

FRMO Corp. Announces Third Quarter 2016 Financial Results and Conference Call

WHITE PLAINS, N.Y. — April 14, 2016

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2016 third quarter, which ended February 29, 2016 (May Fiscal Year).

Financial Highlights

FRMO’s 2016 book value was \$93.0 million (\$2.12 per share on a fully diluted basis) as of February 29, 2016, compared with \$102.2 million (\$2.32 per share) as of May 31, 2015, the prior fiscal year-end. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$86.164 million as of February 29, 2016, and \$94.5 million as of May 31, 2015. Total liabilities were \$17.6 million as of February 29, 2016, compared to \$16.5 million as of May 31, 2015, the majority of each being deferred taxes.

FRMO’s net income for the three months ended February 29, 2016 was \$189,395 (\$0.00 per share basic and diluted) compared to \$1,328,204 (\$0.03 per share basic and diluted) for the same three month period in 2015. Income from operations for the third quarter of fiscal 2016 was \$407,546, compared to \$2,047,023, for the same period in the prior year. Comprehensive income for the same periods, which includes unrealized investment losses, was (\$5,240,692), down from \$175,768.

For the nine months ended February 29, 2016, net income was \$2,792,308 (\$0.06 per share basic and diluted) compared to \$3,156,843 (\$0.07 per share basic and diluted) in the prior year, and income from operations was \$5,138,061 up from \$4,921,886 for the same period in 2015. Comprehensive income for the same periods, which includes unrealized investment losses, was (\$9,856,984) down from \$3,068,178.

Further details are available in the Quarterly Report of the Company’s Consolidated Financial Statements for the quarter ended February 29, 2016. These statements have been filed on the OTC Markets Group Disclosure and News Services, 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, April 19, 2016 at 4:15 p.m. EST. *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 1-888-430-8694 (domestic toll free) or 1-719-325-2323 (international toll) and entering the following conference ID: 1153946. A replay will be available from 7:15 p.m. on the day of the teleconference until May 19, 2016. 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 1153946.

Condensed Consolidated Balance Sheets*(in thousands)*

	February 29, 2016	May 31, 2015
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 47,160	\$ 44,745
Investments, available for sale, at fair value	36,011	48,008
Other	2,993	1,743
Total Current Assets	<u>86,164</u>	<u>94,496</u>
Investment in HK Hard Assets LLC	157	-
Investment in Digital Currency Group Inc	76	-
Investment in Canadian Securities Exchange	214	-
Investment in The Bermuda Stock Exchange	2,638	2,639
Investment in Horizon Kinetics LLC	10,935	11,200
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
Investment in OneChicago LLC	246	-
Other assets	-	138
Total Assets	<u>\$ 110,630</u>	<u>\$ 118,673</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Deferred Tax Liability	\$ 5,814	\$ 10,286
Other current liabilities	7,463	1,949
Total Current Liabilities	<u>13,277</u>	<u>12,235</u>
Deferred Tax Liability - non-current	4,320	4,274
Total Liabilities	<u>17,597</u>	<u>16,509</u>
Stockholders' Equity	<u>93,033</u>	<u>102,164</u>
Total Liabilities and Stockholders' Equity	<u>\$ 110,630</u>	<u>\$ 118,673</u>

Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

	Three Months Ended		Nine Months Ended	
	February 29, 2016	February 28, 2015	February 29, 2016	February 28, 2015
	(Unaudited)		(Unaudited)	
Revenue:				
Consultancy and advisory fees	\$ 763	\$ 758	\$ 2,030	\$ 2,480
Income (loss) from investment partnerships and limited liability companies	(1,771)	426	908	761
Income (loss) from unconsolidated subsidiary	(30)	9	(1)	70
Other	1,614	975	2,726	2,089
Total Revenue	576	2,168	5,663	5,400
Total Expenses	169	121	525	478
Income from Operations	407	2,047	5,138	4,922
Provision for Income Taxes	218	719	2,346	1,765
Net Income	\$ 189	\$ 1,328	\$ 2,792	\$ 3,157
Diluted Earnings per Common Share	\$ 0.00	\$ 0.03	\$ 0.06	\$ 0.07
Weighted Average Common Shares Outstanding				
Basic	43,865,463	43,680,405	43,775,491	43,617,908
Diluted	43,914,548	44,092,725	43,828,423	44,037,496

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 February 29, 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.

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