

BKF Capital Group, Inc. Reports Second Quarter 2018 Results

July 31, 2018 6:00 AM PST

WESTLAKE VILLAGE, CA – (Business Wire) – BKF Capital Group, Inc. (OTC: BKFG), a closely-held holding company that provides capital primarily in the form of share ownership, today announced net income of \$192,000 or \$0.27 per share, for the three months ended June 30, 2018. For the three months ended June 30, 2017, the Company recorded a net loss of \$10,000 or \$0.00 per share. For the six months ended June 30, 2018, BKF Capital reported a net loss of \$763,000 or \$1.08 per share, compared to a net loss of \$20,000 for the six months ended June 30, 2017 or \$0.00 per share.

The 2017 results do not include unrealized gains and losses in marketable securities. Effective January 1, 2018, the Company adopted Accounting Standards Update (“ASU”) No. 2016-01, “*Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*”, that amends existing guidance around classification and measurement of certain financial assets and liabilities. Under ASU 2016-1, unrealized gains or losses on marketable securities are now recognized through earnings. Prior to January 1, 2018, unrealized gains and losses were recognized in other comprehensive income. For the three months ended June 30, 2017, the Company recorded net unrealized losses in other comprehensive income of \$543,000 or \$0.77 per share. For the six months ended June 30, 2017 the Company recorded net unrealized gains in other comprehensive income of \$1,463,000 or \$2.06 per share.

“BKF continues to be well funded and through our wholly owned subsidiary, BKF Asset Holdings, Inc., we will continue to pursue strategic investments in securities, often representing controlling positions, to seek long-term growth,” stated Steven N. Bronson, CEO of BKF Capital Group, Inc. “While we are always looking to generate value opportunities through investments, in the short-term we are focusing our resources and attention to permanently resolving legacy environmental remediation exposure.” The Company is responding to a claim received under the Comprehensive Environmental Response, Compensation, and Liability Act. The claim is a remediation of certain pesticides and other chemicals used on land owned by the Company from 1971 to 1999.

Mr. Bronson continued, “We believe that the Company has valid factual and legal defenses to this claim and we are vigorously defending the claim. The Company has no specific reserve for this action as the matter contains a reasonable degree of uncertainty and the Company believes it will prevail on the merits of the case.”

Over a period of July 5 through July 18 2018, subsequent to quarter-end, the Company sold its remaining shares of Coda Octopus Group for cash proceeds of \$4.2 million. This represents a realized gain of \$1.9 million over adjusted carrying value, and a realized gross gain of \$3.4 million over original cost basis. The \$1.9 million realized gain, or \$2.68 per share, will be recognized in the third quarter of 2018.

Mr. Bronson continued, “We are pleased with our investment performance, particularly with Coda Octopus Group (NASDAQ: CODA). Over the twenty-six month period, we were able to realize a 475% return on our investment. We are actively seeking similar opportunities to reinvest in high-growth companies.”

About BKF Capital Group, Inc.

BKF Capital Group, Inc. is a holding company that invests in innovative and high-growth technology companies. We make capital investments through our wholly owned subsidiary, BKF Asset Holdings, Inc. Our most prominent assets are Interlink Electronics, Inc. (NASDAQ:LINK), a global leader in human-machine interface and sensor technologies, and Qualstar Corporation (NASDAQ:QBAK), a leading manufacturer of data storage solutions and high-efficiency power supplies.

Our principal executive office is located at 31248 Oak Crest Drive, Suite 110, Westlake Village, CA 91361. The Company's securities were registered under Section 12(g) of the Securities Exchange Act of 1934. On May 20, 2015, we filed Form 15 to terminate the registration and reporting obligations under Section 12(g). Since May 20, 2015, we make available our annual financial statements, quarterly financial statements, and other significant reports and amendments to such reports, free of charge, on our website as soon as reasonably practicable after such reports are prepared. Our website address is www.bkfcapital.com.

Forward Looking Statements

This release contains forward-looking statements made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, the Company's

views on future financial performance and are generally identified by phrases such as “thinks,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” and similar words. Forward-looking statements are not guarantees of future performance and are inherently subject to uncertainties and other factors which could cause actual results to differ materially from the forward-looking statement. These statements are based upon, among other things, assumptions made by, and information currently available to, management, including management’s own knowledge and assessment of the Company’s industry, competition and capital requirements. Other factors and uncertainties that could affect the Company’s forward-looking statements include, among other things, the following: our success in predicting markets and success of the companies we invest in; efficient management of our infrastructure; the pace of technological developments and industry standards evolution and their effect on our market choices; competition by alternative sophisticated as well as generic investors; risks of international investments and operations including fluctuations in exchange rates; and compliance with regulatory requirements applicable to our operations. These and other risks are more fully described in the Company’s most recently filed quarterly financial statements, which should be read in conjunction herewith for a further discussion of important factors that could cause actual results to differ materially from those in the forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Appendix:

Consolidated financial information for period ended June 30, 2018 can be found on our website www.bkfcapital.com:

Quarter ended June 30, 2018