

FRMO Corp. Announces Second Quarter 2017 Financial Results and Conference Call

WHITE PLAINS, N.Y. — January 12, 2017

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2017 second quarter, which ended November 30, 2016 (May Fiscal Year).

Financial Highlights

FRMO’s book value was \$106.7 million (\$2.43 per share on a fully diluted basis) as of November 30, 2016, compared with \$99.8 million (\$2.27 per share) as of May 31, 2016, the prior fiscal year-end. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$96.6 million as of November 30, 2016, and \$90.3 million as of May 31, 2016. Total liabilities were \$14.9 million as of November 30, 2016, compared to \$15.2 million as of May 31, 2016, the majority of each being deferred taxes.

FRMO’s net income was \$412,901 (\$0.01 per share basic and diluted) for the three months ended November 30, 2016 compared with \$1,441,808 (\$0.03 per share basic and diluted) for the quarter ended November 30, 2015. For the six months ended November 30, 2016, constituting the first half of the current fiscal year ending May 31, 2017, net income was \$834,854 (\$0.02 per share basic and diluted) compared to \$2,602,913 (\$0.06 per share basic and diluted) for the same period in the prior year.

Comprehensive income (loss) was \$1,690,344, or \$0.04 per share basic and diluted, for the second quarter of fiscal 2017 compared to \$(2,532,268), or (\$0.06) per share basic and diluted, for the same period in the prior year. For the six months ended November 30, 2016, comprehensive income (loss) was \$3,592,570 or \$0.08 per share basic and diluted, compared to \$(4,616,292), or (\$0.11) per share basic and diluted, for the same period in the prior year.

Further details are available in the Quarterly Report of the Company’s Consolidated Financial Statements for the quarter ended November 30, 2016. These statements have been filed on the OTC Markets Group Disclosure and News Services (DNS), which may be accessed at www.otcm Markets.com/stock/FRMO/filings. These documents are also available on the FRMO web site at www.frmocorp.com.

Conference Call

Murray Stahl, Chairman and CEO, and Steven Bregman, President and CFO, will host a conference call on Tuesday, January 17, 2017 at 4:15 p.m. ET. *Only questions submitted to info@frmocorp.com before 1:00 p.m. on the day of the call will be considered.* The call can be accessed by dialing 1-888-576-4398 (domestic toll free) or 719-457-2716 (international toll) and entering the following conference ID: 5882335. A replay will be available from 7:15 p.m. on the day of the teleconference until Thursday, February 16, 2017. To listen to the archived call, dial 1-888-203-1112 (domestic toll free) or 1-719-457-0820 (international toll), and enter conference ID number 5882335.

Condensed Consolidated Balance Sheets*(in thousands)*

	November 30, 2016	May 31, 2016
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 49,617	\$ 49,092
Investments, available for sale, at fair value	44,677	39,198
Other	2,295	1,994
Total Current Assets	96,589	90,284
Investment in OneChicago LLC	246	246
Investment in Digital Currency Group Inc.	76	76
Investment in CNSX Markets, Inc.	243	243
Investment in Miami International Holdings, Inc.	250	250
Investment in National Stock Exchange Holdings, Inc.	249	-
Investment in The Bermuda Stock Exchange	2,710	2,642
Investment in Horizon Kinetics LLC	11,066	10,880
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
Other assets	-	139
Total Assets	\$ 121,629	\$ 114,960
Liabilities and Stockholders' Equity		
Current Liabilities:		
Securities sold, not yet purchased	\$ 3,574	\$ 4,412
Deferred Tax Liability	6,163	5,820
Other current liabilities	204	183
Total Current Liabilities	9,941	10,415
Deferred Tax Liability - non-current	4,963	4,753
Total Liabilities	14,904	15,168
Stockholders' Equity	106,725	99,792
Total Liabilities and Stockholders' Equity	\$ 121,629	\$ 114,960

Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

	Three Months Ended		Six Months Ended	
	November 30, 2016	November 30, 2015	November 30, 2016	November 30, 2015
	(Unaudited)		(Unaudited)	
Revenue:				
Consultancy and advisory fees	\$ 453	\$ 578	\$ 955	\$ 1,268
Income from investment partnerships and limited liability companies	227	1,866	324	2,679
Income from unconsolidated subsidiary	39	20	68	29
Other	121	304	299	1,110
Total Revenue	840	2,768	1,646	5,086
Total Expenses	165	186	388	355
Income from Operations	675	2,582	1,258	4,731
Provision for Income Taxes	242	1,140	343	2,128
Net Income	433	1,442	915	2,603
Less net income attributable to noncontrolling interests	20	-	80	-
Net Income Attributable to FRMO Corporation	\$ 413	\$ 1,442	\$ 835	\$ 2,603
Diluted Net Income per Common Share	\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.06
Weighted Average Common Shares Outstanding				
Basic	43,953,155	43,733,375	43,953,155	43,730,751
Diluted	43,953,155	43,893,085	43,999,692	43,893,796

About FRMO Corp.

FRMO Corp. invests in and receives revenues based upon consulting and advisory fee interests in the asset management sector.

FRMO has 43,953,155 shares of common stock outstanding as of November 30, 2016.

For more information, visit our Web site at www.frmocorp.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995—With the exception of historical information, the matters discussed in this press release are forward-looking statements that involve a number of risks and uncertainties. Words like “believe,” “expect” and “anticipate” mean that these are our best estimates as of this writing, but that there can be no assurances that expected or anticipated results or events will actually take place, so our actual future results could differ significantly from those statements. Factors that could cause or contribute to such differences include, but are not limited to: our ability to maintain our competitive advantages, the general economics of the financial industry, our ability to finance growth, our ability to identify and close acquisitions on terms favorable to the Company, and a sustainable market.

Further information on our risk factors is contained in our quarterly and annual reports as filed on our website www.frmocorp.com and on www.otcmartets.com/stock/FRMO/filings.

Contact

Thérèse Byars
Corporate Secretary
Email: tbyars@frmocorp.com
Telephone: 646-495-7337
www.frmocorp.com