WINMILL & CO.

INCORPORATED

INVESTMENTS SINCE 1974

Unaudited Quarterly Report

For the quarterly period ended March 31, 2023

WINMILL & CO. INCORPORATED

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WINMILL & CO. INCORPORATED
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2023	December 31, 2022
Assets		
Current assets		
Cash	$ 860,880	$ 931,471
Investment in securities	10,296,154	9,662,677
Receivables:		
Management and other fees	48,819	48,477
Distribution fees	5,828	5,914
Co-transfer agent and recordkeeping	3,383	3,565
Affiliates	34,011	57,518
Prepaid expenses	37,233	52,221
Total current assets	11,286,308	10,761,843
Property and equipment, net	9,585	5,834
Other assets	14,556	14,523
Deferred tax assets	—	—
Total non-current assets	24,141	20,357
Total assets	$ 11,310,449	$ 10,782,200
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued expenses	$ 168,251	$ 221,868
Total liabilities	168,251	221,868
Shareholders' equity		
Common stock, $0.01 par value:		
Class A, 1,500,000 shares authorized; 1,398,758 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	13,988	13,988
Class B, 20,000 shares authorized, issued, and outstanding	200	200
Additional paid in capital	5,070,452	5,070,452
Retained earnings	6,057,558	5,475,692
Total shareholders' equity	11,142,198	10,560,332
Total liabilities and shareholders' equity	$ 11,310,449	$ 10,782,200

See notes to unaudited consolidated financial statements.

WINMILL & CO. INCORPORATED
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Revenues		
Management and other fees	$ 147,704	$ 156,517
Distribution and service fees	17,548	21,069
Co-transfer agent and recordkeeping	4,474	5,241
Total revenues	169,726	182,827
Expenses		
Compensation and benefits	167,056	154,952
Professional services	25,458	33,461
General and administrative	30,024	20,702
Marketing	8,501	6,810
Depreciation	898	987
Total expenses	231,937	216,912
Operating loss	(62,211)	(34,085)
Other income		
Dividends and interest	10,600	9,249
Unrealized gain on investment in securities	633,477	448,063
Total other income	644,077	457,312
Income before income taxes	581,866	423,227
Income tax benefit	—	—
Net income	$ 581,866	$ 423,227
Basic and diluted net income per share	$ 0.41	$ 0.30
Basic and diluted weighted average shares outstanding	1,418,758	1,418,773

See notes to unaudited consolidated financial statements.

WINMILL & CO. INCORPORATED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Shares Common Stock		Par Value Common Stock		Additional Paid in Capital	Retained Earnings	Total Shareholders' Equity
	Class A	Class B	Class A	Class B			
Balance at December 31, 2022	1,398,758	20,000	$ 13,988	$ 200	$ 5,070,452	$ 5,475,692	$ 10,560,332
Net income	—	—	—	—	—	581,866	581,866
Balance at March 31, 2023	1,398,758	20,000	$ 13,988	$ 200	$ 5,070,452	$ 6,057,558	$ 11,142,198

See notes to unaudited consolidated financial statements.

WINMILL & CO. INCORPORATED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Shares Common Stock		Par Value Common Stock		Additional Paid in	Retained	Total Shareholders'
	Class A	Class B	Class A	Class B	Capital	Earnings	Equity
Balance at December 31, 2021	1,398,808	20,000	$ 13,988	$ 200	$ 5,070,490	$ 4,565,947	$ 9,650,625
Net income	—	—	—	—	—	423,227	423,227
Common stock repurchases	(50)	—	—	—	(38)	—	(38)
Balance at March 31, 2022	1,398,758	20,000	$ 13,988	$ 200	$ 5,070,452	$ 4,989,174	$ 10,073,814

See notes to unaudited consolidated financial statements.

WINMILL & CO. INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2023	2022
Cash flows from operating activities		
Net income	$ 581,866	$ 423,227
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Unrealized gain on investments in securities	(633,477)	(448,063)
Depreciation	898	987
Changes in operating assets and liabilities:		
Receivables for management and other fees	(342)	15,257
Receivable for distribution fees	86	(157)
Receivable for co-transfer agent and recordkeeping	182	(1,507)
Receivables from affiliates	23,507	10,990
Dividend receivable	—	1,277
Prepaid expenses	14,988	12,767
Other assets	(33)	(2)
Accounts payable and accrued expenses	(53,617)	(141,530)
Net cash used in operating activities	(65,942)	(126,754)
Cash flows from investing activities		
Equipment additions	(4,649)	—
Net cash used in financing activities	(4,649)	—
Cash flows from financing activities		
Common stock repurchases	—	(38)
Net cash used in financing activities	—	(38)
Net decrease in cash	(70,591)	(126,792)
Cash, beginning of period	931,471	1,478,793
Cash, end of period	$ 860,880	$ 1,352,001

See notes to unaudited consolidated financial statements.

1. THE COMPANY

The objective of Winmill & Co. Incorporated ("Winco" and together with its subsidiaries, the "Company") is to increase book value per share over time for the benefit of its stockholders. Through subsidiaries Winco provides investment management and distribution for the two mutual funds in the Midas Funds family and investment management for the closed end fund Foxby Corp. Winco is a Delaware corporation, and its Class A common shares are quoted over the counter under the stock symbol WNMLA.

The following are Winco's operating subsidiaries, all of which are wholly owned:

> Midas Management Corporation ("MMC") is a registered investment adviser. MMC advises (i) the Midas Series Trust (the "Midas Trust"), a family of open-end mutual funds consisting of Midas Fund (net asset value per share symbol MIDSX) ("Midas") and Midas Magic (net asset value per share symbol MISEX) ("Magic"), and (ii) Foxby Corp., a closed end investment company (stock symbol FXBY) (net asset value per share symbol XFXBX) ("Foxby" and collectively with Midas and Magic the "Funds").
>
> Midas Securities Group, Inc. ("MSG") is a registered broker-dealer. MSG provides distribution and shareholder services and other activities to the Midas Trust on behalf of Midas and Magic. Approximately 24% of the outstanding securities of Foxby are held by MSG.
>
> Performance Driven Properties, Inc. ("PDP") holds and licenses the trade names and internet domain names used by the Company and its affiliates.
>
> Closed End Funds Marketing LLC, a shareholder relations services company.

The Company's affiliates, which have certain officers and directors that are also officers and directors of the Company, are:

> Bexil Corporation ("Bexil") is primarily engaged through a wholly owned subsidiary in investment management. Shares of Bexil are quoted over the counter under the stock symbol BXLC. Approximately 31% of the outstanding securities of Bexil are held by MSG.
>
> Global Self Storage, Inc. ("Global") is a self-administered and self-managed real estate investment trust that owns, operates, manages, acquires, and redevelops self storage properties. Global's common stock is listed on the Nasdaq Capital Market under the ticker symbol SELF. Approximately 1% of the outstanding securities of Global are held by the Company.
>
> Tuxis Corporation ("Tuxis") is a holding company that engages through subsidiaries primarily in real estate development and management. Shares of Tuxis are quoted over the counter under the stock symbol TUXS. Approximately 19% of the outstanding securities of Tuxis are held by MSG.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the financial position, results of operations, and cash flows of Winco and its wholly owned subsidiaries. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All material intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments purchased with an original maturity of three months or less and may include, among other things, money market fund shares. The carrying amount reported on the balance sheets for cash and cash equivalents approximates fair value.

Income Taxes

The Company records the current and deferred tax consequences of all transactions that have been recognized in the financial statements in accordance with the provisions of the enacted tax laws. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future years. Deferred tax liabilities are recognized for temporary differences that will result in taxable income in future years. The Company records a valuation allowance, when necessary, to reduce deferred tax assets to an amount that more likely than not will be realized.

The Company has reviewed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal, state, and local income tax returns for open tax years (2019 – 2022) or expected to be taken in the Company’s 2023 tax returns.

Investments in Securities

Investments in equity securities that have readily determinable fair values are measured at fair value. Gains or losses from changes in the fair value of equity securities are recorded in net income, until the investment is sold or otherwise disposed. The specific identification method is used to determine the realized gain or loss on investments sold or otherwise disposed. Fair value is determined using a valuation hierarchy generally by reference to an active trading market, using quoted closing or bid prices. Judgment is used to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are charged to operations as incurred. Depreciation and amortization are calculated using the straight-line method over the estimated useful life of the asset of 3-7 years for office equipment.

Regulation

MSG is registered under the Securities Exchange Act of 1934 (“Exchange Act”) as a broker/dealer and is a member of the Financial Industry Regulatory Authority, Inc. MMC is registered with the Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended.

Revenue Recognition

The Company recognizes revenue from management and other fees consisting of payments for investment management and administrative services performed by MMC pursuant to Investment Management Agreements (“IMA”) with each of the Funds. Under the terms of each IMA, the Funds pay MMC a fee monthly for investment management services based on a percentage of assets under management and reimburses the Company monthly for providing at cost certain administrative services (including, but not limited to, compliance and accounting services).

The Company recognizes revenue from distribution and shareholder services to the Midas Trust provided by MSG. The Midas Trust adopted a plan in accordance with Rule 12b-1 under the Investment Company Act of 1940, as amended, on behalf of Midas and Magic, and each of Midas and Magic pays the Company a 12b-1 fee monthly as compensation for the distribution and shareholder services at an annual rate based on that Fund’s average daily net assets. As such, distribution and shareholder service fees recognized in the current period are related to performance obligations that have been satisfied during such period.

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for services provided in the normal course of business. Revenue is generally accrued over the period for which the service is provided.

Use of Estimates

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

3. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of March 31, 2023 and December 31, 2022:

	March 31, 2023	December 31, 2022
Computers and equipment	$ 13,875	$ 9,225
Less: Accumulated depreciation	(4,290)	(3,391)
Property and equipment, net	$ 9,585	$ 5,834

Depreciation expense for the three months ended March 31, 2023 and 2022, was $898 and $987, respectively.

4. INVESTMENTS IN SECURITIES

Investments in securities as of March 31, 2023 and December 31, 2022, consisted of the following:

		Gross Unrealized		
March 31, 2023	**Cost Basis**	**Gains**	**Losses**	**Value**
Common stock of publicly traded affiliates				
Bexil Corporation	$ 1,988,723	$ 5,247,208	$ —	$ 7,235,931
Tuxis Corporation	2,431,212	—	(1,809,349)	621,863
Foxby Corp.	1,469,791	248,002	—	1,717,793
Global Self Storage, Inc.	657,773	62,794	—	720,567
	6,547,499	5,558,004	(1,809,349)	10,296,154
Other equity securities	1,170	—	(1,170)	—
Total investment in securities	$ 6,548,669	$ 5,558,004	$ (1,810,519)	$ 10,296,154

		Gross Unrealized		
December 31, 2022	**Cost Basis**	**Gains**	**Losses**	**Value**
Common stock of publicly traded affiliates				
Bexil Corporation	$ 1,988,723	$ 4,634,936	$ —	$ 6,623,659
Tuxis Corporation	2,431,212	—	(1,750,682)	680,530
Foxby Corp.	1,469,791	204,579	—	1,674,370
Global Self Storage, Inc.	657,773	26,345	—	684,118
	6,547,499	4,865,860	(1,750,682)	9,662,677
Other equity securities	1,170	—	(1,170)	—
Total investment in securities	$ 6,548,669	$ 4,865,860	$ (1,751,852)	$ 9,662,677

5. FAIR VALUE MEASUREMENTS

The use of estimated fair value to measure the financial instruments held by the Company is fundamental to its consolidated financial statements and is a critical accounting estimate because a substantial portion of its assets and liabilities are recorded at estimated fair value. The application of fair value measurements may be on a recurring or nonrecurring basis depending on the accounting principles applicable to the specific asset or liability or whether management has elected to carry the item at its estimated fair value.

The hierarchy of valuation techniques is based on whether the inputs to those techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company’s market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 — Quoted prices in active markets for identical instruments or liabilities.

Level 2 — Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants would use in pricing an asset or liability and are developed based on market data obtained from sources independent of the Company. These may include quoted prices for similar assets and liabilities, interest rates, prepayment speeds, credit risk, and market-corroborated inputs.

Level 3 — Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or unreliable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Company's own assumptions about the factors that market participants use in pricing an asset or liability and are based on the information available in the circumstances.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when estimating fair value. The valuation method used to estimate fair value may produce a fair value measurement that may not be indicative of ultimate realizable value. Furthermore, while management believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methods or assumptions to estimate the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available and reliable market for such loans or investments existed, or had such loans or investments been liquidated, and those differences could be material to the financial statements.

Investments in securities. Investments in securities consist of shares of publicly traded affiliates and other equity securities. The value of the securities of the Nasdaq Capital Market listed publicly traded affiliate, Global, and other equity securities are based on a traded market prices at March 31, 2023 and is considered to be a level 1 measurement. The value of the securities of the other publicly traded but unlisted affiliates is considered to be a level 2 measurement.

The assets held by the Company and its subsidiaries that were measured at fair value were as of March 31, 2023 and December 31, 2022, as follows:

March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Investment in securities				
Common stock of publicly traded affiliates	$ 720,567	$ 9,575,587	$ —	$ 10,296,154
Other equity securities	—	—	—	—
Total assets at fair value	$ 720,567	$ 9,575,587	$ —	$ 10,296,154

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Investment in securities				
Common stock of publicly traded affiliates	$ 684,118	$ 8,978,559	$ —	$ 9,662,677
Other equity securities	—	—	—	—
Total assets at fair value	$ 684,118	$ 8,978,559	$ —	$ 9,662,677

No liabilities of the Company were measured at fair value as of March 31, 2023 and December 31, 2022.

6. EARNINGS PER SHARE

Basic earnings per share is computed using the weighted average number of shares outstanding. Diluted earnings per share is computed using the weighted average number of shares outstanding adjusted for the incremental shares attributed to potentially diluted securities. The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31,	
	2023	2022
Net income	$ 581,866	$ 423,227
Basic and diluted weighted average common shares outstanding	1,418,758	1,418,773
Basic and diluted net income per share of common stock	$ 0.41	$ 0.30

7. CAPITAL STOCK

As of March 31, 2023, the Company was authorized to issue 1,500,000 shares of $0.01 par value Class A common stock and 20,000 shares of $0.01 par value of Class B common stock. As of March 31, 2023, 1,398,758 shares of Class A and 20,000 shares of Class

B had been issued and was outstanding. Class A and Class B common stock are identical in all respects except for voting rights, which are vested solely in the Class B common stock.

8. INCOME TAXES

The Company had a statutory tax rate of 21% and an effective tax rate of 0% and 0% for the three months ended March 31, 2023 and 2022, respectively, with the difference attributable to changes in the amount of deferred tax assets and liabilities and the corresponding valuation allowance.

Deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company has evaluated the available evidence supporting the realization of its gross deferred tax assets, including the amount and timing of future taxable income, and has determined that, based on net losses to date, it may not utilize all of its deferred tax assets in the future. The Company established a full valuation allowance against its deferred tax assets as of March 31, 2023 and December 31, 2022, respectively.

As of December 31, 2022, the Company has federal net operating loss carryovers of approximately $3,057,000 which will not expire.

The utilization of net operating loss carryovers may be subject to limitations under the provision of Section 382 of the Internal Revenue Code of 1986, as amended and similar state provisions.

ASC 740-10, Accounting for Uncertain Tax Positions, requires that the Company recognize the impact of tax positions in the financial statements if the position is more likely than not to be sustained upon examination and on the technical merits of the position. The Company's policy is to recognize interest accrued related to unrecognized tax benefits and penalties as income tax expense. The Company has no material uncertain tax positions at March 31, 2023 and December 31, 2022. Consequently, no interest or penalties have been accrued by the Company.

The Company is subject to taxation in the U.S. and various state jurisdictions. The Company is no longer subject to federal examination for years before 2019.

9. RELATED PARTIES

Pursuant to an arrangement among a professional employer organization ("PEO") and Winco, Bexil, Tuxis, and Global (collectively with Winco, the "Affiliates"), the PEO provides payroll, benefits, compliance, and related services for employees of the Affiliates in accordance with applicable rules and regulations of the Internal Revenue Service, and in connection therewith MMC acts as a conduit payer for such services, including those who are concurrently employed. Expenses for various concurrently used administrative and support functions incurred by the Affiliates are allocated at cost among them. As of March 31, 2023 and December 31, 2022, the Company had a receivable from the Affiliates for compensation, benefits, and administrative support function expenses of $33,455 and $57,518, respectively.

The Company leases office and storage space from Global under certain rental agreements. The terms of occupancy are month to month and automatically renew unless terminated by either party. The Company incurred rental expense of $600 and $1,800 for the three months ended March 31, 2023 and 2022, respectively.

The Company earned investment management and other fees of $147,704 and $156,517 for the three months ended March 31, 2023 and 2022, respectively, and had a receivable for investment management fees and other fees of $48,819 and $48,477 as of March 31, 2023 and 2022, respectively.

The Company earned distribution and service fees of $17,548 and $21,069 for the three months ended March 31, 2023 and 2022, respectively, and had a receivable for distribution and service fees of $5,828 and $5,914 as of March 31, 2023 and 2022, respectively.

MSG has entered into agreements with selected dealers for distribution, shareholder servicing, and recordkeeping for the Midas Trust. The charges of such dealers for distribution and shareholder servicing are borne by MSG and the charges for recordkeeping are reimbursed by Midas and Magic. The Company recorded income of $4,474 and $5,241 for reimbursed co-transfer agent and recordkeeping for the three months ended March 31, 2023 and 2022, respectively, and had a receivable for co-transfer and recordkeeping of $3,383 and $3,565 as of March 31, 2023 and 2022, respectively.

The Company earned dividends of $10,164 and $9,112 from its investments in Global for the three months ended March 31, 2023 and 2022, respectively.

Certain officers of the Company also serve as officers and/or directors of the Funds, Bexil, Tuxis, and Global.

During 2020, MMC (the “Borrower”) entered into a Paycheck Protection Program Term Note (“PPP Note”) with Customers Bank on behalf of itself and the Affiliates under the Paycheck Protection Program (the “Program”) of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) administered by the U.S. Small Business Administration (the “SBA”). The Borrower received total proceeds of $486,602 from the PPP Note of which $74,352 was attributable to the Company under the SBA’s loan determination formula. In accordance with the requirements of the CARES Act, the Affiliates used the proceeds from the PPP Note primarily for payroll and other eligible costs. On April 5, 2022, the Borrower was granted forgiveness of the entire PPP Note and any accrued interest. Upon the notice of forgiveness the Company paid the Affiliates their respective allocated gain of $411,950.

10. REGULATORY REQUIREMENTS

MSG is subject to the Uniform Net Capital Rule under Rule 15c3-1 of the Exchange Act. MSG must maintain net capital, as defined, of not less than $5,000 or 6-2/3% of aggregate indebtedness, whichever is greater, and a ratio of aggregate indebtedness to net capital, as defined, of not more than 15 to 1. As of March 31, 2023, MSG had net capital of $707,982, which exceeded its $5,000 required minimum level net capital by $702,982. The ratio of aggregate indebtedness to net capital was approximately 0.05 to 1.

11. COMMITMENTS AND CONTINGENCIES

The Company enters into contracts that contain a variety of representations and warranties and which may provide general indemnifications. Additionally, the Company may be threatened with or engaged in litigation from time to time. The Company’s maximum exposure under the foregoing is unknown as it involves future claims that may be made against the Company under circumstances that have not occurred.

12. RISKS AND UNCERTAINTIES

General Market Risks

The Company’s portfolio and the success of its activities are affected by global and national economic, political and market conditions generally and also by the local economic conditions where its assets are located. Certain external events such as public health crises, including the novel coronavirus (“COVID-19”) and its variants, natural disasters and geopolitical events, including the ongoing conflict between Russia, Belarus and Ukraine, have led to increased financial and credit market volatility and disruptions, leading to record inflationary pressure, rising interest rates, supply chain issues, labor shortages and recessionary concerns. Additionally, in response to recent inflationary pressure, the U.S. Federal Reserve and other global central banks have raised interest rates in 2022 and 2023 may further raise interest rates. The full impact of such external events on the financial and credit markets and consequently on the Company’s financial conditions and results of operations is uncertain and cannot be fully predicted.

Credit Risk

The Company maintains cash and cash equivalents in accounts with various financial institutions, and at times, account balances may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.