (Losses) Gains	Amount	Percent of Unrealized (Losses) Gains	Amount	Percent of Unrealized (Losses) Gains	Amount	Percent of Unrealized (Losses) Gains
	(Unaudited)							
Investment A	\$ (10,987,000)	89.0%	\$ (91,142,000)	99.8%	\$ 30,469,000	90.9%	\$ 23,540,000	94.1%

**FRMO CORPORATION
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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As of February 29, 2024 (Unaudited) and May 31, 2023 and for the
Three Months and Nine Months Ended February 29/28, 2024 and 2023 (Unaudited)

NOTE 5 - 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 29, 2024 and May 31, 2023, and indicates the fair value hierarchy the Company utilized to determine such fair values.

	As of February 29, 2024 (Unaudited)				
	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)
Assets (at fair value):					
Money Market Mutual Funds included in Cash and Cash Equivalents	\$ 37,762,317	\$ -	\$ 37,762,317	\$ -	\$ -
Other Investments:					
Equity Securities	\$ 190,174,958	\$ -	\$ 190,174,958	\$ -	\$ -
Digital Assets	9,822,491	-	9,822,491	-	-
Investment in Limited Partnerships and other Equity Investments	114,475,316	107,379,506	-	7,095,810	-
Total Other Investments	\$ 314,472,765	\$ 107,379,506	\$ 199,997,449	\$ 7,095,810	\$ -
Liabilities (at fair value):					
Common Stocks	\$ 1,164,360	\$ -	\$ 1,164,360	\$ -	\$ -

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As of February 29, 2024 (Unaudited) and May 31, 2023 and for the
Three Months and Nine Months Ended February 29/28, 2024 and 2023 (Unaudited)

NOTE 5 - Fair Value Measurements (cont.)

	As of May 31, 2023					
	Fair Value Measurements at Reporting Date Using					
	Total	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)	
Assets (at fair value):						
Money Market Mutual Funds included in Cash and Cash Equivalents	\$ 37,044,809	\$ -	\$ 37,044,809	\$ -	\$ -	
Other Investments:						
Equity Securities	\$ 155,512,185	\$ -	\$ 155,512,185	\$ -	\$ -	
Digital Assets	4,216,814	-	4,216,814	-	-	
Investment in Limited Partnerships and other Equity Investments	70,656,050	67,430,098	-	3,225,952	-	
Total Other Investments	\$ 230,385,049	\$ 67,430,098	\$ 159,728,999	\$ 3,225,952	\$ -	
Liabilities (at fair value):						
Common Stocks	\$ 2,352,910	\$ -	\$ 2,352,910	\$ -	\$ -	

**FRMO CORPORATION
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As of February 29, 2024 (Unaudited) and May 31, 2023 and for the
Three Months and Nine Months Ended February 29/28, 2024 and 2023 (Unaudited)

NOTE 6 - 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, 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 29, 2024 and May 31, 2023, which was 21.79% and 21.80%, respectively. Income tax attributable to the remaining noncontrolling interest of 78.21% and 78.20% 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.

The provision for income taxes is comprised of the following:

	<u>Three Months Ended</u> <u>February 29/28,</u>		<u>Nine Months Ended</u> <u>February 29/28,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Unaudited)		(Unaudited)	
Current				
Federal	\$ 371,296	\$ 447,147	\$ 723,933	\$ 809,024
State and City	282,709	362,561	565,666	757,944
Total Current	<u>654,005</u>	<u>809,708</u>	<u>1,289,599</u>	<u>1,566,968</u>
Deferred				
Federal	3,089,057	(9,701,008)	12,388,837	1,285,252
State and City	-	-	-	-
Total Deferred	<u>3,089,057</u>	<u>(9,701,008)</u>	<u>12,388,837</u>	<u>1,285,252</u>
Total Provision for Income Taxes	<u>\$ 3,743,062</u>	<u>\$ (8,891,300)</u>	<u>\$ 13,678,436</u>	<u>\$ 2,852,220</u>

The 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

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purposes, tax effected at a various rates depending on whether the temporary differences are subject to federal taxes, state and city taxes, or both.

NOTE 6 - Income Taxes (cont.)

The tax effects of temporary differences which give rise to the deferred tax liability consist of the following as of February 29, 2024 and May 31, 2023:

	February 29, 2024 (Unaudited)	May 31, 2023
Deferred Tax Asset		
Investments in limited partnerships		
Capital loss carry forward	\$ -	\$ 198,819
Total deferred tax asset	-	198,819
Deferred Tax Liability		
Investments in limited partnerships	28,903	32,409
Investment in unconsolidated limited liability companies	132,660	132,660
Deferral of gain from like-kind exchange	3,329,673	3,329,673
Unrealized gain from equity securities and investments in managed funds	24,901,543	12,708,019
Total deferred tax liability	28,392,779	16,202,761
Net Deferred Tax Liability	\$ (28,392,779)	\$ (16,003,942)

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NOTE 6 - Income Taxes (cont.)

A reconciliation of the federal statutory rate to the effective tax rate is as follows for the three months and nine months ended February 29/28, 2024 and 2023:

	Three Months Ended				Nine Months Ended			
	February 29/28,				February 29/28,			
	2024		2023		2024		2023	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
(Loss) income before taxes	\$ 9,219,344	100.0%	\$ (110,053,383)	100.0%	\$ 87,047,593	100.0%	\$ 29,892,314	100.0%
Computed expected tax (benefit) expense	\$ 1,936,062	21.0%	\$ (23,111,210)	21.0%	\$ 18,279,995	21.0%	\$ 6,277,386	21.0%
State and City taxes, net of federal benefit	223,340	2.4%	281,791	-0.3%	445,876	0.5%	594,144	2.0%
Permanent differences	483	0.0%	(753)	0.0%	(160,638)	-0.2%	32,016	0.1%
Other	88	0.0%	234	0.0%	331	0.0%	441	0.0%
(Benefit from) provision for income taxes before consolidation of noncontrolling interests	2,159,973	23.4%	(22,829,938)	20.7%	18,565,564	21.3%	6,903,987	23.1%
Permanent differences related to consolidation of non controlling interests	1,583,089	17.2%	13,938,638	-12.7%	(4,888,128)	-5.6%	(4,051,767)	-13.6%
Total provision for income taxes	\$ 3,743,062	40.6%	\$ (8,891,300)	8.1%	\$ 13,677,436	15.7%	\$ 2,852,220	9.5%

(Percent components may not sum due to rounding)

NOTE 7 – 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 is also collateralized by an assignment of all rents received from the building. The building is rented to a related party, subject to a lease that calls for \$11,450 per month in rent through November 2024.

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NOTE 8 - Net Income Per Common Share and Per Common Share Equivalent

Basic and diluted earnings per common share is calculated by dividing net 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 69,000 and 65,000 for the nine months ended February 29/28, 2024 and 2023, respectively.

As of February 29, 2024 and May 31, 2023 there were 24,000 and 40,000 vested options 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 29/28:

	Three Months Ended February 29/28,		Nine Months Ended February 29/28,	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
Weighted Average Common Shares outstanding	44,022,781	44,022,781	44,022,781	44,020,492
Effect of Dilutive Securities, common share equivalents:				
Exercise of stock options	2,843	-	3,453	11,661
Dilutive Potential Common Share Equivalents	44,025,624	44,022,781	44,026,234	44,032,153

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NOTE 9 - 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 29, 2024 and May 31, 2023.

Stock Options

A summary of option activity as of February 29, 2024, and changes during the nine months then ended, is as follows:

<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	65,000	\$ 7.48	3.77	\$ 59,040
Granted	12,000	\$ 7.50	6.60	\$ -
Exercised	-	\$ -	-	\$ -
Expired	<u>(8,000)</u>	\$ 4.80	-	\$ 20,260
Outstanding at February 29, 2024	<u>69,000</u>	<u>\$ 7.80</u>	<u>4.04</u>	<u>\$ 22,400</u>
Vested and Exercisable at February 29, 2024	<u>69,000</u>	<u>\$ 7.80</u>	<u>4.04</u>	<u>\$ 22,400</u>

All stock options were vested as of February 29, 2024 and May 31, 2023.

The aggregate intrinsic value of options outstanding and options exercisable at February 29, 2024 and May 31, 2023 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 \$6.98 and \$7.58 closing price of FRMO's common stock on February 29, 2024 and May 31, 2023, respectively.

As of February 29, 2024, there was no unrecognized compensation cost related to unvested options.