

FRMO Corp. Announces Results for Fiscal 2017

WHITE PLAINS, N.Y. — August 29, 2017

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the fiscal year 2017, which ended May 31, 2017.

Financial Highlights

FRMO’s 2017 book value as of May 31, 2017 was \$114.2 million (\$2.60 per share on a fully diluted basis), including \$10.9 million of non-controlling interests. The figure from the prior fiscal year-end as of May 31, 2016 was \$102.0 million (\$2.33 per share) including \$3.7 million of non-controlling interests. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$71.3 million as of May 31, 2017, and \$62.8 million as of May 31, 2016. Total liabilities were \$13.1 million as of May 31, 2017, compared to \$12.9 million as of May 31, 2016, the majority of each being deferred taxes.

FRMO’s 2017 net income (loss) for the fiscal year ended May 31, 2017 was \$3,493,948 (\$0.08 per share basic and diluted), compared to a loss of \$(780,011) (\$(0.02) per share basic and diluted) for the 2016 fiscal year. Income from operations for the 2017 fiscal year ended May 31, 2017 was \$6,915,986, compared to \$993,913 for the prior year. Comprehensive income (loss) attributable to the Company for the same periods was \$4,335,956 up from a loss of \$(7,020,898). The latter figure included unrealized investment losses.

Further details are available in the Company’s Consolidated Financial Statements for the fiscal year ended May 31, 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.

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 2017 financial results and the outlook for the future. Board members will be available to answer questions. The Annual Meeting will be held on:

Friday, September 15, 2017 at 3PM
The Harvard Club of New York City
35 West 44th Street
New York, NY 10036

Admission to the FRMO Annual Meeting is limited to shareholders who owned Common Stock as of the close of business on July 26, 2017 (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 a 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, 2017	May 31, 2016
Assets		
Current Assets:		
Cash and cash equivalents	\$ 51,125	\$ 49,092
Investments, available for sale, at fair value	18,933	11,727
Other	1,219	1,995
Total Current Assets	<u>71,277</u>	<u>62,814</u>
Investment in South LaSalle Partners, LP	5,743	4,990
Investment in Winland Electronics, Inc.	739	1,125
Investments in limited partnerships	24,833	21,355
Investment in OneChicago LLC	246	246
Investment in Digital Currency Group Inc.	76	76
Investment in CNSX Markets, Inc.	243	243
Investment in Miami International Holdings, Inc.	250	250
Investment in National Stock Exchange Holdings, Inc.	249	-
Investment in The Bermuda Stock Exchange	2,704	2,642
Investment in Horizon Kinetics LLC	10,773	10,880
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
Other assets	-	139
Total Assets	<u><u>\$ 127,333</u></u>	<u><u>\$ 114,960</u></u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Securities sold, not yet purchased	\$ 4,131	\$ 4,412
Other current liabilities	140	183
Total Current Liabilities	<u>4,271</u>	<u>4,595</u>
Deferred Tax Liability	<u>8,842</u>	<u>8,319</u>
Total Liabilities	13,113	12,914
Stockholders' Equity	<u>114,220</u>	<u>102,046</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 127,333</u></u>	<u><u>\$ 114,960</u></u>

Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

	Three Months Ended		Year Ended	
	May 31,	May 31,	May 31,	May 31,
	2017	2016	2017	2016
	(Unaudited)			
Revenue:				
Consultancy and advisory fees	\$ 542	\$ 506	\$ 1,994	\$ 2,536
Income (loss) from investment partnerships and limited liability companies	76	1,121	(21)	2,029
Unrealized gain (loss) from investments subject to net asset valuation	(391)	(1,664)	4,161	(6,774)
Income from unconsolidated subsidiary	2	4	62	3
Other	232	1,196	1,424	3,921
Total Revenue	461	1,163	7,620	1,715
Total Expenses	172	196	704	721
Income from Operations	289	967	6,916	994
Provision for Income Taxes	528	1,275	3,261	1,883
Net Income	(239)	(308)	3,655	(889)
Less net income (loss) attributable to noncontrolling interests	77	(109)	161	(109)
Net Income (Loss) Attributable to FRMO Corporation	\$ (316)	\$ (199)	\$ 3,494	\$ (780)
Diluted Net Income per Common Share	\$ (0.01)	\$ (0.00)	\$ 0.08	\$ (0.02)
Weighted Average Common Shares Outstanding				
Basic	43,953,155	43,953,155	43,953,155	43,820,150
Diluted	43,998,274	44,002,465	44,000,015	43,872,460

About FRMO Corp.

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

FRMO had 43,953,155 shares of common stock outstanding as of May 31, 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.otcmartets.com/stock/FRMO/filings.

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