

## FRMO Corp. Announces Fiscal 2022 Third Quarter Results and Conference Call

WHITE PLAINS, N.Y. — April 14, 2022

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2022 third quarter ended February 28, 2022.

### Financial Highlights

FRMO’s book value as of February 28, 2022 was \$268.8 million (\$6.11 per share on a fully diluted basis), including \$101.8 million of non-controlling interests. This compares with book value at the prior fiscal year ended May 31, 2021 of \$298.9 million (\$6.79 per share), including \$121.0 million of non-controlling interests. Current assets, comprised primarily of cash and equivalents and equity securities, amounted to \$182.5 million as of February 28, 2022, and \$208.9 million as of May 31, 2021. Total liabilities were \$24.2 million as of February 28, 2022, and \$29.9 million as of May 31, 2021, comprised primarily of securities sold, not yet purchased and deferred taxes.

FRMO’s net (loss) income attributable to the Company for the three months ended February 28, 2022 was \$(12,008,314), or \$(0.27) per share, compared to \$34,336,936, or \$0.78 per share, a year earlier.

For the nine months ended February 28, 2022, the net (loss) income attributable to the Company was \$(11,397,920) (\$(0.26) per diluted share) compared to \$46,190,543 (\$1.05 per diluted share) in 2021.

FRMO’s net income attributable to the Company excluding the effect of unrealized (loss) gain from equity securities net of taxes for the three months ended February 28, 2022 was \$(9,850,344) (\$(0.22) per diluted share) compared to \$20,859,722 (\$0.47 per diluted share) for the three months ended February 28, 2021.

For the nine months ended February 28, 2022, the figure was \$(5,635,550) (\$(0.13) per diluted share) compared to \$30,884,839 (\$0.70 per diluted share) for the nine months ended February 28, 2021.

Net income attributable to the Company excluding the effect of unrealized loss 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 February 28, 2022. 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 February 28, 2022 and May 31, 2021, the Company held a 21.91% and 22.02% 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 78.09% and 77.98% in HKHA has been eliminated from results of operations for the periods ended February 28, 2022 and May 31, 2021.

Further details are available in the Company’s Consolidated Financial Statements for the quarter ended February 28, 2022. 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](http://www.otcm Markets.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, April 19, 2022 at 4:15 p.m. ET. *Only questions submitted to [info@frmocorp.com](mailto:info@frmocorp.com) before 1:00 p.m. on the day of the call will be considered.* The call can be accessed by dialing 877-502-9276 (domestic toll free), or +1 313-209-4906 (international toll) and entering the following Confirmation Code: 8410731. A replay will be available from 7:15 P.M. on the day of the teleconference until Thursday, May 19, 2022. To listen to the archived call, dial 888-203-1112 (domestic toll free) or +1 719-457-0820 (international toll), and enter the Replay Passcode: 8410731.

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### Condensed Consolidated Balance Sheets

(in thousands)

	February 28, 2022	May 31, 2021
	(Unaudited)	
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 33,754	\$ 34,971
Equity securities, at fair value	146,938	171,733
Other current assets	1,778	2,148
Total Current Assets	<u>182,470</u>	<u>208,852</u>
Investment in limited partnerships and other equity investments, at fair value	78,777	86,854
Investments in securities exchanges	4,815	4,815
Other assets	2,444	1,698
Investment in Horizon Kinetics LLC	14,274	16,366
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
<b>Total Assets</b>	<u>\$ 292,980</u>	<u>\$ 328,785</u>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Securities sold, not yet purchased	\$ 3,730	\$ 6,118
Other current liabilities	2,187	2,249
Total Current Liabilities	<u>5,917</u>	<u>8,367</u>
Deferred Tax Liability	17,553	20,774
Mortgage payable	707	730
Total Liabilities	<u>24,177</u>	<u>29,871</u>
Stockholders' Equity:		
Stockholders' Equity Attributable to the Company	166,972	177,905
Noncontrolling interests	101,830	121,009
Total Stockholders' Equity	<u>268,802</u>	<u>298,914</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 292,980</u>	<u>\$ 328,785</u>

(Components may not sum to totals due to rounding)

**Condensed Consolidated Statements of Income (Loss)**

(amounts in thousands, except share data)

	Three Months Ended		Nine Months Ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
	(Unaudited)		(Unaudited)	
<b>Revenue:</b>				
Fees	\$ 1,496	\$ 1,409	\$ 3,805	\$ 2,369
Equity earnings from limited partnerships and limited liability companies	945	1,789	29	2,294
Unrealized (losses) gains from investments	(13,430)	28,995	(9,078)	42,334
Other	245	944	677	(760)
Total revenue before unrealized (losses) gains from equity securities	(10,744)	33,137	(4,567)	46,237
Unrealized (losses) gains from equity securities	(5,019)	56,344	(27,197)	62,022
Total Revenue	(15,763)	89,481	(31,764)	108,259
<b>Total Expenses</b>	431	328	1,131	1,052
(Loss) income from Operations before Provision for Income Taxes	(16,195)	89,153	(32,895)	107,207
(Benefit from) Provision for Income Taxes	(2,914)	12,799	(1,031)	16,892
<b>Net (Loss) Income</b>	(13,281)	76,354	(31,864)	90,315
Less net (loss) income attributable to noncontrolling interests	(1,273)	42,017	(20,466)	44,125
<b>Net (Loss) Income Attributable to FRMO Corporation</b>	\$ (12,008)	\$ 34,337	\$ (11,398)	\$ 46,190
Diluted Net Income (Loss) per Common Share	\$ (0.27)	\$ 0.78	\$ (0.26)	\$ 1.05
Weighted Average Common Shares Outstanding				
Basic	44,017,781	44,032,781	44,015,418	44,022,744
Diluted	44,017,781	44,055,150	44,015,418	44,038,347

*(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 44,017,781 shares of common stock outstanding as of February 28, 2022.

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 loss from equity securities is net income attributable to the Company exclusive of unrealized 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 loss from equity securities.

Management uses net income attributable to the Company excluding the effect of unrealized loss from equity securities, along with other measures, to gauge the Company's performance and evaluate results, which can be skewed when including unrealized loss from equity securities, which may vary significantly between periods. Net income attributable to the Company excluding the effect of unrealized 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 loss from equity securities to net income attributable to the Company for the periods indicated:

	Three Months Ended February 28, 2022 (Unaudited)		Three Months Ended February 28, 2021 (Unaudited)		Nine Months Ended February 28, 2022 (Unaudited)		Nine Months Ended February 28, 2021 (Unaudited)	
	Diluted earnings per common share		Diluted earnings per common share		Diluted earnings per common share		Diluted earnings per common share	
	Amount	share	Amount	share	Amount	share	Amount	share
(000's except per common share amounts and percentages)								
<b>Net (Loss) Income Attributable to the Company Excluding the Effect of Unrealized (Loss) Gain from Equity Securities and Diluted Earnings per Common Share Reconciliation:</b>								
Net (loss) income attributable to the Company	\$ (12,008)	\$ (0.27)	\$ 34,337	\$ 0.78	\$ (11,398)	\$ (0.26)	\$ 46,190	\$ 1.05
Unrealized (loss) gain from equity securities	(5,019)		56,344		(27,197)		62,022	
Unrealized (loss) gain from equity securities attributable to noncontrolling interests	(1,502)		41,235		(21,145)		43,884	
Unrealized (loss) gain from equity securities attributable to the Company	(3,517)		15,109		(6,052)		18,138	
Tax benefit (expense) on unrealized (loss) gain from equity securities attributable to the company	1,359		(1,632)		289		(2,833)	
Unrealized (loss) gain from equity securities attributable to the Company, net of taxes	(2,158)	\$ (0.05)	13,477	\$ 0.31	(5,763)	\$ (0.13)	15,305	\$ 0.35
<b>Net (loss) income attributable to the Company excluding the effect of unrealized (loss) gain from equity securities</b>	<b>\$ (9,850)</b>	<b>\$ (0.22)</b>	<b>\$ 20,860</b>	<b>\$ 0.47</b>	<b>\$ (5,635)</b>	<b>\$ (0.13)</b>	<b>\$ 30,885</b>	<b>\$ 0.70</b>
Weighted average diluted shares outstanding	44,017,781		44,055,150		44,015,418		44,038,347	

(Earnings per share components may not sum to totals due to rounding)