

FRMO Corp. Announces Results for Fiscal 2018

WHITE PLAINS, N.Y. — August 13, 2018

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the fiscal year 2018, which ended May 31, 2018.

Financial Highlights

FRMO’s 2018 book value as of May 31, 2018 was \$146.9 million (\$3.34 per share on a fully diluted basis), including \$27.6 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), which includes \$10.9 million of non-controlling interests. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$93.2 million as of May 31, 2018, and \$71.3 million as of May 31, 2017. Total liabilities were \$13.5 million as of May 31, 2018, compared to \$13.1 million as of May 31, 2017, the majority of each being deferred taxes. As a result of the new tax act, the Company reduced its previously recorded deferred tax liability by \$4.5 million.

FRMO’s 2018 net income attributable to the Company for the fiscal year ended May 31, 2018 was \$14,052,518 (\$0.32 per share basic and diluted) compared to \$3,493,948 (\$0.08 per share basic and diluted) for the 2017 fiscal year. Income from operations for the 2018 fiscal year was \$15,605,398, compared to \$6,915,986, for the prior year. Comprehensive income attributable to the Company for the same periods was \$14,835,607 up from \$4,335,956.

As of May 31, 2018 and May 31, 2017, investments in limited partnerships and limited liability companies are valued using data inputs from March 31, 2018 and March 31, 2017, respectively, the dates of the most current available information.

Further details are available in the Company’s Consolidated Financial Statements for the fiscal year ended May 31, 2018. These statements and the Letter to Shareholders have been filed on the OTC Markets Group Disclosure and News Services, which may be accessed at www.otcmarkets.com/stock/FRMO/filings. These documents are also available on the FRMO website at www.frmocorp.com.

Annual Meeting Information

The Chairman, President, and Board of Directors of FRMO Corp. cordially invite shareholders to attend the Company’s Annual Meeting of Shareholders at which the Chairman and President will review the Fiscal 2018 financial results and the outlook for the future. Board members will be available to answer questions.

Date:

Wednesday, September 12, 2018 at 3PM.

Location:

The Harvard Club of New York City

35 West 44th Street

New York, NY 10036

Admission to the FRMO Annual Meeting is limited to stockholders who owned Common Stock as of the close of business on July 25, 2018, the record date, or their duly appointed proxies, and one guest. *Proof of ownership of FRMO stock and valid government-issued photo identification must be presented in order to be admitted to the Annual Meeting.* Each guest must also present valid government-issued photo identification. If your shares are held in the name of a bank, broker, or other holder of record, you must bring a brokerage statement or other proof of ownership (or the equivalent proof of ownership as of the close of business on

the record date of the stockholder who granted you the Proxy). If your shares are held in certificate form, ownership will be verified by consulting the list of Registered Shareholders as of the record date. Registration will begin at 2:00 p.m. *No cameras, recording equipment, electronic devices, large bags, briefcases, or packages will be permitted in the Annual Meeting. Dress code for the Harvard Club is business casual (no jeans, sneakers, or athletic wear permitted).*

Condensed Consolidated Balance Sheets

(in thousands)

	May 31, 2018	May 31, 2017
Assets		
Current Assets:		
Cash and cash equivalents	\$ 53,617	\$ 51,125
Bond and equity securities, available for sale, at fair value	38,522	18,933
Other current assets	1,095	1,219
Total Current Assets	<u>93,234</u>	<u>71,277</u>
Computer equipment, net of accumulated depreciation	76	-
Investment in South LaSalle Partners, LP	6,262	5,743
Investment in Winland Holdings Corporation, Inc.	773	739
Investments in managed funds	34,372	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 cryptocurrency mining entities	113	-
Investment in Horizon Kinetics LLC	11,624	10,773
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
Total Assets	<u>\$ 160,439</u>	<u>\$ 127,333</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Securities sold, not yet purchased	\$ 5,495	\$ 4,131
Other current liabilities	193	140
Total Current Liabilities	<u>5,688</u>	<u>4,271</u>
Deferred Tax Liability	7,757	8,842
Total Liabilities	<u>13,445</u>	<u>13,113</u>
Stockholders' Equity	<u>146,994</u>	<u>114,220</u>
Total Liabilities and Stockholders' Equity	<u>\$ 160,439</u>	<u>\$ 127,333</u>

Condensed Consolidated Statements of Operations

(amounts in thousands, except share data)

	Three Months Ended		Years Ended	
	May 31, 2018	May 31, 2017	May 31, 2018	May 31, 2017
	(Unaudited)			
Revenue:				
Consultancy and advisory fees	\$ 509	\$ 542	\$ 3,252	\$ 1,994
Equity earnings (loss) from partnerships and limited liability companies	318	76	3,782	(21)
Unrealized (loss) gain from investments	(6,508)	(391)	8,351	4,161
Equity earnings from investment in The Bermuda Stock Exchange	3	2	17	62
Other	645	232	1,011	1,424
Total Revenue	(5,033)	461	16,413	7,620
Total Expenses	198	172	808	704
(Loss) Income from Operations	(5,231)	289	15,605	6,916
(Benefit) Provision for Income Taxes	(1,172)	528	1,382	3,261
Net (Loss) Income	(4,059)	(239)	14,223	3,655
Less net income attributable to noncontrolling interests	206	77	171	161
Net (Loss) Income Attributable to FRMO Corporation	\$ (4,265)	\$ (316)	\$ 14,052	\$ 3,494
Diluted Net (Loss) Income per Common Share	\$ (0.10)	\$ (0.01)	\$ 0.32	\$ 0.08
Weighted Average Common Shares Outstanding				
Basic	43,973,781	43,953,155	43,959,554	43,953,155
Diluted	43,973,781	43,998,274	44,007,828	44,000,015

About FRMO Corp.

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

FRMO had 43,973,781 shares of common stock outstanding as of May 31, 2018.

For more information, visit our website 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.otcm Markets.com/stock/FRMO/filings.

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