

## FRMO Corp. Announces Fiscal 2023 Third Quarter Results and Conference Call

WHITE PLAINS, N.Y. —April 13, 2023

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2023 third quarter ended February 28, 2023.

### Financial Highlights

FRMO’s total book value as of February 28, 2023 was \$342.9 million (\$7.79 per share on a fully diluted basis), including \$153.6 million of non-controlling interests. Book value for the same period, excluding the non-controlling interests was \$189.3 million (\$4.30 per share). This compares with total book value at the prior fiscal year end on May 31, 2022 of \$314.3 million (\$7.14 per share), including \$132.9 million of non-controlling interests. Book value for the same period, excluding the non-controlling interests was \$181.4 million (\$4.12 per share). Current assets, comprised primarily of cash and equivalents and equity securities, amounted to \$252.6 million as of February 28, 2023, and \$223.8 million as of May 31, 2022. Total liabilities were \$25.0 million as of February 28, 2023, and \$23.9 million as of May 31, 2022, comprised primarily of securities sold, not yet purchased and deferred taxes.

For the three months ended February 28, 2023, FRMO’s net (loss) attributable to the Company was \$(34,901,022), or \$(0.79) per share, compared to \$(12,008,314) or \$(0.27) per share, a year earlier.

For the nine months ended February 28, 2023, the net income was \$7,446,825 (\$0.17 per diluted share) compared to net (loss) of \$(11,397,920) (\$0.26 per diluted share) in 2022.

For the three months ended February 28, 2023, FRMO’s net (loss) attributable to the Company excluding the effect of unrealized (loss) gain from equity securities net of taxes was \$(12,121,031) (\$0.28 per diluted share) compared to \$(9,850,344) (\$0.22 per diluted share) for the three months ended February 28, 2022.

For the nine months ended February 28, 2023, FRMO’s net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities net of taxes was \$815,704 (\$0.02 per diluted share) compared to (loss) of \$(5,635,550) (\$0.13 per diluted share) for the nine months ended February 28, 2023.

Net income (loss) attributable to the Company excluding the effect of unrealized gain (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, 2023. 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, 2023 and May 31, 2022, the Company held a 21.81% and 21.88% 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 78.19% and 78.12% in HKHA has been eliminated from results of operations for the periods ended February 28, 2023 and May 31, 2022.

Further details are available in the Company's Consolidated Financial Statements for the three months and nine months ended February 28, 2023. 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 webinar on Tuesday, April 18, 2023 at 4:15 p.m. ET.

Please join us for the FRMO 2023 Third Quarter Conference Call on April 18, 2023 4:15 PM EST at:

<https://attendee.gotowebinar.com/register/1671264701704711767>

After registering, you will receive a confirmation email containing information about joining the webinar. Replay information will be available the next week on our website. *Only questions submitted to [info@frmocorp.com](mailto:info@frmocorp.com) before 1:00 p.m. on the day of the webinar will be considered.*

---

**Condensed Consolidated Balance Sheets***(in thousands)*

	<b>February 28, 2023</b>	<b>May 31, 2022</b>
	<b>(Unaudited)</b>	
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 36,983	\$ 33,289
Equity securities, at fair value	212,870	187,386
Other current assets	2,721	3,083
Total Current Assets	<u>252,574</u>	<u>223,758</u>
Investment in limited partnerships and other equity investments, at fair value	82,786	82,630
Investments in securities exchanges	4,815	4,815
Other assets	1,894	2,177
Investment in Horizon Kinetics LLC	15,648	14,702
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
<b>Total Assets</b>	<b><u>\$ 367,917</u></b>	<b><u>\$ 338,282</u></b>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Securities sold, not yet purchased	\$ 2,164	\$ 2,573
Other current liabilities	392	212
Total Current Liabilities	<u>2,556</u>	<u>2,785</u>
Deferred Tax Liability	21,756	20,470
Mortgage payable	677	700
Total Liabilities	<u>24,988</u>	<u>23,955</u>
Stockholders' Equity:		
Stockholders' Equity Attributable to the Company	189,321	181,409
Noncontrolling interests	153,608	132,919
Total Stockholders' Equity	<u>342,929</u>	<u>314,327</u>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$ 367,917</u></b>	<b><u>\$ 338,282</u></b>

*(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, 2023	February 28, 2022	February 28, 2023	February 28, 2022
	(Unaudited)		(Unaudited)	
<b>Revenue:</b>				
Fees	\$ 928	\$ 1,496	\$ 2,484	\$ 3,805
Equity earnings from limited partnerships and limited liability companies	1,491	945	2,299	29
Unrealized losses from investments	(22,472)	(13,430)	(1,048)	(9,078)
Other	745	245	3,645	677
Total revenue before unrealized (losses) gains from equity securities	(19,308)	(10,744)	7,380	(4,567)
Unrealized (losses) gains from equity securities	(90,424)	(5,019)	24,006	(27,197)
Total Revenue	(109,732)	(15,763)	31,386	(31,764)
<b>Total Expenses</b>	<b>321</b>	<b>431</b>	<b>1,494</b>	<b>1,131</b>
(Loss) income from Operations before Provision for Income Taxes	(110,053)	(16,195)	29,892	(32,895)
(Benefit from) Provision for Income Taxes	(8,891)	(2,914)	2,852	(1,031)
<b>Net (Loss) Income</b>	<b>(101,162)</b>	<b>(13,281)</b>	<b>27,040</b>	<b>(31,864)</b>
Less net (loss) income attributable to noncontrolling interests	(66,261)	(1,273)	19,593	(20,466)
<b>Net (Loss) Income Attributable to FRMO Corporation</b>	<b>\$ (34,901)</b>	<b>\$ (12,008)</b>	<b>\$ 7,447</b>	<b>\$ (11,398)</b>
Diluted Net (Loss) Income per Common Share	\$ (0.79)	\$ (0.27)	\$ 0.17	\$ (0.26)
Weighted Average Common Shares Outstanding				
Basic	44,022,781	44,017,781	44,020,492	44,015,418
Diluted	44,022,781	44,017,781	44,032,153	44,015,418

*(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 44,022,781 shares of common stock outstanding as of February 28, 2023.

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 (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 gain (loss) 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 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 gain (loss) from equity securities to net income attributable to the Company for the periods indicated:

	Three Months Ended February 28, 2023 (Unaudited)		Three Months Ended February 28, 2022 (Unaudited)		Nine Months Ended February 28, 2023 (Unaudited)		Nine Months Ended February 28, 2022 (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	Amount	Amount	Amount	Amount
(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	\$ (34,901)	\$ (0.79)	\$ (12,008)	\$ (0.27)	\$ 7,447	\$ 0.17	\$ (11,398)	\$ (0.26)
Unrealized (loss) gain from equity securities	(90,424)		(5,019)		24,006		(27,197)	
Unrealized (loss) gain from equity securities attributable to noncontrolling interests	(66,580)		(1,502)		17,152		(21,145)	
Unrealized (loss) gain from equity securities attributable to the Company	(23,844)		(3,517)		6,854		(6,052)	
Tax benefit (provision) on unrealized (loss) gain from equity securities attributable to the company	1,065		1,359		(223)		289	
Unrealized (loss) gain from equity securities attributable to the Company, net of taxes	(22,779)	\$ (0.52)	(2,158)	\$ (0.05)	6,631	\$ 0.15	(5,763)	\$ (0.13)
<b>Net (loss) income attributable to the Company excluding the effect of unrealized (loss) gain from equity securities</b>	<b>\$ (12,122)</b>	<b>\$ (0.28)</b>	<b>\$ (9,850)</b>	<b>\$ (0.22)</b>	<b>\$ 816</b>	<b>\$ 0.02</b>	<b>\$ (5,635)</b>	<b>\$ (0.13)</b>
Weighted average diluted shares outstanding	44,022,781		44,017,781		44,032,153		44,015,418	

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