

## FRMO Corp. Announces Fiscal 2024 First Quarter Results and Conference Call

WHITE PLAINS, N.Y. —October 13, 2023

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2024 first quarter ended August 31, 2023.

### Financial Highlights

FRMO’s total book value as of August 31, 2023 was \$364.6 million (\$8.28 per share on a fully diluted basis), including \$163.0 million of non-controlling interests. Excluding the non-controlling interests, book value was \$201.6 million (\$4.58 per share). This compares with total book value at the prior fiscal year end on May 31, 2023 of \$284.1 million (\$6.45 per share), including \$114.8 million of non-controlling interests. Excluding the non-controlling interests, book value was \$169.2 million (\$3.85 per share).

Current assets, comprised primarily of cash and equivalents and equity securities, amounted to \$269.4 million as of August 31, 2023, and \$201.3 million as of May 31, 2023. Total liabilities were \$27.1 million as of August 31, 2023, and \$19.4 million as of May 31, 2023, comprised primarily of securities sold, not yet purchased, and deferred taxes.

FRMO’s net income attributable to the Company for the quarter ended August 31, 2023 rose to \$32,329,985 (\$0.73 per diluted share) compared to \$7,478,672 (\$0.17 per diluted share) a year earlier. The equity security investment that accounts for the significant net income increase is identified as Investment A in Note 4 of the Interim Condensed Consolidated Financial Statements under Investment Concentration.

Net income attributable to the Company excluding the effect of unrealized gain from equity securities net of taxes for the three months ended August 31, 2023 was \$14,239,683 (\$0.32 per diluted share) compared to \$97,166 (\$0.00 per diluted share) for the three months ended August 31, 2022.

Net income attributable to the Company excluding the effect of unrealized gain from equity securities net of taxes is a measure not based on GAAP and is defined and reconciled to the most directly comparable GAAP measures in “Information Regarding Non-GAAP Measures” at the end of this release.

Valuation of securities and cryptocurrencies are subject to change after August 31, 2023. The market value of several securities and cryptocurrencies might have changed substantially since that date. We look forward to finding new ways to expand our cryptocurrency mining operations.

As of August 31, 2023 and May 31, 2023, the Company held a 21.79% and 21.80% equity interest in Horizon Kinetics Hard Assets LLC (“HKHA”), a company formed by Horizon Kinetics LLC and certain officers, principal stockholders, and directors of FRMO Corp. (“the Company”). Due to the common control and ownership between HKHA and the Company’s principal stockholders and directors, HKHA has been consolidated within the Company’s financial statements. The noncontrolling interest of 78.21% and 78.20% in HKHA has been eliminated from results of operations for the periods ended August 31, 2023 and May 31, 2023.

Further details are available in the Company’s Consolidated Financial Statements for the fiscal year ended August 31, 2023. These statements have been filed on the OTC Markets Group Disclosure and News Services, which may be accessed at [www.otcmarkets.com/stock/FRMO/filings](http://www.otcmarkets.com/stock/FRMO/filings). These documents are also available on the FRMO website at [www.frmocorp.com](http://www.frmocorp.com).

## Conference Call

Murray Stahl, Chairman and CEO, and Steven Bregman, President and CFO, will host a conference call on Tuesday, October 17, 2023, at 4:15 p.m. Eastern Time. *Only questions submitted to [info@frmocorp.com](mailto:info@frmocorp.com) before 1:00 p.m. will be considered.* You may register for the conference call by clicking on the following link:

<https://attendee.gotowebinar.com/register/3244105094135826524>

An audio replay link will be available for 30 days from October 18 through November 18, 2023 on the FRMO website ([https://frmocorp.com/q\\_transcripts.html](https://frmocorp.com/q_transcripts.html))

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### Condensed Consolidated Balance Sheets

(in thousands)

	<b>August 31, 2023</b>	<b>May 31, 2023</b>
	<b>(Unaudited)</b>	
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 38,997	\$ 38,077
Equity securities, at fair value	225,846	159,729
Other current assets	4,520	3,539
Total Current Assets	269,363	201,346
Investment in limited partnerships and other equity investments, at fair value	91,501	70,656
Investments in securities exchanges	4,934	4,869
Other assets	1,821	1,815
Investment in Horizon Kinetics LLC	13,911	14,608
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
<b>Total Assets</b>	<b>\$ 391,730</b>	<b>\$ 303,494</b>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Securities sold, not yet purchased	\$ 1,563	\$ 2,353
Other current liabilities	378	354
Total Current Liabilities	1,941	2,707
Deferred Tax Liability	24,498	16,004
Mortgage payable	661	669
Total Liabilities	27,100	19,379
Stockholders' Equity:		
Stockholders' Equity Attributable to the Company	201,638	169,283
Noncontrolling interests	162,992	114,832
Total Stockholders' Equity	364,631	284,114
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 391,730</b>	<b>\$ 303,494</b>

(Components may not sum to totals due to rounding)

**Condensed Consolidated Statements of Income**

(amounts in thousands, except share data)

	<b>Three Months Ended</b>	
	<b>August 31,</b>	<b>August 31,</b>
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	
<b>Revenue:</b>		
Fees	\$ 701	\$ 760
Equity earnings (losses) from limited partnerships and limited liability companies	769	(97)
Unrealized gains from investments	19,207	1,487
Other	1,353	2,418
Total revenue before unrealized gains from equity securities	22,030	4,568
Unrealized gains from equity securities	67,095	29,671
Total Revenue	89,125	34,239
<b>Total Expenses</b>	362	466
Income from Operations before Provision for Income Taxes	88,763	33,774
Provision for Income Taxes	8,294	2,260
<b>Net Income</b>	80,469	31,514
Less net income attributable to noncontrolling interests	48,139	24,034
<b>Net Income Attributable to FRMO Corporation</b>	<b>\$ 32,330</b>	<b>\$ 7,480</b>
Diluted Net Income per Common Share	\$ 0.73	\$ 0.17
Weighted Average Common Shares Outstanding		
Basic	44,022,781	44,017,781
Diluted	44,030,469	44,029,921

*(Components may not sum to totals due to rounding)*

**About FRMO Corp.**

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

FRMO had 44,022,781 shares of common stock outstanding as of August 31, 2023.

For more information, visit our website at [www.frmocorp.com](http://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](http://www.frmocorp.com) and on [www.otcmartets.com/stock/FRMO/filings](http://www.otcmartets.com/stock/FRMO/filings).

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## Information Regarding Non-GAAP Measures

Net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities is net income attributable to the Company exclusive of unrealized gains (losses) from equity securities, net of tax. Net income attributable to the Company is the GAAP measure most closely comparable to net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities.

Management uses net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities, along with other measures, to gauge the Company's performance and evaluate results, which can be skewed when including unrealized gain (loss) from equity securities, which may vary significantly between periods. Net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities is provided as supplemental information, and is not a substitute for net income attributable to the Company and does not reflect the Company's overall profitability.

The following table reconciles the net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities to net income attributable to the Company for the periods indicated:

	<u>Three Months Ended</u> <u>August 31, 2023</u> (Unaudited)		<u>Three Months Ended</u> <u>August 31, 2022</u> (Unaudited)	
	Amount	Diluted earnings per common share	Amount	Diluted earnings per common share
(000's except per common share amounts and percentages)				
<b>Net Income Attributable to the Company Excluding the Effect of Unrealized Gain from Equity Securities and Diluted Earnings per Common Share Reconciliation:</b>				
<b>Net income attributable to the Company</b>	<u>\$ 32,330</u>	<u>\$ 0.73</u>	<u>\$ 7,479</u>	<u>\$ 0.17</u>
Unrealized gain from equity securities	67,095		29,671	
Unrealized gain from equity securities attributable to noncontrolling interests	<u>47,797</u>		<u>22,160</u>	
Unrealized gain from equity securities attributable to the Company	19,298		7,511	
Tax benefit on unrealized gain from equity securities attributable to the company	<u>(1,208)</u>		<u>(129)</u>	
Unrealized gain from equity securities attributable to the Company, net of taxes	<u>18,090</u>	<u>\$ 0.41</u>	<u>7,382</u>	<u>\$ 0.17</u>
<b>Net income attributable to the Company excluding the effect of unrealized gain from equity securities</b>	<u>\$ 14,240</u>	<u>\$ 0.32</u>	<u>\$ 97</u>	<u>\$ 0.00</u>
Weighted average diluted shares outstanding	<u>44,030,469</u>		<u>44,029,921</u>	

*(Components may not sum to totals due to rounding)*