

FRMO Corp. Announces Second Quarter 2018 Financial Results and Conference Call

WHITE PLAINS, N.Y. — January 11, 2018

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2018 second quarter, which ended November 30, 2017 (May Fiscal Year).

Financial Highlights

FRMO’s book value as of November 30, 2017 was \$128.6 million (\$2.93 per share on a fully diluted basis), including \$19.1 million of non-controlling interests. The figure from the prior fiscal year-end as of May 31, 2017 was \$114.2 million (\$2.60 per share) including \$10.9 million of non-controlling interests. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$81.4 million as of November 30, 2017, compared to \$71.3 million as of May 31, 2017. Total liabilities were \$16.4 million as of November 30, 2017, compared to \$13.1 million as of May 31, 2017, the majority of each being deferred taxes.

FRMO’s net income attributable to the Company was \$3,076,381 (\$0.07 per share basic and diluted) for the three months ended November 30, 2017 compared with \$987,915 (\$0.02 per share basic and diluted) for the quarter ended November 30, 2016. For the six months ended November 30, 2017, constituting the first half of the current fiscal year ending May 31, 2018, net income was \$5,263,820 (\$0.12 per share basic and diluted) compared to \$1,985,022 (\$0.05 per share basic and diluted) for the same period in the prior year.

Comprehensive income attributable to the Company was \$3,489,279, or \$0.08 per share basic and diluted, for the second quarter of fiscal 2018, compared to \$1,690,344, or \$0.04 per share basic and diluted, for the same period in the prior year. For the six months ended November 30, 2017, comprehensive income was \$5,476,773 or \$0.12 per share basic and diluted, compared to \$3,592,570, or \$0.08 per share basic and diluted, for the same period in the prior year.

The figures related to income in the previous two paragraphs reflect the Company’s retrospective adoption of Accounting Standards Update 2015-07, as disclosed in Note 3 of the financial statements.

Further details are available in the Quarterly Report of the Company’s Consolidated Financial Statements for the quarter ended November 30, 2017. These statements have been filed on the OTC Markets Group Disclosure and News Services (DNS), which may be accessed at www.otcmarkets.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 16, 2018 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 1-888-389-5988 (domestic toll free) or 719-325-4751 (international toll) and entering the following conference ID: 2233851. A replay will be available from 7:15 p.m. on the day of the teleconference until Thursday, February 15, 2018. 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 2233851.

Condensed Consolidated Balance Sheets*(in thousands)*

	November 30, 2017	May 31, 2017
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 52,027	\$ 51,125
Bond and equity securities, available for sale, at fair value	28,462	18,933
Other current assets	879	1,219
Total Current Assets	<u>81,368</u>	<u>71,277</u>
Computer equipment, net of accumulated depreciation	64	-
Investment in South LaSalle Partners, LP	5,862	5,743
Investment in Winland Electronics, Inc.	739	739
Investments in limited partnerships	31,405	24,833
Investment in The Bermuda Stock Exchange	2,721	2,704
Investments in other stock exchanges	988	988
Investment in Digital Currency Group Inc.	76	76
Investment in HK Cryptocurrency Mining LLC	69	-
Investment in Horizon Kinetics LLC	11,488	10,773
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
Total Assets	<u>\$ 144,980</u>	<u>\$ 127,333</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Securities sold, not yet purchased	\$ 5,143	\$ 4,131
Other current liabilities	408	140
Total Current Liabilities	<u>5,551</u>	<u>4,271</u>
Deferred Tax Liability	<u>10,861</u>	<u>8,842</u>
Total Liabilities	16,412	13,113
Stockholders' Equity	<u>128,568</u>	<u>114,220</u>
Total Liabilities and Stockholders' Equity	<u>\$ 144,980</u>	<u>\$ 127,333</u>

Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

	Three Months Ended		Six Months Ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
	(Unaudited)		(Unaudited)	
Revenue:				
Consultancy and advisory fees	\$ 523	\$ 453	\$ 962	\$ 955
Income from investment partnerships and limited liability companies	515	227	1,564	324
Unrealized gain from investments subject to net asset valuation and fair value adjustments	4,173	1,057	5,937	2,003
Income from unconsolidated subsidiary	5	39	17	68
Other	52	122	189	299
Total Revenue	5,268	1,898	8,669	3,649
Total Expenses	226	165	412	388
Income from Operations	5,042	1,733	8,257	3,261
Provision for Income Taxes	1,978	725	3,019	1,196
Net Income	3,064	1,008	5,238	2,065
Less net income (loss) attributable to noncontrolling interests	(12)	20	(26)	80
Net Income Attributable to FRMO Corporation	\$ 3,076	\$ 988	\$ 5,264	\$ 1,985
Diluted Net Income per Common Share	\$ 0.07	\$ 0.02	\$ 0.12	\$ 0.05
Weighted Average Common Shares Outstanding				
Basic	43,955,001	43,953,155	43,954,073	43,953,155
Diluted	43,955,001	43,953,155	44,005,034	43,999,692

About FRMO Corp.

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

FRMO had 43,956,155 shares of common stock outstanding as of November 30, 2017.

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.otcmarkets.com/stock/FRMO/filings.

Contact

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