

FRMO Corp. Announces Results for Fiscal 2014

Extends invitation to attend Annual Meeting in NYC August 26

ELMSFORD, N.Y. —August 8, 2014

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for its 2014 Fiscal Year, which ended May 31, 2014.

Financial Highlights

FRMO’s 2014 Shareholders’ Equity increased by \$10.68 million to \$94.05 million (\$2.16 per share) at May 31, 2014, from \$83.37 million (\$1.93 per share) at May 31, 2013. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$86.52 million as of May 31, 2014 and \$74.71 million as of May 31, 2013. Total liabilities were \$16.39 million as of May 31, 2014, compared to \$12.65 million as of May 31, 2013, the majority of each being deferred taxes.

Income from operations for the fiscal year ended May 31, 2014 was \$6,677,768, down from \$16,799,618 for the same period in the prior year. The decrease is primarily attributable to the one-time gain of \$10,057,232 in 2013 from FRMO’s exchange of product specific revenue interests in products managed by Horizon Kinetics LLC (“HK”) for a 4.199% interest in the gross revenues of HK.

Comprehensive income for the year, which includes unrealized gains, was \$8,933,826, down from \$14,113,860, including net income of \$3,872,747 (\$0.09 per share basic and diluted), as compared to \$10,319,964 (\$0.26 per share basic and diluted) for the same period in the prior year. The decrease is primarily attributable to the one-time gain of \$10,057,232 in 2013 as described above.

Further details are available in the Annual Report of the Company’s Consolidated Financial Statements for the year ended May 31, 2014. These statements have been filed on the OTC Markets Group Disclosure and News Services (DNS), which may be accessed at www.otcm Markets.com/stock/FRMO/filings. These documents are also available on the FRMO web site at www.frmocorp.com.

Annual Meeting Invitation

The Chairman, President, and Board of Directors of FRMO Corp. cordially invite shareholders to attend its Annual Meeting at which they will review the Fiscal 2014 financial results and the outlook for the future. The board members will be available to answer questions and look forward to meeting you. The Annual Meeting will be held on:

Tuesday, August 26, 2014 at 3PM
The Harvard Club
35 West 44th Street
New York, NY

Admission to the FRMO Annual Meeting is limited to stockholders who owned Common Stock as of the close of business on July 15, 2014, 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 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)

| | <u>May 31,</u> <u>2014</u> | <u>May 31,</u> <u>2013</u> |
|--|-------------------------------|-------------------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 27,257 | \$ 26,525 |
| Investments, available for sale, at fair value | 58,670 | 47,306 |
| Other | 595 | 874 |
| Total Current Assets | <u>86,522</u> | <u>74,705</u> |
| Participation receivable | | |
| Investment in unconsolidated limited liability company | 11,214 | 10,974 |
| Participation in Horizon Kinetics revenue stream | 10,200 | 10,200 |
| Investment in The Bermuda Stock Exchange | 2,371 | - |
| Other assets | 138 | 138 |
| Total Assets | <u>\$ 110,445</u> | <u>\$ 96,017</u> |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities: | | |
| Deferred Tax Liability | \$ 9,016 | \$ 5,852 |
| Redeemable preferred stock | - | 50 |
| Other current liabilities | 3,140 | 2,510 |
| Total Current Liabilities | <u>12,156</u> | <u>8,412</u> |
| Deferred Tax Liability - non-current | 4,238 | 4,238 |
| Total Liabilities | <u>16,394</u> | <u>12,650</u> |
| Stockholders' Equity | <u>94,051</u> | <u>83,367</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 110,445</u> | <u>\$ 96,017</u> |

| | May 31, 2014 | May 31, 2013 |
|---|-------------------------|-------------------------|
| Revenue: | | |
| Consultancy and advisory fees | \$ 4,799 | \$ 2,418 |
| Income (loss) from investment partnerships and limited liability companies | 1,215 | 2,741 |
| Gain on exchange of product specific revenue interests | - | 10,057 |
| Gain on transfer of revenue interest | - | 511 |
| Other | <u>1,587</u> | <u>1,940</u> |
| Total Revenue | 7,601 | 17,667 |
| Total Expenses | <u>923</u> | <u>867</u> |
| Income from Operations | 6,678 | 16,800 |
| Provision for Income Taxes | <u>2,805</u> | <u>6,480</u> |
| Net Income | <u>\$ 3,873</u> | <u>\$ 10,320</u> |
| Diluted Earnings per Common Share | \$ 0.09 | \$ 0.26 |
| Weighted Average Common Shares Outstanding | | |
| Basic | 43,304,197 | 39,280,354 |
| Diluted | 43,713,044 | 39,422,065 |

About FRMO Corp.

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

FRMO has 43,504,712 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.

Contact

Thérèse Byars
Corporate Secretary
Email: tbyars@frmocorp.com
Telephone: 646-495-7337
www.frmocorp.com