REFINITIV

DELTA REPORT

10-Q

MDBH - MDB CAPITAL HOLDINGS, LLC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1535
CHANGES	249
DELETIONS	639
ADDITIONS	647

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, MARCH 31, 2023 2024

OR

☐**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission Commission File Number: **001-41751**

MDB CAPITAL HOLDINGS, LLC
(Exact name of registrant as specified in its charter)

Delaware	**87-4366624**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
14135 Midway Road, Suite G-150 Addison, TX 75001	**75001**
(Address of principal executive offices)	(Zip code)

(310 (945)) 526-5000 262-9010
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

None

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Shares, representing Limited Liability Interests	MDBH	Nasdaq Capital Markets

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days. **YES** ☒ **NO** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). **YES** ☒ **NO** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	**Accelerated Filer**	☐
Non-accelerated Filer	☐	**Smaller Reporting Company**	☒
		Emerging Growth Company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **YES** ☐ **NO NO** ☒ ☒

As of November 14, 2023 May 13, 2024, the number of outstanding shares of Class A Common Shares, representing limited liability interests, of the registrant was 4,295,632.

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PART I – FINANCIAL INFORMATION

UNAUDITED CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2023 (Unaudited)	December 31, 2022	March 31, 2024 (Unaudited)	December 31, 2023
Assets				
Cash and cash equivalents	$ 24,445,550	$ 4,952,624	$ 5,492,612	$ 6,109,806
Restricted cash	2,000,000	-		
Cash segregated in compliance with regulations			2,959,994	1,247,881
Grants receivable, includes unbilled receivables of $503,777 and $783,520	676,452	809,532	1,111,611	882,319
Clearing deposits			703,740	260,000
Prepaid expenses and other current assets	561,536	309,818	494,463	523,788
Investment securities, at amortized cost (U.S. Treasury Bills)	7,495,988	16,188,920	21,381,362	24,658,611
Investment securities, at fair value (held by our licensed broker dealer) (Note 2)	4,964,725	832,577	4,999,237	5,771,634
Investment securities, at cost less impairment (held by our licensed broker dealer)	50,000	50,000		
Investment securities, at cost less impairment	300,000	200,000	200,000	200,000
Deferred offering cost	-	323,224	266,945	69,303
Deferred costs related to deferred revenue			147,503	75,328
Property and equipment, net	842,306	624,644	946,850	866,490
Operating lease right-of-use assets, net	2,126,213	1,409,732	2,235,559	2,320,119
Total assets	$ 43,462,770	$ 25,701,071	$ 40,939,876	$ 42,985,279
LIABILITIES AND EQUITY				
Accounts payable	$ 1,040,131	$ 698,782	$ 916,782	$ 578,214
Accrued expenses	154,264	254,745	515,853	1,105,078
Income taxes payable	158,269	-		
Payables to non-customers			2,374,132	1,405,293
Payables to customers			1,115,663	-
Deferred grant reimbursement	153,663	214,998	133,909	140,703
Deferred tax liability	225,874	-		
Deferred revenue	200,000	-	20,000	20,000
Operating lease liabilities	2,210,005	1,423,538	2,339,955	2,415,889
Total liabilities	4,142,206	2,592,063	7,416,294	5,665,177
Commitments and Contingencies (Note 9)				
Equity:				
Preferred shares, 10,000,000 authorized shares at no par value; 0 issued and outstanding	-	-	-	-

Class A common shares, 95,000,000 authorized shares at no par value; 4,295,632 and 2,628,966 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	-	-		
Class A common shares, 95,000,000 authorized shares at no par value; 4,295,632 and 4,295,632 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			-	-
Class B common shares, 5,000,000 authorized shares at no par value; 5,000,000 shares issued and outstanding	-	-	-	-
Common stock value	-	-		
Common stock, value			-	-
Paid-in-capital	45,274,523	27,764,453	53,075,777	49,405,779
Accumulated deficit	(6,255,406)	(5,124,110)	(19,308,352)	(12,092,927)
Total MDB Capital Holdings, LLC Members' equity	39,019,117	22,640,343	33,767,425	37,312,852
Non-controlling interest	301,447	468,665	(243,843)	7,250
Total equity	39,320,564	23,109,008	33,523,582	37,320,102
Total liabilities and equity	$ 43,462,770	$ 25,701,071	$ 40,939,876	$ 42,985,279

See accompanying notes to the unaudited condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	2023	2022	2023	2022	2024	2023
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Operating income (loss):						
Unrealized gain (loss) on investment securities, net (from our licensed broker dealer) (Note 2)	$ (786,906)	$ 16,072	$ 696,965	$ (3,836)		
Realized loss on investment securities, net (from our licensed broker dealer)	-	-	-	(7)		
Fee income	-	-	4,233,120	-		
Unrealized gain (loss) on investment securities, net (from our licensed broker dealer) (Notes 1 and 2)					$ (747,268)	$ 54,779
Other operating income	11,502	57,903	140,873	107,356	86,879	62,212
Total operating income (loss), net	(775,404)	73,975	5,070,958	103,513	(660,389)	116,991
Operating costs:						
General and administrative costs:						
Compensation	1,337,771	1,130,256	3,183,515	2,219,954	4,892,675	872,027
Operating expense, related party	273,821	514,798	829,474	882,601	320,292	301,702
Professional fees	459,585	51,035	1,241,089	652,713	919,089	604,662
Information technology	93,326	93,465	408,875	207,944	205,991	147,407
Clearing and other charges	3,316	2,547	382,994	22,342	2,036	10,754
General and administrative-other	327,896	406,536	883,233	1,024,761	669,126	304,079
Total general and administrative costs	2,495,715	2,198,637	6,929,180	5,010,315	7,009,209	2,240,631
Research and development costs, net of grants amounting to $743,320 and $645,731, for the three months ended September 30 and $2,265,408 and $1,651,661, for the nine months ended September 30	27,936	103,633	67,095	295,779		
Research and development costs, net of grants amounting to $708,700 and $793,540					277,582	31,592
Total operating costs	2,523,651	2,302,270	6,996,275	5,306,094	7,286,791	2,272,223
Net operating loss	(3,299,055)	(2,228,295)	(1,925,317)	(5,202,581)	(7,947,180)	(2,155,232)
Other income:				-		
Interest income	176,300	-	548,479	-	337,852	187,291
Net loss before income taxes	(3,122,755)	(2,228,295)	(1,376,838)	(5,202,581)	(7,609,328)	(1,967,941)
Income taxes	63,559	-	384,143	-	-	-
Net loss	(3,186,314)	(2,228,295)	(1,760,981)	(5,202,581)	(7,609,328)	(1,967,941)
Less net loss attributable to non-controlling interests	(177,853)	(144,715)	(341,631)	(418,677)	(393,903)	(94,193)
Net loss attributable to MDB Capital Holdings, LLC	$ (3,008,461)	$ (2,083,580)	$ (1,419,350)	$ (4,783,904)	$ (7,215,425)	$ (1,873,748)

Net loss per share attributable to MDB Capital Holdings, LLC:						
Net loss per Class A common share – basic and diluted	$ (0.49)	$ (0.27)	$ (0.24)	$ (1.43)		
Loss per share attributable to MDB Capital Holdings, LLC:						
Loss per Class A common share – basic and diluted					$ (0.78)	$ (0.25)
Weighted average of Class A common shares outstanding – basic and diluted	2,828,241	2,628,966	2,696,121	1,154,420	4,295,632	2,628,966
Net loss per Class B common share – basic and diluted	$ (0.32)	$ (0.27)	$ (0.15)	$ (0.63)		
Loss per Class B common share – basic and diluted					$ (0.78)	$ (0.25)
Weighted average of Class B common shares outstanding – basic and diluted	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

See accompanying notes to the unaudited condensed consolidated financial statements.

MDB CAPITAL HOLDINGS, LLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)

Three Months Ended During the Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023

	Class A Common Shares		Class B Common Shares						
	Shares	Amount	Shares	Amount	Paid-In Capital	Accumulated Deficit	Members' Equity	Noncontrolling Interest	Total Equity
Balance, December 31, 2022	2,628,966	$ -	5,000,000	$ -	$ 27,764,453	$ (5,124,110)	$ -	$ 468,665	$ 23,109,008
Stock-based compensation	-	-	-	-	-	-	-	54,126	54,126
Net loss	-	-	-	-	-	(1,873,748)	-	(94,193)	(1,967,941)
Balance, March 31, 2023	2,628,966	$ -	5,000,000	$ -	$ 27,764,453	$ (6,997,858)	$ -	$ 428,598	$ 21,195,193
Stock-based compensation	-	-	-	-	-	-	-	58,951	58,951
Net income (loss)	-	-	-	-	-	3,462,859	-	(69,585)	3,393,274
Balance, June 30, 2023	2,628,966	$ -	5,000,000	$ -	$ 27,764,453	$ (3,534,999)	$ -	$ 417,964	$ 24,647,418
Issuance of Class A common shares	1,666,666	-	-	-	17,444,659	-	-	-	17,444,659
Issuance of warrants to purchase Class A common shares	-	-	-	-	65,411	-	-	-	65,411
Stock-based compensation	-	-	-	-	-	288,054	-	61,336	349,390
Net loss	-	-	-	-	-	(3,008,461)	-	(177,853)	(3,186,314)
Balance, September 30, 2023	4,295,632	$ -	5,000,000	$ -	$ 45,274,523	$ (6,255,406)	$ -	$ 301,447	$ 39,320,564

	Class A Common Shares		Class B Common Shares					
	Shares	Amount	Shares	Amount	Paid-In Capital	Accumulated Deficit	Noncontrolling Interest	Total Equity
Balance, December 31, 2023	4,295,632	$ -	5,000,000	$ -	$ 49,405,779	$ (12,092,927)	$ 7,250	$ 37,320,102
Stock-based compensation	-	-	-	-	3,699,998	-	142,810	3,812,808
Net loss	-	-	-	-	-	(7,215,425)	(393,903)	(7,609,328)
Balance, March 31, 2024	4,295,632	$ -	5,000,000	$ -	$ 53,075,777	$ (19,308,352)	$ (243,843)	$ 33,523,582

	Class A Common Shares		Class B Common Shares						
	Shares	Amount	Shares	Amount	Paid-In Capital	Accumulated Deficit	Members' Equity	Noncontrolling Interest	Total Equity
Balance, December 31, 2021	-	$ -	-	$ -	$ -	$ -	$ 6,239,168	$ 522,169	$ 6,761,337
Distribution of Invizyne and PatentVest to members'	-	-	-	-	-	-	(661,799)	-	(661,799)
Net loss from January 1, 2022 to January 16, 2022	-	-	-	-	-	-	(189,943)	(19,239)	(209,182)
Balance, January 16, 2022	-	-	-	-	-	-	5,387,426	502,930	5,890,356
Elimination of members' equity and non-controlling interest upon reorganization (Note 1)	-	-	-	-	-	-	(5,387,426)	(502,930)	(5,890,356)
Members contribution of net assets of Public Ventures, Invizyne and PatentVest and establishment of non-controlling interest	-	-	5,000,000	-	6,049,225	-	-	502,930	6,552,155
Issuance of Class A common shares	100,000	-	-	-	200,000	-	-	-	200,000

Distribution to members (made by our licensed broker dealer) (Notes 1 and 2)	-	-	-	-	(2,723,700)	-	-	-	(2,723,700)
Acquisition of non-controlling interest in PatentVest	-	-	-	-	(325,000)	-	-	-	(325,000)
Stock-based compensation	-	-	-	-	-	-	-	54,126	54,126
Net loss	-	-	-	-	-	(944,934)	-	(133,770)	(1,078,704)
Balance, March 31, 2022	100,000	-	5,000,000	-	3,200,525	(944,934)	-	423,286	2,678,877
Issuance of Class A common shares, net costs of private placement, net of costs of private placement	2,528,966	-	-	-	24,746,142	-	-	-	24,746,142
Issuance of warrants to purchase Class A common shares	-	-	-	-	106,940	-	-	-	106,940
Ownership change of non-controlling interest	-	-	-	-	(464,698)	-	-	464,698	-
Stock-based compensation	-	-	-	-	-	-	-	56,015	56,015
Net loss	-	-	-	-	-	(1,565,447)	-	(120,953)	(1,686,400)
Balance, June 30, 2022	2,628,966	$ -	5,000,000	$ -	$ 27,588,909	$ (2,510,381)	$ -	$ 823,046	$ 25,901,574
Ownership change of non-controlling interest	-	-	-	-	27,804	-	-	(27,804)	-
Stock-based compensation	-	-	-	-	-	-	-	54,087	54,087
Net loss	-	-	-	-	-	(2,083,580)	-	(144,715)	(2,228,295)
Balance, September 30, 2022	2,628,966	$ -	5,000,000	$ -	$ 27,616,713	$ (4,593,961)	$ -	$ 704,614	$ 23,727,366

	Class A Common Shares		Class B Common Shares		Paid-In	Accumulated	Noncontrolling	Total
	Shares	**Amount**	**Shares**	**Amount**	**Capital**	**Deficit**	**Interest**	**Equity**
Balance, December 31, 2022	2,628,966	$ -	5,000,000	$ -	$ 27,764,453	$ (5,124,110)	$ 468,665	$ 23,109,008
Stock-based compensation	-	-	-	-	-	-	54,126	54,126
Net loss	-	-	-	-	-	(1,873,748)	(94,193)	(1,967,941)
Balance, March 31, 2023	2,628,966	$ -	5,000,000	$ -	$ 27,764,453	$ (6,997,858)	$ 428,598	$ 21,195,193

See accompanying notes to the unaudited condensed consolidated financial statements.

MDB CAPITAL HOLDINGS, LLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	2023	2022	2024	2023
	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$ (1,760,981)	$ (5,202,581)	$ (7,609,328)	$ (1,967,941)
Adjustments to reconcile net loss to net cash used in operating activities:				
Unrealized (gain) loss on investment securities, net	(696,965)	3,836	747,268	(54,779)
Realized loss on investment securities, net	-	7		
Stock-based compensation	462,467	164,228	3,812,809	54,126
Accretion of investments at amortized cost (U.S Treasury Bills)	(431,776)	-	(305,047)	(187,291)
Purchases of investment securities, at fair value (made by our licensed broker dealer)	(1,587,500)	-		
Purchases of investment securities, at cost less impairment	-	(200,000)		
Proceeds from sale of investment securities, at fair value (made by our licensed broker dealer)	632,851	-	25,129	776,281
Deferred income tax	225,874	-		
Warrants issued as part of an investment banking deal	165,087	-		
Income recognized from warrants received	(2,645,620)	-		
Depreciation of property and equipment	137,972	104,614	62,792	44,124
Deferred costs related to revenue			(72,175)	
Accretion of deferred grant reimbursement	(38,880)	(32,909)	(13,173)	12,960
Deferred revenue	100,000	-	-	-
Non-cash lease expense	69,986	8,626		
Change in ROU Asset			84,560	57,070
Change in lease liability			(75,934)	(19,286)
Changes in operating assets and liabilities:				
(Increase) decrease in -				
Grants receivable	133,080	(370,516)	(229,292)	(203,122)
Prepaid expenses and other current assets	(251,718)	(813)	(76,810)	39,788
Clearing deposits			(443,740)	-
Increase (decrease) in -				
Accounts payable	341,348	38,308	338,567	399,405
Income taxes payable	158,269	-		
Payables to non-customers			1,212,595	-
Payables to customers			871,907	
Accrued expenses	(100,481)	471,814	(589,225)	(105,527)
Deferred grant reimbursement	(22,455)	80,410		
Net cash used in operating activities	(5,109,442)	(4,934,976)	(2,259,097)	(1,154,192)

CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds of investments securities, at amortized cost (U.S Treasury Bills)	15,078,020	-	12,066,207	-
Purchases of investments securities, at amortized cost (U.S Treasury Bills)	(5,953,312)	(11,061,058)	(8,483,911)	-
Deferred grant reimbursement			6,379	(48,375)
Purchases of property and equipment	(355,634)	(162,416)	(143,152)	(6,942)
Net cash provided by (used in) investing activities	8,769,074	(11,223,474)	3,445,523	(55,317)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from private placement	-	25,289,660		
Proceeds from initial public offering	19,999,992	-		
Costs of private placement	-	(436,578)		
Costs from initial public offering	(2,166,698)			
Deferred costs of initial public offering	-	(480,578)	(91,507)	(272,322)
Distribution to member	-	(2,723,700)		
Acquisition of non-controlling interest in PatentVest	-	(125,000)		
Net cash provided by financing activities	17,833,294	21,523,804		
Net cash used in financing activities			(91,507)	(272,322)
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	21,492,926	5,365,354		
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			1,094,919	(1,481,831)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - BEGINNING OF PERIOD	4,952,624	6,225,458	7,357,687	4,952,624
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF PERIOD	$ 26,445,550	$ 11,590,812	$ 8,452,606	$ 3,470,793
Supplemental disclosures of cash flow information:				
Cash paid for -				
Interest	$ -	$ 9	$ -	$ -
Income taxes	$ -	$ -	$ -	$ -
Non-cash investing and financing activities:				
Distribution of equity to members and subsequent contribution into MDB Capital Holdings, LLC - Invizyne and PatentVest	$ -	$ 661,799		
Ownership change of non-controlling interest	$ -	$ 436,894	$ -	$ 153,044
Partner contribution of members equity into MDB Capital Holdings, LLC	$ -	6,049,225		
Warrants received as part of an investment banking deal	$ 2,480,533	$ -		
Modification of lease - right-of-use asset and lease liability	$ 198,544	$ -		
Record right-of-use asset and operating lease liability	$ 698,249	$ -		
Relinquishment of deferred costs of initial public offering from prior year	$ 323,224	$ -		

Investment securities, at cost less impairment, received in lieu of cash payment	$	100,000	$	-
Issuance of Class A common shares in exchange for non-controlling interest in PatentVest	$	-	$	200,000
Issuance of warrants to purchase Class A stock related to the initial public offering closed on September 20, 2023	$	65,411	$	-
Issuance of warrants to purchase Class A stock related to the private placement offering closed on June 15, 2022	$	-	$	106,940
Deferred costs of initial public offering	$	106,135	$	-

The following table provides a reconciliation of the amount of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets to the total of the same such amounts shown in the unaudited condensed consolidated statements of cash flows:

	September 30, 2023		December 31, 2022	
Cash and cash equivalents	$	24,445,550	$	4,95
Restricted cash		2,000,000		
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	$	26,445,550	$	4,95

	March 31, 2024		**December 31, 2023**	
Cash and cash equivalents	$	5,492,612	$	6,10
Cash segregated in compliance with regulations		2,959,994		1,24
Total cash, cash equivalents, and restricted cash shown in the unaudited condensed consolidated statements of cash flows	$	8,452,606	$	7,35

See accompanying notes to the unaudited condensed consolidated financial statements.

MDB CAPITAL HOLDINGS, LLC
(Formerly Public Ventures, LLC and Subsidiaries)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

1. Organization and Description of Business

MDB Capital Holdings, LLC ("the Company" or "MDB"), a Delaware limited liability company, is a holding company that has three wholly-owned subsidiaries: MDB CG Management Company ("MDB Management"); Public Ventures, LLC ("Public Ventures"); and PatentVest, Inc. ("PatentVest"), and has a majority-owned partner company, Invizyne Technologies, Inc. ("Invizyne").

MDB Management is an "administrative" entity whose purpose is to conduct, and to consolidate wherever possible, to consolidate shared services and other resources, for our US-based operations.

Public Ventures is a U.S. registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA"), the Depository Trust Company ("DTC"), and the Texas State National Securities Board. Clearing Corporation ("NSCC"). Public Ventures operates is dual clearing, operating as a self-clearing firm and carrying accounts for its customers, and on a fully disclosed basis with a nonrelated FINRA member firm, Interactive Brokers, LLC ("Interactive Brokers"), and is not required to maintain a clearing deposit. . Interactive Brokers is the clearing firm and serves as custodian of certain investments maintained by Public Ventures. Public Ventures has been approved by FINRA to be a clearing broker dealer and will commence operating as such in November.

PatentVest is a wholly-owned subsidiary that performs intellectual property validation services for Public Ventures', due diligence functions on the intellectual property of clients and prospective client companies, creates an intellectual property roadmap for client companies, and is also a law firm specializing in patent matters,

Invizyne was formed with the business objective of taking nature's building blocks to make molecules of interest, effectively simplifying nature. Invizyne is a biology technology development company that is a majority-owned subsidiary. Invizyne's technology is a differentiated and unique synthetic biology platform which is designed to enable the scalable exploration of a large number of molecules and properties found in nature.

Prior to January 14, 2022, Public Ventures owned the majority of interests in PatentVest and Invizyne. On January 14, 2022, Public Ventures distributed 100% of its equity interests in PatentVest and Invizyne to its members in proportion to their respective interests. On January 15, 2022, Public Ventures filed with the Internal Revenue Service to be treated as a corporation for federal income tax purposes. On January 16, 2022, the members of Public Ventures contributed their entire interests in the equity of Public Ventures, Invizyne and PatentVest to MDB, as result of which MDB became the new parent holding company. There was no effective change in the beneficial ownership of Public Ventures as a result of this transaction. On the same day as part of the reorganization, MDB established a management company subsidiary, MDB Management. These reorganization steps are collectively referred to as the "reorganization". In connection with the reorganization, 5,000,000 Class B common shares were issued in exchange for the members' equity.

The reorganization was completed between entities that were under common control, and the assets contributed and liabilities assumed are recorded based on their historical carrying values. These unaudited condensed consolidated financial statements retroactively reflect the financial statements of the Company and Public Ventures on a an unaudited condensed consolidated basis for the periods presented.

On January 16, 2022, the Company issued 100,000 shares of Class A common shares for all the then non-controlling interests in PatentVest. PatentVest is now wholly owned by the Company.

On July 1, 2022, the Company made a cash distribution for $2,723,700 to the former members of Public Ventures in accordance with its private offering memorandum. This cash distribution was declared on January 16, 2022.

On June 8, 2022, MDB completed the first closing of a private placement, consisting of the sale of2,517,966 shares of Class A common shares at $10.00per share, for gross proceeds of $25,179,660. On June 15, 2022, the Company completed the second closing of the private placement, consisting of the sale of an additional 11,000 shares of Class A common shares, for gross proceeds of $110,000. Accordingly, the Company received total gross proceeds of $25,289,660 from the sale of 2,528,966 shares of Class A common shares, or $24,746,142 net of $543,518 of offering expenses in conjunction with the private placement, the Company issued warrants to the placement agent to purchase 18,477 shares of Class A common shares, exercisable upon issuance for a period of 10 years at $13.00 per share, for a cash consideration of $0.001/share. The placement agent’s warrants had a fair value of $106,940, as calculated pursuant to the Black-Scholes option-pricing model and were accounted for as issuance costs that were recorded against paid in capital. The warrants issued are accounted for as equity and recorded under paid in capital.

On September 20, 2023, MDB completed an initial public offering (IPO), consisting of the sale of 1,666,666 shares of Class A common shares at $12.00 per share, for gross proceeds of $19,999,992. Accordingly, the Company received total gross proceeds of $19,999,992 from the sale of 1,666,666 shares of Class A common shares, or $17,444,659 net of $2,555,333 of offering expenses. In conjunction with the IPO, the Company issued warrants to the placement agent to purchase 16,667 shares of Class A common shares, exercisable upon issuance for a period of 5 years at $15.00 per share, for a cash consideration of $0.001/share. The placement agent’s warrants had a fair value of $65,411, as calculated pursuant to the Black-Scholes option-pricing model and accounted for as issuance costs that were accounted for as equity instruments and recorded against paid in capital.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and wholly-owned and majority owned subsidiaries. The accompanying unaudited condensed consolidated financial statements and related notes have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial statements and with the instructions to Form 10-Q and Article 10 of Regulation S-X. The consolidated balance sheet as of December 31, 2022 December 31, 2023, and related notes were derived from the audited consolidated financial statements but does not include all disclosures required by U.S. GAAP. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). These unaudited condensed consolidated financial statements reflect, in the opinion of management, all material adjustments (which include normal recurring adjustments) necessary to fairly state, in all material respects, the Company's financial position as of September 30, 2023 March 31, 2024, the results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 and its cash flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023. The results of operations for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the operating results for the full year or any future period period. The unaudited condensed consolidated financial information should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022 December 31, 2023. All intercompany accounts and transactions have been eliminated in consolidation. Non-controlling interests at September 30, 2023 March 31, 2024 and 2022, 2023, relate to the interests of third parties in the majority owned subsidiaries.

The managing members of the Company have a controlling interest in PatentVest, S.A., a company organized and based in Nicaragua (which was renamed MDB Capital, S.A in 2022). As the Company itself does not have a controlling financial interest in this entity, and management has determined PatentVest, S.A. is not a variable interest entity and as such should not be consolidated as it has no ownership interests nor is a variable interest, so has excluded this entity from the Company's unaudited condensed consolidated financial statements. It is the Company's policy to reevaluate this conclusion on an annual basis or if there are significant changes in ownership.

Income Taxes

The Company is a limited liability company treated as a partnership for federal and state income tax purposes, with the exception of the state of Texas, in which income tax liabilities and/or benefits of the Company are passed through to its unitholders. Limited liability companies are subject to Texas margin tax. Additionally, the Company's subsidiaries Public Ventures, MDB Management, PatentVest and Invizyne are Subchapter C-corporations subject to federal and state income taxes. As such, with the exception of the state of Texas and certain subsidiaries, the Company is not a taxable entity, it does not directly pay federal and state income taxes and recognition has not been given to federal and state income taxes for the operations of the Company.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, as well as the disclosure of contingent assets and liabilities. Some of those judgments can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions or conditions. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates. Significant estimates include those related to assumptions used in the valuation of investment securities, valuing equity instruments issued for services, stock-based compensation and the realization of any deferred tax assets.

Emerging Growth Company

The Company is an "emerging growth company," or "EGC" as defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected to opt out of the extended transition periods.

Cash and Cash Equivalents

The Company considers highly liquid investments with original maturities or remaining maturities upon purchase of three months or less to be cash equivalents.

The Company's policy is to maintain its cash balances with financial institutions with high credit ratings and in accounts insured by the Federal Deposit Insurance Corporation (the "FDIC") and/or by the Securities Investor Protection Corporation (the "SIPC"). The Company may periodically have cash balances in financial institutions in excess of the FDIC and SIPC insurance limits of $250,000 and $500,000, respectively.

The Company periodically reviews the financial condition of the financial institutions and assesses the credit risk of such investments. The Company did not not experience any credit risk losses during the three three-months ended March 31, 2024 and 2023.

Segregated Cash and Deposits

From time to time the nine months ended September 30, 2023 Company provides deposits or enters into agreements that would require funds to be held in a segregated cash account. At March 31, 2024, the Company had $2,959,994 of segregated cash consisting of funds held in reserve for non-customers and 2022. customers. At December 31, 2023, the Company had $1,247,881 of segregated cash consisting of funds held in reserve for non-customers.

Clearing Deposits

The Company is obligated to maintain security deposits with the DTC and NSCC. At March 31, 2024, these deposits totaled $703,740.

Restricted Cash Prepaid Expenses and Other Current Assets

The Company occasionally places has prepaid and other expenses totaling $494,463 at March 31, 2024 consisting of acquired intangible assets totaling $43,500, prepaid professional fees totaling $50,000, security deposits or enters into agreements mandating the maintenance totaling $47,380, various prepaid expense of funds considered to be restricted cash. As $312,531, and other current assets of September 30, 2023 $41,052. Prepaid expenses and other assets totaling $523,788 at December 31, 2023 consisting of acquired intangible assets totaling $43,500, the Company held prepaid professional fees totaling $2,000,000 95,000, security deposits totaling $47,380, various prepaid expense of restricted cash in an account for the purposes $325,777, and other assets of collateralizing a line of credit. As of December 31, 2022, the Company did not have any funds subject to restrictions. $12,131.

Leases

Leases of the Company consist primarily of contracts for the right to use and direct use of an individual property. Leases were analyzed for evidence of significant additional components and to determine if these components were separately identifiable within the context of the contract. As an accounting policy, to account for these components, the Company has elected the practical expedient for property leases that have both lease and non-lease components for them to be combined into a single component and account for as a lease. This policy is effective for all current and future property operating leases and applied uniformly and will be disclosed as such within the consolidated financial statements. Operating lease assets are included within right-of-use (ROU) assets and the corresponding operating lease liabilities are included within liabilities on the Company's unaudited condensed consolidated balance sheets sheet as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

The Company has elected not to present short-term leases on the consolidated balance sheets sheet as these leases have a lease term of 12 months or less at lease inception and do not contain purchase options or renewal terms that the Company is reasonably certain to exercise. ROU All other right-of-use assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company's uses term at the implicit rate in its lease calculations when it is readily determinable. Since commencement date. Because the Company's leases do not provide an implicit rates, to determine rate of return, the present value of lease payments, management uses Company used the Company's estimated incremental borrowing rate for a fully collateralized loan with a similar term of the lease that is based on the information available at lease commencement date in determining the inception present value of the lease. lease payments.

Stock-based Compensation

Stock-based compensation primarily consists of restricted stock units with service or market/performance conditions and stock options. The Company's parent company MDB and Invizyne issues restricted stock units are measured at the fair market value of the underlying stock at the grant date. The Company recognize stock compensation expense using the straight-line attribution method over the requisite service period for the restricted stock units. The Company's subsidiary issued stock-option and the fair value is determined utilizing Black-Scholes options-pricing model. The Company account for forfeitures as they occur, rather than applying an estimated forfeiture rate. For performance-based restricted stock units, the compensation cost is recognized based on the number of units expected to vest upon the achievement of the performance conditions. Shares are issued on the vesting dates net of the applicable statutory tax withholding to be paid by us on behalf of our employees. As a result, fewer shares are issued to the employee than the number of awards outstanding. The Company record a liability for the tax withholding to be paid by us as a reduction to additional paid-in capital.

Investment Securities

The Company strategically invests funds in U.S. Treasury Bills, early-stage technology companies, and equity securities and options of publicly traded and privately held companies. The Company classifies investment securities as investment securities, at amortized cost, investment securities, at fair value, or investment securities, at cost less impairment.

Investment securities, at amortized cost -– This is comprised of debt securities held by MDB and are classified as investment securities held-to-maturity and carried at amortized cost if management has the positive intent and ability to hold the securities to maturity. These securities were originally recorded at fair value and are subsequently measured at amortized cost, adjusted for unamortized purchase premiums and discounts, and an allowance for credit losses. Premiums and discounts are amortized or accreted over the life of the related security as an adjustment to yield using the effective-interest method. Such amortization and accretion are included in the interest income in the statements of operations. Interest income is recognized when earned. The Company recognizes estimated expected credit losses over the life of the investment security through the allowance for credit losses account. The allowance for credit losses is a valuation account that is deducted from, or added to, the amortized cost basis of the investment security to present the net amount expected to be collected. In determining expected credit losses, the Company considers relevant qualitative factors including, but not limited to, term and structure of the instrument, credit rating by rating agencies and historic credit losses adjusted for current conditions and reasonable and supportable forecasts. The Company currently only holds investments securities, at amortized cost in U.S. Treasury Bills, so there are no expected credit losses. Declines in fair value of these securities is due to changes in market interest rates, and because we expect to hold these securities until maturity, we do not expect to realize any losses.

Investment securities, at fair value –- This is comprised of equity investments held by the broker dealer subsidiary and are reported at fair value with changes in fair value recognized in the statements of operations. Purchases and sales of equity securities, consisting of common stock and warrants to purchase common stock, are recorded based on the respective market price quotations on the trade date. Realized gains and losses on investments represent the net gains and losses on investments sold during the period based on the average cost method. Changes in fair value of investments are recorded on the unaudited condensed consolidated statements of operations as unrealized gains and losses.

Investment securities, at cost less impairment -– This is comprised of equity securities and a simple agreement on future equities without a readily determinable fair value held by the broker dealer subsidiary, the Company has elected to apply the measurement alternative of cost minus impairment, if any, plus or minus changes resulting from observable price changes. The Company will reassess whether such an investment qualifies for the measurement alternative at each reporting period. In evaluating an investment for impairment or observable price changes, we will use inputs including recent financing events, as well as other available information regarding the investee's historical and forecasted performance. The Company has assessed this investment and no impairment is warranted.

Investment securities are as follows:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Investment securities, at amortized cost:				
U.S Treasury Bills	$ 7,495,988	$ 16,188,920	$ 21,381,362	$ 24,658,611
Investment securities, at amortized cost	$ 7,495,988	$ 16,188,920	$ 21,381,362	$ 24,658,611

Broker/Dealer Securities

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Investment securities, at fair value:				
Common stock of publicly traded companies	$ 2,383,141	$ 787,137	$ 2,389,011	$ 2,603,579
Warrants of publicly traded companies	2,581,584	45,440	2,610,226	3,168,055
Investment securities, at fair value	$ 4,964,725	$ 832,577	$ 4,999,237	$ 5,771,634
Investment securities, at cost less impairment				
Preferred stock of private company (not market listed)	$ 50,000	$ 50,000		
Investment securities, at cost less impairment	$ 50,000	$ 50,000		

Non-Broker/Dealer Securities

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Investment securities, at cost less impairment				
Simple agreement on future equities (not market listed)	$ 300,000	$ 200,000	$ 200,000	$ 200,000
Investment securities, at cost less impairment	$ 300,000	$ 200,000	$ 200,000	$ 200,000

For investment securities at fair value, net unrealized loss of $786,906 747,268 and net unrealized gain of $16,072 54,779 were recognized in the statements of operations for three-months ended September 30, 2023 March 31, 2024 and 2022, respectively. For investment securities at fair value, net unrealized gain of $696,965 and net unrealized loss $3,836 were recognized in the statements of operations for nine-months ended September 30, 2023 and 2022, 2023, respectively.

The amortized cost, excluding gross unrealized holding loss and fair value of held to maturity securities on September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Gain	Fair Value	Amortized Cost as of March 31, 2024	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 1) as of March 31, 2024
	Amortized Cost as of September 30, 2023	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 1) as of September 30, 2023				
U.S Treasury Bills maturing 10/05/23	$ 7,495,988	$ 693	$ -	$ 7,496,681				
U.S Treasury Bills maturing 04/04/24, 04/18/24, 04/23/24 and 6/11/24					$ 21,381,362	$ 1,035	$ -	$ 21,382,397
Total assets	$ 7,495,988	$ 693	$ -	$ 7,496,681	$ 21,381,362	$ 1,035	$ -	$ 21,382,397

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost as of December 31, 2023	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 1) as of December 31, 2023
	Amortized Cost as of December 31, 2022	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 1) as of December 31, 2022				
U.S Treasury Bills maturing 05/11/23 and 10/05/23	$ 16,188,920	$ -	$ (51,645)	$ 16,137,275				
U.S Treasury Bills maturing 02/13/24, 04/04/24, 04/18/24 and 04/23/24					$ 24,658,611	$ 6,031	$ -	$ 24,664,642
Total assets	$ 16,188,920	$ -	$ (51,645)	$ 16,137,275	$ 24,658,611	$ 6,031	$ -	$ 24,664,642

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. There is no significant concentration of credit risk, due to the majority of assets being invested in U.S. Treasury Bills.

The Company determines the fair value of its financial instruments based on a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels:

Level 1–- Observable inputs such as quoted prices in active markets for an identical asset or liability that the Company has the ability to access as of the measurement date.

Level 2–- Inputs, other than quoted prices included within Level 1, which are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3–- Unobservable inputs in which there is little or no market data for the asset or liability which requires the reporting entity to develop its own assumptions.

The Company's financial instruments primarily consist of cash and investment securities. As of the unaudited condensed consolidated balance sheets date, certain investment securities are required to be recorded at fair value with the change in fair value during the period being recorded as an unrealized gain or loss. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the estimated fair values of investment securities, at amortized cost were not materially different from their carrying values as presented on the unaudited condensed consolidated balance sheets. This is primarily attributed to the short-term maturities of these instruments.

Investment securities, at amortized cost: The fair value of U.S. Treasury Bills classified as held-to-maturity investment securities is based on the market price and is classified as level 1 of the fair value hierarchy.

A description of the valuation techniques applied to the Company's major categories of assets and liabilities measured at fair value on a recurring basis is as follows:

Investment securities: Public equity securities are assessed for valuation at the close of each month. Warrants are valued using the Black-Scholes model, which considers the stock price at the date of the valuation, the warrants strike price, the term to expiry, the risk-free rate of return, and the expected volatility of the underlying stock.

Investment securities, at cost less impairment: Non-public equity securities and simple agreements for future equity are valued based on the initial investment, less impairment. The Company determined that no impairment was warranted. Since these securities are not actively traded, we will apply valuation adjustments when they become available, and they are categorized in level 3 of the fair value hierarchy.

The following table sets forth the fair value of the Company's financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2023 March 31, 2024 except for the Level 3 investment that is recorded at cost:

Assets	Classification	Level 1	Level 2	Level 3	Total
Investment Securities (held by our licensed broker dealer)	Equity securities–- common stock	$ 2,383,141	$ -	$ -	$ 2,38
Investment Securities (held by our licensed broker dealer)	Warrants	-	28,222	2,553,362	2,58
Total assets measured at fair value (held by our licensed broker dealer)		$ 2,383,141	$ 28,222	$ 2,553,362	$ 4,96

Assets	Classification	Level 1	Level 2	Level 3	Total
Investment Securities (held by our licensed broker dealer)	Equity securities–- common stock	$ 2,389,011	$ -	$ -	$ 2,389,01
Investment Securities (held by our licensed broker dealer)	Warrants	-	17,680	2,592,546	2,610,22
Total assets measured at fair value (held by our licensed broker dealer)		$ 2,389,011	$ 17,680	$ 2,592,546	$ 4,999,23

During the nine three months ended September 30, 2023 March 31, 2024, the Company did not have any transfers between Level 1, Level 2, or Level 3 of the fair value hierarchy.

Reconciliation of fair value measurements categorized within Level 3 of the fair value hierarchy:

December 31, 2022	$ -
Receipt from investment banking fees	2,645,620
Realized gains	-
Unrealized gains	72,829
Sales or distribution	(165,087)
Purchases	-
September 30, 2023	$ 2,553,362
December 31, 2023	$ 3,133,458
Receipt from investment banking fees	-
Realized gains	-
Unrealized losses	(540,912)
Sales or distribution	
Purchases	-
March 31, 2024	$ 2,592,546

The following table present presents information about significant unobservable inputs related to material components of Level 3 warrants as of September 30, 2023 March 31, 2024.

Assets	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Warrants	$ 2,553,362	Black Scholes	Volatility	99.34 %	99.34

Assets	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Range of Inputs	Weighted-Average
Warrants	$ 2,592,546	Black Scholes	Volatility	96.26 -106.28 %	99.60

The following table sets forth the fair value of the Company’s financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2022 December 31, 2023, except for the Level 3 investment that is recorded at cost:

Assets	Classification	Level 1	Level 2	Level 3	Total	Classification	Level 1	Level 2	Level 3	Total
Investment Securities (held by our licensed broker dealer)	Equity securities - common stock	$ 787,137	$ -	$ -	$ 787,137	Equity securities - common stock	$ 2,603,579	$ -	$ -	$ 2,603,579
Investment Securities (held by our licensed broker dealer)	Warrants	-	45,440	-	45,440	Warrants	-	34,597	3,133,458	3,168,055
Total assets measured at fair value (held by our licensed broker dealer)		$ 787,137	$ 45,440	$ -	$ 832,577		$ 2,603,579	$ 34,597	$ 3,133,458	$ 5,771,634

Reconciliation of fair value measurements categorized within Level 3 of the fair value hierarchy:

December 31, 2022	$ -
Receipt from investment banking fees	2,645,620
Realized gains	-
Unrealized gains	652,925
Sales or distribution	(165,087)
Purchases	-
December 31, 2023	$ 3,133,458

During the year ended December 31, 2022 December 31, 2023, the Company did not have any transfers between Level 1, Level 2, or Level 3 of the fair value hierarchy.

Secured Debt–- Revolving Credit Facility

The Company entered into a revolving credit facility with a bank, (the “Lender”) on July 26, 2023 for a commitment of up to $2,000,000 and which matures July 26, 2024. The loan has a variable interest rate equal to a defined index, currently the Lender’s rate on the sale of Federal Funds, plus2.25%. The loan commenced with a calculated interest rate of 7.75%. If the Lender determines, in its sole discretion, that the index becomes unavailable or unreliable, either temporary, indefinitely, or permanently, during the term of this loan, the Lender may amend this loan by designating a substantially similar substitute index. The agreement provides for a quarterly payment of the greater of accrued interest or a non-usage fee of $5,000. The Company has not made any draw downs on the credit facility.

The Company granted the Lender a security interest in a cash checking account held at the bank as collateral. The Lender has a right of setoff available from this cash account when the line of credit is accessed. As of September 30, 2023 March 31, 2024, there is $2,002,446 2,037,845 deposited in this account.

The Company is responsible for the payment of all of the Lender’s legal and other fees incurred in connection with administering the loan. The Company has incurred no such costs or debt issue costs.

As of September 30, 2023 March 31, 2024, there is no outstanding indebtedness under the credit facility and interest expense totaled $0. The Company is in compliance with all covenants under the agreement.

Property and Equipment

Property and equipment are recorded at cost. Major improvements are capitalized, while maintenance and repairs are charged to expense as incurred. Gains and losses from disposition of property and equipment are included in the statements of operations when realized. Depreciation is provided using the straight-line method over the following estimated useful lives:

Laboratory equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	Lesser of the lease duration or the life of the improvements

Property and equipment consist of the following as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Laboratory equipment	$ 811,281	$ 803,030	$ 1,030,004	$ 885,696
Furniture and fixtures	49,838	10,270	54,338	49,838
Software development	104,379	-		
Developed software			107,458	113,114
Leasehold improvements	279,161	75,725	279,161	279,161
Total property and equipment	1,244,659	889,025	1,470,961	1,327,809
Less: Accumulated depreciation	(402,353)	(264,381)	(524,111)	(461,319)
Property and equipment, net	$ 842,306	$ 624,644	$ 946,850	$ 866,490

Revenue

The Company generates revenue primarily from providing brokerage services and underwriting investment banking services through Public Ventures. PatentVest and Invizyne have had limited financial activity during the three months three-months ended March 31, 2024 and nine months ended September 30, 2023 and 2022. 2023, respectively.

Brokerage revenues consist of (i) (a) trade-based commission income from executed trade orders, (ii) net realized gains and losses from proprietary trades, and (iii) other income consisting primarily of stock loan income earned on customer accounts. Public Ventures recognizes revenue from trade-based commissions and other income when performance obligations are satisfied through the transfer of control, as specified in the contract, of promised services to the customers of Public Ventures. Commissions are recognized on a trade date basis. Public Ventures believes that each executed trade order represents a single performance obligation that is fulfilled on the trade date because that is when the underlying financial instrument is identified, the pricing is agreed upon, and the risks and rewards of ownership have been transferred to/from the customer. When another party is involved in transferring a good or service to a customer, Public Ventures assesses whether revenue is presented based on the gross consideration received from customers (principal) or net of amounts paid to a third party (agent). Public Ventures has determined that it is acting as the principal as the provider of the brokerage services and therefore records this revenue on a gross basis. Clearing, custody and trade administration fees incurred from Interactive Brokers, the Company's clearing firm, are recorded effective as of the trade date. The costs are treated as fulfillment costs and are recorded in operating expenses in the unaudited condensed consolidated statements of operations.

Brokerage revenue is measured by the transaction price, which is defined as the amount of consideration that Public Ventures expects to receive in exchange for services to customers. The transaction price is adjusted for estimates of known or expected variable consideration based upon the individual contract terms. Variable consideration is recorded as a reduction to revenue based on amounts that Public Ventures expects to refund back to the customer. There were no variable considerations for the three months and the nine months three-months ended September 30, 2023 March 31, 2024, and 2022, 2023, respectively.

Investment banking revenues consist of private placement fees. The Company generally Public Ventures does not incur costs to obtain contracts with customers that are eligible for deferral or receive fees prior to recognizing revenue related to investment banking transactions, and therefore, as of September 30, 2023 March 31, 2024, the Company did not have any contract assets or liabilities related to these revenues on its unaudited condensed consolidated balance sheets.

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Private placement fees are related to non-underwritten transactions such as private placements of equity securities, private investments in public equity, and Rule 144A private offerings and are recorded on the closing date of the transaction. Client reimbursements for costs associated for private placement fees are recorded gross within investment banking and various expense captions, excluding compensation. The Company typically receives payments on private placements transactions at the completion of the contract. The Company views the majority of placement fees as a single performance obligation that is satisfied when the transaction is complete, and the revenue is recognized at that point in time.

Taxes and regulatory fees assessed by a government authority or agency that are both imposed on and concurrent with a specified revenue-producing transaction, which are collected by Public Ventures from a customer, are excluded from revenue and recorded against general and administrative expenses.

Public Ventures does not incur any costs to obtain contracts with customers for revenues that are eligible for deferral or receive fees prior to recognizing revenue, and therefore, as of September 30, 2023 and 2022, Public Ventures did not have any contract assets or liabilities related to these revenues in its consolidated balance sheet.

PatentVest recognize revenue when performance obligations are satisfied by transferring promised goods and services to customers in an amount the Company expects to receive in exchange for those goods or services. PatentVest enters into contracts that can include various combinations of its offerings which are generally capable of being distinct and accounted for as a separate performance obligation for the entre contract or a portion of the contract. When performance obligations are combined into a single contract, PatentVest utilize stand-alone selling price to allocate the transaction price among the performance obligations.

Certain contracts or portions of contracts are duration-based which, in the event of customer cancellation, provide PatentVest with an enforceable right to a proportional payment for the portion of the services provided. Accordingly, revenue from duration-based is recognized using a time-based measure of progress, which PatentVest believes best depicts how it satisfies its performance obligations in these arrangements as control is continuously transferred throughout the contract period. Revenue from certain contracts is recognized over the expected period of performance using a single measure of progress, typically based on hours incurred. Payments received in advance of services being rendered are recorded as a component of contract liabilities.

The PatentVest's Patent Vest's contract liabilities which is presented as Deferred deferred revenue, consist of advance payments. The table below shows changes in deferred revenue:

Balance as of December 31, 2022	$	-
Amounts billed but not recognized		-
Revenue recognized		-
Balance as of March 31, 2023		-
Amounts billed but not recognized		100,000
Revenue recognized		80,000
Balance as of December 31, 2023		20,000
Amounts billed but not recognized		-
Revenue recognized		-
Balance as of March 31, 2024	$	20,000

Balance as of December 31, 2021	$	-
Amounts billed but not recognized		-
Revenue recognized		-
Balance as of June 30, 2022		-
Amounts billed but not recognized		-
Revenue recognized		-
Balance as of September 30, 2022		-
Amounts billed but not recognized		-
Revenue recognized		-
Balance as of December 31, 2022		-
Amounts billed but not recognized		-
Revenue recognized		-
Balance as of June 30, 2022		-
Amounts billed but not recognized		200,000
Revenue recognized		-
Balance as of September 30, 2023	$	200,000

During the three months and nine months three-months ended September 30, 2023 March 31, 2023, the Company's technology development segment revenue, which was derived from a single feasibility study, which is not a typical service offered by the Company. The revenue generated from this study represents a direct reimbursement of costs incurred in completing the study.

Research Grants

Invizyne receives grant reimbursements, which are offset against research and development expenses in the unaudited condensed consolidated statements of operations. In addition to actual reimbursements, the Company Invizyne also receives indirect expense grants (which are not reimbursement-based) and fees (typically of minor significance). It is important to note that there may be instances where the grants received for indirect costs exceed the actual costs, resulting in a negative impact. For capitalized assets, grant reimbursements are recognized over the useful life of the assets. Any portion of the grant not yet recognized is recorded as deferred grant reimbursements and included as a liability in the unaudited condensed consolidated balance sheet.

Grants that operate on a reimbursement basis are recognized on the accrual basis and are offsets to expenses to the extent of disbursements and commitments that are reimbursable for allowable expenses incurred as of September 30, 2023 March 31, 2024 and 2022, 2023, and respectively, expected to be received from funding sources in the subsequent year. Management considers such receivables at September 30, 2023 March 31, 2024 and 2022, 2023, respectively, to be fully collectable due to the historical experience with the Federal Government of the United States of America. Accordingly, no allowance for credit losses on the grants receivable was recorded in the accompanying unaudited condensed consolidated financial statements.

Summary of grants receivable activity for the nine months three-months ended September 30, 2023 March 31, 2024 and 2022, 2023, is presented below:

	2023	2022	2024	2023
Balance at beginning of period	$ 809,532	$ 468,353	$ 882,319	$ 809,532
Grant costs expensed	2,180,581	1,596,936	674,158	766,867
Grants for equipment purchased	-	49,626	6,379	-
Grant fees	84,827	54,725	28,163	26,673
Grant funds received	(2,398,488)	(1,330,771)	(479,408)	(590,418)
Balance at end of period	$ 676,452	$ 838,869	$ 1,111,611	$ 1,012,654

The Company Invizyne has received five grants provided by National Institute of Health and the Department of Energy. The first grant was awarded on October 1, 2019 and the latest grant is set to expire on August 31, 2024, however grants can be extended or new phases can be granted, extending the expiration of the grant. None of the grants has commitments made by the parties, provisions for recapture, or any other contingencies, beyond the complying with the normal terms of each research and development grant. Research grants received from organizations are subject to the contract agreement as to how Invizyne conducts its research activities, and Invizyne is required to comply with the agreement terms relating to those grants. Amounts received under research grants are nonrefundable, regardless of the success of the underlying research project, to the extent that such amounts are expended in accordance with the approved grant project. Invizyne is permitted to draw down the research grants after incurring the related expenses. Amounts received under research grants are offset against the related research and development costs in the Company's unaudited condensed consolidated statements of operations. For the nine-months three-months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, grants amounting to $2,180,581 674,158and $1,596,936 766,867were offset against the research and development costs. Grant drawdowns, which includes grants costs expensed, grants for equipment purchased, and grant fees, for the nine-months three-months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, totaled $2,265,408 708,700and $1,701,287 793,540.

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Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs consist primarily of compensation costs, fees paid to consultants, and other expenses relating to the development of Invizyne's technology. For the three-months ended September 30, 2023 March 31, 2024 and 2022, 2023, research and development costs prior to offset of the grants amounted to $771,256 986,282, and $749,364, respectively; and for the nine-months ended September 30, 2023 and 2022, research and development costs prior to offset of the grants amounted to $2,332,503, and $1,947,440 825,132, respectively, which includes grant costs expensed, grants fees, and research and development costs, net of the grant received.

Patent and Licensing Legal and Filing Fees and Costs

Due to the significant uncertainty associated with the successful development of one or more commercially viable products based on the Company's research efforts and related patent applications, all patent and licensing legal and filing fees and costs related to the development and protection of its intellectual property are charged to operations as incurred.

Patent and licensing legal and filing fees and costs were $43,196 73,297 and $80,680 34,420 for the three months three-months ended September 30, 2023 March 31, 2024 and 2022, respectively. Patent and licensing legal and filing fees and costs were $107,925 and $172,057 for the nine months ended September 30, 2023 and 2022, 2023, respectively. Patent and licensing legal and filing fees and costs are included in general and administrative costs in the Company's unaudited condensed consolidated statements of operations.

Reclassification

Certain prior year balances have been reclassified to conform to the Company's current period presentation. In the previous fiscal year, we reclassified $11,040 of compensation expense to clearing and other charges.

3. Segment Reporting

In its operation of the business, management, including the Company's chief operating decision maker, who is also the Company's Chief Executive Officer, reviews certain financial information, including segmented statements of operations and the balance sheets.

The Company currently operates in two reportable segments: in the broker dealer and intellectual property service segment as well as in the technology development segment.

The broker dealer and intellectual property service segment currently has two subsidiaries, Public Ventures and PatentVest. Public Ventures is a full-service broker dealer firm focusing on conducting private and public securities offerings. PatentVest offers in-depth patent research used for investment banking due diligence.

The technology development segment currently has one subsidiary, Invizyne. Invizyne is a research and development stage company synthetic biology company.

Non-income generating subsidiaries for management of the business, including MDB CG Management Company, Inc. are reported as other.

The segments are based on the discrete financial information reviewed by the Chief Executive Officer to make resource allocation decisions and to evaluate performance. The reportable segments are each managed separately because they will provide a distinct product or provide services with different processes. All reported segment revenues are derived from external customers.

The accounting policies of the Company's reportable segments are in consideration of ASC 280 and the same as those described in the summary of significant accounting policies (see Note 2).

The following sets forth the long-lived assets and total assets by segment at September 30, 2023 March 31, 2024:

ASSETS	Broker Dealer & Intellectual Property Service	Technology Development	Other	Consolidated	Broker Dealer & Intellectual Property Service	Technology Development	Other	Eliminations	Consolidated
Long-lived assets	$ 104,379	$ 2,114,910	$ 749,230	$ 2,968,519	$ 107,458	$ 2,367,496	$ 707,455	$ -	$ 3,182,409
Total assets	$ 11,000,067	$ 3,422,464	$ 29,040,239	$ 43,462,770	$ 16,301,072	$ 4,005,204	$ 20,633,600	$ -	$ 40,939,876

The following sets forth statements of operations by segment for the three-months September 30, 2023:

	Broker Dealer & Intellectual Property Service	Technology Development	Other	Consolidat
Operating income:				
Unrealized loss on investment securities, net (from our licensed broker dealer)	$ (786,906)	$ -	$ -	$ (78
Other operating income	11,502	-	-	1
Total operating loss, net	(775,404)	-	-	(77
Operating costs:				
General and administrative costs:				
Compensation	793,061	119,146	425,564	1,33
Operating expense, related party	223,254	-	50,567	27
Professional fees	108,959	92,506	258,120	45
Information technology	71,988	7,012	14,326	9
Clearing and other charges	3,316	-	-	
General and administrative-other	63,266	145,243	119,387	32
Total general and administrative costs	1,263,844	363,907	867,964	2,49
Research and development costs	-	27,936	-	2
Total operating costs	1,263,844	391,843	867,964	2,52
Net operating loss	(2,039,248)	(391,843)	(867,964)	(3,29
Other income:				
Interest income	28,110	-	148,190	17
Net loss before income taxes	(2,011,138)	(391,843)	(719,774)	(3,12
Income taxes	-	63,559	-	6
Net loss	(2,011,138)	(455,402)	(719,774)	(3,18
Less net loss attributable to non-controlling interests	-	(177,853)	-	(17
Net loss attributable to MDB Capital Holdings, LLC	$ (2,011,138)	$ (277,549)	$ (719,774)	$ (3,00

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The following sets forth statements of operations by segment for the nine-months ended September 30, 2023 three-months March 31, 2024:

	Broker Dealer & Intellectual Property Service	Technology Development	Other	Consolidat
Operating income:				
Unrealized gain on investment securities, net (from our licensed broker dealer)	$ 696,965	$ -	$ -	$ 69
Fee income	4,233,120	-	-	4,23
Other operating income	70,104	70,769	-	14
Total operating income, net	5,000,189	70,769	-	5,07
Operating costs:				
General and administrative costs:				
Compensation	1,912,536	289,152	981,827	3,18
Operating expense, related party	687,995	-	141,479	82
Professional fees	316,388	301,244	623,457	1,24
Information technology	333,940	16,247	58,688	40
Clearing and other charges	382,994	-	-	38
General and administrative-other	262,131	208,203	412,899	88
Total general and administrative costs	3,895,984	814,846	2,218,350	6,92
Research and development costs	-	67,095	-	6
Total operating costs	3,895,984	881,941	2,218,350	6,99
Net operating income (loss)	1,104,205	(811,172)	(2,218,350)	(1,92
Other income:				
Interest income	75,991	100	472,388	54
Net income (loss) before income taxes	1,180,196	(811,072)	(1,745,962)	(1,37
Income taxes	320,584	63,559	-	38
Net income (loss)	859,612	(874,631)	(1,745,962)	(1,76
Less net loss attributable to non-controlling interests	-	(341,631)	-	(34
Net income (loss) attributable to MDB Capital Holdings, LLC	$ 859,612	$ (533,000)	$ (1,745,962)	$ (1,41

	Broker Dealer & Intellectual Property Service	Technology Development	Other	Eliminations	Consolida
Operating income:					
Unrealized gain on investment securities, net (from our licensed broker dealer)	$ (747,268)	$ -	$ -	$ -	$ (747
Other operating income	86,879	-	-	-	8
Total operating income, net	(660,389)	-	-	-	(660
Operating costs:					
General and administrative costs:					
Compensation	679,907	390,043	3,822,725	-	4,89
Operating expense, related party	243,876	-	76,416	-	32
Professional fees	145,907	256,563	516,619	-	91
Information technology	180,914	3,891	21,186	-	20
Clearing and other charges	2,036	-	-	-	
General and administrative-other	218,936	80,378	369,812	-	66
General and administrative costs	1,471,576	730,875	4,806,758	-	7,00
Research and development costs	-	277,582	-	-	27
Total operating costs	1,471,576	1,008,457	4,806,758	-	7,28
Net operating income (loss)	(2,131,965)	(1,008,457)	(4,806,758)	-	(7,94
Other income and expense:					
Less: interest expense	110,625	-	-	110,625	
Interest income	52,459	-	285,393	-	33
Income (loss) before income taxes	(2,190,131)	(1,008,457)	(4,521,365)	110,625	(7,60
Income tax expense	-	-	-	-	
Net income (loss)	(2,190,131)	(1,008,457)	(4,521,365)	110,625	(7,60
Less net loss attributable to non-controlling interests	-	(393,903)	-	-	(39
Net loss attributable to MDB Capital Holdings, LLC	$ (2,190,131)	$ (614,554)	$ (4,521,365)	$ 110,625	$ (7,21

The following sets forth the long-lived assets and total assets by segment at December 31, 2022 December 31, 2023:

ASSETS	Broker Dealer & Intellectual Property Service	Technology Development	Other	Consolidated	Broker Dealer & Intellectual Property Service	Technology Development	Other	Consolidated
Long-lived assets	$ -	$ 1,216,418	$ 817,958	$ 2,034,376	$ 113,114	$ 2,344,895	$ 728,600	$ 3,186,609
Total assets	$ 4,737,137	$ 2,685,657	$ 18,278,277	$ 25,701,071	$ 15,038,602	$ 3,558,509	$ 24,388,168	$ 42,985,279

The following sets forth statements of operations by segment for the three-months ended September 30, 2022:

	Broker Dealer & Intellectual Property Service	Technology Development	Other	Consolidat
Operating income:				
Unrealized gain on investment securities, net (from our licensed broker dealer)	$ 16,072	$ -	$ -	$ 1
Other operating income	27,073	21	30,809	5
Total operating income, net	43,145	21	30,809	7
Operating costs:				
General and administrative costs:				

Compensation	633,083	82,430	414,743	1,13
Operating expense, related party	431,172	-	83,626	51
Professional fees	36,865	14,170	-	5
Information technology	85,978	5,039	2,448	9
Clearing and other charges	2,547	-	-	
General and administrative-other	71,743	150,332	184,461	40
Total general and administrative costs	1,261,388	251,971	685,278	2,19
Research and development costs	-	103,633	-	10
Total operating costs	1,261,388	355,604	685,278	2,30
Net operating loss	(1,218,243)	(355,583)	(654,469)	(2,22
Other income:				
Net loss before income taxes	(1,218,243)	(355,583)	(654,469)	(2,22
Income taxes	-	-	-	
Net loss	(1,218,243)	(355,583)	(654,469)	(2,22
Less net loss attributable to non-controlling interests	-	(144,715)	-	(14
Net loss attributable to MDB Capital Holdings, LLC	$ (1,218,243)	$ (210,868)	$ (654,469)	$ (2,08

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The following sets forth statements of operations by segment for the nine-months three-months ended September 30, 2022 March 31, 2023:

	Broker Dealer & Intellectual Property Service	Technology Development	Other	Consolidat
Operating income (loss):				
Unrealized loss on investment securities, net (from our licensed broker dealer)	$ (3,836)	$ -	$ -	$ (
Realized loss on investment securities	(7)	-	-	
Other operating income	76,513	34	30,809	10
Total operating income, net	72,670	34	30,809	10
Operating costs:				
General and administrative costs:				
Compensation	1,359,236	313,928	546,790	2,21
Operating expense, related party	794,054	-	88,547	88
Professional fees	542,811	84,403	25,499	65
Information technology	187,768	15,057	5,119	20
Clearing and other charges	22,342	-	-	2
General and administrative-other	471,039	274,832	278,890	1,02
General and administrative costs	3,377,250	688,220	944,845	5,01
Research and development costs	-	295,779	-	29
Total operating costs	3,377,250	983,999	944,845	5,30
Net operating loss	(3,304,580)	(983,965)	(914,036)	(5,20
Loss before income taxes	(3,304,580)	(983,965)	(914,036)	(5,20
Income tax	-	-	-	
Net loss	(3,304,580)	(983,965)	(914,036)	(5,20
Less net loss attributable to non-controlling interests	-	(418,677)	-	(41
Net loss attributable to controlling interests	$ (3,304,580)	$ (565,288)	$ (914,036)	$ (4,78

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	Broker Dealer & Intellectual Property Service		Technology Development		Other		Consolidated
Operating income:							
Unrealized gain on investment securities, net (from our licensed broker dealer) (Notes 1 and 2)	$	54,779	$	-	$	-	$	54,77
Other operating income		3,053		59,159		-		62,21
Total operating income, net		57,832		59,159		-		116,99
Operating costs:								
General and administrative costs:								
Compensation		546,801		31,536		293,690		872,02
Operating expense, related party		258,453		-		43,249		301,70
Professional fees		165,812		181,707		257,143		604,66
Information technology		121,876		9,826		15,705		147,40
Clearing and other charges		10,754		-		-		10,75
General and administrative-other		108,993		45,734		149,352		304,07
General and administrative costs		1,212,689		268,803		759,139		2,240,63
Research and development costs		-		31,592		-		31,59
Total operating costs		1,212,689		300,395		759,139		2,272,22
Net operating loss		(1,154,857)		(241,236)		(759,139)		(2,155,23
Other income:								
Interest income		28,362		86		158,843		187,29
Loss before income taxes		(1,126,495)		(241,150)		(600,296)		(1,967,94
Income tax expense		-		-		-		
Net loss		(1,126,495)		(241,150)		(600,296)		(1,967,94
Less net loss attributable to non-controlling interests		-		(94,193)		-		(94,19
Net loss attributable to MDB Capital Holdings, LLC	$	(1,126,495)	$	(146,957)	$	(600,296)	$	(1,873,74

4. Equity and Non-Controlling Interests

Equity

Preferred shares - – 10,000,000 shares authorized, no shares issued and outstanding. The board of directors may designate preferred shares to be issued, and may rank preferred shares as junior to, on parity with or senior to other preferred shares (in each case, with respect to distributions or other payments in respect of shares). Since the board of directors may set all the terms of any class of preferred shares, these are considered “blank check” preferred shares. Currently the board has not defined dividend and liquidation preference, participation rights, call prices and dates, sinking-fund requirements, or terms that may change the conversion or exercise price.

Class A common shares – 95,000,000 shares authorized, 4,295,632 shares issued and outstanding. These shares are common shares and have one vote per share. share. Currently there is not a defined dividend or liquidation preference.

Class B common shares - – 5,000,000 shares authorized,5,000,000 issued and outstanding. These shares are common shares and have five votes per share. share. Currently there is not a defined dividend or liquidation preference. These shares may be converted one to one for a Class A common shares at any time and from time to time. time, at the election of the holder.

Non-Controlling Interests

During the nine months three-months ended September 30, 2023 March 31, 2024, the ownership interest in Invizyne was 60.94% and the non-controlling interest was 39.06%. During the nine months three-months ended September 30, 2022 March 31, 2023, the ownership interest in Invizyne ranged from was 56.4% to 59.25 60.94%, with the non-controlling interest ranging from was 43.6 39.06% to 40.75% (weighted average of 42.6%). Invizyne is accounted for the nine-months three-months ended September 30, 2023 March 31, 2024 and 2022 , 2023, respectively, under the consolidation method.

The NCI ownership will be equal to the NCI percentage as of the reporting period. Therefore, there will be a redistribution of equity between MDB and the Non-controlling interest owner. As of September 30, 2023 March 31, 2024 and 2022, 2023, the Company's equity interest in Invizyne was 60.94% and 59.58 60.94%, respectively, and the remaining equity interest was owned by the non-controlling interests as presented below:

	For the Nine Months Ended September 30, 2023			2022	
Invizyne net loss	$	(874,631)		$	(983
Weighted average non-controlling percentage		39.06%			
Net loss non-controlling interest	$	(341,631)		$	(418
Prior period balance		468,665			522
Stock-based compensation		174,413			164
Ownership change of non-controlling interest		-			436
Ending period balance	$	301,447		$	704

During the nine-months ended September 30, 2023 and 2022, the Company owned 100% for both periods, respectively, of PatentVest.

	For the Three Months Ended March 31,			
	2024		2023	
Invizyne net loss	$	(1,008,457)	$	(241
Weighted average non-controlling percentage		39.06%		3
Net loss non-controlling interest	$	(393,903)	$	(94
Prior period balance		7,250		468
Stock-based compensation		142,810		54
Ending period balance	$	(243,843)	$	428

If a change in the parent ownership in a subsidiary from an additional investment or from the issuance of stock-based compensation, a change of the non-controlling ownership is recognized based on the amount invested and the carrying amount of the non-controlling interest is adjusted to reflect the change in the non-controlling ownership in the subsidiary's net assets. In 2022, since there was a change in the equity, a reclassification of the non-controlling interest in the subsidiary's net assets is required and demonstrated in the ending period balance above.

5. Stock-Based Compensation

MDB stock-based compensation

Between April 19, 2022 and September 21, 2022, the Company granted 3,675,000 restricted stock units ("RSUs"). These units will vest when 20% of the one-half of the total number of RSUs, by each individual person, on the thirteenth (13) month anniversary of the listing of the Class A Shares on a United States national exchange, then at a rate of 10% of one-half the number of RSUs each six months after the date of the initial vesting, until the last vesting on the fifth year anniversary of the Date of Grant, at which any previously unvested will fully vest. These RSUs were granted to officers, directors, employees, and contractors. As these RSUs do not begin to vest until the completion of an initial public offering by the Company, which occurred on September 20, 2023, $1,107,521 of stock-based compensation expense related to these RSUs was recorded for the three-months ended March 31, 2024. The total unrecognized compensation expense based on the shares price sold in the private placement is $34,302,984.

On April 19, 2022 the Company granted 2,000,000 restricted stock units ("RSUs"). These units will vest when 20% of the one-half of the total number of RSUs, by each individual person, on the thirteenth (13) month anniversary of the listing of the Class A Shares on a United States national exchange. Class A Share have traded in the market since September 20, 2023. The RSUs will vest once the Class A Shares are listed for any 90 consecutive calendar days at an average price of $20.00 or more during the period commencing from the Date of Grant and prior to the five year anniversary of the Date of Grant, with an average monthly trading volume of 2,000,000 Class A Shares or more during the 90 consecutive calendar day period, or the Class A Shares are listed for any 90 consecutive calendar days at an average price of $25.00 or more during the period commencing the Date of Grant and prior to the five year anniversary of the Date of Grant; provided further, that if there is a distribution of cash, stock or other property by the Company on the Class A Shares, then the foregoing average amounts of $20.00 or $25.00 will be reduced, from time to time, by the value of any one or more per share distributions after the Date of Grant until vested. As these RSUs do not begin to vest until the completion of an initial public offering by the Company, which occurred on September 20, 2023, $1,107,521 of stock-based compensation expense related to these RSUs was recorded for the three-months ended March 31, 2024. The estimated unrecognized compensation expense for performance/market vesting RSUs is $13,465,761.

A summary of restricted stock unit activity during the three-months ended March 31, 2024 and 2023 is presented below:

	Time-Based			Performance-Based	
	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value		Number of Restricted Stock Units	Weighted Ave Grant Date I Value
Restricted stock units outstanding at March 31, 2023	3,675,000	$	10.00	2,000,000	$
Granted	-		-	-	
Exercised	-		-	-	
Expired	-		-	-	
Restricted stock units outstanding at December 31, 2023	3,675,000	$	10.00	2,000,000	$
Granted	-		-	-	
Exercised	-		-	-	
Expired	-		-	-	
Restricted stock units outstanding at March 31, 2024	3,675,000	$	10.00	2,000,000	$
Restricted stock units at March 31, 2023	-	$	-	-	$
Restricted stock units at March 31, 2024	-	$	-	-	$

Invizyne stock-based compensation

Invizyne's 2020 Equity Incentive Plan (the "2020 Plan"), which was approved by the Invizyne shareholders, permits grants to its officers, directors, and employees for up to 903,780 1,877,664shares of Invizyne's common stock. Common Stock. On May 1st, 2023 the board approved an increase of 3,116,351. The 2020 Plan authorizes the use of stock options, shares of restricted stock, and restricted stock units. units, among other forms of equity based awards.

On February 1, 2021 May 1, 2023, stock options to purchase 513,750 103,880shares of common stock Common Stock were granted at an exercise price of $2.53 1.66 per share, which was equal to the fair value of the Common Stock on the date of grant and are exercisable for a period of 7 years. The stock options vest ratably over a period of 5 years. The inputs used to determine the fair value was Common Stock price of $1.66, option exercise price of $1.66, expected life in years of 5 years, with a contract life of 7 years, risk-free rate of 3.64%, expected annual volatility of 121.70%, and annual rate of dividends of $0.

On November 1, 2023, stock options to purchase 914,129 shares of Common Stock were granted at an exercise price of $1.66 per share, which was equal to the fair value of the Common Stock on the date of grant and are exercisable for a period of 7 years. The stock options vest ratably over a period of 5 years. The inputs used to determine the fair value was Common Stock price of $1.66, option exercise price of $1.66, expected life in years of 5 years, with a contract life of 7 years, risk-free rate of 4.67%, expected annual volatility of 144.94%, and annual rate of dividends of $0.

On February 1, 2024, stock options to purchase 311,636shares of Common Stock were granted at an exercise price of $1.66 per share, which was equal to the fair value of the common stock Common Stock on the date of grant and are exercisable for a period of 7 years. The stock options vest ratably over a period of 5 years. The inputs used to determine the fair value was common stock Common Stock price of $2.53 1.66, option exercise price of $2.53 1.66, expected life in years of 5years, with a contract life of 7years, risk-free rate of 0.42% 4.20%, expected annual volatility of 123.04% 95.85%, and annual rate of dividends of $0. On May 1, 2023,
As of March 31, 2024 stock options to purchase 50,000 695,035shares of common stock Common Stock were granted at an exercise price of $3.44 per share, which was equal to the fair value of the common stock on the date of grant and are exercisable for a period of 7 years. The stock options vest ratably over a period of 5 years. The inputs used to determine the fair value was common stock price of $3.44, option exercise price of $3.44, expected life in years of 5 years, with a contract life of 7 years, risk-free rate of 3.64%, expected annual volatility of 121.70%, and annual rate of dividends of $0. As of September 30, 2023, stock options to purchase 278,165 shares of common stock have vested, the weighted average exercise price is $2.54 1.46, the aggregate intrinsic value is $0.00, and the weighted average remaining contractual term is 4.54 5.55years. Invizyne stock-based compensation were $61,336 142,810 and $54,087 54,126 for the three years ended September 30, 2023 March 31, 2024 and 2022, respectively. Invizyne stock-based compensation were $174,413 and $164,228 for the nine months ended September 30, 2023 and 2022. 2023. As of September 30, 2023 March 31, 2024, the unrecognized stock-based compensation is $637,862 2,145,319.

A summary of stock option activity during the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 is presented below:

	Number of Shares		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in (in Years)		Number of Shares
Stock options outstanding at January 1, 2022	513,750		2.53	January 1, 2023	6.08	1,067,356
Granted	-		-		-	
Exercised	-		-		-	
ExercisedExpired	-		-		-	
Expired	-		-		-	
Stock options outstanding at September 30, 2022	513,750		2.53	March 31, 2023	5.58	1,067,356
Granted	1,018,012		1.66		7.00	
Exercised	-		-		-	
Expired	-		-		-	
Exercised	-		-		-	
Expired	-		-		-	
Stock options outstanding at December 31, 2022	513,750	$	2.53	December 31, 2023	5.08	2,085,368
Granted	50,000		3.44		6.84	311,636
Exercised	-		-		-	
Expired	-		-		-	
Expired	-		-		-	
Stock options outstanding at September 30, 2023	563,750	$	2.61	March 31, 2024	4.54	2,397,004
Stock options exercisable at September 30, 2022	171,249	$	2.53	March 31, 2023	5.34	462,518
Stock options exercisable at September 30, 2023	278,165	$	2.54	March 31, 2024	4.37	695,035

On July 19, 2021, Invizyne granted 79,052 restricted stock units ("RSUs") at a value of $2.53 per share. These RSUs were issued in 2020 in lieu o bonuses. As these RSUs do not vest until the expiration of any lock up subsequent to an initial public offering of the company, or upon the change of co the Company by Invizyne, which is outside of the control of the Company, no compensation expense related to these RSUs has been recorded. These fully vest upon the expiration of any lockup period subsequent to an initial public offering, or upon the change of control of Invizyne. The Company will stock-based compensation for these RSUs when the RSUs begin to vest.

On March 28, 2022, Invizyne granted232,689 restricted stock units ("RSUs") at a value of $2.53 1.22 per share. These RSUs were issued in 2021 in lieu bonuses. As these RSUs do not vest until the expiration of any lock up subsequent to an initial public offering of the Company, or upon the change of co the Company by Invizyne, which is outside of the control of the Company, no compensation expense related to these RSUs has been recorded. These fully vest upon the expiration of any lockup period subsequent to an initial public offering, or upon the change of control of Invizyne. The Company will stock-based compensation for these RSUs when the RSUs begin to vest, and the unrecognized stock-based compensation is $788,705.

On May 1, 2023, Invizyne granted 97,050 restricted stock units ("RSUs") at a value of $3.44 1.66 per share. These RSUs were issued in 2023 in lieu bonuses. As these RSUs do not vest until the expiration of any lock up subsequent to an initial public offering of the Company, or upon the change of co the Company by Invizyne, which is outside of the control of the Company, no compensation expense related to these RSUs has been recorded. These fully vest upon the expiration of any lockup period subsequent to an initial public offering, or upon the change of control of Invizyne. The Company will stock-based compensation for these RSUs when the RSUs begin to vest, and the unrecognized stock-based compensation is $333,852.

Between April 19, 2022 and September 21, 2022, the Company granted 3,675,000 restricted stock units ("RSUs"). These units will vest when 20% of t half of the total number of RSUs, by each individual person, on the thirteenth (13) month anniversary of the listing of the Class A Shares on a Unitec national exchange, then at a rate of 10% of one-half the number of RSUs each nine months after the date of the initial vesting, until the last vesting on t year anniversary of the Date of Grant, at which any previously unvested will fully vest. These RSUs were granted to officers, directors, employe contractors. As these RSUs do not begin to vest until the completion of an initial public offering by the Company, which occurred on September 20 $201,370 of stock-based compensation expense related to these RSUs was recorded for the three and nine months ended September 30, 2023. Th unrecognized compensation expense based on the shares price sold in the private placement is $36,548,630.

On April 19, 2022 the Company granted 2,000,000 restricted stock units ("RSUs"). These units will vest when 20% of the one-half of the total nun RSUs, by each individual person, on the thirteenth (13) month anniversary of the listing of the Class A Shares on a United States national exchange. C Share have traded in the market since September 20, 2023. The RSUs will vest once the Class A Shares are listed for any 90 consecutive calendar day average price of $20.00 or more during the period commencing from the Date of Grant and prior to the five year anniversary of the Date of Grant, v average monthly trading volume of 2,000,000 Class A Shares or more during the 90 consecutive calendar day period, or the Class A Shares are listed for consecutive calendar days at an average price of $25.00 or more during the period commencing the Date of Grant and prior to the five year anniversary Date of Grant; provided further, that if there is a distribution of cash, stock or other property by the Company on the Class A Shares, then the foregoing a amounts of $20.00 or $25.00 will be reduced, from time to time, by the value of any one or more per share distributions after the Date of Grant until ves these RSUs do not begin to vest until the completion of an initial public offering by the Company, which occurred on September 20, 2023, $86,685 of based compensation expense related to these RSUs was recorded for the three and nine months ended September 30, 2023. The estimated unreco compensation expense for performance/market vesting RSUs is $15,733,315. A summary of restricted stock unit activity during the nine-months September 30, 2023 and 2022 is presented below:

	Time-Based			Performance-Ba	
	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value		Number of Restricted Stock Units	Av Da
Restricted stock units outstanding at September 30, 2022	3,675,000	$	10.00	2,000,000	$
Granted	-		-	-	
Exercised	-		-	-	
Expired	-		-	-	
Restricted stock units outstanding at December 31, 2022	3,675,000	$	10.00	2,000,000	$
Granted	-		-	-	
Exercised	-		-	-	
Expired	-		-	-	
Restricted stock units outstanding at September 30, 2023	3,675,000	$	10.00	2,000,000	$
Restricted stock units at September 30, 2022	-	$	-	-	$
Restricted stock units at September 30, 2023	-	$	-	-	$

25 21

6. Earnings Per Share

The Company's computation of earnings (loss) per share ("EPS") includes basic and diluted EPS. Basic EPS is measured as the income (loss) attribut common stockholders divided by the weighted average common shares outstanding for the period. Diluted EPS is similar to basic EPS but presents the effect on a per share basis of potential common shares (e.g., preferred shares, warrants and stock options) as if they had been converted at the beginning periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrea per share) are excluded from the calculation of diluted EPS.

Loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the respective p Basic and diluted loss per common share was the same for all periods presented because warrants outstanding were anti-dilutive, for a total of35,144 shar

Earnings (loss) per share is presented below for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Basic and fully diluted earnings (loss) per share is calculated at follows for the three three-months ended March 31, 2024 and nine months ended Septem 2023 and 2022: 2023:

	For the Three Months Ended				For the Three Months Ended			
	September 30, 2023		September 30, 2022		March 31, 2024		March 31, 2023	
	Class A common shares	Class B common shares	Class A common shares	Class B common shares	Class A common shares	Class B common shares	Class A common shares	Clas comm shar
Net loss attributable to MDB Capital Holdings, LLC	$ (1,390,236)	$ (1,618,198)	$ (718,008)	$ (1,365,572)	$ (3,334,431)	$ (3,881,084)	$ (645,700)	$ (1,22
Weighted average shares outstanding – basic and diluted	2,828,241	5,000,000	2,628,966	5,000,000	4,295,632	5,000,000	2,628,966	5,00
Net loss per share – basic and diluted	$ (0.49)	$ (0.32)	$ (0.27)	$ (0.27)	$ (0.78)	$ (0.78)	$ (0.25)	$

	For the Nine Months Ended			
	September 30, 2023		September 30, 2	
	Class A common shares	Class B common shares	Class A common shares	Cla
Net loss attributable to MDB Capital Holdings, LLC	$ (655,900)	$ (763,450)	$ (1,648,548)	
Weighted average shares outstanding – basic and diluted	2,696,121	5,000,000	1,154,420	
Net loss per share – basic and diluted	$ (0.24)	$ (0.15)	$ (1.43)	$

Class A common shares and Class B common stock are equal for ownership, Class B shares have five times the voting rights of Class A shares and C shares can be exchanged on a one-to-one basis for purposes of sale.

7. Restatement of Previously Issued Financial Statements

During the preparation of the financial statements for the quarter ended September 30, 2023, a mathematical error was identified in the calculation of we average of Class A common shares outstanding for the period ended June 30, 2022, that resulted in a material error in the reported net loss per Class A co share for the three-month and six-month periods ended June 30, 2022. Below are the weighted-average share calculations and net loss per share – ba diluted and previously reported and as restated:

	For the Three Months Ended	
	June 30, 2022 – Class A common shares	June 30, 2022 – Class A common sh
	Previously Reported	As restated
Weighted average of Class A common shares outstanding – basic and diluted	400,763	73
Net loss per Class A common share – basic and diluted	$ (1.35)	$

22

	For the Six Months Ended	
	June 30, 2022 - Class A common shares	June 30, 2022 - Clas common shares
	Previously Reported	As restated
Weighted average of Class A common shares outstanding – basic and diluted	400,763	41
Net loss per Class A common share – basic and diluted	$ (2.32)	$

8. 7. Related Party Transactions

The principal members of the Company have a controlling interest in PatentVest, S.A. (renamed MDB Capital, S.A. in 2022), a company organized and in Nicaragua that provides outsourced services to the Company and other non-related entities. During the nine three months ended September 30, 2023 31, 2024 and 2022, 2023, the Company paid $829,474 320,792 and $882,601 301,702, respectively, which is inclusive of expenses and fees, for cor labor, recorded against general and administrative expenses.

During the nine-months three-months ended September 30, 2022 March 31, 2024, PatentVest, a 100% entity owned by MDB Capital Holdings, LLC, eng transactions with ENDRA Life Sciences Inc, a company for which two of our executive officers serve as board members, being Anthony DiGiandomeni Chief of Transactions, and Lou Basenese, President of Public Ventures. For the Company utilized year ended December 31, 2023, there were no r recognized between MDB Capital entities and ENDRA. However, costs incurred amounting to $1,300 80,995 square feet provided by the controlling mer the Company for a monthly charge of $1,600 per month.
In January 2022, the Company declared related to its two principal members a cash distribution of $2,723,700, it was distributed in July 2022. transactio ENDRA have been deferred.

9. 8. Commitments and Contingencies

Legal Claims

The Company may be subject to legal claims and actions from time to time as part of its business activities. As of September 30, 2023 March 31, 20 2022, 2023, the Company was not subject to any pending or threatened legal claims or actions.

External Risks Associated with the Company's Business Activities

Contract for Sale of Securities

The Company entered into an agreement to sell equity securities to investors totaling $697,246, and as of December 31, 2022 certain conditions for com the sale transaction had not yet occurred. The Company recorded the value of these securities on its balance sheet as Investment securities at fair v $632,851 and recorded the commitment to sell the equity securities in Prepaid expenses and other assets on the consolidated balance sheets. The change value as of December 31, 2022, of $64,395 was recorded in other operating income on the consolidated statements of operations. The transacti completed on January 18, 2023.

Net Capital Requirement (Public Ventures)

Public Ventures is subject to the uniform net capital rule (SEC Rule 15c3-1) of the Securities and Exchange Commission (the "SEC"), which requires b maintenance of minimum net capital and the maintenance of maximum ratio of aggregate indebtedness to net capital. At September 30, 2023 March 3 and 2022, 2023, Public Ventures had net capital of $6,037,743 6,285,959 and $2,771,585 2,534,695, respectively, which was $5,787,743 6,035,9 $2,521,585 2,284,695 in excess of the minimum $250,000, as required by the Securities and Exchange Commission Rule 15c3-1.

At September 30, 2023 March 31, 2024, the Company's ratio of aggregate indebtedness of $1,195,542 6,175,623 to net capital was 0.20 0.98 to 1, as co to the maximum of a 15 to 1 allowable ratio of a broker dealer. Minimum net capital is based upon the greater of the statutory minimum net capital of $2 or 6 2/32% of aggregate indebtedness, customer debts, which was calculated as $79,703 0 at September 30, 2023 March 31, 2024.

The requirement to comply with the Uniform Net Capital Rule 15c3-1 may limit Public Ventures' ability to issue dividends to its parent company.

Indemnification Provisions

Public Ventures has agreed to indemnify its clearing broker for losses that the clearing broker may sustain from the accounts of customers. Should a cu not fulfill its obligation on a transaction, Public Ventures may be required to buy or sell securities at prevailing market prices in the future on behal customer. The indemnification obligations of Public Ventures to its clearing broker have no maximum amount. All unsettled trades at Septeml 2023 March 31, 2024 and 2022 2023 have subsequently settled with no resulting material liability to Public Ventures, LLC. For the nine-months three- ended September 30, 2023 March 31, 2024 and 2022, 2023, Public Ventures had no material loss due to counterparty failure and had no obligations outst under the indemnification arrangement as of September 30, 2023 March 31, 2024 and 2022. 2023.

Invizyne Funding Requirements

The Company has entered into a funding agreement (the “Funding Agreement”) on April 17, 2019 to purchase shares in Invizyne up to a maxim
$5,000,000 at a pre-determined purchase price, subject to continuing financial covenants being met. As of September 30, 2023 and December 31
$5,000,000, the maximum amount, has been funded, bringing the ownership interest of the Company The Funding Agreement was completed in Inviz
60.94% and 59.58% at September 30, 2023 and July 2022. respectively. The Company waived its 10% cash fee relative to Under the Funding Agreem
exchange for other modifications. As a condition of the Funding Agreement, Company was issued warrants to purchase 197,628 shares of Invizyne co
stock, were issuable (the “Funding Warrants”), which vest as amounts are funded. Through September 30, 2023 and 2022, 197,628 Funding Warran
vested. fully vested These warrants are eliminated in consolidation.

10. 9. Employee Benefit Plans

MDB Management and Invizyne both sponsored individual 401(k) defined contribution plans for the benefit of each company’s eligible employees.
Ventures offered the employees sponsored 401(k) defined contribution plan for the benefit of the employee, this plan was terminated on July 30, 202
plans allow eligible employees to contribute a portion of their annual compensation, not to exceed annual limits established by the Department of Tr
Invizyne makes matching contributions for participating employees up to a certain percentage of the employee contributions; matching contribution
funded for the nine- months three-months ended September 30, 2023 March 31, 2024 and 2022. 2023. Benefits under the Invizyne plan were availabl
employees, and employees become fully vested in the employer contribution upon receipt. For the nine-months three-months ended September 30, 2023
31, 2024 and 2022, 2023, a total of $391,960 189,365 and $197,528 163,027, respectively, was contributed to the plans. The majority of the expen
included in general and administrative cost, however for any research and development employees their portion of the expense is recorded in resear
development costs.

MDB Management and Invizyne also provide health and related benefit plans for eligible employees.

11. 10. Exclusive License Agreement (Invizyne)

On April 19, 2019, Invizyne entered into an exclusive a license agreement (the “License Agreement”) with the The Regents of the University of Ca
(“The Regents”) for patent rights and associated technology relating to the biosynthetic platform (the “Patent”). being developed by the Company.
individuals named as inventors of the Patent are also the founding stockholders of Invizyne. A founder One of the founders of Invizyne was the head
laboratory which was used in the research development of the patents and associated technology subject to the agreement with The Regents.

Under the License Agreement, Invizyne holds an exclusive license of the Patent patent rights and a non-exclusive license for the associated technology to
have made, use, have used, sell, have sold, offer for sale, and import licensed products. Invizyne also has products in the rights to sub-license its rights
patent underlying the License Agreement.

field of use. Under the License Agreement, Invizyne has committed paid an initial license fee and is to pay certain an annual license fee and royalties sales, for 10 years a minimum annual royalty that is credited against the royalties on net sales, and a percentage of any sublicensing income. The net royalty commences after the first commercial sale of such a licensed product. At September 30, 2023, March 31, 2024 and 2023, there was were no royalties recorded.
Invizyne is obligated to make payments upon achievement of certain milestones as defined in the License Agreement. At September 30, 2023, none milestones had been achieved by Invizyne.

Under the License Agreement, Invizyne is required to achieve certain development milestones. Invizyne is obligated to make payments upon achiever certain sales thresholds, as defined in the License Agreement.
As of March 31, 2024 and 2023, the development milestones have been met.
The following net sales milestone payments have not yet been incurred. The net sales milestones do not have a deadline and are listed below as of Ma 2024.

- A payment of $250,000 when a licensed product reaches $1,000,000 in cumulative net sales.
- A payment of $350,000 when a second licensed product reaches $ 2,000,000 in cumulative net sales.

If Invizyne fails to achieve a development milestone by breaches the deadline, terms of the License Agreement, The Regents have the right and op either may terminate the License Agreement or reduce Invizyne's exclusive and non-exclusive license in accordance with the License Agreement. September 30, 2023, the performance milestones have been met.

Invizyne may terminate the License Agreement, in whole or in part as to a particular patent right, at any time by providing notice of termination to The F as defined in the License Agreement.

Pursuant Under the License Agreement, the Company issued 499,377 shares of common stock equity representing four percent of its shares as consideration. The Company agreed to a issue additional shares of common stock to The Regents so that The Regents own no less than four percen outstanding common shares of the Company until the Company has received an aggregate amount of $5,000,000 from the sale of equity securitie Company received equity funding of $5,000,000 as of June 2022. As such, the non-dilution provision of the License Agreement was fulfilled and no add common shares of Invizyne's common stock were issued to The Regents during the three months ended September 30, 2023 and 2022. will be issued.

Invizyne accounts for the costs incurred in connection with the License Agreement in accordance with ASC Topic 730, *Research and Developmen* Company paid license fees for the three months ended September 30, 2023 and 2022, respectively, of $1,250 and $625 and nine months ended Septem 2023 and 2022, respectively, of $3,750 and $1,875.

12. 11. Leases

For operating leases, the Company records a right-of-use assets and corresponding lease liabilities in the unaudited condensed consolidated balance she all leases with terms longer than twelve months. The Company has three operating leases, with no variable lease costs, and no finance leases as of Sep 30, 2023 March 31, 2024. The Company has two three operating leases, with no variable lease costs, and no finance leases and December 31, 2022 De 31, 2023.
On April 3, 2023, the Company executed a lease for new office space next to the existing space at Invizyne in the Los Angeles, California metropolita The lease with a term of 60 months which began on July 1, 2023 and ending on June 30, 2028, without an option to extend. The initial base rent was $ per month. The lease provides for annual increases. The base rent for the lease in the final year is $14,943 per month.

In April October 2023, Invizyne made changes to an existing lease agreement that was originally entered into in August 2021, which resulted extension of the lease term by an additional 21 14 months. The revised lease maintained the same escalation rate for lease payments as the pr arrangement. To account for this modification, the Company reevaluated the remaining lease term at the time of execution. As the Company was a utilizing the premises, adjustments were made to reflect the revaluation of both the right-to-use asset and the corresponding lease liability in line w updated lease term. This was originally entered into in August 2021, with a term of 60 months beginning on May 1, 2023 August 24, 2021 and end April 30, 2028 September 30, 2026, with an option to extend for 60 additional months and was further modified on April 3, 2023 for an additic months with the lease ending date of April 30, 2028. At the time the lease commenced, it was not probable the Company would exercise the one fiv option to extend the facility lease; therefore, this extension option is not included in the lease analysis. The initial base rent is $14,371 per month. Th provides for annual increases. The base rent for the lease in the final year is $16,259 16,747 per month. Additionally, Invizyne is responsible for operating cost increases of2.5%, which are included in the rent.
Furthermore, in October 2023, Invizyne made changes to a second existing lease agreement that was originally entered into in April 2023, which resu an extension of the lease term by an additional 12 months. The revised lease maintained the same escalation rate for lease payments as the p arrangement. To account for this modification, the Company reevaluated the remaining lease term at the time of execution. As the Company was a utilizing the premises, adjustments were made to reflect the revaluation of both the right-to-use asset and the corresponding lease liability in line w updated lease term. This was originally entered into in April 2023, with a term of 60 months beginning on July 1, 2023 and ending on June 30, 202 an option to extend for 60 additional months. At the time the lease commenced, it was not probable the Company would exercise the one five-year to extend the facility lease; therefore, this extension option is not included in the lease analysis. The initial base rent is $13,277per month. Th provides for annual increases. The base rent for the lease in the final year is $15,391per month. Additionally, Invizyne is responsible for annual op cost increases of 3.0%, which are included in the rent.

On July 1, 2022, the Company executed a lease for new office space in the Dallas, Texas metropolitan area. area, the expected occupancy of the s December 20, 2022. The lease with a term of 91 months set to begin once we take control of the space, which began on December 20, 2022 is estima December 16, 2022 and ending on July 20, 2030, without an option to extend. The initial base rent was $12,556 per month, after 7 months of free re lease provides for annual increases. The base rent for the lease in the final year is $13,937 per month.

ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation t lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease pa over the lease term. The Company's uses the implicit rate in its lease calculations when it is readily determinable. Since the Company's leases provide implicit rates, to determine the present value of lease payments, management uses the Company's estimated incremental borrowing rate for collateralized loan with a similar term of the lease that is based on the information available at the inception of the lease.

	September 30, 2023		December 3 2022
Operating leases:			
Right-of-use assets	$	2,126,213	$
Operating lease liabilities	$	2,210,005	$
Weighted average remaining lease term in years		5.44	
Weighted average discount rate		7.66 %	
Cash paid for amounts included in the measurement of lease liabilities	$	206,837	$
Right-of-use assets obtained in exchange for lease liabilities	$	896,803	$
Operating lease cost	$	276,823	$
Short-term lease costs		29,049	
Total operating lease costs	$	305,872	$

	March 31, 2024		December 31
Operating leases:			
Right-of-use assets	$	2,235,559	$
Operating lease liabilities	$	2,339,955	$
Weighted average remaining lease term in years		5.27	
Weighted average discount rate		7.66 %	
Cash paid for amounts included in the measurement of lease liabilities	$	121,688	$
Right-of-use assets obtained in exchange for lease liabilities	$	-	$
Operating lease cost	$	45,754	$
Short-term lease costs		84,560	
Total operating lease costs	$	130,314	$

Future payments due under operating leases as of September 30, 2023 March 31, 2024 are as follows:

Year	Amount		Amo
Remainder of 2023	$	121,688	
2024		491,624	
Remainder of 2024			$ 36
2025		503,684	50
2026		516,001	51
2027		528,586	52
2028			54
Thereafter		576,564	45
Total	$	2,738,147	$ 2,91
Less effects of discounting		(528,142)	(57
Total operating lease liabilities	$	2,210,005	$ 2,33

13. 12. Income Taxes

The Company is a limited liability company treated as a partnership for federal and state income tax purposes, with the exception of the state of Texas, ir income tax liabilities and/or benefits of the Company are passed through to its unitholders. Limited liability companies are subject to Texas marg Additionally, the Company's subsidiaries Public Ventures, MDB Management, PatentVest, and Invizyne are Subchapter C-corporations subject to fede state income taxes.

Amounts recognized as income taxes are included in "income tax expense" on the statements of operations. The Company recognized no income tax e for the nine three months ended September 30, 2023 March 31, 2024, and September 30, 2022 March 31, 2023, because of a full valuation allowance re against the Company's net deferred tax assets.

The Company's federal and state statutory tax rate net of the federal tax benefit was approximately 27% for the nine three months ended Septemb 2023 March 31, 2024, and September 30, 2022. March 31 2023.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, a planning strategies in making this assessment. At the end of 2022, 2023, the Company's corporate earnings were in a cumulative loss position. Based cumulative losses and projections of future taxable income for the periods in which the deferred tax assets are deductible, the Company recorded a va allowance against all its net deferred tax assets as of September 30, 2023 March 31, 2024, and September 30, 2022 March 31, 2023. The Company int maintain a full valuation allowance on its net deferred tax assets until there is sufficient evidence to support the reversal of all or some portion o allowances. The amount of deferred tax assets considered realizable could materially increase in the future, and the amount of valuation allowance re could materially decrease if estimates of future taxable income are increased.

13. Subsequent Events

There were no subsequent events for the three months ended March 31, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

MDB Capital Holdings, LLC (“the Company” (the “Company” or “MDB”), a Delaware limited liability company, is a holding company that ha wholly-owned subsidiaries: MDB CG Management Company (“MDB Management”); Public Ventures, LLC (“Public Ventures”); and PatentVe (“PatentVest”), and has a majority-owned partner company, Invizyne Technologies, Inc. (“Invizyne”).

MDB Management is principally an “administrative” entity whose purpose is to conduct, and to consolidate wherever possible, to consolidate services and other services/resources, for our US-based operations.

Public Ventures is a U.S. registered broker-dealer under the Securities Exchange Act of 1934 and is a member of FINRA the Financial I Regulatory Authority (“FINRA”), the Depository Trust Company (“DTC”), and the Texas State National Securities Board. Clearing Corporation (“N Public Ventures is managed by Christopher A. Marlett dual clearing, operating as a self-clearing firm and Anthony DiGiandomenico, who are also the fo of MDB. Public Ventures operates carrying accounts for its customers, and on a fully disclosed basis with a nonrelated FINRA member firm, Inte Brokers, LLC (“Interactive Brokers”), and is not required to maintain a clearing deposit. . Interactive Brokers is the clearing firm and serves as custo certain investments maintained by Public Ventures. Public Ventures has been approved by FINRA to be a clearing broker dealer and will commence op as such in November.

PatentVest is a wholly-owned subsidiary that performs intellectual property validation services for Public Ventures’, due diligence functions intellectual property of clients partner and prospective client partner companies and creates an intellectual property roadmap for client companies, and is law firm specializing in patent matters. such partner companies.

Invizyne was formed with the business objective of taking nature’s building blocks to make molecules of interest, effectively simplifying Invizyne is a biology technology development company that is a majority-owned subsidiary. Invizyne’s technology is a differentiated and unique sy biology platform which is designed to enable the scalable exploration of a large number of molecules and properties found in nature.

Prior to January 14, 2022, Public Ventures owned majority interests in PatentVest and Invizyne. On January 14, 2022, Public Ventures dist 100% of its equity interests in PatentVest and Invizyne to its members in proportion to their respective interests. On January 15, 2022, Public Ventur with the Internal Revenue Service to be treated as a corporation for federal income tax purposes. On January 16, 2022, the members of Public V contributed their entire interests in the equity of Public Ventures, Invizyne and PatentVest to MDB, as result of which MDB became the new parent l company. There was no effective change in the beneficial ownership of Public Ventures as a result of this transaction. On the same day as part reorganization, MDB established a management company subsidiary, MDB Management. These reorganization steps are collectively referred to “reorganization. In connection with the reorganization, 5,000,000 Class B common shares Common Shares were issued in exchange for the members’ equ

The reorganization was completed between entities that were under common control, and the assets contributed and liabilities assumed are re based on their historical carrying values. These consolidated financial statements retroactively reflect the financial statements of the Company and Ventures on a an unaudited condensed consolidated basis for the periods presented.

On January 16, 2022, the Company issued 100,000 shares of Class A common shares for the non-controlling interest in PatentVest. PatentVest wholly owned by the Company.

On July 1, 2022, the Company made a cash distribution for $2,723,700 to the former members of Public Ventures in accordance with its offering memorandum. This cash distribution was declared on January 16, 2022.

On June 8, 2022, MDB completed the first closing of a private placement, consisting of the sale of 2,517,966 shares of Class A co shares Common Shares at $10.00 per share, for gross proceeds of $25,179,660. On June 15, 2022, the Company completed the second closing of the placement, consisting of the sale of an additional 11,000 shares of Class A common shares, Common Shares, for gross proceeds of $110,000. Accordin Company received total gross proceeds of $25,289,660 from the sale of 2,528,966 shares of Class A common shares, Common Shares, or $24,746,142 $543,518 $343,518 of offering expenses. expenses, which will be used for development of the current partner companies, identifying and developin partner companies, and general corporate and working capital requirements. In conjunction with the private placement, the Company issued warrants placement agent to purchase 18,477 shares of Class A common shares, Common Shares, exercisable upon issuance for a period of 10 years at $13.00 per for a cash consideration of $0.001/share. The placement agent’s warrants had a fair value of $106,940, as calculated pursuant to the Black-Scholes pricing model and were accounted for as issuance costs that were recorded against paid in capital. The warrants issued are accounted for as equity capi recorded under paid in capital. capital for the warrants issued.

On September 20, 2023, MDB completed an initial public offering (IPO), consisting of the sale of 1,666,666 shares of Class A common shares at $12 share, for gross proceeds of $19,999,992. Accordingly, the Company received total gross proceeds of $19,999,992 from the sale of 1,666,666 shares of C common shares, or $17,444,659 net of $2,555,333 of offering expenses. In conjunction with the IPO, the Company issued warrants to the placement a purchase 16,667 shares of Class A common shares, exercisable upon issuance for a period of 5 years at $15.00 per share, for a cash considera $0.001/share. The placement agent’s warrants had a fair value of $65,411, as calculated pursuant to the Black-Scholes option-pricing model and were acc for as issuance costs that were accounted for as equity instruments and recorded against paid in capital.

Results of Operations

The Company has determined its reporting units in accordance with ASC (Accounting Standards Codification) 280, Segment Reporting. The Co currently operates in two reportable segments: (i) the broker dealer and intellectual property service segment and (ii) the technology development segmen

The Company's unaudited condensed consolidated statements of operations as discussed herein are presented below.

Unaudited Condensed Consolidated Results of Operations for the Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

	2023	2022	$ Change	% Change
Operating income (loss):				
Unrealized gain (loss) on investment securities, net (from our licensed broker dealer)	$ (786,906)	$ 16,072	$ (802,978)	(4,99
Other operating income	11,502	57,903	(46,401)	(8
Total operating income (loss), net	(775,404)	73,975	(849,379)	(1,14
Operating costs:				
General and administrative costs:				
Compensation	1,337,771	1,130,256	207,515	1
Operating expense, related party	273,821	514,798	(240,977)	(4
Professional fees	459,585	51,035	408,550	80
Information technology	93,326	93,465	(139)	(
Clearing and other charges	3,316	2,547	769	3
General and administrative-other	327,896	406,536	(78,640)	(1
Total general and administrative costs	2,495,715	2,198,637	297,078	1
Research and development costs, net of grants amounting to $743,320 and $645,731	27,936	103,633	(75,697)	(7
Total operating costs	2,523,651	2,302,270	221,381	
Net operating loss	(3,299,055)	(2,228,295)	(1,070,760)	(4
Other income:				
Interest income	176,300	-	176,300	10
Loss before income taxes	(3,122,755)	(2,228,295)	(894,460)	(4
Income taxes	63,559	-	63,559	10
Net loss	(3,186,314)	(2,228,295)	(958,019)	(4
Less net loss attributable to non-controlling interests	(177,853)	(144,715)	(33,138)	(2
Net loss attributable to MDB Capital Holdings, LLC	$ (3,008,461)	$ (2,083,580)	$ (924,881)	(4

Consolidated Results of Operations for the Nine Months Ended September 30, 2023 and 2022

	2023	2022	$ Change	% Change
Operating income (loss):				
Unrealized gain (loss) on investment securities, net (from our licensed broker dealer)	$ 696,965	$ (3,836)	$ 700,801	18,26
Realized gain (loss) on investment securities (from our licensed broker dealer)	-	(7)	7	10
Fee income	4,233,120	-	4,233,120	10
Other operating income	140,873	107,356	33,517	3
Total operating income, net	5,070,958	103,513	4,967,445	4,79
Operating costs:				
General and administrative costs:				
Compensation	3,183,515	2,219,954	963,561	4
Operating expense, related party	829,474	882,601	(53,127)	(
Professional fees	1,241,089	652,713	588,376	9
Information technology	408,875	207,944	200,931	9
Clearing and other charges	382,994	22,342	360,652	1,61
General and administrative-other	883,233	1,024,761	(141,528)	(1
Total general and administrative costs	6,929,180	5,010,315	1,918,865	3
Research and development costs, net of grants amounting to $2,265,408 and $1,651,661	67,095	295,779	(228,684)	(7
Total operating costs	6,996,275	5,306,094	1,690,181	3
Net operating loss	(1,925,317)	(5,202,581)	3,277,264	6

Other income:				
Interest income	548,479	-	548,479	10
Loss before income taxes	(1,376,838)	(5,202,581)	3,825,743	7
Income taxes	384,143	-	384,143	10
Net loss	(1,760,981)	(5,202,581)	3,441,600	6
Less net loss attributable to non-controlling interests	(341,631)	(418,677)	77,046	1
Net loss attributable to MDB Capital Holdings, LLC	$ (1,419,350)	$ (4,783,904)	$ 3,364,554	7

	2024	2023	$ Change	% Change
Operating income (loss):				
Unrealized gain (loss) on investment securities, net (from our licensed broker dealer)	$ (747,268)	$ 54,779	$ (802,047)	(1,464
Other operating income	86,879	62,212	24,667	39
Total operating income (loss), net	(660,389)	116,991	(777,380)	(664
Operating costs:				
General and administrative costs:				
Compensation	4,892,675	872,027	4,020,648	461
Operating expense, related party	320,292	301,702	18,590	6
Professional fees	919,089	604,662	314,427	52
Information technology	205,991	147,407	58,854	39
Clearing and other charges	2,036	10,754	(8,718)	(81
General and administrative-other	669,126	304,079	365,047	120
Total general and administrative costs	7,009,209	2,240,631	4,768,578	212
Research and development costs, net of grants amounting to $708,700 and $793,540	277,582	31,592	245,990	778
Total operating costs	7,286,791	2,272,223	5,014,568	220
Net operating loss	(7,947,180)	(2,155,232)	(5,791,948)	268
Other income:				
Interest income	337,852	187,291	150,561,	80
Loss before income taxes	(7,609,328)	(1,967,941)	(5,641,387)	(268
Income taxes	-	-	-	0
Net loss	(7,609,328)	(1,967,941)	(5,641,387)	(286
Less net loss attributable to non-controlling interests	(393,903)	(94,193)	(299,710)	(318
Net loss attributable to MDB Capital Holdings, LLC	$ (7,215,425)	$ (1,873,748)	$ (5,341,677)	(285

Operating Income. For the three-month period ended September 30, 2023 periods ending March 31, 2024, there were and 2023, the Company i operating losses primarily due to unrealized losses primarily related to stock and warrants received in an investment banking deal closed in the second of 2023. For the nine-month periods ended September 30, 2023, operating income was generated from the Company's fee income and unrealized gains to warrants received in an investment banking deal closed in the second quarter of 2023 in the broker-dealer and intellectual property service se For segments. These losses were partially offset by other income generated from operational fees within the three-month and nine-month periods September 30, 2022 it is worth noting that during both periods, there was minimal activity. same segments.

General and Administrative Costs. During the three-month and nine-month periods period ended September 30, 2023 March 31, 2024, and 2022
respectively, several factors contributed to changes in various expense categories:

- Compensation Expense: The majority of the increase in compensation expense was driven by due to the continued hiring recognition of res stock options, as well as the ongoing recruitment of additional employees in the later latter half of 2022 and into 2023, specifically wit technology segment, to support the anticipated growth in operations. expected operational growth.
- Related Party Operating Expenses: There was a decrease slight rise in related party operating expenses due to outsourcing support serv preparation for future anticipation of upcoming self-clearing operations for within the broker-dealer and intellectual property service segment i leading to decreased costs in 2023. segments for 2024.
- Professional Fees: For the three-month and nine-month period ended September 30, 2023 ending March 31, 2024, professional fees in compared to the saw an increase from previous periods, as a result of driven by higher costs in legal, tax, audit, and consulting fees related se This rise in expenses was primarily linked to the preparation for self-clearing operations, audit fees, tax return preparation fees, the offering, preparations, and K-1s preparation costs that were incurred. associated with fiscal year 2023 reporting, along with initiation of th clearing operations.
- Information Technology Costs: Cost were consistent with the comparative period for For the three-month period ended September 30, 202 increase in ending March 31, 2024, information technology costs for the nine-month period ended September 30, 2023 was due to investments increase from previous periods, driven by higher costs in infrastructure, website development, and other technology expenses as part with initia the preparation for becoming a self-clearing broker-dealer. A majority of these expense were incurred before the third quarter of 2023 and, as a the costs incurred in the three-month comparative periods were consistent. operations.
- Clearing and Other Charges: The uptick reduction in costs for the three-month period ended September 30, 2023 ending March 31, 202 immaterial with respect negligible compared to the comparative period. For the nine-month same period ended September 30, 2023, the incr clearing and other charges was directly linked to the attorney fees and placement agent fees paid out as part of an investment banking deal second quarter of 2023. previous year.
- Other General and Administrative Costs: The decrease primary driver of the increase in other general and administrative costs resulted fr overall cost reduction strategy with respect were the issuance of restricted stock options to reduce general and administrative expenses. the b directors, as well as higher rent expenses in the technology segment compared to the previous period.

Research and Development Costs. The research and development costs were derived from the Company's technology development segment. three-month period and the nine-month period ended September 30, 2023 March 31, 2024 there was a decrease an increase in research and developme that was due to an increase in a decrease of grant funding of $97,589 and $613,747, respectively. funding. It is important to note that the upswing i funding was not linked to any specific event and is expected to fluctuate throughout the year.

Other Income. For the three-month and nine-month periods period ended September 30, 2023 March 31, 2024, the increase in other income v result of interest generated on U.S. Treasury Bill interest that was not present in from capital raised from the prior period. initial public offering.

Income Taxes. For the three-month and nine-month periods ended September 30, 2023, the increase was primarily attributed to the growth income for investment banking revenues and technology revenues. Therefore, the total tax expense amounted to $63,659 for the three-month period September 30, 2023 and $384,143 for the nine-month period ended September 30, 2023.

Broker Dealer and Intellectual Property Service Segment (Public Ventures and PatentVest) Results of Operations for the Three M Ended September 30, 2023 March 31, 2024 and 2022 2023

	2023	2022	$ Change	% Change	2024	2023	$ Change	% Chan
Operating income (loss):								
Unrealized gain (loss) on investment securities, net (from our licensed broker dealer)	$ (786,906)	$ 16,072	$ (802,978)	(4,996.1)%	$ (747,268)	$ 54,779	$ (802,047)	(1,46
Other operating income	11,502	27,073	(15,571)	(57.5)%	86,879	3,053	83,826	2,74
Total operating income (loss), net	(775,404)	43,145	(818,549)	(1,897.2)%	(660,389)	57,832	(718,221)	(1,24
Operating costs:								
General and administrative costs:								
Compensation	793,061	633,083	159,978	25.3%	679,907	546,801	133,106	2
Operating expense, related party	223,254	431,172	(207,918)	(48.2)%	243,876	258,453	(14,577)	(
Professional fees	108,959	36,865	72,094	195.6%	145,907	165,812	(19,905)	(1
Information technology	71,988	85,978	(13,990)	(16.3)%	180,914	121,876	59,038	4
Clearing and other charges	3,316	2,547	769	30.2%	2,036	10,754	(8,718)	(8
General and administrative-other	63,266	71,743	(8,477)	(11.8)%	218,936	108,993	109,943	10
Total General and administrative costs	1,263,844	1,261,388	2,456	0.2%	1,471,576	1,212,689	258,887	2
Research and development costs	-	-	-	-	-	-	-	
Total operating costs	1,263,844	1,261,388	2,456	0.2%	1,471,576	1,212,689	258,887	2
Net operating loss	(2,039,248)	(1,218,243)	(821,005)	(67.4)%	(2,131,965)	(1,154,857)	(977,108)	(8
Other income:								
Less: interest expense					110,625	-	110,625	10
Interest income	28,110	-	28,110	100.0%	52,459	28,362	24,097	8
Loss before income taxes	(2,011,138)	(1,218,243)	(792,895)	(65.1)%	(2,190,131)	(1,126,495)	(1,063,636)	(9
Income taxes	-	-	-	-	-	-	-	
Net income (loss)	$ (2,011,138)	$ (1,218,243)	$ (792,895)	(65.1)%	$ (22,190,131)	$ (1,126,495)	$ (1,063,636)	(9

Broker Dealer and Intellectual Property Service Segment (Public Ventures and PatentVest) Results of Operations for the Nine Months September 30, 2023 and 2022

	2023	2022	$ Change	% Change
Operating income (loss):				
Unrealized gain (loss) on investment securities, net (from our licensed broker dealer)	$ 696,965	$ (3,836)	$ 700,801	18,26
Realized gain (loss) on investment securities (from our licensed broker dealer)	-	(7)	7	10
Fee income	4,233,120	-	4,233,120	10
Other operating income	70,104	76,513	(6,409)	(
Total operating income (loss), net	5,000,189	72,670	4,927,519	6,78
Operating costs:				
General and administrative costs:				
Compensation	1,912,536	1,359,236	553,300	4
Operating expense, related party	687,995	794,054	(106,059)	(1
Professional fees	316,388	542,811	(226,423)	(4

Information technology	333,940	187,768	146,172	7
Clearing and other charges	382,994	22,342	360,652	1,61
General and administrative-other	262,131	471,039	(208,908)	(4
Total General and administrative costs	3,895,984	3,377,250	518,734	1
Research and development costs	-	-	-	
Total operating costs	3,895,984	3,377,250	518,734	1
Net operating income (loss)	1,104,205	(3,304,580)	4,408,785	13
Other income:				
Interest income	75,991	-	75,991	10
Income (loss) before income taxes	1,180,196	(3,304,580)	4,484,776	13
Income taxes	320,584	-	320,584	10
Net income (loss)	$ 859,612	$ (3,304,580)	$ 4,164,192	12
	35 29			

Operating Income. For the three-month ended September 30, 2023 periods ending March 31, 2024, there were and 2023, the Company i operating losses primarily due to unrealized losses primarily related to stock and warrants received in an investment banking deal closed in the second of 2023. For the nine-month periods ended September 30, 2023, operating income was generated from the Company's fee income and unrealized gains to warrants received in an investment banking deal closed in the second quarter of 2023 in the broker-dealer and intellectual property service se For segments. These losses were partially offset by other income generated from operational fees within the three-month and nine-month periods September 30, 2022, it is worth noting that during both periods, there was minimal activity. same segments.

General and Administrative Costs. During the three-month and nine-month periods ended September 30, 2023 March 31, 2024, and 2022 respectively, several factors contributed to changes in various expense categories:

- Compensation Expense: The increase in compensation expense was driven by the continued hiring of additional employees an increase in sala the in the later latter half of 2022 to support the anticipated growth in operations. 2023.
- Related Party Operating Expenses: There was an uptick a decrease in related party operating expenses due to as outsourcing support in preparat future self-clearing operations for was reallocated to other areas within the broker-dealer and intellectual property service segment, lea increased costs. segment.
- Professional Fees: For the three-month period ended September 30, 2023 ending March 31, 2024, there was a decrease in professional fees in compared to the previous period, as a result of higher primarily due to reduced legal, tax, and audit and fees. However, this reduction was offse increase in consulting fees related to associated with the preparation for implementation of self-clearing operations. For the nine-month period September 30, 2023, audit fees, tax return preparation fees were reduced over the period from the prior comparative period due to higher activ the audits for multiple prior years in the prior period.
- Information Technology Costs: Cost decreased slightly due to IT costs due less costs surrounding to build up of the self clearing operation w comparative period for For the three-month period ended September 30, 2023. The increase in ending March 31, 2024, information technolog for saw an increase from previous periods, driven by higher costs with the nine-month period ended September 30, 2023, was due to investm infrastructure, website development, and other technology expenses as part initiation of the preparation for becoming a self-clearing dealer. operations.
- Clearing and Other Charges: The uptick reduction in costs for the three-month period ended September 30, 2023 ending March 31, 202 immaterial with respect negligible compared to the comparative period. For the nine-month same period ended September 30, 2023, the incr clearing and other charges was directly linked to the attorney fees and placement agent fees paid out as part of an investment banking deal second quarter of 2023. previous year.
- Other General and Administrative Costs: The decrease rise in other general and administrative costs resulted from an overall cost re strategy was due to reduce general higher expenses in advertising and administrative expenses. promotions, along with increased spending o and conferences.

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Other Income. The rise in other income for both the three-month and nine-month periods ending September 30, 2023 March 31, 2024, attributed to the growth in bank interest income, stemming from an increase in the cash balance.

Income Taxes. For the three-month period ended September 30, 2023 there was no activity. For the period ended nine-month period ended Sep 30, 2023, increase primarily attributed to the growth in taxable net income. As a consequence, the total tax expense amounted to $94,710.

Technology Development Segment (Invizyne) Results of Operations for the Three Months Ended September 30, 2023 March 31, 202 2022 2023

	2023	2022	$ Change	% Change	2024	2023	$ Change	% Chang
Total operating income	$ -	$ 21	$ (21)	(100.0)%	$ -	$ 59,159	$ (59,159)	(100
Operating costs:								
General and administrative costs:								
Compensation	119,146	82,430	36,716	44.5%	390,043	31,536	358,507	1,136
Professional fees	92,506	14,170	78,336	552.8%	256,563	181,707	74,856	41
Information technology	7,012	5,039	1,973	39.2%	3,891	9,826	(5,935)	(60
General and administrative-other	145,243	150,332	(5,089)	(3.4)%	80,378	45,734	34,644	75
Total general and administrative costs	363,907	251,971	111,936	44.4%	730,875	268,803	462,072	171
Research and development costs, net of grants amounting to $743,320 and $645,731	27,936	103,633	(75,697)	(73.0)%				
Research and development costs, net of grants amounting to $708,700 and $793,540					277,582	31,592	245,990	778
Total operating costs	391,843	355,604	36,239	10.2%	1,008,457	300,395	708,062	235
Net operating loss	(391,843)	(355,583)	(36,260)	(10.2)%	(1,008,457)	(241,236)	(767,211)	(318
Other income:								
Interest income	-	-	-	-	-	86	(86)	(100
Loss before income taxes	(391,843)	(355,583)	(36,260)	(10.2)%	(1,008,457)	(241,150)	(767,307)	(318
Income taxes	63,559	-	63,559	100.0%	-	-	-	
Net loss	(455,402)	(355,583)	(99,819)	(28.1)%	(1,008,457)	(241,150)	(767,307)	(318
Less net loss attributable to non-controlling interests	(177,853)	(144,715)	(33,138)	(22.9)%	(393,903)	(94,193)	(299,710)	(318
Net loss attributable to controlling interests	$ (277,549)	$ (210,868)	$ (66,681)	(31.6)%	$ (614,554)	$ (146,957)	$ (467,597)	(318

Technology Development Segment (Invizyne) Results of Operations for the Nine Months Ended September 30, 2023 and 2022

	2023	2022	$ Change	% Change
Total operating income	$ 70,769	$ 34	$ 70,735	208,04
Operating costs:				
General and administrative costs:				
Compensation	289,152	313,928	(24,776)	(
Professional fees	301,244	84,403	216,841	25
Information technology	16,247	15,057	1,190	
General and administrative-other	208,203	274,832	(66,629)	(2
Total general and administrative costs	814,846	688,220	126,626	1
Research and development costs, net of grants amounting $2,265,408 and $1,651,661	67,095	295,779	(228,684)	(7
Total operating costs	881,941	983,999	(102,058)	(1
Net operating loss	(811,172)	(983,965)	172,793	1
Other income:				
Interest income	100	-	100	10

Loss before income taxes	(811,072)	(983,965)	172,893	1
Income taxes	63,559	-	63,559	10
Net loss	(874,631)	(983,965)	109,334	1
Less net loss attributable to non-controlling interests	(341,631)	(418,677)	77,046	1
Net loss attributable to controlling interests	$ (533,000)	$ (565,288)	$ 32,288	

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Operating Income. For the three-month period ended September 30, 2023 there was minimal activity. For ending March 31, 2024, the nine period ended September 30, 2023, decline in operating income was generated from one primarily due to a feasibility study conducted. conducted in the p period.

General and Administrative Costs. During the three-month and nine-month periods ended September 30, 2023 March 31, 2024, and 2022 respectively, several factors contributed to changes in various expense categories:

- Compensation Expense: The increase in compensation expense for during the three-month period ended September 30, 2023 ending March 31 was driven by hiring stemmed from the recruitment of additional administrative non-grant reimbursable personnel. The reallocation staff, who covered by grants, in the latter half of responsibilities from administrative personnel to grant personnel during the nine months ended Septem 2023 fueled the financial performance, with reimbursement facilitated through grants. 2023.
- Professional Fees: The increase in professional fees compared to previous periods was a result of due to higher legal, tax, audit, and consulti related completion of costs associated with completing year-end financial audits and preparation of tax returns. preparing for the initial offering.
- Information Technology Costs: The reduction in costs for the three-month period ending March 31, 2024, was negligible compared to the same in the previous year.
- Other General and Administrative Costs: The decrease increase in other general and administrative costs resulted as an overall cost reduction s with respect was due to reduce general and administrative expenses. the acquisition of new leased laboratory space in the third quarter of 2023.

Research and Development Costs. The research and development costs were derived from the Company's technology development segment. three-month period and the nine-month periods ended September 30, 2023, March 31, 2024 there was a decrease an increase in research and developme that was due to an increase in a decrease of grant funding that is offset against the costs that the grant is reimbursing of $120,758 and $6 respectively. funding. It is important to note that the upswing in grant funding was not linked to any specific event and is expected to fluctuate through year.

Condensed Consolidated Balance Sheets September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023

	September 30, 2023	December 31, 2022	$ Change	% Change	March 31, 2024 (unaudited)	December 31, 2023	$ Change	% Chang
ASSETS								
Cash and cash equivalents	$ 24,445,550	$ 4,952,624	$ 19,492,926	393.6 %	$ 5,492,612	$ 6,109,806	$ (617,194)	(10
Restricted cash	2,000,000	-	2,000,000	100.0 %				
Cash segregated in compliance with regulations					2,959,994	1,247,881	1,712,113	137
Grants receivable	676,452	809,532	(133,080)	(16.4)%	1,111,611	882,319	229,292	26
Clearing deposits					703,740	260,000	443,740	170
Prepaid expenses and other current assets	561,536	309,818	251,718	81.2 %	494,463	523,788	(29,325)	(5
Investment securities, at amortized cost (U.S. Treasury Bills)	7,495,988	16,188,920	(8,692,932)	(53.7)%	21,381,362	24,658,611	(3,277,249)	(13
Investment securities, at fair value (held by our licensed broker dealer)	4,964,725	832,577	4,132,148	496.3 %	4,999,237	5,771,634	(772,397)	(13
Investment securities, at cost less impairment (held by our licensed broker dealer)	50,000	50,000	-	0.0 %				
Investment securities, at cost less impairment	300,000	200,000	100,000	50.0 %	200,000	200,000	-	0
Deferred offering cost	-	323,224	(323,224)	(100.0)%	266,945	69,303	197,642	285
Deferred costs related to deferred revenue					147,503	75,328	72,175	95
Property and equipment, net	842,306	624,644	217,662	34.8 %	946,850	866,490	80,360	9
Operating lease right-of-use assets, net	2,126,213	1,409,732	716,481	50.8 %	2,235,559	2,320,119	(84,560)	(3
Total assets	$ 43,462,770	$ 25,701,071	$ 17,761,699	69.1 %	$ 40,939,876	$ 42,985,279	$ (2,045,403)	(4

LIABILITIES AND EQUITY								
Accounts payable	$ 1,040,131	$ 698,782	$ 341,349	48.8 %	$ 916,782	$ 578,214	$ 338,568	58
Accrued expenses	154,264	254,745	(100,481)	(39.4)%	515,853	1,105,078	(589,225)	(53
Income tax payable	158,269	-	158,269	100.0 %				
Payables to non-customers					2,277,200	1,405,293	871,907	62
Payables to customers					1,212,595	-	1,212,595	100
Deferred grant reimbursement	153,663	214,998	(61,335)	(28.5)%	133,909	140,703	(6,794)	(4
Deferred tax liability	225,874	-	225,874	100.0 %				
Deferred revenue	200,000	-	200,000	100.0 %	20,000	20,000	-	0
Operating lease liabilities	2,210,005	1,423,538	786,467	55.2 %	2,339,955	2,415,889	(75,934)	(3
Total liabilities	4,142,206	2,592,063	1,550,143	59.8 %	7,416,294	5,665,177	1,751,117	30
Equity:								
Paid-in-capital	45,274,523	27,764,453	17,510,070	63.1	53,075,777	49,405,779	3,669,998	7
Accumulated deficit	(6,255,406)	(5,124,110)	(1,131,296)	(22.1)%	(19,308,352)	(12,092,927)	(7,215,425)	(59
Total MDB Capital Holdings, LLC Members’ equity	39,019,117	22,640,343	16,378,774	72.3 %	33,767,425	37,312,852	(3,545,427)	(9
Non-controlling interest	301,447	468,665	(167,218)	(35.7)%	(243,843)	7,250	(251,093)	(3,463
Total equity	39,320,564	23,109,008	16,211,556	70.2 %	33,523,582	37,320,102	(3,796,520)	(10
Total liabilities and equity	$ 43,462,770	$ 25,701,071	$ 17,761,699	69.1 %	$ 40,939,876	$ 42,985,279	$ (2,045,403)	(4

Financial Condition: Overall, the major increase reduction in assets was directly related primarily attributed to their utilization for oper activities during the closing of the IPO on September 20, 2023, which resulted in the majority of the increase period. The rise in cash an equivalents. segregated in compliance with regulations stemmed from customer deposits. The decrease decline in investment securities at amortized co due to the sale of U.S occurred because U.S. Treasury bills were sold to fund provide liquidity for operating costs, expenses. Similarly, the transfer of $4 of U.S Treasury Bills to Public Ventures to serve as deposits on hand for the self-clearing operation and the classification of a portion of the U.S. Treasur as a cash equivalent, due to the maturity date at the time of purchase being less than three months. The increase drop in investment securities at fair val due to a decrease in the result value of common stock and warrants being received as part of over the investment banking fee completed in period. I expenses remained stable compared to the second quarter of 2023. The previous period. There was an increase in investment securities, at cost less impa was the result of PatentVest's receipt of a new SAFE (Simply Agreement for Future Equity) on account of future work to be performed by Patentve increase in prepaid expenses was due to deposits made for the self-clearing operation. The decrease in grants receivable, which was driven influenced timing of the collection of grant funds from the prior previous period. The decrease growth in deferred offering costs was associated with expenses rel Invizyne's IPO. Finally, the reduction in the right-of-use asset was due to costs being allocated to the IPO as part of the closing. Lastly, the increase in r use asset was a result of leasing of new space by the technology sector next to their current space. its regular utilization.

The increase in accounts payable was due to primarily driven by payments for audit and legal bills paid in the first part of fourth quarter. The i in tax payable was due services associated with audits and legal matters related to the taxes due for the investment banking and technology segments. Invizyne. The decrease in accrued expenses was due to resulted from the payment settlement of payroll tax liability bonus liabilities that was were accrued fourth quarter of 2022. The decrease 2023. Additionally, the rise in deferred payables to customers and non-customers stemmed from increased activity self-clearing operations of the broker-dealer. Deferred grant reimbursement was driven by reimbursements remained consistent with the accretion of d grant reimbursement and previous period. Finally, the reduction in lab equipment purchase. The increase in deferred revenue lease liability was due to co for which PatentVest has entered into and received pre-payment on. The increase in deferred tax liability was driven by the income derived from the fai calculation for the warrants received as part of an investment banking transaction that was completed in the second quarter of 2023. The increase i liabilities was a result of from the leasing of new space by the technology sector next to their current space. its routine utilization.

The increase in equity increase was primarily driven by due to the Company's IPO, that which closed on September 20, 2023. This increase was offset by net losses from previous periods.

The decrease in non-controlling interest was a result of resulted from the net loss in experienced by Invizyne.

Liquidity and Capital Resources – September 30, 2023 March 31, 2024 and 2022 2023

The Company's unaudited condensed consolidated statements of cash flows as discussed herein are presented below.

	Nine Months Ended September 30,		Three Months End March 31,	
	2023	2022	2024	202
Net cash used in operating activities	$ (5,109,442)	$ (4,934,976)	$ (2,259,097)	$ (1,15
Net cash provided by (used in) investing activities	8,769,074	(11,223,474)	3,445,523	(5
Net cash provided by financing activities	17,833,294	21,523,804	(91,507)	(27
Net increase in cash and cash equivalents	$ 21,492,926	$ 5,365,354	$ 1,094,919	$ (1,48

At September 30, 2023 March 31, 2024, the Company had $33,826,889 $27,284,367 of working capital. This is an increa $11,509,771, $7,511,642, from the working capital of $22,317,118 $19,772,725 that the Company had at September 30, 2022 March 31, 2023. The incr working capital is primarily attributed to the funds received from the initial public offering in 2023, which was offset by the use of cash to fund operati the nine three months ended on September 30, 2023 March 31, 2024. Additionally, as of September 30, 2023, March 31, 2024 and 2023, respective Company had $26,445,550 $21,381,362 of cash and $7,495,988 $16,347,720 of short-term U.S. Treasury bills available to fund its operations.

Operating Activities. For the nine three months ending on September 30, 2023 March 31, 2024, the overall decline there was an increase i remained consistent across the period. Despite a reduction in net loss compared to the previous period, there was a rise in fee income received in the f warrants instead of cash. Q1 2023. Additionally, there was accretion of investments at amortized costs (U.S. Treasury Bills) and the acquisition of inve securities, funded by cash received as part of an investment banking deal. This purchase had been agreed upon as part of the aforementioned deal.

securities. However, this decrease in cash was partly offset by an increase in accounts payable, taxes payable, deferred revenue, grants receiva the technology segment. Furthermore, clearing deposits, payables to customers, and proceeds from the sale of investment securities by the broker deal rise in accounts payable and taxes payable can be attributed to expenses related to the initial public offering, which payables were paid in the fourth qua 2023. Furthermore, there was an increase in taxes non-customers all increased due to the investment banking deal transacted implementation of the self-c operations. There was a decrease in the second quarter accrued expenses due to bonuses being paid in Q1 of 2023.

2024.

For the nine three months ended September 30, 2022 March 31, 2023, operating activities use of cash represented a combination of increased act Invizyne, increased professional and consulting fees related to the business reorganization year end audits and issuance of the Company and payout of p equity of tax preparation fees related to the members as part of the reorganization. publicly traded partnership.

Investing Activities. For the nine three months ended September 30, 2023 March 31, 2024, investing activities consisted of the proceeds from t and the maturing of U.S. Treasury Bills and purchases of investment securities, which was offset by the reinvestment of the proceeds into new U.S. T Bills and the transfer of cash for operating activities.

For nine three months ended September 30, 2022, March 31, 2023 investing activities consisted of the purchase of laboratory equipment, and lea improvements to expand Invizyne's lab facility, as well as the purchase of U.S. Treasury Bills. was minimal during this period.

Financing Activities. For the nine three months ended September 30, 2023 March 31, 2024, financing activities consisted of costs related receipt deferred costs of net proceeds the IPO of $17,833,294 from the initial public offering. Invizyne.

For the nine three months ended September 30, 2022 March 31, 2023 financing activities consisting costs were for the preparation of the receip proceeds of $24,660,259 from a private placement by initial public offering incurred during the Company. period.

Recently Issued Accounting Pronouncements

See Note 2 in the unaudited condensed consolidated financial statements for the discussion on recently accounting pronouncements.

Critical Accounting Estimates

The preparation of financial statements in conformity with general accepted accounting principles in the United States requires management t estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date financial statements and the reported amounts of revenues and expenses during the reporting period. We have identified certain accounting policies a critical because they require us to make difficult, subjective, or complex judgments about matters that are uncertain. We believe that the judgment, est and assumptions used in the preparation of our unaudited condensed consolidated financial statements and audited unaudited condensed consolidated fi statements are appropriate given the factual circumstances at the time. However, actual results could differ, and the use of other assumptions or estimate result in material differences in our results of operations or financial condition. Our critical accounting estimates are:

Revenue recognition – Investment Banking and Warrants Valuation

The Company receives income from equity underwriting fees. As an underwriter, the Company helps clients raise capital via the private placer various types of equity instruments. Underwriting fees are primarily based on the issuance price and quantity of the underlying instruments and are reco as revenue typically upon execution of the client's transaction. The Company generally does not incur costs to obtain contracts with customers that are c for deferral or receive fees prior to recognizing revenue related to investment banking transactions. If the Company did have any contract assets or lia related to these revenues it would be recorded on the unaudited condensed consolidated balance sheets.

Revenue recognition may involve the bundling of investment banking services with other financial instruments. In such cases, we estimate value of the services provided and allocate the revenue accordingly. This estimation process involves significant judgment and sensitivity to market con Additionally, our investment banking activities may include the compensation for our services in warrants granted to us. The valuation of these w requires significant estimates, including the use of option pricing models like the Black-Scholes model. The key assumptions in this valuation process the stock price on the date of valuation, the exercise price of the warrant, the term to expiry, risk-free interest rate, and the expected volatility of the und stock.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to va methodologies used to measure fair value:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabi active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made b market participants. These valuations require significant judgment.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the mar the degree that the inputs are observable. The categorization of financial assets and liabilities within the valuation hierarchy is based upon the lowest l input that is significant to the fair value measurement.

The fair value of U.S. Treasury Bills and public equity securities are based on quoted market prices and are classified as level 1 of the fai hierarchy. The fair value of public equity securities that are not actively traded is based on quoted market prices of similar instruments and other sig inputs derived from or corroborated by observable market data and are classified as level 2 of the fair value hierarchy. The fair value of warrants is bas Black-Scholes model, which considers the stock price at the date of the valuation, the warrant strike price, the term to expiry, the risk-free rate of return, expected volatility of the underlying stock. The level in the fair value hierarchy for warrants depends primarily on whether the stock price is determinab active trades, and whether the expected volatility of the underlying stock is observable and are either classified as level 2 or level 3. The fair value of non equity securities and simple agreements for future equity is based on the initial investment, less impairment, and they are classified as level 3 in the fai hierarchy. For the significant unobservable inputs and assumptions used in level 3 fair value measurements, see Fair Value of Financial Instruments sec Note 2: *Summary of Significant Accounting Policies*.

Valuation Allowance for Net Deferred Tax Assets

A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is realize their benefits, or that future deductibility is uncertain. At September 30, 2023 and December 31, 2022, Invizyne, Public Ventures, PatentVest, and CG Management has established a full valuation allowance against all net deferred tax assets.

Stock-based Compensation

The Company and its subsidiaries may periodically issue common shares, stock options and restricted stock units to officers, directors, employe consultants for services rendered. Options vest and expire according to terms established at the issuance date of each grant. Stock grants, which are ge time vested, are measured at the grant date fair value and charged to operations ratably over the vesting period.

The Company accounts for stock-based payments to officers, directors, employees, and consultants by measuring the cost of services rece exchange for equity awards utilizing the grant date fair value of the awards, with the cost recognized as compensation expense on the straight-line basi Company's financial statements over the vesting period of the awards.

The fair value of share options granted as stock-based compensation is determined utilizing the Black-Scholes option-pricing model, and is affe several variables, the most significant of which are the expected life of the stock option, the exercise price of the share option as compared to the fair value of the common shares on the grant date, and the estimated volatility of the common shares. Unless sufficient historical exercise data is availal expected life of the stock option is calculated as the mid-point between the vesting period and the contractual term (the "simplified method"). The est volatility is based on the historical volatility of the Company's common shares, calculated utilizing a look-back period approximately equal to the cont life of the stock option being granted. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The fair market v the common shares is determined by reference to the quoted market price of the Company's common shares on the grant date. The expected dividend based on the Company's expectation of dividend payouts and is assumed to be zero. The fair value of performance based restricted stock units was dete by using an independent valuation expert.

On February 1, 2021, stock options to purchase 513,750 shares of common stock were granted at an exercise price of $2.53 per share, which wa to the fair value of the common stock on the date of grant and are exercisable for a period of 7 years. The stock options vest ratably over a period of 5 ye May 1, 2023, stock options to purchase 50,000 shares of common stock were granted at an exercise price of $3.44 per share, which was equal to the tax v the common stock on the date of grant and are exercisable for a period of 7 years. The stock options vest ratably over a period of 5 years. As of Septem 2023, stock options to purchase 278,165 shares of common stock have vested, the weighted average exercise price is $2.54, the aggregate intrinsic v $0.00, and the weighted average remaining contractual term is 4.54 years. As of September 30, 2023, the unrecognized stock-based compensation is $637

The fair value of each option on the date of grant was estimated using the Black-Scholes option-pricing model with the following assumptions three months and the nine months ended September 30, 2023:

Exercise price	$	
Stock price	$	
Risk-free interest rate		
Expected volatility		1
Expected life (in years)		
Expected dividend yield		

The fair value of each option on the date of grant was estimated using the Black-Scholes option-pricing model with the following assumptions year ended December 31, 2022:

Exercise price	$	
Stock price	$	
Risk-free interest rate		
Expected volatility		12
Expected life (in years)		
Expected dividend yield		

Accounting for Research Grants

Invizyne receives grant reimbursements, which are netted against research and development expenses in the unaudited condensed conso statement of operations. Grant reimbursements for capitalized assets are recognized over the useful life of the assets, with the unrecognized portion consi deferred liability and are included in accounts payable and accrued expenses in the unaudited condensed consolidated balance sheet.

Grants that operate on a reimbursement basis are recognized on the accrual basis are revenues to extent of disbursements and commitments t allowable for reimbursement of allowable expenses incurred as of September 30, 2023 March 31, 2024 and 2022 2023 and expected to be received from f sources in the subsequent year. Management considers such receivables at September 30, 2023 March 31, 2024 and 2022 2023 to be fully collectable, du historical experience with the Federal Government of the United States of America. Accordingly, no allowance for grants receivable was recorded accompanying unaudited condensed consolidated financial statements.

Research grants received from organizations are subject to the contract agreement as to how Invizyne conducts its research activities, and Invi required to comply with the agreement terms relating to those grants. Amounts received under research grants are nonrefundable, regardless of the suc the underlying research project, to the extent that such amounts are expended in accordance with the approved grant project. Invizyne is permitted to draw (a process of submitting expenses for reimbursement) the research grants after incurring the related expenses. Amounts received under research grants ar against the related research and development costs in the Company's unaudited condensed consolidated statement of operations.

Summary of Business Activities and Plans

On September 20, 2023, the Company completed an initial public offering (IPO), which consisted of the sale of 1,666,666 shares of Class A co shares at $12.00 per share, for gross proceeds of $19,999,992 that will be used for the development of Invizyne, identifying and developing new companies, and general corporate and working capital requirements.

On June 15, 2022, the Company completed the first closing of a private placement, consisting of total gross proceeds of $25,289,660 from the 2,528,966 shares of Class A common shares, which have been and will continue to be used for the development of Invizyne, identifying and developi partner companies, and general corporate and working capital requirements.

External Risks Associated with the Company's Business Activities

Inflation Risk**.** The Company does not believe that inflation has had a material effect on its operations to date, other than its impact on the economy.

***Supply Chain Issues*.** The Company does not currently expect that supply chain issues will have a significant impact on its business activities.

***Potential Recession*.** There are various indications that the United States economy may be entering a recessionary period. Although unclear at th an economic recession would likely impact the general business environment and the capital markets, which could, in turn, if there is a recession, such a could affect the Company.

The Company is continuing to monitor these matters and will adjust its current business and financing plans as more information and guidance b available.

Technology.Our partner companies' endeavors to create and bring new technologies to the market may never come to fruition or might not level of development sufficient for commercial viability. Even if they do achieve a commercial level of development, the acceptance of these techn within the marketplace is uncertain. There's a possibility that the technologies they develop may not gain widespread or timely acceptance, leading necessity for further funding to support the partner companies, or potentially even prompting the difficult choice of discontinuing the business at a fi loss. Moreover, technologies from our partner companies that undergo regulatory scrutiny, testing, and approval may ultimately fail to receive the ne approvals from relevant regulatory bodies.

Principal Commitments

Net Capital Requirement (Public Ventures)

Public Ventures is subject to the uniform net capital rule (SEC Rule 15c3-1) of the Securities and Exchange Commission (the "SEC"), which r both the maintenance of minimum net capital and the maintenance of maximum ratio of aggregate indebtedness to net capital. At September 30, 2023 Ma 2024 and 2022, 2023, Public Ventures had net capital of $6,037,743 $6,285,959 and $2,771,585, $2,534,695, respectively, which was $5,787,743 $6,035,9 $2,521,585 $2,284,695 in excess of the minimum $250,000, as required by the Securities and Exchange Commission Rule 15c3-1.

At September 30, 2023 March 31, 2024, the Company's ratio of aggregate indebtedness of $1,195,542 $6,175,623 to net capital was 0.20 0.98 t compared to the maximum of a 15 to 1 allowable ratio of a broker dealer. Minimum net capital is based upon the greater of the statutory minimum net ca $250,000 or 6 2/3% 2% of aggregate indebtedness, customer debits, which was calculated as $79,703 $0 at September 30, 2023 March 31, 2024.

The requirement to comply with the Uniform Net Capital Rule 15c3-1 may limit Public Ventures' ability to issue dividends to its parent compan

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Indemnification Provisions

Public Ventures has agreed to indemnify its clearing broker for losses that the clearing broker may sustain from the accounts of customers. Sl customer not fulfill its obligation on a transaction, Public Ventures may be required to buy or sell securities at prevailing market prices in the future on be its customer. The indemnification obligations of Public Ventures to its clearing broker have no maximum amount. All unsettled trades at Septeml 2023 March 31, 2024 and 2022 2023 have subsequently settled with no resulting material liability to Public Ventures. For the nine three months September 30, 2023 March 31, 2024 and 2022 2023 Public Ventures, had no material loss due to counterparty failure and had no obligations outstanding the indemnification arrangement as of September 30, 2023 March 31, 2024 and 2022. 2023.

Invizyne Funding Requirements

The Company has entered into a funding agreement (the "Funding Agreement") to purchase shares in Invizyne up to a maximum of $5,000,0 pre-determined purchase price, subject to continuing financial covenants being met. As of September 30, 2023 and December 31, 2022, the maximum of $5,000,000, has been funded, bringing the ownership interest of the Company in Invizyne to 60.94% at September 30, 2023 and 2022. The Company its 10% cash fee relative to the Funding Agreement in exchange for increased ownership. As a condition of the Funding Agreement, warrants to pu 197,628 shares of Invizyne common stock were issuable (the "Funding Warrants"), which vest as amounts are funded. As of September 30, 2023 anc 197,628 Funding Warrants have vested. These warrants are eliminated in consolidation.

Trends, Events and Uncertainties

Other than as discussed above, we are not currently aware of any trends, events or uncertainties that are likely to have a material effect on our fi condition in the near term, although it is possible that new trends or events may develop in the future that could have a material effect on our fi condition.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide this information.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company, with the participation of the Chief Executive Officer and Chief Accounting Officer, evaluated, as of the end of the covered by this Quarterly Report on Form 10-Q, the effectiveness of the disclosure controls and procedures (as defined in Rules 13a-15(e) an 15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act). Based on that evaluation, and as a result of the m weaknesses in internal control over financial reporting described below, the Chief Executive Officer and Chief Accounting Officer concluded t of September 30, 2023 March 31, 2024, the disclosure controls and procedures were not effective at the reasonable assurance level. In light of th the Company has performed additional analyses, reconciliations, and other post-closing procedures and has concluded that, notwithstandi material weaknesses in the internal control over financial reporting, the unaudited condensed consolidated financial statements for the p covered by and included in this Quarterly Report on Form 10-Q fairly state, in all material respects, the financial position, results of operatio cash flows for the periods presented in conformity with GAAP.

Ongoing Remediation of Previously Identified Material Weaknesses Weakness

The Company is implementing measures designed to ensure that control deficiencies contributing to the previously disclosed m weakness are remediated, such that these controls are designed, implemented, and operating effectively. These remediation actions are ongoir they include our expansion of our controls or control designs based on updated enhanced risk assessments. We have redesigned and impler controls the financial reporting process, to rectify remediate the absence of duty segregation, established policies, initiated training pro augmented our team with enhanced expertise, bolstered documentation, adjusted user access to pertinent IT applications to limit privileged and improved both reporting and internal quality reviews on control execution. The remediation actions, including those listed above, rem process where further modifications are necessary to address previously identified material weaknesses. weakness. We expect these char materially improve our internal controls.

The weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time and manageme concluded, through testing, that these controls are operating effectively.

During the preparation of the financial statements for the quarter ended September 30, 2023, a mathematical error was identified calculation of weighted average of Class A common shares outstanding for the period ended June 30, 2022, that resulted in a material error reported net loss per Class A common share for the three-month and six-month periods ended June 30, 2022.

Changes in Internal Control Over Financial Reporting

Other than the material weakness remediation efforts underway, there were no changes in the internal control over financial rep identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three r ended September 30, 2023 March 31, 2024, that have materially affected, or are reasonably likely to materially affect, the internal contro financial reporting.

Inherent Limitations on Effectiveness of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Accounting Officer, believes that disclosure contro procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effe the reasonable assurance level. However, management does not expect that the disclosure controls and procedures or the internal contro financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provic reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control syste evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detecte design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no ass that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate beca changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in effective control system, misstatements due to error or fraud may occur and not be detected.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to any material legal proceedings, and we are not aware of any pending or threatened litigation that woul a material adverse effect on our business, operating results, cash flows, or financial condition should such litigation be resolved unfavorab believe that from time to time we will have commercial disputes arising in the ordinary course of our business.

Item 1A. Risk Factors

In addition to the information set forth in this Form 10-Q, you should also carefully review and consider the risk factors contained other registration statements, reports and periodic filings with the SEC including, without limitation, the risk factors and uncertainties cor under the caption "Risk Factors" in our Amendment No. 5, filed on July 6, 2023, to the Registration Statement on Form S-1, initially fi November 10, 2022, that could materially and adversely affect our business, financial condition, and results of operations. The risk factors w identified and discussed, however, do not identify all risks that we face because our business operations could also be affected by additional facto are not known to us or that we currently consider to be immaterial to our operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The documents listed in the Exhibit Index of this Form 10-Q are incorporated by reference or are filed with this Form 10-Q, in each indicated therein (numbered in accordance with Item 601 of Regulation S-K).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this repor signed on its behalf by the undersigned, thereunto duly authorized.

MDB CAPITAL HOLDINGS, LLC
(the "Registrant")

Dated: November 14, 2023 May 13, 2024	By:	*/s/ Christopher A. Marlett*
		Christopher A. Marlett Chief Executive Officer (Principal Executive Officer)
Dated: November 14, 2023 May 13, 2024	By:	*/s/ Jeremy W. James*
		Jeremy W. James Chief Accounting Officer (Principal Financial and Accounting Officer)

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EXHIBIT INDEX

Exhibit Number	Description of Exhibit
31.1 *	Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Ox of 2002.
31.2 *	Certification of Principal Financial and Accounting Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Ox of 2002.
32.2**	Certification of Principal Financial and Accounting, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sa Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Schema
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Label Linkbase
101.PRE*	Inline XBRL Taxonomy Presentation Linkbase
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
** Furnished herewith.

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CERTIFICATION PURSUANT TO RULE 13a-14(a) and 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Christopher A. Marlett, the Chief Executive Officer of MDB Capital Holdings, LLC, hereby certifies that:

1. I have reviewed this quarterly report on Form 10-Q of MDB Capital Holdings, LLC for the quarterly period ended September 30, 2023 31. 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary t the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material r the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as def Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our super to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others withi entities, particularly during the period in which this report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions ab effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably li materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial repor the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting whi reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's in control over financial reporting.

Dated May 13, 2024

By: /s/ Christopher A. Marlett
Christopher A. Marlett
Chief Executive Officer

Exhib

CERTIFICATION PURSUANT TO RULE 13a-14(a) and 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Jeremy W. James, the Chief Accounting Officer of MDB Capital Holdings, LLC, hereby certifies that:

1. I have reviewed this quarterly report on Form 10-Q of MDB Capital Holdings, LLC for the quarterly period ended March 31, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material re the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as def Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our super to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within entities, particularly during the period in which this report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions abo effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant' recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably lik materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial report the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting whi reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's in control over financial reporting.

Dated November 14, 2023

By: /s/ Christopher A. Marlett
Christopher A. Marlett
Chief Executive Officer

Exhib

CERTIFICATION PURSUANT TO RULE 13a-14(a) and 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Jeremy W. James, the Chief Accounting Officer of MDB Capital Holdings, LLC, hereby certifies that:

1. I have reviewed this quarterly report on Form 10-Q of MDB Capital Holdings, LLC for the quarterly period ended September 30, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material re the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as def Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our super to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within entities, particularly during the period in which this report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions abo effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant' recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably lik materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial report the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting whi reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's i control over financial reporting.

Dated November 14, 2023 May 13, 2024

By: */s/ Jeremy W. James*

Jeremy W. James
Chief Accounting Officer

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CERTIFICATION PURSUANT TO SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE, AS ADOPTED PURSUANT SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (the "Report") o Capital Holdings, LLC (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Christopher A. Marl Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations Registrant.

/s/ Christopher A. Marlett

Name: Christopher A. Marlett,
Chief Executive Officer

Date: November 14, 2023 May 13, 2024

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certif will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except extent that the Company specifically incorporates it by reference.

Exhi

CERTIFICATION PURSUANT TO SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE, AS ADOPTED PURSUANT SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (the "Report") o Capital Holdings, LLC (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Jeremy W. James, th Accounting Officer of the Registrant, hereby certify, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations Registrant.

/s/ Jeremy W. James

Name: Jeremy W. James,
Chief Accounting Officer

Date: November 14, 2023 May 13, 2024

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certif will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except extent that the Company specifically incorporates it by reference.

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