

FRMO Corp. Announces May 2013 Transactions and Date of Annual Meeting of Shareholders

Business Wire

ELMSFORD, N.Y. — June 25, 2013

FRMO Corp. (FRMO-OTC-PINK) (“FRMO” or “Company”) today announced the completion of three previously communicated transactions. The first was a private placement of FRMO shares for certain accredited investors. The second was to amend the terms of the Company’s product-specific revenue interests in products managed by Horizon Kinetics LLC (“Horizon Kinetics”) and its subsidiaries so as to receive a single revenue interest in the gross revenues of Horizon Kinetics. The third was the exchange of certain privately held units of Horizon Kinetics for shares of FRMO.

Private Placement Completed

Pursuant to a private placement, the Company invited subscriptions from certain accredited investors to purchase up to a maximum of 1,730,103 shares of its common stock at \$2.89 per share. Subscriptions were received by April 15, 2013 from 72 investors for 100% of the shares offered by the Company. The subscriptions were accepted by the Company, and the shares were issued on May 1, 2013 when the Company received payment of \$4,999,997.67.

Adjustment of Product-Specific Revenue Interests

By agreement dated April 16, 2013, the Company amended the terms of its product-specific revenue interests in certain products managed by Horizon Kinetics and its subsidiaries: (i) a mutual fund, (ii) two private investment funds, (iii) a consultative relationship with an institutional investor and, (iv) an institutional separate account. The transaction was consummated at the close of business on May 31, 2013. FRMO will now receive a single revenue interest equal to 4.199% of the gross revenues of Horizon Kinetics.

As a result of this transaction, the Company expects to realize a gain in the transaction equal to the value of the 4.199% interest at the close of business May 31, 2013 less the cost basis of the revenue interests in the Horizon Kinetics related products transferred to Horizon Kinetics at that date. This gain will be reported in the Company’s audited Financial Statement for the fiscal year ended May 31, 2013. The income taxes on that gain will be deferred pursuant to Section 1031 of the Internal Revenue Code relating to “like exchanges” and will be reported as part of the Company’s Deferred Tax Liability.

FRMO – Horizon Kinetics Share Exchange

On April 16, 2013, the Company announced an agreement with Horizon Kinetics LLC to exchange certain privately held units of Horizon Kinetics for common shares of FRMO based upon pre-determined prices of each. The exchange period expired on May 31, 2013 resulting in FRMO owning 4.95% of Horizon Kinetics and the individual Horizon Kinetics’ unit sellers receiving 2,387,715 shares of FRMO common stock. Immediately prior to the exchange, FRMO held a 0.86% interest in Horizon Kinetics.

August Release of FRMO’s Year-End Audited Financial Statement

It is expected that the audited Report on Consolidated Financial Statements for FRMO and its Subsidiary, Fromex Equity Corp, will be released in August. The Company believes that, with the above-referenced gain, the Report will reflect material increases over the previous year-end in Net Income, Total Stockholders’ Equity and Book Value per share.

Annual Meeting of Shareholders to be Held on August 27, 2013

The Company will hold its Annual Meeting of Shareholders on Tuesday, August 27, 2013 at 3 PM at The Harvard Club, 35 West 44th Street in New York City to elect its Board of Directors for the ensuing year. At the meeting, the Executive Officers will review the Company's Fiscal 2013 financial results and outlook for the future. They will be available to answer shareholder questions and, as is the case for quarterly conference calls, a transcript of the meeting will be posted on the Company's website: www.frmocorp.com.

The Proxy Statement and the formal Notice of the Shareholders Meeting will be distributed on or about Monday, July 31, 2013.

About FRMO Corp.

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

FRMO has 43,255,972 shares of common stock outstanding.

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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