

## FRMO Corp. Announces Third Quarter 2019 Financial Results and Conference Call

WHITE PLAINS, N.Y. — April 15, 2019

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2019 third quarter, which ended February 28, 2019 (May Fiscal Year).

### Financial Highlights

FRMO’s book value as of February 28, 2019 was \$171.0 million (\$3.89 per share on a fully diluted basis), including \$46.8 million of non-controlling interests. The figure from the prior fiscal year-end as of May 31, 2018 was \$146.9 million (\$3.34 per share), including \$27.6 million of non-controlling interests. Current assets, comprised primarily of cash and equivalents and equity securities, amounted to \$115.8 million as of February 28, 2019, and \$93.2 million as of May 31, 2018. Total liabilities were \$14.6 million as of February 28, 2019, compared to \$13.5 million as of May 31, 2018, the majority of each being deferred taxes.

FRMO’s net (loss) income attributable to the Company for the three months ended February 28, 2019 was \$(686,989) (\$0.02 per share basic and diluted) compared to \$13,053,961 (\$0.30 per share) for the quarter ended February 28, 2018. For the nine months ended February 28, 2019, net income attributable to the company was \$3,108,131 (\$0.07 per share basic and diluted) compared to \$18,317,781 (\$0.42 per share) for the same period in the prior year.

For the third quarter of fiscal 2019, comprehensive (loss) income attributable to the Company was \$(686,989) compared to \$12,743,418 in the prior year. For the nine months ended February 28, 2019, comprehensive income attributable to the Company was \$3,108,131 and for the prior year it was \$18,220,191.

FRMO’s net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities net of taxes for the three months ended February 28, 2019 was \$587,901 (\$0.01 per diluted share) compared to \$13,053,961 (\$0.30 per share) for the three months ended February 28, 2018. For the nine months ended February 28, 2019, the amount was \$5,628,657 (\$0.13 per share) compared to \$18,317,781 (\$0.42 per share) for the same period in the prior year. Net income attributable to the Company excluding the effect of unrealized gains 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.

As of February 28, 2019 and May 31, 2018, investments in limited partnerships and limited liability companies are valued using data inputs from December 31, 2018 and March 31, 2018, respectively, the dates of the most currently available information. Management reviews relevant market and related data to reconcile for the period from January 1 through February 28. Because of its significance, subsequent market volatility has been reflected in these condensed consolidated financial statements.

FRMO’s Board of Directors approved a 2019 Stock Repurchase Plan whereby the company will buy back up to 360,000 shares of its common stock in the open market, from time to time during 2019, as it sees fit.

Further details are available in the Quarterly Report of the Company’s Interim Condensed Consolidated Financial Statements for the quarter ended February 28, 2019. 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 Thursday, April 25, 2019 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 877-260-1479 (domestic toll free) or +1 334-323-0522 (international toll) and entering the following conference ID: **8638052**. A replay will be available from 7:15 p.m. on the day of the teleconference until Saturday, May 25, 2019. To listen to the archived call, dial 888-203-1112 (US/Canada) or +1 719-457-0820 (International Toll) and enter conference ID number 8638052.

---

## Condensed Consolidated Balance Sheets

(in thousands)

	February 28, 2019 (unaudited)	May 31, 2018
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 52,823	\$ 53,617
Equity securities, at fair value	61,501	38,522
Other current assets	1,506	1,095
Total Current Assets	115,830	93,234
Computer equipment, net of accumulated depreciation	96	76
Investment in limited partnerships and other equity investments, at fair value	44,166	41,407
Investments in stock exchanges	3,647	3,709
Other investments	314	189
Investment in Horizon Kinetics LLC	11,348	11,624
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
<b>Total Assets</b>	<b>\$ 185,601</b>	<b>\$ 160,439</b>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Securities sold, not yet purchased	\$ 7,000	\$ 5,495
Other current liabilities	172	193
Total Current Liabilities	7,172	5,688
Deferred Tax Liability	7,403	7,757
Total Liabilities	14,575	13,445
Stockholders' Equity:		
Stockholders' Equity Attributable to the Company	124,166	119,411
Noncontrolling interests	46,860	27,583
Total Stockholders' Equity	171,026	146,994
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 185,601</b>	<b>\$ 160,439</b>

## Condensed Consolidated Statements of Operations

(amounts in thousands, except share data)

	Three Months Ended		Nine Months Ended	
	February 28, 2019	February 28, 2018	February 28, 2019	February 28, 2018
	(Unaudited)		(Unaudited)	
<b>Revenue:</b>				
Consultancy and advisory fees	\$ 462	\$ 1,782	\$ 1,505	\$ 2,746
Equity earnings (losses) from partnerships and limited liability companies	(1,463)	1,901	200	3,465
Unrealized gains (losses) from investments subject to fair value valuation	(2,658)	8,923	2,556	14,859
Equity earnings (loss) from investment in The Bermuda Stock Exchange	70	(3)	187	14
Other	3,186	175	3,364	363
Total revenue before unrealized gains (losses) from equity securities	(403)	12,778	7,812	21,447
Unrealized gains (losses) from equity securities	(7,228)	-	10,101	-
Total Revenue	(7,631)	12,778	17,913	21,447
<b>Total Expenses</b>	<b>282</b>	<b>198</b>	<b>987</b>	<b>610</b>
Income (Loss) from Operations	(7,913)	12,580	16,926	20,837
Provision for (Benefit from) Income Taxes	(1,254)	(465)	365	2,554
<b>Net Income (Loss)</b>	<b>(6,659)</b>	<b>13,045</b>	<b>16,561</b>	<b>18,283</b>
Less net income (loss) attributable to noncontrolling interests	(5,972)	(9)	13,453	(35)
<b>Net Income (Loss) Attributable to FRMO Corporation</b>	<b>\$ (687)</b>	<b>\$ 13,054</b>	<b>\$ 3,108</b>	<b>\$ 18,318</b>
Diluted Net Income (Loss) per Common Share	\$ (0.02)	\$ 0.30	\$ 0.07	\$ 0.42
Weighted Average Common Shares Outstanding				
Basic	43,975,414	43,956,155	43,974,319	43,954,759
Diluted	43,975,414	44,015,852	43,974,319	44,002,613

### About FRMO Corp.

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

FRMO had 43,976,781 shares of common stock outstanding as of February 28, 2019.

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).

### Contact

Thérèse Byars  
Corporate Secretary  
Email: [tbyars@frmocorp.com](mailto:tbyars@frmocorp.com)  
Telephone: 646-495-7337  
[www.frmocorp.com](http://www.frmocorp.com)

## 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 or 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 gains 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 are provided as supplemental information, and are not a substitute for net income attributable to the Company and do 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>February 28, 2019</u>		<u>Three Months Ended</u> <u>February 28, 2018</u>		<u>Nine Months Ended</u> <u>February 28, 2019</u>		<u>Nine Months Ended</u> <u>February 28, 2018</u>	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	Diluted earnings per common share		Diluted earnings per common share		Diluted earnings per common share		Diluted earnings per common share	
	Amount		Amount		Amount		Amount	
(000's except per common share amounts and percentages)								
<b>Net Income Attributable to the Company Excluding the Effect of Unrealized Gain (Loss) from Equity Securities and Diluted Earnings per Common Share Reconciliation:</b>								
<b>Net income (loss) attributable to the Company</b>	<u>\$ (687)</u>	<u>\$ (0.02)</u>	<u>\$ 13,054</u>	<u>\$ 0.30</u>	<u>\$ 3,108</u>	<u>\$ 0.07</u>	<u>\$ 18,318</u>	<u>\$ 0.42</u>
Unrealized gains (losses) from equity securities	(7,228)		-		10,101		-	
Unrealized gains (losses) from equity securities attributable to noncontrolling interests	<u>(5,969)</u>		<u>-</u>		<u>13,454</u>		<u>-</u>	
Unrealized gain (loss) from equity securities attributable to the Company	(1,259)		-		(3,353)		-	
Tax benefit on unrealized gain (loss) from equity securities attributable to the company	<u>(16)</u>		<u>-</u>		<u>832</u>		<u>-</u>	
Unrealized gain (loss) from equity securities attributable to the Company, net of taxes	<u>(1,275)</u>	<u>\$ (0.03)</u>	<u>-</u>	<u>\$ 0.00</u>	<u>(2,521)</u>	<u>\$ (0.06)</u>	<u>-</u>	<u>\$ 0.00</u>
<b>Net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities</b>	<u>\$ 588</u>	<u>\$ 0.01</u>	<u>\$ 13,054</u>	<u>\$ 0.30</u>	<u>\$ 5,629</u>	<u>\$ 0.13</u>	<u>\$ 18,318</u>	<u>\$ 0.42</u>
Weighted average diluted shares outstanding	<u>43,975,414</u>		<u>44,015,852</u>		<u>43,974,319</u>		<u>44,002,613</u>	