

FRMO Corp. Announces First Quarter 2017 Financial Results and Conference Call

WHITE PLAINS, N.Y. — October 13, 2016

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2017 first quarter, which ended August 31, 2016 (May Fiscal Year).

Financial Highlights

FRMO’s book value was \$102.8 million (\$2.34 per share on a fully diluted basis) as of August 31, 2016, compared with \$99.8 million (\$2.27 per share) as of May 31, 2016, the prior fiscal year-end. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$92.8 million as of August 31, 2016, and \$90.3 million as of May 31, 2016. Total liabilities were \$14.6 million as of August 31, 2016, compared to \$15.2 million as of May 31, 2016, the majority of each being deferred taxes.

FRMO’s net income was \$421,953 (\$0.01 per share basic and diluted) for the three months ended August 31, 2016 compared with \$1,161,105 (\$0.03 per share basic and diluted) for the quarter ended August 31, 2015. Income from operations was \$582,693 for the first quarter of fiscal 2017, compared to \$2,148,921 for the same period in the prior year. Comprehensive income (loss) was \$1,902,226 for the first quarter of fiscal 2017 compared to \$(2,084,024) for the same period in the prior year.

Further details are available in the Quarterly Report of the Company’s Consolidated Financial Statements for the quarter ended August 31, 2016. These statements have been filed on the OTC Markets Group Disclosure and News Services (DNS), which may be accessed at www.otcmarkets.com/stock/FRMO/filings. These documents are also available on the FRMO web site at www.frmocorp.com.

Conference Call

Murray Stahl, Chairman and CEO, and Steven Bregman, President and CFO, will host a conference call on Tuesday, October 18, 2016 at 4:15 p.m. ET. *Only questions submitted to info@frmocorp.com before 1:00 p.m. on the day of the call will be considered.* The call can be accessed by dialing 1- 800-378-6710 (domestic toll free) or 719-325-2381 (international toll) and entering the following conference ID: 7332237. A replay will be available from 7:15 p.m. on the day of the teleconference until Thursday, November 17, 2016. To listen to the archived call, dial 1-888-203-1112 (domestic toll free) or 719-457-0820 (international toll), and enter conference ID number 7332237.

Condensed Consolidated Balance Sheets*(in thousands)*

| | August 31, 2016 | May 31, 2016 |
|--|----------------------------|--------------------------|
| | (Unaudited) | |
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 50,000 | \$ 49,092 |
| Investments, available for sale, at fair value | 41,077 | 39,198 |
| Other | 1,704 | 1,994 |
| Total Current Assets | <u>92,781</u> | <u>90,284</u> |
| Investment in OneChicago LLC | 246 | 246 |
| Investment in Digital Currency Group Inc. | 76 | 76 |
| Investment in CNSX Markets, Inc. | 243 | 243 |
| Investment in Miami International Holdings, Inc. | 250 | 250 |
| Investment in The Bermuda Stock Exchange | 2,671 | 2,642 |
| Investment in Horizon Kinetics LLC | 10,971 | 10,880 |
| Participation in Horizon Kinetics LLC revenue stream | 10,200 | 10,200 |
| Other assets | - | 139 |
| Total Assets | <u><u>\$ 117,438</u></u> | <u><u>\$ 114,960</u></u> |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities: | | |
| Securities sold, not yet purchased | \$ 3,769 | \$ 4,412 |
| Deferred Tax Liability | 5,784 | 5,820 |
| Other current liabilities | 217 | 183 |
| Total Current Liabilities | <u>9,770</u> | <u>10,415</u> |
| Deferred Tax Liability - non-current | 4,823 | 4,753 |
| Total Liabilities | <u>14,593</u> | <u>15,168</u> |
| Stockholders' Equity | <u>102,845</u> | <u>99,792</u> |
| Total Liabilities and Stockholders' Equity | <u><u>\$ 117,438</u></u> | <u><u>\$ 114,960</u></u> |

Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

| | Three Months Ended | |
|--|--------------------|--------------------|
| | August 31, 2016 | August 31, 2015 |
| | (Unaudited) | |
| Revenue: | | |
| Consultancy and advisory fees | \$ 502 | \$ 690 |
| Income from investment partnerships and limited liability companies | 96 | 813 |
| Income from unconsolidated subsidiary | 29 | 9 |
| Other | 178 | 806 |
| Total Revenue | 805 | 2,318 |
| Total Expenses | 223 | 169 |
| Income from Operations | 582 | 2,149 |
| Provision for Income Taxes | 100 | 988 |
| Net Income | 482 | 1,161 |
| Less net income attributable to noncontrolling interests | 60 | - |
| Net Income Attributable to FRMO Corporation | \$ 422 | \$ 1,161 |
| Diluted Net Income per Common Share | \$ 0.01 | \$ 0.03 |
| Weighted Average Common Shares Outstanding | | |
| Basic | 43,953,155 | 43,728,155 |
| Diluted | 43,999,239 | 44,124,046 |

About FRMO Corp.

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

FRMO has 43,953,155 shares of common stock outstanding as of August 31, 2016.

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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