

FRMO Corp. Announces Fiscal 2025 Second Quarter Results, Conference Call, and New Board Appointment

WHITE PLAINS, N.Y. —January 14, 2025

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for the 2025 second quarter ended November 30, 2024.

Financial Highlights

FRMO’s total book value as of November 30, 2024 was \$821.4 million. This compares with total book value at the prior fiscal year end on May 31, 2024 of \$403.3 million.

Current assets, comprised primarily of cash and equivalents and equity securities, amounted to \$626.1 million as of November 30, 2024, and \$276.1 million as of May 31, 2024. Total liabilities were \$81.0 million as of November 30, 2024, and \$35.9 million as of May 31, 2024, comprised primarily of securities sold, not yet purchased, and deferred taxes.

FRMO’s net income attributable to the Company for the quarter ended November 30, 2024 rose to \$136,922,774 (\$3.11 per diluted share) compared to \$4,702,229 (\$0.11 per diluted share) a year earlier. The equity security investment that accounts for the significant net income increase is identified as Investment A in Note 4 of the Interim Condensed Consolidated Financial Statements under Investment Concentration.

For the six months ended November 30, 2024, FRMO’s net income attributable to the Company was \$171,409,525 (\$3.89 per diluted share), compared to \$37,032,214 million (\$0.84 per diluted share) a year earlier.

Net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities and digital assets net of taxes for the three months ended November 30, 2024 was \$63,639,441 (\$1.45 per diluted share) compared to \$7,587,540 (\$0.17 per diluted share) for the three months ended November 30, 2023. The six-month figures, as of the same end dates, are \$75,219,407 (\$1.71 per diluted share) and \$21,827,222 (\$0.50 per diluted share)

Net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities and digital assets 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 digital assets are subject to change after November 30, 2024. The market value of several securities and digital assets might have changed substantially since that date. We look forward to finding new ways to expand our digital assets mining operations.

The interim condensed consolidated financial statements include the accounts of FRMO Corporation and its controlled subsidiaries (collectively referred to as the “Company”). As of November 30, 2024 and May 31, 2024, the Company held a 21.88% and 21.84% equity interest in Horizon Kinetics Hard Assets LLC (“HKHA”), a company formed by Horizon Kinetics LLC (“Horizon”) and certain officers, principal stockholders and directors of the Company. Through July 31, 2024, the Company held a 4.95% interest in Horizon, and on August 1, 2024, Horizon completed its previously announced merger with Scott’s Liquid Gold Inc., which was renamed Horizon

Kinetics Holding Corporation (“HKHC”). The Company now owns 4.42% of HKHC and earns substantially all of its advisory fees from HKHC and through July 31, 2024 from Horizon (see Note 4 – Investments, Investments under the Equity Method of Accounting). 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 78.12 % and 78.20% in HKHA has been eliminated from results of operations for the periods ended November 30, 2024 and 2023.

Further details are available in the Company’s Condensed Consolidated Financial Statements for the three months and six months ended November 30, 2024 and 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. These documents are also available on the FRMO website at www.frmocorp.com.

Conference Call

Murray Stahl, Chairman and CEO, and Steven Bregman, President and CFO, will host a conference call on Tuesday, January 21, 2025 at 4:15 p.m. Eastern Time. *Only questions submitted to info@frmocorp.com before 1:00 p.m. on the day of the call will be considered.* You may register for the conference call by clicking on the following link:

<https://attendee.gotowebinar.com/register/1450862112474343007>

An audio replay link will be available for 30 days from January 22 through February 21, 2025 on the FRMO website (https://frmocorp.com/q_transcripts.html) until the summary transcript is posted.

FRMO Corp. Appoints Melinda J. Newman to Board of Directors

FRMO announced that it appointed Melinda J. Newman to the Board of Directors (“Board”), effective January 9, 2025.

With the appointment of Ms. Newman, the Company has nine individuals on its Board, of which five are independent.

“I am delighted to welcome Melinda Newman to the Board and believe her diverse background and set of experiences will serve FRMO and its shareholders well as the Company continues to grow,” stated Murray Stahl, FRMO’s Chairman and Chief Executive Officer.

Newman commented, “I’m delighted to join the FRMO board, and look forward to working with management and my fellow directors to bolster shareholder value.”

Ms. Newman has over 20 years of experience in the senior echelons of the asset management industry. An accomplished credit investor, she was the highest ranked woman investor at two leading Los Angeles investment management firms, serving as both portfolio manager and credit research team leader. In her most recent operating role at TCW Group, Melinda oversaw a team managing \$15 billion of corporate bonds and loans. She currently serves as an independent director for the RENN Fund, (NYSE MKT: RCG), where she sits on the Audit, Nominating and Corporate Governance, and Pricing committees, and is designated as an audit committee financial expert. Melinda also serves on the board of Wharton Alumni for Boards. She is recognized by the National Association of Corporate Directors as NACD Directorship Certified. Melinda holds an MBA with Honors

from the Wharton School of the University of Pennsylvania, where she was named as a Palmer Scholar, and a Bachelor of Arts with Honors from Wesleyan University.

Ms. Newman will also serve as a member of FRMO's Audit Committee and Nominating and Governance Committee.

Condensed Consolidated Balance Sheets*(in thousands)*

	November 30, 2024	May 31, 2024
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 41,540	\$ 39,190
Equity securities, at fair value	564,445	221,682
Digital assets, at fair value	15,698	10,979
Other current assets	4,446	4,252
Total Current Assets	626,130	276,102
Investment in limited partnerships and other equity investments, at fair value	241,031	127,579
Investments in securities exchanges	7,345	6,463
Other assets	1,511	1,609
Investment in Horizon Kinetics Holding Corporation (formerly Horizon Kinetics LLC at May 31, 2024)	16,212	17,205
Participation in Horizon Kinetics Holding Corporation (formerly Horizon Kinetics LLC at May 31, 2024) revenue stream	10,200	10,200
Total Assets	\$ 902,430	\$ 439,159
Liabilities and Stockholders' Equity		
Current Liabilities:		
Securities sold, not yet purchased	\$ 1,090	\$ 951
Other current liabilities	637	1,258
Total Current Liabilities	1,727	2,209
Deferred Tax Liability	78,660	33,668
Mortgage payable	635	-
Total Liabilities	81,023	35,877
Stockholders' Equity:		
Stockholders' Equity Attributable to the Company	413,602	242,137
Noncontrolling interests	407,805	161,145
Total Stockholders' Equity	821,407	403,282
Total Liabilities and Stockholders' Equity	\$ 902,430	\$ 439,159

(Components may not sum to totals due to rounding)

Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

	Three Months Ended		Six Months Ended	
	November 30, 2024	November 30, 2023	November 30, 2024	November 30, 2023
	(Unaudited)		(Unaudited)	
Revenue:				
Fees	\$ 880	\$ 682	\$ 1,617	\$ 1,384
Equity (losses) earnings from limited partnerships and limited liability companies	(1,467)	1,574	1,089	2,343
Unrealized gains from investments	93,995	6,053	110,394	25,260
Other	965	801	5,422	2,154
Total revenue before unrealized gains (losses) from equity securities and digital assets	94,372	9,110	118,522	31,140
Unrealized gains (losses) from equity securities	254,394	(21,431)	342,829	45,881
Unrealized gains from digital assets	6,088	1,786	4,666	1,569
Total Revenue	354,854	(10,535)	466,017	78,590
Total Expenses	393	399	811	762
Income (Loss) from Operations before Provision for Income Taxes	354,461	(10,935)	465,206	77,828
Provision for Income Taxes	36,403	1,642	46,892	9,935
Net Income (Loss)	318,058	(12,576)	418,313	67,893
Less net income (loss) attributable to noncontrolling interests	181,135	(17,279)	246,904	30,861
Net Income Attributable to FRMO Corporation	\$ 136,923	\$ 4,702	\$ 171,410	\$ 37,032
Diluted Net Income per Common Share	\$ 3.11	\$ 0.11	\$ 3.89	\$ 0.84
Weighted Average Common Shares Outstanding				
Basic	44,022,781	44,022,781	44,022,781	44,022,781
Diluted	44,022,781	44,022,781	44,028,540	44,027,069

(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 November 30, 2024.

For more information, visit our website 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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Information Regarding Non-GAAP Measures

Net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities and digital assets is net income attributable to the Company exclusive of unrealized gains (losses) from equity securities and digital assets, 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 and digital assets.

Management uses net income attributable to the Company excluding the effect of unrealized gain (loss) from equity securities and digital assets, 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 and digital assets, 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 and digital assets to net income attributable to the Company for the periods indicated:

	Three Months Ended November 30, 2024 (Unaudited)		Three Months Ended November 30, 2023 (Unaudited)		Six Months Ended November 30, 2024 (Unaudited)		Six Months Ended November 30, 2023 (Unaudited)	
	Amount	Diluted earnings per common share	Amount	Diluted earnings per common share	Amount	Diluted earnings per common share	Amount	Diluted earnings per common share
(000's except per common share amounts and percentages)								
Net Income Attributable to the Company Excluding the Effect of Unrealized Gain (Loss) from Equity Securities and Digital Assets, and Diluted Earnings per Common Share Reconciliation:								
Net income attributable to the Company	\$ 136,923	\$ 3.11	\$ 4,702	\$ 0.11	\$ 171,410	\$ 3.89	\$ 37,032	\$ 0.84
Unrealized gain (loss) from equity securities and digital assets	260,482		(19,645)		347,494		47,450	
Unrealized gain (loss) from equity securities and digital assets attributable to noncontrolling interests	180,750		(17,605)		243,678		30,193	
Unrealized gain (loss) from equity securities and digital assets attributable to the Company	79,732		(2,040)		103,816		17,257	
Tax (provision) benefit on unrealized gain (loss) from equity securities and digital assets attributable to the company	(6,449)		(844)		(7,626)		(2,052)	
Unrealized gain (loss) from equity securities and digital assets attributable to the Company, net of taxes	73,283	\$ 1.67	(2,885)	\$ (0.07)	96,190	\$ 2.19	15,205	\$ 0.35
Net income attributable to the Company excluding the effect of unrealized gain (loss) gain from equity securities and digital assets	\$ 63,639	\$ 1.45	\$ 7,588	\$ 0.17	\$ 75,219	\$ 1.71	\$ 21,827	\$ 0.50
Weighted average diluted shares outstanding	44,022,781		44,022,781		44,028,540		44,027,069	

(Components may not sum to totals due to rounding)