

## FRMO Corp. Announces Third Quarter 2018 Financial Results and Conference Call

WHITE PLAINS, N.Y. — April 12, 2018

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2018 third quarter, which ended February 28, 2018 (May Fiscal Year).

### Financial Highlights

FRMO’s 2018 book value as of February 28, 2018 was \$146.1 million (\$3.32 per share on a fully diluted basis), including \$23.6 million of non-controlling interests. The prior fiscal year-end at May 31, 2017 figure was \$114.2 million (\$ 2.60 per share), which includes \$10.9 million of non-controlling interests. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$88.5 million as of February 28, 2018, and \$71.3 million as of May 31, 2017. Total liabilities were \$15.8 million as of February 28, 2018, compared to \$13.1 million as of May 31, 2017, the majority of each being deferred taxes. As a result of the new tax act, the Company reduced its previously recorded deferred tax liability by \$4,785,607.

FRMO’s net income attributable to the Company for the three months ended February 28, 2018 was \$13,053,961 (\$0.30 per share basic and diluted) compared to \$1,825,507 (\$0.04 per share basic and diluted) for the same three month period in 2017. Income from operations for the third quarter of fiscal 2018 was \$12,579,454, compared to \$3,366,410, for the same period in the prior year. Comprehensive income for the same periods was \$12,743,418 up from \$1,598,588.

For the nine months ended February 28, 2018, net income attributable to the Company was \$18,317,781 (\$0.42 per share basic and diluted) compared to \$3,810,529 (\$0.09 per share basic and diluted) in the prior year. Income from operations was \$20,836,866 up from \$6,627,290 for the same period in 2017. Comprehensive income for the same periods was \$18,220,191 up from \$5,191,158.

As of February 28, 2018 and May 31, 2017, investments in limited partnerships and limited liability companies are valued using data inputs from December 31, 2017 and March 31, 2017, respectively, the dates of the most current available information.

Further details are available in the Quarterly Report of the Company’s Consolidated Financial Statements for the quarter ended February 28, 2018. 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 web site 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 17, 2018 at 4:15 p.m. EST**. *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 877-419-6591 (domestic toll free) or 719-325-2454 (international toll) and entering the following conference ID: 5770088. A replay will be available from 7:15 p.m. on the day of the teleconference until 7:15 p.m. on May 17, 2018. To listen to the archived call, dial 1-888-203-1112 (domestic toll free) or 1-719-457-0820 (international toll), and enter conference ID number 5770088.

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

	<b>February 28, 2018</b>	<b>May 31, 2017</b>
	<b>(Unaudited)</b>	
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 52,635	\$ 51,125
Bond and equity securities, available for sale, at fair value	33,728	18,933
Other current assets	2,156	1,219
Total Current Assets	<u>88,519</u>	<u>71,277</u>
Computer equipment, net of accumulated depreciation	83	-
Investment in South LaSalle Partners, LP	6,223	5,743
Investment in Winland Holdings Corporation, Inc.	773	739
Investments in limited partnerships	40,325	24,833
Investment in The Bermuda Stock Exchange	2,718	2,704
Investments in other stock exchanges	988	988
Investment in Digital Currency Group Inc.	76	76
Investment in HK Cryptocurrency Mining LLC	69	-
Investment in Horizon Kinetics LLC	11,997	10,773
Participation in Horizon Kinetics LLC revenue stream	10,200	10,200
<b>Total Assets</b>	<b><u>\$ 161,971</u></b>	<b><u>\$ 127,333</u></b>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Securities sold, not yet purchased	\$ 5,393	\$ 4,131
Other current liabilities	1,469	140
Total Current Liabilities	<u>6,862</u>	<u>4,271</u>
Deferred Tax Liability	8,961	8,842
Total Liabilities	<u>15,823</u>	<u>13,113</u>
Stockholders' Equity	<u>146,148</u>	<u>114,220</u>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$ 161,971</u></b>	<b><u>\$ 127,333</u></b>

## Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

	Three Months Ended		Nine Months Ended	
	February 28, 2018	February 28, 2017	February 28, 2018	February 28, 2017
	(Unaudited)		(Unaudited)	
<b>Revenue:</b>				
Consultancy and advisory fees	\$ 1,780	\$ 498	\$ 2,742	\$ 1,452
Income (loss) from investment partnerships and limited liability companies	1,901	(421)	3,465	(97)
Unrealized gain from investments subject to net asset valuation and fair value adjustments	8,923	2,549	14,859	4,552
Income (loss) from unconsolidated subsidiary	(3)	(8)	14	60
Other	176	892	367	1,191
<b>Total Revenue</b>	<b>12,777</b>	<b>3,510</b>	<b>21,447</b>	<b>7,158</b>
<b>Total Expenses</b>	<b>198</b>	<b>144</b>	<b>610</b>	<b>531</b>
Income from Operations	12,579	3,366	20,837	6,627
Provision for Income Taxes	(466)	1,537	2,554	2,733
<b>Net Income</b>	<b>13,045</b>	<b>1,829</b>	<b>18,283</b>	<b>3,894</b>
Less net income (loss) attributable to noncontrolling interests	(9)	3	(35)	83
<b>Net Income Attributable to FRMO Corporation</b>	<b>\$ 13,054</b>	<b>\$ 1,826</b>	<b>\$ 18,318</b>	<b>\$ 3,811</b>
Diluted Net Income per Common Share	\$ 0.30	\$ 0.04	\$ 0.42	\$ 0.09
Weighted Average Common Shares Outstanding				
Basic	43,956,155	43,953,155	43,954,759	43,953,155
Diluted	44,015,852	44,002,116	44,002,613	44,000,569

**About FRMO Corp.**

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

FRMO had 43,973,781 shares of common stock outstanding as of February 28, 2018.

For more information, visit our Web site 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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