

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Financial Gravity Companies, Inc.

800-588-3893

<https://financialgravity.com/>

gary.nemer@financialgravity.com

[SIC Code] 6282

Annual Report

For the period ending December 31, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

94,775,765 as of September 30, 2024 (Fiscal year end)

95,275,765 as of December 31, 2024

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)

Financial Gravity Companies, Inc., 2501 Ranch Road 620 South, Suite 110, Lakeway, Texas 78734

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

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.

Pacific Oil Company was a prior name, changed to Financial Gravity Companies, Inc. on October 31, 2016

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g., active, default, inactive):

Nevada - active

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:

2501 Ranch Road 620 South, Suite 110, Lakeway, Texas 78734

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

☒ 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: Securities Transfer Corporation

Phone: (469) 633-0101

Email: info@stctransfer.com

Address: 2901 N. Dallas Parkway, Suite 380, Plano, TX 75093

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:

FGCO

Exact title and class of securities outstanding:

Common

CUSIP:

31754E102

Par or stated value: \$0.001 Total shares authorized: 300,000,000 as of date: December 31, 2024

Total shares outstanding: 95,275,765 as of December 31, 2024

Total number of shareholders of record: 86 as of date: December 31, 2024

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

Trading symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____
Total number of shareholders of record: _____ as of date: _____

Trading symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____
Total number of shareholders of record: _____ as of date: _____

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: _____
CUSIP (if applicable): _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding (if applicable): _____ as of date: _____
Total number of shareholders of record (if applicable): _____ as of date: _____

Exact title and class of the security: _____
CUSIP (if applicable): _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding (if applicable): _____ as of date: _____
Total number of shareholders of record(if applicable): _____ as of date: _____

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

For common equity, describe any dividend, voting and preemption rights.

None

For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

None

Describe any other material rights of common or preferred stockholders.

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.

02/22/2023 Company issued 1,000,000 shares in consideration of \$80,000.

06/22/2023 Company issued 968,782 shares in consideration of the purchase of \$96 million in AUM.

As of 06/30/2023 Company issued 1,000,000 shares in consideration of \$100,000.

12/21/2023 Company issued 500,000 shares in connection with the transfer of \$50 million in AUM in connection with the potential acquisition of advisor business assets.

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: <u>Opening Balance:</u> Date 09/30/2022 Common: 91,806,983 Date 09/30/2024 Common: 94,775,765 Preferred: 0_			*Right-click the rows below and select "Insert" to add rows as needed.						
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. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g., for cash or debt conversion)-OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
2/22/2023	<u>New issuance</u>	<u>1,000,000</u>	<u>common</u>	<u>\$0.08</u>	<u>No</u>	<u>Steve Margulin</u>	<u>cash.</u>	<u>Unrestricted</u>	<u>D</u>
6/22/2023	<u>New Issue</u>	<u>968,782</u>	<u>common</u>	<u>\$0.08</u>	<u>No</u>	<u>Steve Margulin</u>	<u>Shares in consideration of the purchase of \$96 million in assets under management</u>	<u>Unrestricted</u>	<u>D</u>
6/30/2023	<u>New Issue</u>	<u>1,000,000</u>	<u>common</u>	<u>\$0.10</u>	<u>No</u>	<u>Gregory Fenton</u>	<u>cash</u>	<u>Restricted</u>	<u>D</u>
12/27/2023	<u>New Issue</u>	<u>500,000</u>	<u>common</u>	<u>\$0.10</u>	<u>No</u>	<u>Gregory Fenton</u>	<u>Shares in consideration of the agreement to purchase advisor business assets.</u>	<u>Restricted</u>	<u>D</u>
Shares Outstanding on Date of This Report: <u>Ending Balance: 95,275,765</u> Date: December 31, 2024: Common: <u>95,275,765</u> Preferred: <u>0</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2024 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

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)

Date of Note Issuance	Outstanding Balance ()	Principal Amount at Issuance ()	Interest Accrued ()	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. <small>*You must disclose the control person(s) for any entities listed.</small>	Reason for Issuance (e.g., Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

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.otcmarkets.com).

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

Financial Gravity Companies, Inc. and Subsidiaries (the "Company") are located in Lakeway, Texas. Operations are conducted through wholly owned subsidiaries. Company helps investment advisors, insurance agents, accountants and tax professionals expand their businesses by adding additional services, including their own multi-family office. Financial professionals are able to leverage the Financial Gravity systems, technology, proprietary resources, and deep domain expertise to bring proactive tax planning, retirement and estate planning, wealth and investment management, and risk mitigation.

List any subsidiaries, parent company, or affiliated companies.

Tax Master Network, LLC ("TMN"), Financial Gravity Family Office Services, LLC ("FGFOS"), Financial Gravity Enhanced Markets, LLC ("FGEM"), Financial Gravity Asset Management, Inc. ("FGAM"), Financial Gravity Tax Services, LLC ("FGTS").

Financial Gravity Investment Services, LLC ("FGIS") was an Office of Supervisory Jurisdiction, and Forta Financial Group, Inc. ("Forta") was a broker dealer. Both have discontinued operations due to the lack of securities transactions that require a broker/dealer affiliation.

Describe the issuers' principal products or services.

Tax Master Network, LLC ("TMN") supports over 300 CPA and Enrolled Agent professionals, training them to add crucial tax planning services to support clients.

Financial Gravity Tax Services, LLC provides tax return preparation services to investment advisory clients.

Financial Gravity Asset Management, Inc. ("FGAM"), is a registered investment advisor ("RIA"), registered with the Securities and Exchange Commission, and provides asset management services to individuals and businesses. FGAM had in excess of \$500,000,000 in assets under management as of December 31, 2024.

Financial Gravity Enhanced Markets, LLC ("FGEM") is an insurance marketing organization and provides insurance products and services to insurance agents or agencies. The advisors with FGEM access insurance and other related products through FGEM.

Financial Gravity Family Office Services, LLC ("FGFOS") is an RIA that offers financial planning and wealth management services to clients through investment advisors. Many of the independent investment advisors are members of TMN and are licensed to provide investment management advice. FGFOS provides support for the multi-family offices run by the TMN members.

Financial Gravity Investment Services, LLC ("FGIS") was an Office of Supervisory Jurisdiction, and Forta Financial Group, Inc. ("Forta") was a broker dealer. Both of these entities have discontinued operations due to lack of securities transactions that require a broker/dealer affiliation.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Company has commercial office space at 2501 Ranch Road 620 South, Suite 110, Lakeway, Texas 78734 (Corporate headquarters).

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g., Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Shares in 401K, IRA, or brokerage account	Share type/class	Ownership Percentage of Class Outstanding (Rounded)	Names of control person(s) if a corporate entity	Equity Grants Stock Option Plans
Scott Winters	CEO and Board Member	Lakeway TX	13,705,176	221,714	<u>Common</u>	14.6%	-	325,000
Jennifer Winters	COO and Board Member – wife of Scott Winters	Lakeway TX		225,534	<u>Common</u>	0.2%	-	1,000,000
William Nelson, Jr.	Chief Investment Officer and Board Member	Las Vegas NV	13,705,176		<u>Common</u>	14.4%	-	1,000,000
John Pollock	Board Member	Prosper TX	15,037,962		<u>Common</u>	15.8%	-	250,000
Gary Nemer	CFO	Mill Valley, CA	13,705,175		<u>Common</u>	14.4%	-	750,000
Mark Williams*	Board Member	Carmel, CA	5,333,333		<u>Common</u>	5.6%	Shares held by Mark J. Williams & Ryann N. Williams TTEE	700,000
Alex Brockway	Chief Legal Counsel	Austin, Tx	71,618		<u>Common</u>	0.1%		250,000
Ed Lyon	Board Member	Cincinnati, OH	2,593,500	33,200	<u>Common</u>	2.8%	2,593,500 shares held by Tax Tuneup, LLC	250,000

Mark Williams resigned as a Board Member effective January 29, 2025.

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.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Roger Crabb
Address 1: c/o Scheef & Stone, LLP
500 North Akard Street, Suite 2700
Dallas, TX 75201
Address 2:
Phone: Direct: 214.706.4224
Email: Roger.Crabb@solidcounsel.com

Accountant or Auditor

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

Firm: News Direct Corp
Address 1: 23 South Main Street
Norwalk, CT 06854
Address 2:
Phone: 888.270.0339.
Email: Hello@NewsDirect.com

All other means of Investor Communication:

Twitter: _____
Discord: _____
LinkedIn _____
Facebook: _____
[Other] _____

Other Service Providers provide the name of any other service provider(s) **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: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

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

Name: Gary Nemer
Title: CFO
Relationship to Issuer: CFO

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

xx U.S. GAAP

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

Name: Gary Nemer

Title: CFO

Relationship to Issuer: CFO

Describe the qualifications of the person or persons who prepared the financial statements:5

Chief financial officer of the Company

Provide the following qualifying financial statements:

- o Audit letter, if audited;
- o Balance Sheet;
- o Statement of Income;
- o Statement of Cash Flows;
- o Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- o Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

Balance Sheet:

Financial Gravity Companies, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As of December 31, 2024	As of September 30, 2024
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$464,235.60	\$375,177.79
Other Current Assets		
Accrued Income	508,496.28	448,981.18
Ppd. Exp. & Oth. Current Assets	6,406.40	12,136.13
Total Other Current Assets	<u>\$514,902.68</u>	<u>\$461,117.31</u>
Total Current Assets	<u>\$979,138.28</u>	<u>\$836,295.10</u>
Fixed Assets		
Intangible Assets	3,268,891.32	3,268,891.32
Total Fixed Assets	<u>\$3,268,891.32</u>	<u>\$3,268,891.32</u>
Other Assets		
Right-of-use asset, non-current	67,884.00	75,390.00
Total Other Assets	<u>\$67,884.00</u>	<u>\$75,390.00</u>
TOTAL ASSETS	<u>\$4,315,913.60</u>	<u>\$4,180,576.42</u>
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Total Accounts Payable	\$147,078.28	\$36,279.55
Total Credit Cards	14,093.85	2,752.40
Accrued exp & other curr liab'	589,129.18	634,841.49
Current right-of-use liability	21,481.00	20,799.00
Notes Payable – current	48,529.28	48,529.28
Related party payables	50,750.00	50,750.00
Rent Payable	88,007.58	88,007.58
Total Current Liabilities	<u>\$959,069.17</u>	<u>\$881,959.30</u>
Long-Term Liabilities		
Notes Payable	35,300.72	35,300.72
Right-of-use liability non-curr	57,505.00	65,693.00
Total Long-Term Liabilities	<u>\$92,805.72</u>	<u>\$100,993.72</u>
Total Liabilities	<u>\$1,051,874.89</u>	<u>\$982,953.02</u>
Equity		
Additional Capital Paid-In	18,043,284.41	18,023,086.00
Capital Stock	99,446.11	99,446.11
Retained Earnings	(14,878,691.81)	(14,924,908.71)
Total Equity	<u>\$3,264,038.71</u>	<u>\$3,197,623.40</u>
TOTAL LIABILITIES AND EQUITY	<u>\$4,315,913.60</u>	<u>\$4,180,576.42</u>

Statement of Income

Financial Gravity Companies, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
Three Months Ended December 31,
(Unaudited)

	<u>2024</u>	<u>2023</u>
Income		
Insurance and Service	451,855.31	532,679.30
Investment Management Fees	1,661,560.09	1,313,036.98
Total Income	<u>\$2,113,415.40</u>	<u>\$1,845,716.28</u>
Gross Profit	<u>\$2,113,415.40</u>	<u>\$1,845,716.28</u>
Expenses		
Compensation Expense	1,658,578.75	1,568,998.43
Cost of services	27,050.12	20,474.83
General and Administrative	235,338.00	164,287.54
Marketing	15,255.33	24,142.43
Professional Services	130,976.30	33,186.85
Total Expenses	<u>\$2,067,198.50</u>	<u>\$1,811,090.08</u>
NET OPERATING INCOME/(LOSS)	<u>\$46,216.90</u>	<u>\$34,626.20</u>
Other Income		
Interest Income		53.57
Total Other Income	<u>\$-</u>	<u>\$53.57</u>
Other Expenses		
Income Taxes		
Interest Expense		330.84
Total Other Expenses	<u>\$-</u>	<u>\$330.84</u>
NET OTHER INCOME/(EXPENSE)	<u>\$-</u>	<u>\$(277.27)</u>
NET INCOME/(LOSS)	<u>\$46,216.90</u>	<u>\$34,348.93 *</u>

*There was a \$30.07 adjustment for a late payable

Statement of Cash Flows;

Financial Gravity Companies, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended December 31
(Unaudited)

	2024	2023
OPERATING ACTIVITIES		
Net Income	\$46,216.90	\$34,348.93
Adjustments to reconcile Net Income to Net Cash provided by operations:		
Accrued Income	(59,515.10)	(110,430.23)
Invested Deposits		15,000.00
Prepaid Expenses	5,729.73	4,368.75
Accounts Payable	110,798.73	58,817.24
Credit Cards	11,341.45	(2,851.20)
Other Accounts payable		(699,117.22)*
Payable – External	(44,560.28)	107,348.25
Payable – Internal	10,479.18	
Payroll payable		(15,302.48)
Vacation pay liability	(17,950.69)	(16,744.94)
Sales Tax Payable	6,319.48	6,000.00
SAR Liability		(8,732.20)
Current RoU liability Lakeway	682.00	
Lines of credit		62,830.84
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$23,324.50	(\$598,813.19)
Net cash provided by/(used by) operating activities	\$69,541.40	(\$564,464.26)
INVESTING ACTIVITIES		
Goodwill		38,548.32
Property and Equipment, net:Software		(7,995.00)
RoU asset non-current Lakeway	7,506.00	
Net cash provided by investing activities	\$7,506.00	\$30,553.32
FINANCING ACTIVITIES		
Notes Payable		(38,548.32)*
RoU liability non-curr Lakeway	(8,188.00)	
Additional Capital Paid-In	20,198.41	703,566.50*
Capital Stock		4,670.35
Net cash provided by financing activities	\$12,010.41	\$669,688.53
Net cash increase for period	\$89,057.81	\$135,777.59
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$0.00	\$1,021.82
State Taxes Accrued	\$27,000.00	\$1,329.61

* Non-cash adjustment to obligations to former shareholders of Forta that were released by agreement.

Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)

Financial Gravity Companies, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the three months ended December 31, 2024 and 2023
(Unaudited)

	Number of Shares Issued and Outstanding Common Stock	Par Value	Additional Paid-In Capital	Stock Purchase and Adjust	Stock Based Comp	Accumulated Deficit	Net Income	Total Equity
Balance at September 30, 2023	94,775,755	\$94,776	\$16,616,411	\$175,534	\$527,086	(\$14,666,055)	(\$388,148)	\$2,359,603
Shares issued	500,000	\$4,670						\$4,670
Net Gain							\$135,574	\$135,574
Balance at December 31, 2023	95,275,765	\$99,446	\$17,323,479	\$699,117	\$598	(\$15,054,204)	\$34,379	\$3,102,218
Balance at September 30, 2024	95,275,765	\$99,446	\$18,013,478		\$9,608	(\$15,054,204)	\$129,295	\$3,197,623
Balance at December 31, 2024	95,275,765	\$99,446	\$18,023,086		\$20,198	(\$14,924,909)	\$46,217	\$3,264,039

Financial Gravity Companies, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF BUSINESS

Financial Gravity Companies, Inc., and Subsidiaries (the “Company”) are located in Lakeway, Texas. Operations are conducted through wholly owned subsidiaries. Company helps investment advisors, insurance agents, accountants and tax professionals expand their businesses by adding additional services, including their own multi-family offices. Financial services professionals are able to leverage Financial Gravity systems, technology, proprietary resources, and deep domain expertise to provide a comprehensive financial service experience to their clients that spans proactive tax planning, retirement and estate planning, wealth management, and risk mitigation.

Tax Master Network, LLC (“TMN”) services a network of over three hundred accountants and tax preparers with three primary services including monthly subscriptions to the tax software systems, coaching and email marketing services.

Financial Gravity Family Office Services, LLC (“FGFOS”) is a registered investment advisor (“RIA”) that offers investment management advice to clients through independent investment advisors. Many of the independent investment advisors are members of TMN that are licensed to provide investment management advice. FGFOS provides support for the multi-family offices run by the TMN members.

Financial Gravity Enhanced Markets, LLC (“FGEM”) is an insurance marketing organization and provides insurance products and services to insurance agents or agencies, including TMN members that are licensed to sell insurance products.

Financial Gravity Asset Management, Inc. (“FGAM”) is an RIA. FGAM provides asset management services, including asset management services to clients of advisors that are registered with FGFOS.

Financial Gravity Tax Services, LLC (“FGTS”) is a service provider that prepares tax returns for clients of FGFOS. It has no separate financial operations and is included in general Company overhead.

Financial Gravity Investment Services, LLC (“FGIS”) was an Office of Supervisory Jurisdiction, and Forta Financial Group, Inc. (“Forta”) was a broker dealer. Both have discontinued operations due to the lack of securities transactions that require a broker/dealer affiliation.

SEGMENT REPORTING

We manage our business in reportable segments. Each of our subsidiaries is treated as a segment, and FGIS and Forta are combined under Broker, and TMN and FGTS are combined under Tax Services. We evaluate the performance of our operating segments based on a segment's share of consolidated operating income.

CONSOLIDATING STATEMENTS OF OPERATIONS

Three months ended December 31, 2023

(Unaudited)

	Elim	FGCO	Brokerage	FGAM	FGFOS	FGEM	TMN	TOTAL
Income								
Insurance and Service		6.55	4,779.47	200.00	86.20	219,265.35	308,341.73	532,679.30
Investment Management Fees	(640,145.03)			1,059,211.27	893,970.74			1,313,036.98
Total Income	\$(640,145.03)	\$6.55	\$4,779.47	\$1,059,411.27	\$894,056.94	\$219,265.35	\$308,341.73	\$1,845,716.28
Affiliate Advisor Rev								
Affiliate Advisor Rev	(640,145.03)			640,145.03				
Total Affiliate Advisor Rev	\$(640,145.03)	\$-	\$-	\$640,145.03	\$-	\$-	\$-	\$-
Gross Profit	\$-	\$6.55	\$4,779.47	\$419,266.24	\$894,056.94	\$219,265.35	\$308,341.73	\$1,845,716.28
Expenses								
Compensation Expense		902,258.76	54.00	5,341.30	506,440.76	83,823.61	71.08	1,568,998.43
Cost of services		25.52	9,390.09				11,059.22	20,474.83
General and Administrative		146,439.34	69.85	4,502.94	7,105.35	3,145.53	3,024.53	164,287.54 *
Marketing Professional Services		20,669.53					3,472.90	24,142.43
		4,191.28	25,053.57		3,942.00			33,186.85
Total Expenses	\$-	\$1,073,584.43	\$34,567.51	\$9,844.24	\$517,488.11	\$86,969.14	\$88,636.65	\$1,811,090.08
NET OPERATING INCOME/(LOSS)	\$-	\$(1,073,577.88)	\$(29,788.04)	\$409,422.00	\$376,568.83	\$132,296.21	\$219,705.08	\$34,626.20
Other Income								
Interest Income			53.57					53.57
Total Other Income	\$-	\$-	\$53.57	\$-	\$-	\$-	\$-	\$53.57
Other Expenses								
Interest Expense		330.84						330.84
Total Other Expenses	\$-	\$330.84	\$-	\$-	\$-	\$-	\$-	\$330.84
NET OTHER INCOME/(EXPENSE)	\$-	\$(330.84)	\$53.57	\$-	\$-	\$-	\$-	\$(277.27)
NET INCOME/(LOSS)	\$-	\$(1,073,908.72)	\$(29,734.47)	\$409,422.00	\$376,568.83	\$132,296.21	\$219,705.08	\$34,348.93

*There was a \$30.07 adjustment for a late payable

CONSOLIDATING STATEMENTS OF OPERATIONS
Three months ended December 31, 2024

	Elim	FGCO	Brokerage	FGAM	FGFOS	FGEM	Tax Services	TOTAL
Income								
Insurance and Service		0.86	4,209.16	20	1,974.66	251,586.88	193,883.75	451,855.31
Investment Management Fees	(804,016.70)			1,465,020.69	1,000,556.10			1,661,560.09
Total Income	\$(804,016.70)	\$0.86	\$4,209.16	\$1,465,220.69	\$1,002,530.76	\$251,586.88	\$193,883.75	\$2,113,415.40
Affiliate Advisor Rev								
Affiliate Advisor Rev	(804,016.70)			804,016.70				
Total Affiliate Advisor Rev	\$(804,016.70)	\$-	\$-	\$804,016.70	\$-	\$-	\$-	\$-
Gross Profit	\$-	\$0.86	\$4,209.16	\$661,203.99	\$1,002,530.76	\$251,586.88	\$193,883.75	\$2,113,415.40
Expenses								
Compensation Expense		1,017,984.72	54.00		461,804.76	157,735.27	21,00	1,658,578.75
Cost of services General and Administrative		224.51	16,120.75	2,03			8,674.86	27,050.12
Marketing Professional Services		175,813.18	2	30,272.43	3,709.83	3,879.52	21,643.04	235,338.00
		16,883.39			(6,09)		4,461.94	15,255.33
		110,095.30	15,00		5,881.00			130,976.30
Total Expenses	\$-	\$1,321,001.10	\$31,194.75	\$32,302.43	\$465,305.59	\$161,614.79	\$55,779.84	\$2,067,198.50
NET OPERATING INCOME/(LOSS)	\$-	\$(1,321,000.24)	\$(26,985.59)	\$628,901.56	\$537,225.17	\$89,972.09	\$138,103.91	\$46,216.90
NET INCOME/(LOSS)	\$-	\$(1,321,000.24)	\$(26,985.59)	\$628,901.56	\$537,225.17	\$89,972.09	\$138,103.91	\$46,216.90

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements in accordance with GAAP is as follows.

Basis of Consolidation

The consolidated financial statements include the accounts of Financial Gravity Companies, FGAM, FGEM, TMN, FGIS, FGFOS and Forta (collectively referred to as the “Company”). All significant intercompany accounts and transactions have been eliminated on consolidation.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an initial maturity of three months or less, when purchased, to be cash equivalents. The Company maintains cash balances at financial institutions located throughout the United States, which at times may exceed insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Reclassifications to Financial Statements and Adjustments

Adjustments were made for expenses related to commissions payable and for income related to accrued expenses that had not been previously accounted for. The adjustments added approximately \$120,000 to operating results which otherwise would have shown a loss for the period. Management believes these adjustments provide an accurate representation of the Company's financial position and performance.

Prepaid Expenses

Prepaid expenses consist of expenses Company has paid for prior to the service or good being provided. These prepaid expenses will be recorded as expense at the time the service has been provided.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to earnings over their estimated service lives by the straight-line method.

Maintenance and repairs are charged to expenses as incurred; major repairs and replacements are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in operations.

Proprietary Content

Proprietary content has been fully amortized.

Intellectual Property

Company accounts for intellectual property in accordance with GAAP and accordingly, intellectual property is stated at cost. Intellectual property that has an indefinite life is not amortized but is tested for impairment at least annually. Management has determined that intellectual property has an indefinite life and does not consider the value of intellectual property recorded in the accompanying consolidated balance sheet to be impaired as of December 31, 2024 and 2023.

Goodwill

Company conducts ongoing annual impairment assessments, at the reporting unit level, of its recorded goodwill. Company assesses qualitative factors in order to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The qualitative factors evaluated by Company include macroeconomic conditions of the local business environment, overall financial performance, and other entity specific factors as deemed appropriate. If, through this qualitative assessment, the conclusion is made that it is more likely than not that a reporting unit's fair value is less than its carrying amount, an impairment test is performed. Management determined that no impairment was necessary at December 31, 2024. Goodwill consists of the following:

	31 - Dec 2024	31 - Dec 2023
TMN Goodwill	\$1,094,702	\$1,094,702
Company Goodwill	2,082,065	2,082,065
Other Intangible Assets	92,124	130,673
Total Goodwill/Intangibles	\$3,268,891	\$3,307,440

Income Taxes

Company accounts for Federal and state income taxes pursuant to GAAP, which requires an asset and liability approach for financial accounting and reporting for income taxes based on tax effects of differences between the financial statement and tax basis of assets and liabilities.

Company accounts for all uncertain tax positions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740 – Income Taxes ("ASC 740"). ASC 740 provides guidance on de-recognition, classification, interest and penalties and disclosure related to uncertain income tax positions. Company recognizes accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. There were no uncertain tax positions or accrued interest or penalties as of December 31, 2024 and 2023.

From time to time, Company is audited by taxing authorities. These audits could result in proposed assessments of additional taxes. Company believes that its tax positions comply in all material respects with applicable tax law. However, tax law is subject to interpretation, and interpretations by taxing authorities could be different from those of Company, which could result in the imposition of additional taxes. Company's Federal tax returns since 2021 are still subject to examination by taxing authorities.

Earnings Per Share

Basic earnings per common share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding for the reporting period. Average number of common shares were 95,275,765 and 91,238,723 for the three ended December 31, 2024 and 2023, respectively.

For the three ended December 31, 2024 and 2023, the earnings per share were \$0 and \$0, respectively.

Revenue Recognition

Company derives its revenues primarily from the following activities: Investment Management Fees, Tax Master Network subscriptions, Financial Advisor subscriptions, Tax Blueprint sales, and Insurance Sales.

FGAM and FGFS generate investment management fees for services provided by Company to clients. Investment management fees include fees earned from assets under management by providing professional services in conjunction with managing client investments. Revenue is recognized as earned and billed at the end of each monthly period. FGAM shares certain clients with FGFS and the professional fees charged to the FGFS client accounts are treated as affiliate expense to FGAM and revenue to FGFS.

FGEM generates revenue from insurance marketing services for insurance agents, including sourcing of insurance policies through selling agreements with third party insurance companies. Revenue is recognized when the policies have been accepted by the issuer and it is probable the commission will be received. Commissions are received after products are sold, issued or in force.

TMN generates service income from subscriptions and tax planning. FGTS provides tax preparation services. Company services revenue is recognized when consulting and other professional services are performed by Company, primarily by TMN and FGTS. Revenue is recognized as services are delivered and accepted.

TMN provides subscription services that are charged and collected on a month-to-month basis. None of these programs come with a long-term commitment or contract, and there is no up-front payment beyond the monthly subscription fee. Cancellations are processed within the month requested and memberships are closed at the end of the period for which the most recent payment was made. Members are not entitled to refunds for unused memberships. Any subscription fees paid for a future period are deferred in the financial statements. TMN also sells Tax Blueprint®. These are tax planning strategy guides, to save customers taxes through the implementation of the recommended tax strategies. After an initial assessment, the customers pay a fixed fee based on TMN's estimate of potential future savings. A contract liability is recognized when the customer payment is received. Revenue is deferred until the customer reviews and accepts the final Tax Blueprint® document and returns an executed delivery agreement.

Revenue represents gross billings less discounts. State sales and revenue taxes may be included in billings. Amounts invoiced for work not yet completed are shown as contract liabilities in the accompanying consolidated balance sheets.

Accrued revenues are recorded for investment management fees that are paid in arrears and are generally collected within a few days of month end by debiting client accounts held by a custodian. The allowance for doubtful accounts was \$0 as of December 31, 2024 and 2023, respectively.

Revenue Analysis

For the three months ended December 31, 2024, revenue increased by approximately \$268,000 from the three months ended December 31, 2023. Investment management fees increased by approximately \$349,000 due to an increase in assets under management. Service income decreased by approximately \$81,000, primarily driven by a reduction in Tax Blueprint fees and TMN subscription revenue offset by an increase in insurance-related revenue.

Operating Expenses

For the three months ended December 31, 2024, total operating expenses amounted to approximately \$2,067,000, representing an increase of approximately \$256,000 compared to the three months ended December 31, 2023, when total operating expenses were approximately \$1,811,000.

Compensation Expense

Compensation expense increased approximately \$90,000 to approximately \$1,659,000 for the three months ended December 31, 2024, from approximately \$1,569,000 for the same period in 2023. This increase was primarily due to: Higher salaries and wages of approximately \$73,000; Increased stock-based compensation of approximately \$20,000; Increased payroll taxes of approximately

\$5,000; Increased insurance commissions by approximately \$74,000, reflecting the growth in insurance sales activities; Increased sales commissions of approximately \$8,000, partially offset by a reduction in AUM commissions of approximately \$50,000.

Cost of Services

Cost of services increased by approximately \$7,000 to approximately \$27,000 for the three months ended December 31, 2024, from approximately \$20,000 for the same period in 2023. The increase was primarily due to higher customer service costs and an increase of approximately \$7,000 in OSJ (Office of Supervisory Jurisdiction) expenses.

Professional Services

Professional services expenses increased by approximately \$98,000 to approximately \$131,000 for the three months ended December 31, 2024, from approximately \$33,000 for the same period in 2023. The increase was primarily driven by higher legal expenses related to a payable of \$96,000.

General and Administrative Expenses

General and administrative expenses increased approximately \$71,000 to approximately \$235,000 for the three months ended December 31, 2024, from approximately \$164,000 for the same period in 2023. The increase was primarily due to: Higher technology expenses of approximately \$16,000; Increased state and local taxes of approximately \$22,000; Increased travel expenses of approximately \$5,000; Business meals and travel-related expenses rising by approximately \$3,000 and \$5,000, respectively, driven by increased networking and client-facing events; Office supplies and expenses increasing by approximately \$4,000, reflecting higher operational activity; Insurance expenses increasing by approximately \$4,000, consistent with broader administrative overhead increases.

Marketing Expenses

Marketing and promotion expenses decreased by approximately \$9,000 to approximately \$15,000 for the three months ended December 31, 2024, from approximately \$24,000 for the same period in 2023. The decrease was due to reduced marketing activities.

Depreciation and Amortization

Depreciation and amortization expenses remained unchanged for the three months ended December 31, 2024, as compared to the same period in 2023.

Compensation Expense

Company includes in compensation all salaries, wages, employee benefits, payroll costs, payroll taxes, commissions to employees and to independent investment advisors, payments to related party consultants, and stock-based compensation.

Starting in Fiscal Year 2024, the Board has authorized distinct performance bonuses to its CEO, Scott Winters as follows:

Starting in fiscal year 2024, on the condition that Company's cash flow is sufficient to cover all projected costs and expenses, and upon approval by the Board of Directors, Mr. Winters shall be paid bonuses based upon the following formula:

1.5% of Profit that is maintained compared to the prior annual period, plus

2.5% of Profit growth compared to the prior annual period.

Company recognizes the fair value of stock-based compensation awards as compensation in the accompanying statements of operations, for employee grants, commissions for non-employee grants, and stock appreciation rights grants, on a straight-line basis over the vesting period, using the Black-Scholes option pricing model. The model is based on risk-free annual rate of 4.73% in the period ended December 31, 2024 and 5.55% in 2023, dividend yield of 0%, expected life of 6.7 years and volatility of 94% and 51% in the periods ended December 31, 2024 and 2023, respectively. Forfeitures are recorded as they occur.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates that the Company will need to manage additional asset units under contract and/or secure additional financing to fully implement its business plan, including continued growth and establishment of a stronger brand. The financial statements do not

include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of these uncertainties.

For the three months ended December 31, 2024, the Company reported approximately \$2,113,000 in revenue, and net income of approximately \$46,000, which is an increase of approximately \$12,000 compared to approximately \$34,000 for the same period in 2024. This improvement in net income was primarily due to the an increase in investment management fees, which was offset by reduction in service fees and operating expenses. The net income included a significant amount generated from FGEM insurance business which is not recurring. Therefore, to sustain profitability, the Company may need to maintain profits from insurance transactions from FGEM (approximately \$500,000), continue to increase assets under management and service income, or find other revenue sources.

The positive trends in revenue, profitability, and cash flow indicate an improvement in the Company's financial performance compared to the prior year. However, the Company still has a significant accumulated deficit of approximately \$15,000,000, which highlights the need for continued improved financial performance, and potentially additional financing to support the Company's long-term growth plans. There are liabilities reflected in the financial statements for Forta. Forta has discontinued operations. Company anticipates that the Forta liabilities will be subject to adjustment in future periods.

Management plans to focus its growth objectives on continuing to increase its recurring fees from assets under management and its services income (including from FGEM insurance revenue), and by pursuing additional acquisitions and strategic relationships.

Recent Accounting Pronouncements

ASU 2024-07 is effective for fiscal years beginning after December 15, 2024, and for interim periods after December 15, 2024. ASU 2024-07 prescribes new disclosure requirements for segment reporting. ASU 2024-09 is effective for fiscal years beginning after December 15, 2024. ASU 2024-09 prescribes new disclosure requirements for an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. Company is currently evaluating the impact of adoption of this accounting guidance on Company's consolidated financial statements. Company currently does not anticipate the adoption of ASU 2024-07 and 2024-09 will have a material impact on Company's financial condition or results of operations.

3. PROPERTY AND EQUIPMENT

Company has written off all remaining property and equipment that was subject to depreciation.

4. INTELLECTUAL PROPERTY

Company accounts for intellectual property in accordance with GAAP and accordingly, intellectual property is stated at cost. Intellectual property that has an indefinite life is not amortized but is tested for impairment at least annually. Management has determined that intellectual property has an indefinite life and does not consider the value of intellectual property recorded in the accompanying consolidated balance sheet to be impaired as of December 31, 2024 and 2023.

Trademarks at December 31, 2024
and 2023

\$ 53,170

5. LINE OF CREDIT

Company has a revolving line of credit with Wells Fargo Bank, N.A. in the amount of \$67,500. Amounts drawn under this line of credit are due on demand, and monthly interest and principal payments are required. The interest rate on the line of credit is 9.5%. This line of credit is collateralized by the personal guarantee of John Pollock. The line of credit balance was \$0 and \$0 of December 31, 2024 and 2023, respectively.

6. NOTES PAYABLE

On February 2, 2023, Forta received a PPP loan in the amount of \$422,900. This PPP loan bears a fixed interest rate of 1% over a five-year term, is guaranteed by the federal government, and does not require collateral. The Small Business Administration has informed Forta that it applied for more than was allowed in the program and that \$339,070 of the outstanding principal is forgiven, but because Forta obtained a greater loan amount than was forgiven, the remaining balance of \$83,830 is owed by Forta.

Company's maturities of debt subsequent to December 31, 2024 are as follows:

Schedule of debt maturities		
	2025	—
	2026	\$83,830
2027 and thereafter		—
Total Debt maturities		\$83,830

7. ACCRUED EXPENSES

Accrued expenses consist of the following at December 31, 2024:

Accrued exp & other curr liab'	December 31, 2024	September 30, 2024
Accrue E&O Liability	\$60,985.93	\$60,985.93
FCC Termination fee obligation	125,479.97	125,479.97
Federal Tax Liability	5,670.00	
Payable to Advisors	329,029.74	363,110.84
Payroll payable	10,354.71	516.76
Sales Tax Payable	52,000.00	45,680.52
State Corp Tax liability	5,608.83	5,000.00
Total Accrued exp & other curr liab'	\$589,129.18	\$604,347.60
Total w/o advisor payable	\$260,099.44	\$265,451.82
Vacation pay liability	\$9,837.95	\$27,788.64

Commissions payable is a timing issue due to payment being made during the next month. Approximately \$85,000 in commissions are subject to an adjustment dispute.

8. INCOME TAXES

Company elected C Corporation tax status from inception. Net operating losses ("NOL") total approximately \$9,700,000 as of December 31, 2024. NOL generated in tax years beginning after December 31, 2017, and before January 1, 2021 (including those generated in 2018, 2019, and 2020) are subject to the 80% limitation when carried forward to tax years beginning after December 31, 2020. The projected federal income tax for the year ending September 20, 2025 is approximately \$5000 and has been recorded in the accompanying statements of operations.

The following table summarizes the difference between the actual tax provision and the amounts obtained by applying the statutory tax rates to the income or loss before income taxes for the three ended December 31:

A deferred tax liability or asset is determined based on the difference between the financial statement and tax bases of assets and liabilities as measured by the enacted tax rates which will be in effect when these differences reverse. Deferred tax expense or benefit in the accompanying consolidated statements of operations are the result of changes in the assets and liabilities for deferred taxes. The measurement of deferred tax assets is reduced, if necessary, by the amount for any tax benefits that, based on available evidence, are not expected to be realized. Income tax expense is the current tax payable or refundable for the year plus or minus the net change in the deferred tax assets and liabilities. Deferred income taxes of Company arise from the temporary differences between financial statement and income tax recognition of NOL carry-forwards. A valuation allowance for the full amount of the NOL has been recognized. For tax years beginning after December 31, 2017, the NOL deduction is limited to 80% of taxable income (calculated without regard to the deduction). This means that companies can only use NOLs to offset up to 80% of their taxable income in a given year.

The deferred tax assets and liabilities in the accompanying consolidated balance sheets include the following components at fiscal year-end, September 30:

Schedule of deferred tax assets and liabilities

	2024	2023
Net operating loss carryforward	(\$9,716,067)	(\$7,106,246)
Valuation allowance	(\$9,716,067)	(\$7,106,246)

9. COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS

Leases

Company leases its office space through an operating lease in Lakeway, Texas, and a short-term lease in Carmel, California. Company's lease agreements do not contain any material residual value, guarantees or material restrictive covenants. Company determines if an arrangement is an operating lease at inception. Leases with an initial term of less than 12 months are not recorded on the balance sheet. All other leases are recorded on the balance sheet as right-of-use assets and lease liabilities for the lease term. Lease assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term and include options to extend or terminate the lease when they are reasonably certain to be exercised. The present value of lease payments is determined primarily using the incremental borrowing rate based on the information available at lease commencement date. Company's operating lease expense is recognized on a straight-line basis over the lease term and is recorded in general and administrative expenses.

Company incurred lease expenses for its operating leases of approximately \$18,000 and \$25,000 (including CAM expense) for the Three Months Ending December 31, 2024 and 2023, respectively, which was included in "General and Administrative" expense on the accompanying consolidated statements of operations. Rent expense is recorded on a straight-line basis over the term of the lease. Management expects that in the normal course of business, leases will be renewed or replaced by other leases.

Company has a lease in Lakeway, Texas. The lease runs through January 31, 2027. The total rent expense for the lease was approximately \$39,000 and \$39,000 for the years ended December 31, 2024 and 2023, respectively. There are renewal options at the end of this lease. At this time, renewal is uncertain. Company entered into a short-term lease in Carmel, California which will be terminated in the next fiscal quarter.

Minimum future annual rental payments under non-cancelable operating leases having original terms in excess of one year are approximately as follows:

	2025	31,388
	2026	30,257
	2027	2,445
		<hr/>
Total undiscounted lease payments		\$64,091
Approximate Imputed interest		5,196
		<hr/>
Present value of lease payable		\$69,286
		<hr/> <hr/>

Legal Proceedings

From time to time Company is involved in litigation. There are presently three matters pending: 1) A lawsuit was filed against FGAM, alleging that FGAM is responsible for the recommendations made by a third-party solicitor and that FGAM failed to supervise the solicitor. Further the plaintiffs allege that the solicitor's associate was a registered advisor with FGAM, who FGAM allegedly failed to adequately supervise and is responsible for all investment advice by the associate, including the advice provided by the solicitor. The claim dates from more than four years ago, and is not insured. It is too early to determine whether FGAM has any exposure; 2) Forta

and FGFS have been sued alleging that investments that were recommended were unsuitable for a client. The alleged losses arise from investment recommendations made by the client's prior brokerage firm. The allegation is that Forta and FGFS should have recommended that the investments be sold. It is currently unclear how Forta and FGFS can be liable under these circumstances, but an analysis is ongoing; 3) FGFS commenced an arbitration with an advisor alleging breaches of obligations. The advisor has claimed unpaid commissions of \$75,000, which FGFS denies. Case will be moved to Federal Court in Texas. It is too early to determine the outcome. Company has incurred significant attorneys' fees obligations that reflect in the increase in payables. Company has consolidated its legal representation and will be addressing the attorneys' fees payable next quarter.

10. STOCKHOLDERS' EQUITY

Common Stock

Company is authorized to issue up to 300,000,000 shares of common stock, par value \$0.001 per share.

Preferred Stock

Financial Gravity Companies, Inc. does not have a preferred stock authorization in its articles of incorporation.

Common Stock Issuances

02/22/2023 Company issued 1,000,000 shares in consideration of \$80,000.

06/22/2023 Company issued 968,782 shares in consideration of the purchase of \$96 million in AUM.

06/30/2023 Company issued 1,000,000 shares in consideration of \$100,000.

12/21/2023 Company issued 500,000 shares in connection with the transfer of \$50 million in AUM in connection with the potential acquisition of advisor business assets.

11. STOCK OPTION PLAN

Effective November 22, 2016, Company established the 2016 Stock Option Plan, as amended (the "2016 Plan"). Company's Board of Directors has the authority and discretion to grant stock options. The maximum number of shares of stock that may be issued pursuant to the exercise of stock options under the Plan is 20,000,000 and the maximum term of an award is 10 years. Eligible individuals include any employee of Company or any director, consultant, or other person providing services to Company. The expiration date and exercise price of each option grant are as established by Company's Board of Directors. The first date any options were granted under the 2016 Plan was December 19, 2016. There is also a dormant 2015 Plan with 8,632 shares eligible for issuance pursuant to option exercises.

Financial Gravity Companies, Inc. Stock Option Activity and Disclosure Report

For: 10/01/2024 -- 12/31/2024

\$0.3000 Share Price as of Tue Dec 31, 2024

All Stock Award Activity Details		Weighted Avg. Exercise Price	Weighted Avg. Fair Value*	Total Fair Value*	Aggregate Intrinsic Value
Awards Outstanding as of 10/01/2024	7,697,542	\$0.23	\$0.11	\$855,047.63	\$810,737.50
Awards Granted in Period	0	\$0.00	\$0.00	\$0.00	\$0.00
Performance Awards Over 100%, Earned in Period	0	\$0.00	\$0.00	\$0.00	\$0.00
Awards Exercised	0	\$0.00	\$0.00	\$0.00	\$0.00
Awards Canceled	0	\$0.00	\$0.00	\$0.00	\$0.00
Expired	0	\$0.00	\$0.00	\$0.00	\$0.00
Forfeited	0	\$0.00	\$0.00	\$0.00	\$0.00
Other	0	\$0.00	\$0.00	\$0.00	\$0.00
Awards Outstanding as of 12/31/2024	7,697,542	\$0.23	\$0.11	\$855,047.63	\$810,737.50
Awards Vested	5,462,371	\$0.22	\$0.10	\$522,503.61	\$546,357.04
Awards Nonvested	2,235,171	\$0.26	\$0.15	\$332,544.02	\$264,380.46

Awards Exercisable as of 12/31/2024	5,462,371	\$0.22	\$0.10	\$522,503.61	\$546,357.04
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Stock Awards Outstanding as of
12/31/2024

Awards Outstanding		Weighted Avg. Exercise Price (based on total)	Weighted Avg. Remaining Contractual Life (in years, based on total)
<u>Exercise Price Range</u>	<u>Total Outstanding</u>		
\$0.0000 - \$2.0000	7,697,542	\$0.23	\$6.11
	7,697,542		

Stock Awards Vested as of
12/31/2024

Awards Vested		Weighted Avg. Exercise Price (based on total)	Weighted Avg. Remaining Contractual Life (in years, based on total)
<u>Exercise Price Range</u>	<u>Awards Vested</u>		
\$0.0000 - \$2.0000	5,462,371	\$0.22	\$5.31
	5,462,371		

The stock options granted under the 2016 Plan have 2-to-5-year vesting periods. Total compensation expense included previously unamortized stock-based compensation was approximately \$20,000 and approximately \$10,000 for the three ended December 31, 2024 and 2023, respectively.

12. RELATED PARTY TRANSACTIONS

Included in compensation expenses for TMN were consulting fees paid to a related party as a condition to the TMN acquisition. One agreement is with an entity owned by Ed Lyon to provide consulting services to TMN, including updating of the tax strategies to comply with tax law and rules. The payments each month are \$5,000, and commissions are earned on the sale of tax blueprints. The total annual payments under this agreement are \$60,000, plus the commissions. The other agreement is with Van Data Management LLC, which is owned by Keith VandeStadt, one of the former owners of TMN. Mr. VandeStadt provides consulting services to TMN and is paid \$1,500 per month, for an annual total of \$18,000, and additional charges for hourly programming work that typically does not exceed \$10,000 annually.

The Company owes a company owned by John Pollock, a Board Member, the sum of \$50,750 for consulting services as of December 31, 2024. Payments are not being made at this time on this obligation.

13. SUBSEQUENT EVENT

Mark Williams has voluntarily resigned from Company's Board of Directors and from all committees. In anticipation of growth, Company has hired new employees that will add approximately \$50,000 per month to compensation expense.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Scott Winters certify that:

1. I have reviewed this Disclosure Statement for Financial Gravity Companies, Inc.;
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.

February 4, 2025

/s/ Scott Winters

Principal Financial Officer:

I, Gary Nemer certify that:

1. I have reviewed this Disclosure Statement for Financial Gravity Companies, Inc.;
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.

February 4, 2025

/s/ Gary Nemer