



Value Line[®]

2021
ANNUAL REPORT

■ Value Line 2021 Annual Report

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Chairman's Letter

To Our Shareholders:

Your company is proud to report to you that earnings reached the highest level of the past ten years, achieving \$23,280,000 or \$2.43 per share in the fiscal year ended April 30, 2021, a more than 56% increase over \$1.55 in the prior year. In recognition of this profit growth, your Board of Directors increased the cash dividend for the seventh consecutive year in April, 2021. As I write this letter, the dividend rate of 88 cents per share annualized represents an approximate 2.7% yield, which far exceeds that of any of the broad stock indexes.

The fiscal year began on May 1, 2020, as much of the country including our Northeast operating base, was in the grip of the COVID-19 pandemic. Nevertheless, we continued to create and distribute our Value Line Investment Survey for its tens of thousands of readers, along with our many other publications and services. We are grateful for the commitment of our subscribers, our employees, our shareholders, our suppliers, financial partners, and many others.

As the U.S. economy began to “reopen,” albeit irregularly, in 2020 and 2021, our stock and funds recommendations kept our loyal base of individual-investor and professional customers well informed, while your company also notched substantial realized and unrealized capital gains on its own portfolio.

Value Line's Retained Earnings have grown to \$72,502,000, an increase of 26.4% from its level as of April 30, 2020. Liquid assets are a strong \$45,353,000.

A significant component of our earnings success include increased levels of receipts from EULAV Asset Management, adviser to the Value Line Family of Mutual Funds, which has recently exceeded \$5 billion of assets under its management, and achieved a record high level of profits.

Thousands of new customers bought investor or institutional-level (financial professionals, government and corporate users, libraries) subscriptions to our investment publications, as we rolled out the Value Line M&A [mergers and acquisitions] Service, Value Line Climate Change Investing Service, and monthly financial planning letter the Information You Should Know Wealth Newsletter. We plan more new, improved, and restructured services.

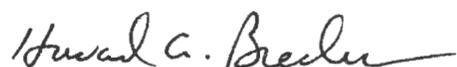
In this century of technology, your company continues to make considered investments in improving our operations and our services for our digital customers. During the past fiscal year, we completed the renewal and relocation of our main-frame and server systems to even more secure and resilient managed facilities. Other projects are in progress involving our publication-production and subscriber service systems. Challenges remain, including the flood of investment information available at a range of prices.

We aim to meet all our challenges, by expanding our investment publications, by rigorous expense control, and by employing efficient operating methods and technologies. Our strategy remains to offer high quality information and analysis for all types of investors.

Our focus on quality is the legacy of our founder, Arnold Bernhard, the “Dean of Wall Street,” who founded our publishing business in 1931, as well as one of the nation's most venerable, and still growing, mutual funds families in 1950.

We are proud of this year's outstanding accomplishments for you, our shareholders, and for our customers who place their confidence in us. In the year ahead we will work harder than ever to continue to earn your trust.

Sincerely,



Howard A. Brecher
Chairman and Chief Executive Officer

FY2021 Financial Highlights

Ten-year Operating Results

(\$ in thousands except per share amounts)

Revenues	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Investment periodicals and related publications	\$27,629	\$27,628	\$28,820	\$29,503	\$30,168	\$31,925	\$32,676	\$33,598	\$31,940	\$33,018
Copyright fees	12,763	12,671	7,437	6,365	4,406	2,621	2,847	2,733	3,900	3,591
Total publishing revenues	\$ 40,392	\$ 40,299	\$ 36,257	\$ 35,868	\$ 34,574	\$ 34,546	\$ 35,523	\$ 36,331	\$ 35,840	\$ 36,609
Gain on sale of operating facility	—	—	—	—	8,123	—	—	—	—	—
Total revenues	\$ 40,392	\$ 40,299	\$ 36,257	\$ 35,868	\$ 42,697	\$ 34,546	\$ 35,523	\$ 36,331	\$ 35,840	\$ 36,609
Depreciation and amortization	265	266	368	1,125	4,623	3,817	2,715	2,085	1,552	724
Income from operations	7,535	9,090	5,413	2,572	7,459	1,880	2,399	2,501	4,120	5,338
Revenues and profits interests in EAM Trust	17,321	12,350	9,309	8,786	7,714	7,651	7,970	7,499	6,260	5,890
Net Income⁽¹⁾	\$ 23,280	\$ 14,943	\$ 12,009	\$ 14,738	\$ 10,367	\$ 7,291	\$ 7,292	\$ 6,768	\$ 6,619	\$ 6,925
Earnings per share, basic & fully diluted⁽¹⁾	\$2.43	\$1.55	\$1.24	\$1.52	\$1.07	\$0.75	\$0.74	\$0.69	\$0.67	\$0.70
Capital equipment and software expenditures	178	2	122	408	1,684	1,962	2,544	2,687	2,788	3,431
EBITDA ⁽²⁾	\$ 25,121	\$ 21,706	\$ 15,090	\$ 12,483	\$ 19,796	\$ 13,348	\$ 13,084	\$ 12,085	\$ 11,932	\$ 11,952
EBITDA — percent of total revenues	62%	54%	42%	35%	57%	39%	37%	33%	33%	33%
Net profit margin	58%	37%	33%	41%	24%	21%	21%	19%	18%	19%
Operating profit margin	19%	23%	15%	7%	17%	5%	7%	7%	11%	15%

(1) The Company adopted FASB Accounting Standard Update No. 2016-01, "Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities" effective May 1, 2018 for fiscal year 2019. The effect of this ASU on investment gains/(losses), net income and earnings per share is not reflected in fiscal 2017 and 2018.

(2) Non-GAAP financial measures: Earnings before interest, taxes, depreciation and amortization (EBITDA), includes income from operations before depreciation and amortization plus revenues and profits interest in EAM Trust. These financial measures are not calculated in accordance with generally accepted accounting principles (GAAP) and are not based on any comprehensive set of accounting rules or principles. Management believes these non-GAAP financial measures provide a useful measure of the Company's financial results and comparison to historical results.

Financial Condition

(\$ in thousands)

	April, 2021	April, 2020
Cash and short term securities at market value	\$45,353	\$34,158
Working capital including cash and securities at market value (including a reduction for unearned revenues classified as current liabilities of \$19,162 and \$18,854, in fiscal 2021 and 2020, respectively)	\$23,312	\$13,700
Total assets	\$121,136	\$109,728
Unearned revenue	\$25,088	\$24,738
Shareholders' equity	\$67,013	\$53,539

Quarterly Results (Unaudited)

(\$ in thousands except per share amounts)

We have revised our first, second and third quarters of fiscal 2021, 2020 and 2019 to reflect the correction of an immaterial error by including the adoption of FASB Accounting Standards Update No. 2016-01, “Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities” as of the beginning of the fiscal year ended April 30, 2019. The revisions are described in the Annual Report in Notes to Consolidated Financial Statements.

	Net Revenues	Income/ (Loss) from Operations	Revenues and Profits Interests in EAM Trust	Investment Gains/(Losses)	Net Income	Earnings Per Share
2021, by Quarter						
First	\$10,328	\$2,226	\$3,644	\$1,170	\$5,274	\$0.55
Second	10,210	2,188	4,214	138	4,919	0.51
Third	10,130	2,283	4,734	1,785	7,036	0.73
Fourth	9,724	838	4,729	2,327	6,051	0.64
Total*	\$40,392	\$7,535	\$17,321	\$5,420	\$23,280	\$2.43
2020, by Quarter						
First	\$9,617	\$2,025	\$2,871	\$231	\$3,761	\$0.39
Second	10,080	2,629	3,058	456	4,460	0.46
Third	10,803	3,129	3,455	287	4,915	0.51
Fourth**	9,799	1,307	2,966	(1,763)	1,807	0.19
Total	\$40,299	\$9,090	\$12,350	(\$789)	\$14,943	\$1.55
2019, by Quarter						
First	\$8,971	\$1,270	\$2,271	\$652	\$3,529	\$0.36
Second	9,051	1,760	2,384	(188)	3,057	0.32
Third	9,052	1,413	2,210	317	2,590	0.27
Fourth	9,183	970	2,444	810	2,833	0.29
Total	\$36,257	\$5,413	\$9,309	\$1,591	\$12,009	\$1.24

*During fiscal 2021, the company recognized \$4,710,000 of investment gains on sales of equity securities and unrealized gains on equity securities held at the end of the period.

**During the fourth quarter of fiscal 2020, the company recognized \$1,414,000 of investment losses on sales of equity securities and unrealized losses on sales of equity securities held at the end of the period.

Value Line Services

PRINT SERVICES

The Value Line Investment Survey®

For 90 years, Value Line has provided subscribers with unbiased equity research through its flagship publication, *The Value Line Investment Survey*. A lot has happened in those years, including both raging bull markets and unrelenting bear markets. Most recently, the Survey guided investors through turbulent markets resulting from the coronavirus pandemic and, while COVID-19 is still with us, it is helping investors during the current period of economic recovery.

At the core of *The Value Line Investment Survey* are the individual research reports that our team of experienced equity analysts and quantitative staff create each week. We cover approximately 1,700 stocks across nearly 100 industries. Each stock is reviewed quarterly with a full research report and, when warranted, with Supplementary Reports, if important events take place between regular quarterly updates. Value Line reports are unbiased because we have no banking or brokerage operations. Our company does not benefit from any trades a reader may make. Moreover, our ethical guidelines dictate that our analysts cannot own the stocks of the companies that they cover.

Each one-page research report contains a quick summary of the company's business facts, up to 17 years of historical financial data, and our proprietary Ranks, to guide subscribers in making sound investment decisions. We don't simply report numbers, we analyze them. This is an important distinction between our publications and those available as "free" services, which may simply take publicly available information and put it online without adding any original thinking or analysis.

In addition to analyzing a company's financial statements, our analysts develop proprietary financial estimates. We provide in our unique analyst commentary a concise review of the company's current situation, and a narrative of what our analyst thinks of its prospects. As noted above, if something should occur between regularly scheduled coverage dates that materially changes our expectations, a Supplementary Report is published.

In addition to the individual company reports, which are contained in the *Ratings & Reports* section of the publication, subscribers receive a *Summary & Index* and a weekly *Selection & Opinion* section. The *Summary & Index* contains the latest ranks and key statistics on all of the companies covered by the *Survey*, which ensures that subscribers have the updated ranks and statistics. There is also a varied collection of screens in the Index that helps provide subscribers with a quick and easy starting point for picking stocks that fit their selection criteria. Each year we strive to make the publication better.

The *Selection & Opinion* section gives subscribers a broad-based view of the stock market and the economy in narrative form and through an array of informative charts. Also contained in this section of the service are four of our Model Portfolios, covering multiple investment approaches.

Subscribers to *The Value Line Investment Survey* also receive, via email, a weekly newsletter that is delivered each Monday around 8:00 am Eastern Time. It includes substantive, analyst-generated content, including the 20-stock, actively managed Aggressive Growth Model Portfolio. This portfolio is also published each week in the *Ratings & Reports* section.

Value Line's rich history and strong commitment to independence are at the heart of our offerings as we maintain our standards of excellence and thoroughness.

The Value Line 600

Although many of our subscribers enjoy the comprehensive information available in *The Value Line Investment Survey*, we know from customer feedback that some have found that they prefer a monthly service rather than a weekly. With this in mind, we created *The Value Line 600* to serve the needs of customers who want in-depth, independent research on primarily larger and more prominent companies. *The Value Line 600* is a monthly publication that details a select group of about 600 of the approximately 1,700 companies that comprise *The Value Line Investment Survey*.

The 600 company reports included in this service are a smaller selection of the same full-page reports that are published in *The Value Line Investment Survey*. Our main goal is to provide our subscribers with a full spectrum of companies, while

scaling back the total number. We attempt to highlight most industries with at least two of the more significant companies in each industry, helping investors to concentrate on those companies that tend to drive their respective industries. In addition to the most well-known U.S. companies, including all of the Dow 30 members, almost 100 prominent international entities are tracked in *The Value Line 600*. A *Summary & Index* section is also included with each issue, containing updated company statistics, screens, and Supplementary Reports. The available online “600” service, known as *Investor 600* provides many of our updates with greater frequency than the monthly print service. Print and online 600 subscribers also receive a Model Portfolio via a weekly email newsletter, which is also included in the monthly print edition.

Value Line Select®

Every month, the Value Line Research Department thoroughly reviews and evaluates the stocks tracked in *The Value Line Investment Survey* and selects one stock to have the best total return potential, taking into account both risk and reward. *Select* is designed to help investors build and manage a portfolio of stocks in established companies that are expected to outperform the broader market over the near and long term, without taking on undue risk. The Research Department then creates a 15- to 20-page report highlighting the stock for this service’s subscribers.

This extensive report clearly explains why we are highlighting this single stock above all others. The report summarizes the company’s fundamentals, articulates what the current growth opportunity is, and contains an estimate of how much an investor stands to earn if he or she purchases the stock. We examine the company’s strategy for success, as well as how management intends to overcome the inevitable challenges it will face. We include all pertinent historical background and financial information about the company, including a comprehensive look at its finances, and a review of historical data and projected sales and earnings.

Once a stock is highlighted, we keep investors abreast of developments through Supplementary Reports. Key financial information and our current stance (Buy or Hold) is presented monthly on stock remaining in the Select portfolio. If a company is removed from our Select coverage, subscribers are informed of this decision immediately via telephone or e-mail. The content of our *Select* reports is also available online for subscribers, so they can access the most up-to-date

Supplementary Reports. *Value Line Select* is available online and in print.

Value Line Select: Dividend Income & Growth

Value Line Select: Dividend Income & Growth, each month selects the stock that appears to have the best dividend income and growth potential. The Research Department targets companies that have consistently increased their dividends and, based on Value Line analysis, have the financial strength both to support and increase dividend payments in the future. In addition, each month, one alternative stock is recommended with a thorough analysis explaining our reasoning. The Editor creates a 20- to 25-page report highlighting the stocks for this product’s subscribers. Supplementary Reports are provided by e-mail to subscribers and posted online. Sell alerts are communicated by telephone or e-mail.

Value Line Select: ETFs

Value Line Select: ETFs, a monthly ETF selection service, focuses on ETFs that appear poised to outperform the broader market. The selection process utilizes an industry approach, with the same data-focused analysis that is the hallmark of Value Line.

The Value Line Investment Survey — Small & Mid-Cap

The Value Line Investment Survey — Small & Mid-Cap, available online and in print, provides updated weekly coverage on approximately 1,700 companies, most having market capitalizations of less than \$5 billion. Investors find this publication, introduced more than 20 years ago, an excellent source of information about companies that are generally not widely followed on Wall Street because of their smaller size. It extends the scope of *The Value Line Investment Survey*, following roughly the same publication schedule and industry focus. It uses a 1-to-5 Ranking System paralleling that of the *Investment Survey*. Each company report contains considerable historical financial data (up to nine years), a business description, consensus quarterly and annual earnings estimates when available, and a stock price chart with monthly share volumes. Every report is updated quarterly. When important news occurs between regularly scheduled coverage, Supplementary Reports are created and provided to subscribers with the regular weekly issue.

Each issue also includes an Index that contains the latest financial statistics and stock ranks on the equities covered in this service. It also provides screens that are useful for investors seeking new ideas and two Model Portfolios.

The Value Line Fund Advisor Plus

Subscribers to *The Value Line Fund Advisor Plus* have access to monthly reports covering some 20,000 equity and bond funds. Online, these reports are updated nightly, as soon as the latest data are received. *Fund Advisor Plus* subscribers also receive the printed monthly *Value Line Fund Advisor Plus*. Screening tools are available to subscribers through the website to help sort through the large universe of funds that are available.

The Value Line Mutual Fund Ranking System uses a one-to-five scale, like our systems for ranking equities, with one being the best possible rank for expected risk-adjusted performance and five the worst. The Value Line Mutual Fund Ranking System is also provided as part of our software product: The Value Line Mutual Fund Data File. This same Mutual Fund Ranking System is also included in the mutual fund section of *The Value Line Research Center*.

The Value Line Special Situations Service

The Value Line Special Situations Service is a monthly publication devoted to small- and mid-cap companies that may have been overlooked by Wall Street. This service provides subscribers with recommendations and in-depth follow-through research coverage on about 40-50 equities. It is available in print and digital (online) versions. Each issue features a new aggressive recommendation, a new conservative recommendation, and updates of previously recommended companies.

We also publish two model portfolios. Our aggressive model portfolio is comprised of companies that have strong growth potential. They can be start-up firms that are developing innovative products or services that have yet to turn a profit, or established organizations that stand to benefit from new or revised products or services, acquisitions, a restructuring, or changing economic conditions. Companies in this portfolio often reside in the biotech, medical device, software, and technology industries. Each new aggressive and conservative recommendation is then added to the aggressive and conservative model portfolios. The manufacturing, retail, and service sectors are also represented. Conservative model portfolio

selections are financially sound companies that typically operate in more stable sectors of the economy. They often have a track record of steady, sustained growth, and may pay regular dividends. At times, their shares may be trading at depressed valuation levels. Included with each new selection is a comprehensive report detailing its business, its projected growth potential over the next three to five years, and a full page of historical financial data, displayed using the *Small & Mid-Cap* report format.

Each issue provides updates of six to seven companies that are contained in one of the model portfolios. The updates discuss recent developments and financial performance, and include our current long-term price target and opinion on the stock.

The Value Line M&A Service

This is a monthly service that was launched in September 2020. The objective of the service is to identify companies that possess characteristics, such as a successful product lineup, market position or important technology, that would interest larger corporations or private equity firms. The main feature of the *M&A Service* consists of a detailed, multipage highlight on a stock that Value Line thinks is a good acquisition candidate. New recommendations are then added to the M&A Model Portfolio. Each month, the service provides updates on all previous recommendations, until we suggest that subscribers sell their shares. *The M&A Service* is available online and in print.

The Value Line Climate Change Investing Service

This monthly service was introduced in April 2021. This publication, designed for the climate-conscious, profit-oriented investor, seeks to provide key climate news alongside a managed portfolio of twenty stocks, chosen by our analysts, which stand to benefit from responses to climate change. Selections are vetted based not only on time-tested financial measures, but also the potential impact of climate change and measures taken to combat it on their business. Our selections fall into two main groups: businesses that are focused on providing environmental solutions, and those that are likely to thrive in a changing climate. Every issue features new updates to our portfolio. *The Climate Change Service* is available online and in print.

DIGITAL SERVICES

The Value Line Investment Analyzer

The Value Line Investment Analyzer is a desktop-based program that provides subscribers access to every aspect of The Value Line Investment Survey, but with additional functionality. Functions include creation of complex screens, and subscriber-selected data fields. This product is geared toward subscribers who want to take Value Line's research and then drill down further on their own.

The Value Line Investment Survey — Smart Investor

The Value Line Investment Survey — Smart Investor offers digital access to full page reports, analyst commentary and Value Line proprietary ranks on approximately 1,700 stocks. Online tools include screener, alerts, watchlists and charting. Print capabilities are included.

The Value Line Investment Survey — Savvy Investor

The Value Line Investment Survey — Savvy Investor offers digital access to full page reports, and Value Line proprietary ranks on approximately 3,400 stocks. Online tools include a screener, alerts, watchlists and charting. Print capabilities are included.

The Value Line Investment Survey — Small-Cap Investor

The Value Line Investment Survey — Small Cap Investor offers digital access to full page reports, and Value Line proprietary ranks on approximately 1,700 stocks. One year of history is included. Online tools include a screener, alerts, watchlists and charting. Print capabilities are included.

The Value Line Investment Survey — Investor 600

The Value Line Investment Survey — Investor 600, equivalent to *The Value Line 600* print, offers digital access to full page reports, analyst commentary and Value Line proprietary ranks on approximately 600 selected stocks covering the same variety of industries as *The Value Line Investment Survey*. Online tools include a screener, alerts, watchlists and charting. Print capabilities are included.

Value Line Pro Basic

Value Line Pro Basic digital service covers the 1,700 stocks included in *The Value Line Investment Survey*, drawn from some 100 industries, representing about 90% of total U.S. trading volume. There are more than 200 data fields that can be screened to help make informed decisions. Features of the service include three years of historical reports and data, customizable modules, watchlists, charting, alerts, and screening.

Value Line Pro Premium

Value Line Pro Premium digital service includes *The Value Line Investment Survey* and *The Value Line Investment Survey® — Small & Mid-Cap*. This equity package monitors approximately 3,400 companies with market values ranging from less than \$100 million to well over \$500 billion, across nearly 100 industries, representing about 95% of the market capitalization of all stocks traded in U.S. markets. There are more than 250 data fields that can be screened to help make informed decisions. Features of the service include three years of historical reports and data, customizable modules, alerts, and screening.

Value Line Pro Elite

Value Line Pro Elite digital service includes *The Value Line Investment Survey* and *The Value Line Investment Survey — Small & Mid-Cap* plus an expanded database of more than 2,000 additional companies. There are more than 250 data fields that can be screened to help make informed decisions. Features of the service include five years of historical reports and data, customizable modules, alerts, and screening.

Value Line Library Basic

Value Line Library Basic covers the 1,700 stocks included in *The Value Line Investment Survey*, drawn from nearly 100 industries, representing 90% of total U.S. daily trading volume, and includes one year of fully-detailed history. There are more than 200 data fields to help local library patrons and university students make more informed decisions.

Value Line Library Elite

Value Line Library Elite offers libraries digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 3,400 stocks, along with one year of fully-detailed history. Online tools include a screener, and charting. Print capabilities are included.

The Value Line Research Center

The Value Line Research Center provides online access to selected Company investment research products covering stocks, mutual funds, options as well as special situation stocks. This service includes full online subscriptions to *The Value Line Investment Survey*, *The Value Line Investment Survey — Small & Mid-Cap*, *The Value Line Fund Advisor Plus*, *The Value Line Daily Options Survey*, *The New Value Line ETFs Service*, and *The Value Line Special Situations Service*. Users can screen extensive data fields, create graphs using multiple different variables, and access trading history. *The Value Line Research Center* has the ability to track customer-created portfolios (large, small, and mid-cap), as well as to provide ranks and analyst commentary. It is a top-shelf service providing a wide range of content to professional clients and the most sophisticated private investors.

The Value Line Pro Equity Research Center

The Value Line Pro Equity Research Center is an equities-only package that includes access to exclusive premium services and provides online access to all of Value Line's equity products. This service includes full online subscriptions to *The Value Line Investment Survey*, *The Value Line Investment Survey — Small & Mid-Cap*, *Value Line Select*, *Value Line Select: Dividend Income & Growth*, *The Value Line Special Situations Service*, *The Value Line M&A Service*, and *The Value Line Pro ETF Package*. *The Value Line Pro Equity Research Center* has the ability to track customer-created portfolios, as well as providing ranks and analyst commentary. This high end service zeroes in on the needs of equities specialists.

The Value Line Library Research Center

The Value Line Library Research Center provides online access to selected Company investment research products covering stocks, mutual funds, options as well as special situation stocks and climate change investing. This service includes full online subscriptions to *The Value Line Investment Survey*, *The Value Line Investment Survey — Small & Mid-Cap*, *The Value Line Fund Advisor Plus*, *The Value Line Daily Options Survey*, *The New Value Line ETFs Service*, *The Value Line Special Situations Service*, and *The Value Line Climate Change Investing Service*. Users can screen extensive data fields, create graphs using multiple different variables, and access trading history. *The Value Line Library Research Center* has the ability to track customer-created portfolios (large, small, and mid-

cap), as well as to provide ranks and analyst commentary. It is a top-shelf service providing a wide range of content to library patrons, students, and academic faculty as well as the most sophisticated private investors.

The Value Line Options Survey

The Value Line Options Survey is a daily digital service that evaluates and ranks approximately 200,000 U.S. equity and index options. Features include an interactive database, spreadsheet tools, and a weekly e-mail newsletter. This product is only offered as an online subscription due to the volatility in the pricing of options.

The New Value Line ETFs Service

In September 2019, we introduced *The New Value Line ETFs Service*. This online-only product provides data, analysis, and screening capabilities on more than 2,700 publicly traded ETFs. Almost all of the ETFs tracked in the product are ranked by The Value Line ETF Ranking System, a proprietary estimate with the goal of predicting an ETF's future performance relative to all other ranked ETFs. The screener includes more than 30 fields, and each ETF has its own full PDF report. All data and information can be downloaded, exported, and printed.

Value Line Information You Should Know Wealth Newsletter

This is a monthly service that started with January 2020. It is a general interest publication focusing on useful and actionable investing and financial information. It is a succinct 4 page newsletter covering topics such as, "How Can I Avoid Probate? And Should I?", "How to Handle Your Investments in a Bear Market". It is available as a print product or as a PDF delivered via email. The newsletter is marketed via a variety of channels including as an add-on in select direct mail campaigns and email.

Quantitative Strategies

Value Line Quantitative Strategy Portfolios are developed based on our renowned proprietary Ranking Systems for Timeliness™, Performance and Safety™, Financial Strength Ratings, and a comprehensive database of fundamental research and analysis. These strategies are available for licensing by Financial Professionals such as RIAs and Portfolio Managers.

VALUE LINE INSTITUTIONAL SERVICES

Value Line's Institutional Services Department handles the research needs of our professional, corporate, government, and library customers located throughout the world. From universities in London to investment managers in Shanghai to public libraries in San Francisco, the Institutional Department is responsible for the sale of Value Line's proprietary institutional research and data products and maintains our business relationships with these customers.

In Fiscal 2021 the Institutional Department successfully continued to focus on customer engagement while seeking new opportunities to grow the subscriber base. The Value Line Professional brand is promoted around the country as our Sales Executives travel to leading industry conferences. The Department has continued to engage Professional and Library prospects around the globe by enhancing our visitor experience on the web at our two online destinations, www.valuelinepro.com and www.valuelinelibrary.com.

Value Line Website

www.valueline.com

Our website, www.valueline.com, is the online face of Value Line for individual investors, serving as the entry point to our digital products for subscribers and a marketing hub for potential customers. Prospective subscribers and visitors to www.valueline.com are presented with original content written by our analysts showcasing Value Line's research knowledge. All site visitors who register have the chance to review our full current coverage of the 30 Dow stocks, showcasing our analysis of these well-known companies. The freely accessible content is designed to bring visitors to the website through search and marketing channels. At various points throughout the website, marketing initiatives are in place to convert visitors into paying subscribers. On the website, visitors may access complimentary quotations and market information for a security, but must become a paying subscriber to unlock the Value Line Ranks or other subscriber-only proprietary content. Additionally, advertisements for Value Line research products and sales promotions are posted throughout the website on relevant pages or related content.

www.valuelinepro.com

Our website, www.valuelinepro.com, is a marketing channel for Value Line Institutional Services, which is also known as "Value Line Pro." Institutional Services provides investment research to our professional audience, which is comprised of financial advisors, corporate investors, portfolio managers, research analysts, and government agencies. The website provides extensive information on products available to professionals through Institutional Services. Website visitors can now take an on-demand tour of our Professional Service anytime with an online video presentation. There, website visitors can also sign up for free trials and webinars, read economic and stock market commentary, and learn more about our current promotional offerings.

www.valuelinelibrary.com

Our website, www.valuelinelibrary.com, is a marketing channel for Value Line Institutional Services to reach the municipal and academic library audience. The website provides extensive information on products available to this specific prospective customer base. As with our Professional website, visitors to the Library website can now take an on-demand tour of our Library Service anytime with an online video presentation. Website visitors can sign up for free trials and webinars and learn more about our current product offerings. The website provides direct areas to communicate with the Institutional Department on a wide range of topics.

VALUE LINE DEPARTMENTS AND FUNCTIONS

Value Line Distribution Center

Our leased New Jersey fulfillment facility houses our product fulfillment operations, Customer Service, Data Entry, Subscription Processing and mailing departments. Value Line Distribution Center, Inc. provides subscription fulfillment services and subscriber relations services for Value Line's publications and continues to distribute Value Line's print publications.

Information Technology

Value Line's Information Technology Group is integral to how we produce and distribute our products and services. The Information Technology Group is comprised of well-qualified engineers, developers and operations specialists who are responsible for Software Architecture, Application Development, Production Control, Web Support, Infrastructure Services, Database Design and Maintenance. The Group maintains and monitors our website and supports the needs of all internal staff with a superior Technology Support Desk.

Value Line Funds

As of April 30, 2021, the Value Line Mutual Funds had \$4.96 billion under management, the highest level since the Funds' manager, EULAV Asset Management, became a separate company.

Copyright Programs

Value Line's Copyright Programs support various financial products, including Exchange Traded Funds and Unit Investment Trusts that are currently available to investors through copyright agreements with third parties. The agreements for copyright typically enable Value Line to receive a percentage of assets held in a copyright program. In return, the other party is typically permitted to use the Value Line name and proprietary information along with one or more Value Line quantitative models (the "Copyright") as the basis for one or more asset management products that they establish and market.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help a reader understand Value Line, its operations and business factors. The MD&A should be read in conjunction with Item 1, "Business", and Item 1A, "Risk Factors" of Form 10-K, and in conjunction with the consolidated financial statements and the accompanying notes contained in Item 8 of this report.

The MD&A includes the following subsections:

- Executive Summary of the Business
- Revision of Previously Issued Consolidated Financial Statements
- Results of Operations
- Liquidity and Capital Resources
- Recent Accounting Pronouncements

EXECUTIVE SUMMARY OF THE BUSINESS

The Company's core business is producing investment periodicals and their underlying research and making available certain Value Line copyrights, Value Line trademarks and Value Line Proprietary Ranks and other proprietary information, to third parties under written agreements for use in third-party managed and marketed investment products and for other purposes. Value Line markets under well-known brands including Value Line®, the Value Line logo®, The Value Line Investment Survey®, Smart Research, Smarter Investing™ and The Most Trusted Name in Investment Research®. The name "Value Line" as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company. EULAV Asset Management Trust ("EAM") was established to provide the investment management services to the Value Line Funds, institutional and individual accounts and provide distribution, marketing, and administrative services to the Value Line® Mutual Funds ("Value Line Funds").

The Company maintains a significant investment in EAM from which it receives payments in respect of its non-voting revenues and non-voting profits interests.

The Company's target audiences within the investment research field are individual investors, colleges, libraries, and investment management professionals. Individuals come to Value Line for complete research in one package. Institutional licensees consist of corporations, financial professionals, colleges, and municipal libraries. Libraries and universities offer the Company's detailed research to their patrons and students. Investment management professionals use the research and historical information in their day-to-day businesses. The Company has a dedicated department that solicits institutional subscriptions.

Payments received for new and renewal subscriptions and the value of receivables for amounts billed to retail and institutional customers are recorded as unearned revenue until the order is fulfilled. As the orders are fulfilled, the Company recognizes revenue in equal installments over the life of the particular subscription. Accordingly, the subscription fees to be earned by fulfilling subscriptions after the date of a particular balance sheet are shown on that balance sheet as unearned revenue within current and long-term liabilities.

The investment periodicals and related publications (retail and institutional) and Value Line copyrights and Value Line Proprietary Ranks and other proprietary information consolidate into one segment called Publishing. The Publishing segment constitutes the Company's only reportable business segment.

Asset Management and Mutual Fund Distribution Businesses

Pursuant to the EAM Declaration of Trust, the Company maintains an interest in certain revenues of EAM and a portion of the residual profits of EAM but has no voting authority with respect to the election or removal of the trustees of EAM or control of its business.

The business of EAM is managed by its trustees each owning 20% of the voting profits interest in EAM and by its officers subject to the direction of the trustees. The Company's non-voting revenues and non-voting profits interests in EAM entitle it to receive a range of 41% to 55% of EAM's revenues (excluding distribution revenues) from EAM's mutual fund and separate account business and 50% of the residual profits of EAM (subject to temporary increase in certain limited circumstances). The Voting Profits Interest Holders will receive the other 50% of residual profits of EAM. Distribution is not less than 90% of EAM's profits payable each fiscal quarter under the provisions of the EAM Trust Agreement.

Business Environment

The nation's economy seems to be on a comparatively secure growth path once more after a topsy-turvy and pandemic-impacted 2020. Specifically, following last year's dramatic ups and down, the United States saw GDP growth come in at a strong 6.4% during the opening quarter of this year. The growth has been underpinned by relative strength in consumer activity, business investment, and home building.

Meanwhile, most signals are fairly positive for the start of the second six months of 2021, with recent data showing further resilience in home prices, durable goods orders, and consumer confidence. The lone discordant note has been an acceleration in inflationary pressures borne of materials shortages (such as lumber and computer chips) and surging prices for key commodities like energy products. At this point, the Federal Reserve, which is charged with helping to maintain price stability, sees these pressures as largely transitory, and thus is reluctant to put the brakes on things by raising interest rates at this point.

Revision of Previously Issued Consolidated Financial Statements

As described further below and herein, this Form 10-K reflects the revision of our consolidated financial statements as of and for each of the years ended April 30, 2020 and April 30, 2019. This Management's Discussion and Analysis of Financial Condition and Results of Operations gives effect to the revision adjustments in the years ended April 30, 2020 and April 30, 2019.

The Company has determined that the previously issued financial statements for the years ended April 30, 2020 and April 30, 2019 did not include the adoption of Accounting Standards Update No. 2016-01 ("ASU 2016-01") as is required by U.S. generally accepted accounting principles ("GAAP"). The Company has corrected this immaterial error by revising the Consolidated Balance Sheets as of April 30, 2020 and 2019, and the Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, Consolidated Statements of Shareholders' Equity, and Consolidated Statements of Cash Flows for the years ended April 30, 2020 and April 30, 2019, by including the adoption of ASU 2016-01 as of the beginning of the fiscal year ended April 30, 2019.

In January 2016, the FASB issued ASU 2016-01 Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. ASU 2016-01 changed accounting for equity investments, financial liabilities under the fair value option, and presentation and disclosure requirements for financial instruments. ASU 2016-01 does not apply to equity investments in consolidated subsidiaries or those accounted for under the equity method of accounting. Equity investments with readily determinable fair values are measured at fair value with changes in fair value recognized in Net Income. ASU 2016-01 was effective for Value Line Inc. on May 1, 2018, which required a cumulative effect adjustment to opening Retained Earnings to be recorded for equity investments with readily determinable fair values. As of the adoption date, the Company held equity securities with a fair value of approximately \$9,379,000, which included a net unrealized gain of \$994,000, and an associated deferred tax liability of \$209,000. The Company has recorded a cumulative effect adjustment of \$785,000 to decrease Accumulated Other Comprehensive Income with a corresponding increase to Retained Earnings for the amount of the unrealized gain, net of tax, as of the beginning of fiscal year 2019, which resulted in no change to Total Shareholders' Equity. Other than the aforementioned cumulative effect adjustment, the

principal impact of ASU 2016-01 to the Company's financial statements is the recognition of changes in the fair values of equity securities in the Statements of Income, instead of the Statements of Comprehensive Income, as they were reported prior to the adoption of ASU 2016-01, which results in no change to total shareholders' equity.

Results of Operations for Fiscal Years 2021, 2020 and 2019

The following table illustrates the Company's key components of revenues and expenses.

(\$ in thousands, except earnings per share)	Fiscal Years Ended April 30,					
	2021	2020	2019	Change		
				'21 vs. '20	'20 vs. '19	
Income from operations	\$7,535	\$9,090	\$5,413	-17.1%	67.9%	
Non-voting revenues and non-voting profits interests from EAM Trust	17,321	12,350	9,309	40.3%	32.7%	
Income from operations plus non-voting revenues and non-voting profits interests from EAM Trust	24,856	21,440	14,722	15.9%	45.6%	
Operating expenses	32,857	31,209	30,844	5.3%	1.2%	
Investment gains/(losses)	5,420	(789)	1,591	-786.9%	-149.6%	
Income before income taxes	\$30,276	\$20,651	\$16,313	46.6%	26.6%	
Net income	\$23,280	\$14,943	\$12,009	55.8%	24.4%	
Earnings per share	\$2.43	\$1.55	\$1.24	56.8%	25.0%	

During the twelve months ended April 30, 2021, the Company's net income of \$23,280,000, or \$2.43 per share, was 55.8% above net income of \$14,943,000, or \$1.55 per share, for the twelve months ended April 30, 2020. During the twelve months ended April 30, 2021, the Company's income from operations of \$7,535,000 was 17.1% below income from operations of \$9,090,000 during the twelve months ended April 30, 2020. For the twelve months ended April 30, 2021, operating expenses increased 5.3% above those during the twelve months ended April 30, 2020. The larg-

est factors in the increase in net income during the twelve months ended April 30, 2021, compared to the prior fiscal year, were an increase from revenues and profits interests in EAM Trust and an increase in realized capital gains on sales of equity securities and unrealized gains on equity securities held at the end of the period.

During the twelve months ended April 30, 2021, there were 9,596,912 average common shares outstanding as compared to 9,646,885 average common shares outstanding during the twelve months ended April 30, 2020.

During the three months ended April 30, 2021, the Company's net income of \$6,051,000, or \$0.64 per share, was 234.9% above net income of \$1,807,000, or \$0.19 per share, for the three months ended April 30, 2020. During the three months ended April 30, 2021, the Company's income from operations of \$838,000 was 35.9% below income from operations of \$1,307,000 during the three months ended April 30, 2020.

During the twelve months ended April 30, 2020, the Company's income from operations of \$9,090,000 was \$3,677,000 or 67.9% above income from operations of \$5,413,000 during the twelve months ended April 30, 2019. During the twelve months ended April 30, 2020, there were 9,646,885 average common shares outstanding as compared to 9,683,771 average common shares outstanding during the twelve months ended April 30, 2019. For the twelve months ended April 30, 2020, operating expenses increased 1.2% above those during the twelve months ended April 30, 2019. During the twelve months ended April 30, 2020, the Company's net income of \$14,943,000, or \$1.55 per share, was \$2,934,000 or 24.4% above net income of \$12,009,000, or \$1.24 per share, for the twelve months ended April 30, 2019. The largest factors in the increases in net income and income from operations during the twelve months ended April 30, 2020, compared to the prior fiscal year were an increase in copyright fees, an increase from revenues and profits interests in EAM Trust and well controlled overall expenses.

During the three months ended April 30, 2020, the Company's income from operations of \$1,307,000 was 34.7% above income from operations of \$970,000 during the three months ended April 30, 2019. During the three months ended April 30, 2020, the Company's net income of \$1,807,000, or \$0.19 per share, was 36.2% below net income of \$2,833,000, or \$0.29 per share, for the three months ended April 30, 2019.

During the twelve months ended April 30, 2019, the Company's income from operations of \$5,413,000 was 110.5% above income from operations of \$2,572,000 during the twelve months ended April 30, 2018. During the twelve months ended April 30, 2019, there were 9,683,771 average common shares outstanding as compared to 9,703,255 average common shares outstanding during the twelve months ended April 30, 2018. For the twelve months ended April 30, 2019, operating expenses were well controlled and decreased \$2,452,000 or 7.4% below those during the twelve months ended April 30, 2018. During the twelve months ended April 30, 2019, the Company's net income of \$12,009,000, or \$1.24 per share, was 18.5% below net income of \$14,738,000, or \$1.52 per share, for the twelve months ended April 30, 2018. The largest factor in the decrease in net income during the twelve months ended April 30, 2019, compared to the prior fiscal year was the January 1, 2018, reduction in the U.S. statutory federal corporate income tax rate from 35% to 21% resulting in a one-time deferred noncash tax benefit of \$6,485,000 or 54.51% of pre-tax income during fiscal 2018.

Total operating revenues

(\$ in thousands)	Fiscal Years Ended April 30,					
	2021	2020	2019	Change		
				'21 vs. '20	'20 vs. '19	
Investment periodicals and related publications:						
Print	\$11,929	\$12,351	\$13,339	-3.4%	-7.4%	
Digital	15,700	15,277	15,481	2.8%	-1.3%	
Total investment periodicals and related publications	27,629	27,628	28,820	0.0%	-4.1%	
Copyright fees	12,763	12,671	7,437	0.7%	70.4%	
Total operating revenues	\$40,392	\$40,299	\$36,257	0.2%	11.1%	

Within investment periodicals and related publications, subscription sales orders are derived from print and digital products. The following chart illustrates the changes in the sales orders associated with print and digital subscriptions.

Sources of subscription sales

	Fiscal Years Ended April 30,					
	2021		2020		2019	
	Print	Digital	Print	Digital	Print	Digital
New Sales	14.6%	15.4%	10.0%	15.8%	13.4%	13.3%
Renewal Sales	85.4%	84.7%	90.0%	84.2%	86.6%	86.7%
Total Gross Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

During the twelve months ended April 30, 2021 new sales of print publications increased as a percent of the total gross print sales versus the prior fiscal year due to an increase in new Telemarketing gross sales of print publications. During the twelve months ended April 30, 2021 renewal sales of digital publications increased as a percent of the total gross digital sales versus the prior fiscal year due to an increase in renewal gross sales of Institutional digital publications as customer migration to digital services continues gradually.

During the twelve months ended April 30, 2020, new sales of digital publications increased as a percent of the total gross digital sales versus the prior fiscal year due to an increase in new Institutional gross sales of digital publications. During the twelve months ended April 30, 2020, new sales of print publications decreased as a percent of the total gross print sales versus the prior fiscal year due to the timing of advertising.

(\$ in thousands)	As of April 30,					
	2021	2020	2019	Change		
				'21 vs. '20	'20 vs. '19	
Unearned subscription revenue (current and long-term liabilities)	\$25,088	\$24,738	\$25,483	1.4%	-2.9%	

Unearned subscription revenue as of April 30, 2021, is 1.4% above April 30, 2020, and unearned subscription revenue as of April 30, 2020, is 2.9% below April 30, 2019. A certain amount of variation is to be expected due to the volume of new orders and timing of renewal orders, direct mail campaigns and large Institutional Sales orders.

Investment periodicals and related publications revenues

Investment periodicals and related publications revenues of \$27,629,000 (excluding copyright fees) during the twelve months ended April 30, 2021, which included an extra week of servings for the weekly print products were comparable with publishing revenues in the prior fiscal year, (decreased 0.6% excluding the extra week of print products servings) during the twelve months ended April 30, 2021, as compared to the prior fiscal year. The Company continued activity to attract new subscribers, primarily digital subscriptions through various marketing channels, primarily direct mail, e-mail, and by the efforts of our sales personnel. Total product line circulation at April 30, 2021, was 5.9% above total product line circulation at April 30, 2020, reversing a long term trend. During the twelve months ended April 30, 2021, Institutional Sales department generated total sales orders of \$15,067,000 or 11.1% above the prior fiscal year and the retail telemarketing sales team generated total sales orders of \$8,658,000 or 4.0% above the prior fiscal year.

Total print circulation at April 30, 2021 was 6.5% above the total print circulation at April 30, 2020. Print publication revenues of \$11,929,000, which included the extra week of servings for the weekly print products decreased 3.4%, (4.8% excluding the extra week of print products servings) during the twelve months ended April 30, 2021 as compared to the prior fiscal year. Total digital circulation at April 30, 2021 was 5.1% above total digital circulation at April 30, 2020. Digital revenues of \$15,700,000 were up 2.8% offsetting the decrease in revenues from print publications, as compared to the prior fiscal year.

Investment periodicals and related publications revenues of \$27,628,000 (excluding copyright fees), decreased 4.1% during the twelve months ended April 30, 2020, as compared to the prior fiscal year. Total product line circulation at April 30, 2020, was 5.4% below total product line circulation at April 30, 2019. During the twelve months ended April 30, 2020, Institutional Sales department generated total sales orders of \$13,566,000 and the retail telemarketing sales team generated total sales orders of \$8,322,000.

Print publication revenues of \$12,351,000, decreased 7.4%, during the twelve months ended April 30, 2020, as compared to the prior fiscal year as a result of a 6.1% decline in total print circulation in fiscal 2020. Total digital circulation at April 30, 2020, was 4.4% below total digital circulation at April 30, 2019, however, digital publications revenues of \$15,277,000 during the twelve months ended April 30, 2020, were only 1.3 % below the prior fiscal year, as higher-priced subscriptions were generally retained.

Investment periodicals and related publications revenues of \$28,820,000 decreased 2.3%, during the twelve months ended April 30, 2019, as compared to the prior fiscal year. Total product line circulation at April 30, 2019, was 2.4% below total product line circulation at April 30, 2018. During the twelve months ended April 30, 2019, Institutional Sales department generated total sales orders of \$14,815,000 which is 2.3% above the prior fiscal year and the retail telemarketing sales team generated total sales orders of \$8,946,000 which is 1% above the prior fiscal year.

Total print circulation at April 30, 2019, was 3.0% below the total print circulation at April 30, 2018. Print publication revenues of \$13,339,000 decreased 3.7% during the twelve months ended April 30, 2019 as compared to the prior fiscal year. Total digital circulation at April 30, 2019, was 1.6% below total digital circulation at April 30, 2018 and digital publications revenues of \$15,481,000 during the twelve months ended April 30, 2019 were 1.1% below the prior fiscal year.

Value Line serves primarily individual and professional investors in stocks, who pay mostly on annual subscription plans, for basic services or as much as \$100,000 or more annually for comprehensive premium quality research, not obtainable elsewhere. The ongoing goal of adding new subscribers has led us to introduce publications and packages at a range of price points. Further, new services and new features for existing services are regularly under consideration. Prominently introduced in fiscal 2020 and 2021 were new features in the *Value Line Research Center*, which are *The New Value Line ETFs Service*, new monthly publication *Value Line Information You Should Know Wealth Newsletter*, *The Value Line M&A Service*, and our *Value Line Climate Change Investing Service*.

The Value Line Proprietary Ranks (the “Ranking System”), a component of the Company’s flagship product, *The Value Line Investment Survey*, is also utilized in the Company’s copyright business. The Ranking System is made available to EAM for specific uses without charge. During the six month period ended April 30, 2021, the combined Ranking System “Rank 1 & 2” stocks’ increase of 31.3% outperformed the S&P 500 Index’s increase of 27.9% during the comparable period. During the twelve month period ended April 30, 2021, the combined Ranking System “Rank 1 & 2” stocks’ increase of 46.2% outperformed the S&P 500 Index’s increase of 43.6% during the comparable period.

Copyright fees

During the twelve months ended April 30, 2021, copyright fees of \$12,763,000 were 0.7% above those during the corresponding period in the prior fiscal year. During the twelve months ended April 30, 2020, copyright fees of \$12,671,000 were 70.4% above those during the twelve months ended April 30, 2019. During the twelve months ended April 30, 2019, copyright fees of \$7,437,000 were 16.8% above the prior fiscal year. The Company has negotiated with the sponsor of the largest exchange traded fund (“ETF”) in the program, the restructuring of the Company’s asset based fees and overall fees of the ETF in light of the competitive market.

Investment management fees and services — (unconsolidated)

The Company has substantial non-voting revenues and non-voting profits interests in EAM, the asset manager to the Value Line Mutual Funds. Accordingly, the Company does not report this operation as a separate business segment, although it maintains a significant interest in the cash flows generated by this business and will receive ongoing payments in respect of its non-voting revenues and non-voting profits interests.

Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2021, were \$4.96 billion, which is \$1.4 billion, or 38.8%, above total assets of \$3.58 billion in the Value Line Funds managed and/or distributed by EAM at April 30, 2020. The increase reflects successful investment selection capturing market appreciation and positive net flows for the Value Line Funds, partially offset by net redemptions in eight of the ten Funds over the twelve month period ended April 30, 2021.

Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2020, were \$3.58 billion, which is \$485 million, or 15.7%, above total assets of \$3.09 billion in the Value Line Funds managed and/or distributed by EAM at April 30, 2019.

Shares of Value Line Strategic Asset Management Trust (“SAM”) and Value Line Centurion Fund (“Centurion”) are only distributed within certain variable annuity and variable life insurance contracts.

Value Line Funds experienced net redemptions and the associated net asset outflows (redemptions less new sales) in fiscal 2021. Sales and inflows for the Value Line Equity Funds during fiscal 2020 increased 109.7%, as compared to fiscal 2019.

The following table shows the change in assets for the past three fiscal years including sales (inflows), redemptions (outflows), dividends and capital gain distributions, and market value changes. Inflows for sales, and outflows for redemptions reflect decisions of individual investors and/or their investment advisors. The table also illustrates the assets within the Value Line Funds broken down into equity funds, variable annuity funds and fixed income funds as of April 30, 2021, 2020 and 2019.

Value Line Mutual Funds Total Net Assets

For the Years Ended April 30,	2021	2020	2019	2021 vs.2020	2020 vs. 2019
Value Line equity fund assets (excludes variable annuity) — beginning	\$3,107,549,794	\$2,582,416,326	\$1,991,265,258	20.3%	29.7%
Sales/inflows	1,444,784,921	1,516,434,399	710,828,252	-4.7%	113.3%
Dividends/Capital Gains Reinvested	245,356,118	206,956,280	165,389,974	18.6%	25.1%
Redemptions/outflows	(1,265,805,045)	(1,006,449,848)	(461,981,970)	25.8%	117.9%
Dividend and Capital Gain Distributions	(257,754,064)	(214,033,328)	(174,918,876)	20.4%	24.9%
Market value change	1,158,498,934	22,225,964	348,271,669	5112.4%	-93.6%
Value Line equity fund assets (non-variable annuity) — ending	4,432,630,658	3,107,549,794	2,582,416,326	42.6%	20.3%
Variable annuity fund assets — beginning ⁽¹⁾	\$ 365,271,893	\$ 402,171,626	\$ 378,970,470	-9.2%	6.1%
Sales/inflows	4,494,490	3,489,595	4,023,089	28.8%	-13.3%
Dividends/Capital Gains Reinvested	46,943,739	34,384,214	29,440,239	36.5%	16.8%
Redemptions/outflows	(48,782,673)	(50,911,955)	(53,044,047)	-4.2%	-4.0%
Dividend and Capital Gain Distributions	(46,943,739)	(34,384,214)	(29,440,239)	36.5%	16.8%
Market value change	110,622,123	10,522,627	72,222,114	951.3%	-85.4%
Variable annuity fund assets — ending	431,605,833	365,271,893	402,171,626	18.2%	-9.2%
Fixed income fund assets — beginning ⁽¹⁾	\$ 103,255,601	\$ 106,204,372	\$ 110,860,197	-2.8%	-4.2%
Sales/inflows	2,690,636	5,872,737	1,581,923	-54.2%	271.2%
Dividends/Capital Gains Reinvested	1,810,046	2,247,503	2,337,429	-19.5%	-3.8%
Redemptions/outflows	(8,240,615)	(13,556,768)	(10,837,962)	-39.2%	25.1%
Dividend and Capital Gain Distributions	(2,084,557)	(2,578,873)	(2,743,543)	-19.2%	-6.0%
Market value change	3,105,260	5,066,630	5,006,328	-38.7%	1.2%
Fixed income fund assets — ending	100,536,371	103,255,601	106,204,372	-2.6%	-2.8%
Assets under management — ending	\$4,964,772,862	\$3,576,077,288	\$3,090,792,324	38.8%	15.7%

As of April 30, 2021 four of six Value Line equity and hybrid mutual funds, excluding SAM and Centurion, held an overall four or five star rating by Morningstar, Inc. The Advisor/Independent Broker Dealer channel has successfully become the largest channel for sales and distribution of The Value Line Funds. This is a growing channel as EAM continues to add more advisers each year.

EAM Trust — Results of operations before distribution to interest holders

The overall results of EAM's investment management operations during the twelve months ended April 30, 2021, before interest holder distributions, included total investment management fees earned from the Value Line Funds of \$29,022,000, 12b-1 fees and other fees of \$9,604,000 and other net income of \$361,000. For the same period, total investment management fee waivers were \$121,000 and 12b-1 fee waivers for three Value Line Funds were \$651,000. During the twelve months ended April 30, 2021, EAM's net

income was \$4,262,000 after giving effect to Value Line's non-voting revenues interest of \$15,190,000, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

The overall results of EAM's investment management operations during the twelve months ended April 30, 2020, before interest holder distributions, included total investment management fees earned from the Value Line Funds of \$21,985,000, 12b-1 fees and other fees of \$8,436,000 and other net losses of \$156,000. For the same period, total investment management fee waivers were \$302,000 and 12b-1 fee waivers for three Value Line Funds were \$667,000. During the twelve months ended April 30, 2020, EAM's net income was \$2,332,000 after giving effect to Value Line's non-voting revenues interest of \$11,184,000, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

The overall results of EAM's investment management operations during the twelve months ended April 30, 2019, before interest holder distributions, included total investment management fees earned from the Value Line Funds of \$16,715,000, 12b-1 fees and other fees of \$6,811,000 and other income of \$273,000. For the same period, total investment management fee waivers were \$421,000 and 12b-1 fee waivers for three Value Line Funds were \$654,000. During the twelve months ended April 30, 2019, EAM's net income was \$2,098,000 after giving effect to Value Line's non-voting revenues interest of \$8,260,000, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

As of April 30, 2021 and April 30, 2020, three of the Value Line Funds have all or a portion of the 12b-1 fees being waived, and one fund has partial investment management fee waivers in place. Although, under the terms of the EAM Declaration of Trust, the Company no longer receives or shares in the revenues from 12b-1 distribution fees, the Company could benefit from the fee waivers to the extent that the resulting reduction of expense ratios and enhancement of the performance of the Value Line Funds attracts new assets.

The Value Line equity and hybrid funds' assets represent 89.1%, variable annuity funds issued by GIAC represent 8.9%, and fixed income fund assets represent 2.0%, respectively, of total fund assets under management ("AUM") as of April 30, 2021. At April 30, 2021, equity, hybrid and GIAC variable annuities AUM increased by 40.1% and fixed income AUM decreased by 2.6% as compared to fiscal 2020.

The Value Line equity and hybrid funds' assets represent 86.7%, variable annuity funds issued by GIAC represent 10.4%, and fixed income fund assets represent 2.9%, respectively, of total fund assets under management ("AUM") as of April 30, 2020. At April 30, 2020, equity, hybrid and GIAC variable annuities AUM increased by 16.3% and fixed income AUM decreased by 2.8% as compared to fiscal 2019.

EAM — The Company's non-voting revenues and non-voting profits interests

The Company holds non-voting revenues and non-voting profits interests in EAM which entitle the Company to receive from EAM an amount ranging from 41% to 55% of EAM's investment management fee revenues from its mutual fund

and separate accounts business, and 50% of EAM's net profits, not less than 90% of which is distributed in cash every fiscal quarter. The applicable recent non-voting revenues interest percentage for the fourth quarter of fiscal 2021 was 52.95%.

The Company recorded income from its non-voting revenues interest and its non-voting profits interest in EAM as follows:

(\$ in thousands)	Fiscal Years Ended April 30,				
	2021	2020	2019	Change	
				'21 vs. '20	'20 vs. '19
Non-voting revenues interest	\$15,190	\$11,184	\$8,260	35.8%	35.4%
Non-voting profits interest	2,131	1,166	1,049	82.8%	11.2%
	\$17,321	\$12,350	\$9,309	40.3%	32.7%

Operating expenses

(\$ in thousands)	Fiscal Years Ended April 30,				
	2021	2020	2019	Change	
				'21 vs. '20	'20 vs. '19
Advertising and promotion	\$3,745	\$3,350	\$3,406	11.8%	-1.6%
Salaries and employee benefits	18,865	18,189	17,781	3.7%	2.3%
Production and distribution	5,440	4,945	5,222	10.0%	-5.3%
Office and administration	4,807	4,725	4,435	1.7%	6.5%
Total expenses	\$32,857	\$31,209	\$30,844	5.3%	1.2%

Expenses within the Company are categorized into advertising and promotion, salaries and employee benefits, production and distribution, office and administration.

Operating expenses of \$32,857,000 during the twelve months ended April 30, 2021, were 5.3% above those during the twelve months ended April 30, 2020. Operating expenses of \$8,886,000 during the three months ended April 30, 2021, were 4.6% above those during the three months ended April 30, 2020.

Operating expenses of \$31,209,000 during the twelve months ended April 30, 2020, were 1.2% above those during the twelve months ended April 30, 2019. Production and distribution expense categories decreased by 5.3% as a result

of cost controls, decrease in printing and distribution costs, primarily a result of a 6.1% reduction in print circulation, and a decline in amortization of internally developed software during the twelve months ended April 30, 2020. Operating expenses of \$8,492,000 during the three months ended April 30, 2020, were 3.4% above those during the three months ended April 30, 2019.

Operating expenses of \$30,844,000 during the twelve months ended April 30, 2019, were 7.4% below those during the twelve months ended April 30, 2018. All major expense categories decreased as a result of cost controls and a decline in amortization of internally developed software during the twelve months ended April 30, 2019.

Advertising and promotion

During twelve months ended April 30, 2021, advertising and promotion expenses of \$3,745,000 increased 11.8% as compared to the prior fiscal year. During the twelve months ended April 30, 2021, increases were primarily due to advertising expenses and institutional sales promotion. Total sales commissions increased by \$110,000 during the twelve months ended April 30, 2021. During the twelve months ended April 30, 2021, Institutional gross sales increased by \$1.5 million and the retail telemarketing gross sales orders increased by \$336,000 above the prior fiscal year.

During twelve months ended April 30, 2020, advertising and promotion expenses of \$3,350,000, decreased 1.6% as compared to the prior fiscal year. During the twelve months ended April 30, 2020, an increase in media marketing expenses and institutional sales promotion was offset by a 15.7% decrease in direct marketing expenses. In fiscal 2020 direct mail expenses decreased for all products except for *The Value Line Investment Survey* and *The Value Line 600*. During the twelve months ended April 30, 2020, sales commissions decreased 3.7% as compared to fiscal 2019.

During the twelve months ended April 30, 2019, advertising and promotion expenses of \$3,406,000 decreased 9.9% as compared to the prior fiscal year. During the twelve months ended April 30, 2019, a \$442,000 decrease in direct mail

expenses for *The Value Line Investment Survey* and *The Value Line 600* was partially offset by a \$170,000 increase in media marketing expenses and institutional sales promotion. During the twelve months ended April 30, 2019 sales commissions decreased \$60,000 as compared to fiscal 2018.

Salaries and employee benefits

During the twelve months ended April 30, 2021, salaries and employee benefits of \$18,865,000 increased 3.7% above the prior fiscal year. The increase during the twelve months ended April 30, 2021, was primarily due to increases in Profit Sharing employee retirement benefits during fiscal 2021 and increases in salaries and employee benefits in Institutional Sales, Research and Quantitative Research departments including recruitment fees that were partially offset by a 3.4% decrease in salaries and employee benefits in the Information Technology department (“IT”), reflecting completion of certain initiatives to upgrade operating systems.

During the twelve months ended April 30, 2020, salaries and employee benefits of \$18,189,000, increased 2.3% above the prior fiscal year due to a 47.0% increase in Profit Sharing employee retirement benefits during fiscal 2020 and a 10.2% increase in independent contractors’ costs over the prior year.

During the twelve months ended April 30, 2019, salaries and employee benefits of \$17,781,000 decreased 3.8% below the prior fiscal year primarily due to decreases in salaries and employee benefits in the Information Technology department (“IT”).

During the twelve months ended April 30, 2021, 2020 and 2019, the Company recorded profit sharing expenses of \$980,000, \$870,000 and \$592,000, respectively.

Production and distribution

During the twelve months ended April 30, 2021, production and distribution expenses of \$5,440,000 increased 10.0% above the prior fiscal year. The increase of \$440,000 during the twelve months ended April 30, 2021, was attributable to costs related to production support of the Company’s website, maintenance of the Company’s publishing and application software and operating systems as compared to fiscal 2020.

During the twelve months ended April 30, 2020, production and distribution expenses of \$4,945,000, decreased 5.3% below the prior fiscal year. During the twelve months ended April 30, 2020, a 1.8% decrease in overall expenses related to renegotiated production support of the Company's website, maintenance of the Company's publishing and application software and operating systems and a 56.3% decrease in amortization of internally developed software costs related to digital security and publication production software as compared to fiscal 2019. In fiscal 2020, printing and distribution costs decreased 9.8% due to a 6.1% decrease in print circulation during the twelve months ended April 30, 2020.

During the twelve months ended April 30, 2019, production and distribution expenses of \$5,222,000 decreased 10.8% below the prior fiscal year. During the twelve months ended April 30, 2019, a decrease of \$719,000 was attributable to a decline in amortization of internally developed software costs related to digital security and publication production software. In fiscal 2019 distribution costs increased 2.8% due to a 2% increase in postal rates in January 2018 and 2% in January 2019. In January 2021 postal rates increased 1.8%. Another postage increase of approximately 6.8% is scheduled to take effect in August 2021.

Office and administration

During the twelve months ended April 30, 2021, office and administrative expenses of \$4,807,000 increased 1.7% above the prior fiscal year. The increase during the twelve months ended April 30, 2021 was primarily a result of an increase in bank service costs based on higher credit card gross receipts of \$13.2 million in fiscal 2021 which were 18.5% higher than credit card gross receipts of \$11.2 million in the prior fiscal year.

During the twelve months ended April 30, 2020, office and administrative expenses of \$4,725,000, increased 6.5% above the prior fiscal year. The increase of \$222,000 during the twelve months ended April 30, 2020, was a result of the operating lease amortization expense in fiscal 2020 due to a change in lease accounting standard ASU 2016-02, "Leases (Topic 842)".

During the twelve months ended April 30, 2019, office and administrative expenses of \$4,435,000 decreased 14.2% below the prior fiscal year.

Concentration

During the twelve months ended April 30, 2021, 31.6% of total publishing revenues of \$40,392,000 were derived from a single customer. During the twelve months ended April 30, 2020, 31.4% of total publishing revenues of \$40,299,000 were derived from a single customer. During the twelve months ended April 30, 2019, 20.5% of total publishing revenues of \$36,257,000 were derived from a single customer.

Lease Commitments

On November 30, 2016, Value Line, Inc. received consent from the landlord at 551 Fifth Avenue, New York, NY to the terms of a new sublease agreement between Value Line, Inc. and ABM Industries, Incorporated commencing on December 1, 2016. Pursuant to the agreement Value Line leased from ABM 24,726 square feet of office space located on the second and third floors at 551 Fifth Avenue, New York, NY ("Building" or "Premises") beginning on December 1, 2016 and ending on November 29, 2027. Base rent under the sublease agreement is \$1,126,000 per annum during the first year with an annual increase in base rent of 2.25% scheduled for each subsequent year, payable in equal monthly installments on the first day of each month, subject to customary concessions in the Company's favor and pass-through of certain increases in utility costs and real estate taxes over the base year. The Company provided a security deposit represented by a letter of credit in the amount of \$469,000 in October 2016, which is scheduled to be reduced to \$305,000 on October 3, 2021 and fully refunded after the sublease ends. This Building became the Company's new corporate office facility. The Company is required to pay for certain operating expenses associated with the Premises as well as utilities supplied to the Premises. The sublease terms provide for a significant decrease (23% initially) in the Company's annual rental expenditure taking into account free rent for the first six months of the sublease. Sublandlord provided Value Line a work allowance of \$417,000 which accompanied with the six months free rent worth \$563,000 was applied against the Company's obligation to pay rent at our NYC headquarters, delaying the actual rent payments until November 2017.

On February 29, 2016, the Company's subsidiary VLDC and Seagis Property Group LP (the "Landlord") entered into a lease agreement, pursuant to which VLDC has leased 24,110 square feet of warehouse and appurtenant office space located

at 205 Chubb Ave., Lyndhurst, NJ (“Warehouse”) beginning on May 1, 2016 and ending on April 30, 2024 (“Lease”). Base rent under the Lease is \$192,880 per annum payable in equal monthly installments on the first day of each month, in advance during fiscal 2017 and will gradually increase to \$237,218 in fiscal 2024, subject to customary increases based on operating costs and real estate taxes. The Company provided a security deposit in cash in the amount of \$32,146, which will be fully refunded after the lease term expires. The lease is a net lease requiring the Company to pay for certain operating expenses associated with the Warehouse as well as utilities supplied to the Warehouse.

Investment gains/(losses)

(\$ in thousands)	Fiscal Years Ended April 30,			Change	
	2021	2020	2019	'21 vs. '20	'20 vs. '19
Dividend income	\$573	\$352	\$257	62.8%	37.0%
Interest income	137	279	201	-50.9%	38.8%
Investment gains/(losses) recognized on sales of equity securities during the period	835	(1,075)	—	177.7%	n/a
Unrealized gains/(losses) recognized on equity securities held at the end of the period	3,875	(339)	1,087	1243.1%	-131.2%
Other	—	(6)	46	100.0%	-113.0%
Total investment gains/(losses)	\$5,420	(\$789)	\$1,591	786.9%	-149.6%

During the twelve months ended April 30, 2021, the Company’s investment gains, primarily derived from dividend and interest income, investment gains recognized on sales of equity securities during the period and unrealized gains recognized on equity securities held at the end of the period in fiscal 2021, was \$5,420,000. During the twelve months ended April 30, 2020, the Company’s investment losses, primarily derived from dividend and interest income, investment losses recognized on sales of equity securities during the period and unrealized losses recognized on equity securities held at the end of the period in fiscal 2020, were \$789,000. Proceeds from maturities and sales of government debt securities classified as available-for-sale during the twelve months ended April 30, 2021 and April 30, 2020, were \$14,902,000 and

\$8,663,000, respectively. Proceeds from the sales of equity securities during the twelve months ended April 30, 2021 and April 30, 2020 were \$8,212,000 and \$4,387,000, respectively. There were no capital gain distributions from ETFs in fiscal 2021 or fiscal 2020.

During the twelve months ended April 30, 2019, the Company’s investment gains, primarily derived from dividend and interest income and unrealized gains recognized on equity securities held at the end of the period in fiscal 2019, was \$1,591,000. Proceeds from maturities and sales of government debt securities classified as available-for-sale during the twelve months ended April 30, 2019, were \$8,346,000. There were no sales or proceeds from sales of equity securities during the twelve months ended April 30, 2019. There were no capital gain distributions from ETFs in fiscal 2019.

Effective income tax rate

The overall effective income tax rates, as a percentage of pre-tax ordinary income for the twelve months ended April 30, 2021, April 30, 2020 and April 30, 2019 were 23.11%, 27.64% and 26.38%, respectively. The decrease in the effective tax rate during the twelve months ended April 30, 2021 is primarily a result of a decrease in the state and local income taxes from 6.30% to 2.05% as a result of changes in state and local income tax allocations, such as the effect of the reduction in the New York State and New York City tax allocation factors on deferred taxes in fiscal 2021. The Company’s annualized overall effective tax rate fluctuates due to a number of factors, in addition to changes in tax law, including but not limited to an increase or decrease in the ratio of items that do not have tax consequences to pre-income tax, the Company’s geographic profit mix between tax jurisdictions, taxation method adopted by each locality, new interpretations of existing tax laws and rulings and settlements with tax authorities.

The Company’s state and local effective income tax rate, net of Federal income tax benefit, increased to 6.30% of pretax income for the twelve months ended April 30, 2020 from 6.02% of pretax income for the twelve months ended April 30, 2019 due to evolving state tax legislation.

Liquidity and Capital Resources

The Company had working capital, defined as current assets less current liabilities, of \$23,312,000 as of April 30, 2021 and \$13,700,000 as of April 30, 2020. These amounts include short-term unearned revenue of \$19,162,000 and \$18,854,000 reflected in total current liabilities at April 30, 2021 and April 30, 2020, respectively. Cash and short-term securities were \$45,353,000 and \$34,158,000 as of April 30, 2021 and April 30, 2020, respectively.

The Company's cash and cash equivalents include \$18,209,000 and \$2,115,000 at April 30, 2021 and April 30, 2020, respectively, invested primarily in commercial banks and in Money Market Funds at brokers, which operate under Rule 2a-7 of the 1940 Act and invest primarily in short-term U.S. government securities.

Cash from operating activities

The Company had cash inflows from operating activities of \$16,410,000 during the twelve months ended April 30, 2021, compared to cash inflows from operations of \$13,745,000 and \$11,494,000 during the twelve months ended April 30, 2020 and 2019, respectively. The increase in cash flows from fiscal 2020 to fiscal 2021 is primarily attributable to higher net income and an increase in cash receipts from EAM and the timing of receipts from copyright programs. The increase in cash flows from fiscal 2019 to fiscal 2020 is primarily attributable to higher pre-tax income and an increase in cash receipts from copyright programs.

Cash from investing activities

The Company's cash inflows from investing activities of \$7,381,000 during the twelve months ended April 30, 2021, compared to cash outflows from investing activities of \$8,657,000 and \$2,972,000 for the twelve months ended April 30, 2020 and April 30, 2019, respectively. Cash inflows for the twelve months ended April 30, 2021, were higher than in fiscal 2020 primarily due to the Company's decision

not to reinvest proceeds in fixed income securities in fiscal 2021. Cash outflows for the twelve months ended April 30, 2020, were higher than in fiscal 2019 primarily due to the Company's decision to invest in additional equity and fixed income securities in fiscal 2020.

Cash from financing activities

During the twelve months ended April 30, 2021, the Company's cash outflows from financing activities were \$9,574,000 and compared to cash outflows from financing activities of \$6,627,000 and \$7,970,000 for the twelve months ended April 30, 2020 and 2019, respectively. Cash outflows for financing activities included \$1,526,000, \$1,214,000 and \$608,000 for the repurchase of 53,551 shares, 46,840 shares and 28,059 shares of the Company's common stock under the April 17, 2020, board approved common stock repurchase programs, during fiscal years 2021, 2020 and 2019, respectively. During fiscal 2020, the Company applied for and received an SBA loan under the Paycheck Protection Program in the amount of \$2,331,000. Quarterly regular dividend payments of \$0.21 per share during fiscal 2021 aggregated \$8,068,000. Quarterly dividend payments of \$0.20 per share during fiscal 2020 aggregated \$7,724,000. Quarterly dividend payments of \$0.19 per share during fiscal 2019 aggregated \$7,362,000.

At April 30, 2021 there were 9,563,170 common shares outstanding as compared to 9,616,721 common shares outstanding at April 30, 2020. The Company expects financing activities to continue to include use of cash for dividend payments for the foreseeable future.

Management believes that the Company's cash and other liquid asset resources used in its business together with the proceeds from the SBA loan and the future cash flows from operations and from the Company's non-voting revenues and non-voting profits interests in EAM will be sufficient to finance current and forecasted liquidity needs for the next twelve months. Management does not anticipate making any additional borrowings during the next twelve months. As of April 30, 2021, retained earnings and liquid assets were

\$72,502,000 and \$45,353,000, respectively. As of April 30, 2020, retained earnings and liquid assets were \$57,374,000 and \$34,158,000, respectively.

Seasonality

Our publishing revenues are comprised of subscriptions which are generally annual subscriptions. Our cash flows from operating activities are minimally seasonal in nature, primarily due to the timing of customer payments made for orders and subscription renewals.

Recent Accounting Pronouncements

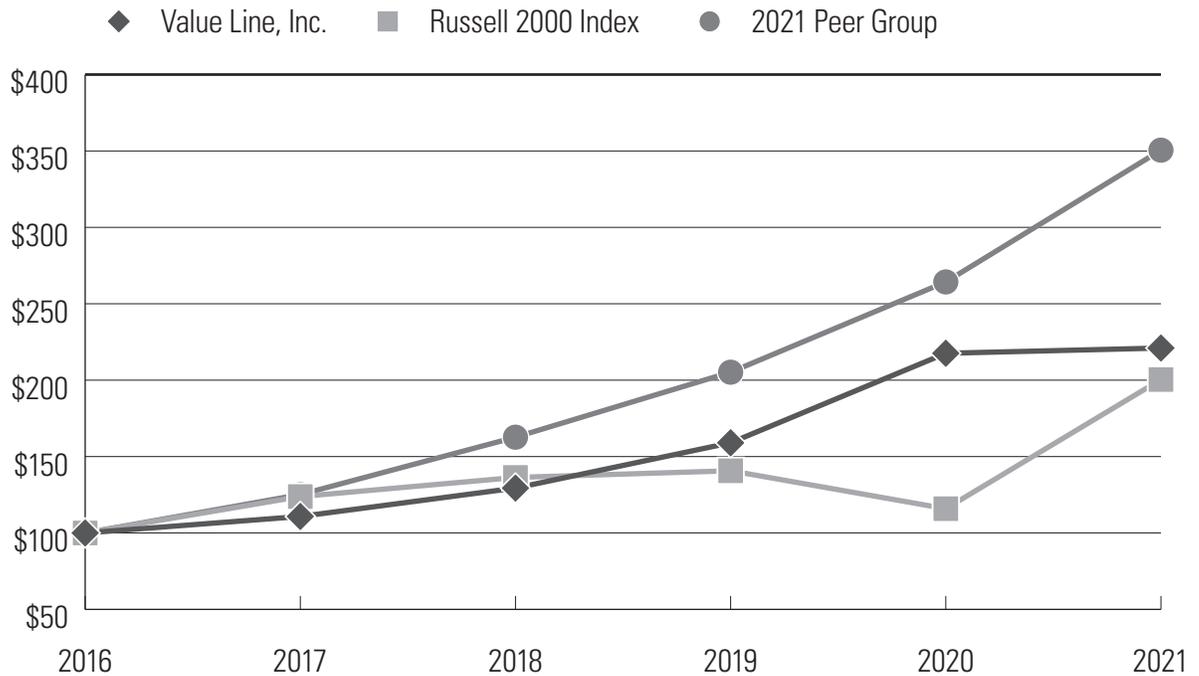
In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842)”. This ASU requires that, for leases longer than one year, a lessee recognize in the statements of financial position a right-of-use asset, representing the right

to use the underlying asset for the lease term, and a lease liability, representing the liability to make lease payments. It also requires that for finance leases, a lessee recognize interest expense on the lease liability, separately from the amortization of the right-of-use asset in the statements of earnings, while for operating leases, such amounts should be recognized as a combined expense. The Company adopted this ASU in May 2019 under a modified retrospective approach (see Note 9).

In 2018, the United States Supreme Court reversed the 1992 ruling in *Quill*, which protected firms delivering items by common carrier into a state where it had no physical presence from having to collect sales tax in such state. The Company has integrated the effects of the various state laws into its operations and continues to do so.

Comparison of Five-Year Cumulative Total Return*

	2016	2017	2018	2019	2020	2021
Value Line, Inc.	\$100.00	\$110.81	\$129.38	\$159.02	\$217.59	\$221.03
Russell 2000 Index	\$100.00	\$123.84	\$136.35	\$140.71	\$115.90	\$200.42
2020 Peer Group	\$100.00	\$125.13	\$162.68	\$205.22	\$264.29	\$350.54



Assumes \$100 invested at the close of trading 4/30/16 in common stock, and 2021 Peer Group.

*Cumulative total return assumes reinvestment of dividends.

Factual material is obtained from sources believed to be reliable, but the publisher is not responsible for any errors or omissions contained herein.

The Comparative Five-Year Total Return graph shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to Regulations of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or to the liabilities of Section 18 of the Exchange Act.

The 2021 Peer Group consists of: AutoWeb, Inc.; Daily Journal Corp.; Forrester Research, Inc.; Morningstar, Inc.; Moody's Corp.; MarketAxess Holdings, Inc.; Donnelley Financial Solutions, Inc..

The Peer Groups are developed by Steven Hall & Partners consulting firm.

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WEEK OF MARCH 22, 2021

BEST MUTUAL FUNDS AWARDS

Best U.S. Diversified Mutual Funds

BY IBD STAFF



This list highlights the best U.S. diversified mutual funds to consider now, based on each fund outperforming the S&P 500 over the last one-, three-, five- and 10-year periods. Of 1,286 U.S. diversified stock funds at least 10 years old, 318 of them, or 25%, won awards.

Best U.S. Diversified Mutual Funds							
Mutual funds	Symbol	1-year total return	3-year avg annual return	5-year avg annual return	10-year avg annual return	Morningstar category	Closed to new inv
Benchmark:S&P 500		18.40%	14.18%	15.22%	13.88%		
Value Line Larger Companies Focused Inv	VALLX	45.98	22.95	20.04	16.44	Large Growth	No
Value Line Mid Cap Focused	VLIFX	19.96	19.34	17.71	14.81	Mid-Cap Growth	No
Value Line Small Cap Opportunities Inv	VLEOX	26.60	14.71	15.22	14.18	Small Growth	No
Value Line Select Growth Fund	VALSX	23.12	19.47	17.42	14.05	Mid-Cap Growth	No

VALLX Gross / Net Expense Ratio : 1.16% / 1.15% VLIFX Gross / Net Expense Ratio: 1.11% VLEOX Gross / Net Expense Ratio: 1.19% VALSX Gross / Net Expense Ratio: 1.16%

The fund's standardized average annual total returns, current to the most recent calendar quarter ended can be found at this link <https://vlfunds.com/funds/equity>

Note: Data on the funds above is excerpted from the complete list of award-winning IBD Best Mutual Funds at Investors.com.

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Past performance is no guarantee of future results.

The performance data quoted herein represents past performance and does not guarantee future results. Market volatility can dramatically impact the fund's short-term performance. Current performance may be lower or higher than figures shown. The investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost. You should carefully consider investment objectives, risks, charges and expenses of Value Line Funds before investing. This and other information can be found in the fund's prospectus and summary prospectus, which can be obtained free of charge from your investment representative, by calling 800.243.2729, or by clicking on the applicable fund at www.vlfunds.com. Please read it carefully before you invest or send money. Value Line Funds are distributed by EULAV Securities LLC.

Consolidated Financial Statements

Value Line, Inc. Consolidated Balance Sheets

(in thousands, except share amounts)	April 30, 2021	April 30, 2020
Assets		
Current Assets:		
Cash and cash equivalents (including short term investments of \$18,209 and \$2,115, respectively)	\$19,171	\$4,954
Equity securities	23,582	14,125
Available-for-sale Fixed Income securities	2,600	15,079
Accounts receivable, net of allowance for doubtful accounts of \$36 and \$38, respectively	3,985	4,438
Receivable from clearing broker	—	608
Prepaid and refundable income taxes	616	—
Prepaid expenses and other current assets	1,282	1,321
Total current assets	51,236	40,525
Long term assets:		
Investment in EAM Trust	60,977	59,165
Restricted money market investments	469	469
Property and equipment, net	8,311	9,500
Capitalized software and other intangible assets, net	143	69
Total long term assets	69,900	69,203
Total assets	\$121,136	\$109,728
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$2,077	\$2,057
Accrued salaries	1,163	1,145
Dividends payable	2,104	2,019
Accrued taxes on income	—	1,043
Payable to clearing broker	—	588
Loan obligation-short term portion	2,331	194
Operating lease obligation-short term	1,087	925
Unearned revenue	19,162	18,854
Total current liabilities	27,924	26,825
Long term liabilities:		
Unearned revenue	5,926	5,884
Loan obligation-long term	—	2,137
Operating lease obligation-long term	7,368	8,492
Deferred income taxes	12,905	12,851
Total long term liabilities	26,199	29,364
Total liabilities	54,123	56,189
Shareholders' Equity:		
Common stock, \$0.10 par value; authorized 30,000,000 shares; issued 10,000,000 shares	1,000	1,000
Additional paid-in capital	991	991
Retained earnings	72,502	57,374
Treasury stock, at cost (436,830 shares and 383,279 shares, respectively)	(7,483)	(5,957)
Accumulated other comprehensive income, net of tax	3	131
Total shareholders' equity	67,013	53,539
Total liabilities and shareholders' equity	\$121,136	\$109,728

See independent auditor's report and accompanying notes to the consolidated financial statements.

Value Line, Inc. Consolidated Statements of Income

For the fiscal years ended April 30 (in thousands, except share and per share amounts)	2021	2020	2019
Revenues:			
Investment periodicals and related publications	\$ 27,629	\$ 27,628	\$ 28,820
Copyright fees	12,763	12,671	7,437
Total publishing revenues	40,392	40,299	36,257
Expenses:			
Advertising and promotion	3,745	3,350	3,406
Salaries and employee benefits	18,865	18,189	17,781
Production and distribution	5,440	4,945	5,222
Office and administration	4,807	4,725	4,435
Total expenses	32,857	31,209	30,844
Income from operations	7,535	9,090	5,413
Revenues interest in EAM Trust	15,190	11,184	8,260
Profits interest in EAM Trust	2,131	1,166	1,049
Investment gains/(losses)	5,420	(789)	1,591
Income before income taxes	30,276	20,651	16,313
Income tax provision	6,996	5,708	4,304
Net income	\$ 23,280	\$ 14,943	\$ 12,009
Earnings per share, basic & fully diluted	\$ 2.43	\$ 1.55	\$ 1.24
Weighted average number of common shares	9,596,912	9,646,885	9,683,771

See independent auditor's report and accompanying notes to the consolidated financial statements.

Value Line, Inc. Consolidated Statements of Comprehensive Income

For the fiscal years ended April 30 (in thousands)	2021	2020	2019
Net income	\$23,280	\$14,943	\$12,009
Other comprehensive income/(loss), net of tax:			
Change in unrealized gains on securities, net of taxes	(128)	97	36
Other comprehensive income/(loss)	(128)	97	36
Comprehensive income	\$23,152	\$15,040	\$12,045

See independent auditor's report and accompanying notes to the consolidated financial statements.

Value Line, Inc. Consolidated Statements of Cash Flows

For the fiscal years ended April 30 (in thousands)	2021	2020	2019
Cash flows from operating activities:			
Net income	\$ 23,280	\$ 14,943	\$ 12,009
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,293	266	367
Investment (gains)/losses	(4,710)	1,414	(1,087)
Non-voting profits interest in EAM Trust	(2,131)	(1,166)	(1,049)
Non-voting revenues interest in EAM Trust	(15,190)	(11,184)	(8,260)
Revenues distribution received from EAM Trust	13,907	10,588	8,027
Profits distributions received from EAM Trust	1,602	1,222	945
Deferred rent	(962)	99	(89)
Deferred income taxes	543	154	740
Other, net	—	—	(55)
Changes in operating assets and liabilities:			
Unearned revenue	350	(745)	(42)
Accounts payable & accrued expenses	21	(12)	142
Accrued salaries	18	(66)	(176)
Accrued taxes on income	(1,487)	898	339
Prepaid and refundable income taxes	(616)	254	203
Prepaid expenses and other current assets	39	14	(65)
Accounts receivable	453	(2,934)	(455)
Total adjustments	(6,870)	(1,198)	(515)
Net cash provided by operating activities	16,410	13,745	11,494
Cash flows from investing activities:			
Purchases/sales of securities classified as available-for-sale:			
Proceeds from sales of equity securities	8,212	4,387	—
Purchases of equity securities	(12,958)	(9,302)	(156)
Proceeds from sales of fixed income securities	14,902	8,663	8,346
Purchases of fixed income securities	(2,597)	(12,403)	(11,040)
Acquisition of property and equipment	(33)	(2)	(11)
Expenditures for capitalized software	(145)	—	(111)
Net cash used in investing activities	7,381	(8,657)	(2,972)
Cash flows from financing activities:			
Purchase of treasury stock at cost	(1,526)	(1,214)	(608)
Proceeds from SBA loan	—	2,331	—
Receivable from clearing broker	608	(608)	—
Payable to clearing broker	(588)	588	—
Dividends paid	(8,068)	(7,724)	(7,362)
Net cash provided by financing activities	(9,574)	(6,627)	(7,970)
Net change in cash and cash equivalents	14,217	(1,539)	552
Cash, cash equivalents and restricted cash at beginning of year	5,423	6,962	6,410
Cash, cash equivalents and restricted cash at end of year	\$ 19,640	\$ 5,423	\$ 6,962

See independent auditor's report and accompanying notes to the consolidated financial statements.

Value Line, Inc. Consolidated Statements of Changes in Shareholders' Equity

For the Fiscal Years Ended April 30, 2021, 2020 and 2019 (in thousands, except share amounts)

	Common stock		Additional paid-in capital	Treasury Stock		Retained earnings	Accumulated Other Comprehensive income	Total
	Shares	Amount		Shares	Amount			
Balance as of April 30, 2018	10,000,000	\$1,000	\$991	(308,380)	\$(4,135)	\$44,902	\$783	\$43,541
Net income						12,009		12,009
Change in unrealized gains on securities, net of taxes							36	36
Purchase of treasury stock				(28,059)	(608)			(608)
Dividends declared						(7,454)		(7,454)
Cumulative effect of adoption of ASU 2016-01						785	(785)	—
Balance as of April 30, 2019	10,000,000	\$1,000	\$991	(336,439)	\$(4,743)	\$50,242	\$34	\$47,524

Dividends declared per share were \$0.19 for each of the three months ended July 31, 2018, October 31, 2018 and January 31, 2019 and \$0.20 for the three months ended April 30, 2019.

	Common stock		Additional paid-in capital	Treasury Stock		Retained earnings	Accumulated Other Comprehensive income	Total
	Shares	Amount		Shares	Amount			
Balance as of April 30, 2019	10,000,000	\$1,000	\$991	(336,439)	\$(4,743)	\$50,242	\$34	\$47,524
Net income						14,943		15,663
Change in unrealized gains on securities, net of taxes							97	97
Purchase of treasury stock				(46,840)	(1,214)			(1,214)
Dividends declared						(7,811)		(7,811)
Balance as of April 30, 2020	10,000,000	\$1,000	\$991	(383,279)	\$(5,957)	\$57,374	\$131	\$53,539

Dividends declared per share were \$0.20 for each of the three months ended July 31, 2019, October 31, 2019 and January 31, 2020 and \$0.21 for the three months ended April 30, 2020.

	Common stock		Additional paid-in capital	Treasury Stock		Retained earnings	Accumulated Other Comprehensive income	Total
	Shares	Amount		Shares	Amount			
Balance as of April 30, 2020	10,000,000	\$1,000	\$991	(383,279)	\$(5,957)	\$57,374	\$131	\$53,539
Net income						23,280		23,280
Change in unrealized gains on securities, net of taxes							(128)	(128)
Purchase of treasury stock				(53,551)	(1,526)			(1,526)
Dividends declared						(8,152)		(8,152)
Balance as of April 30, 2021	10,000,000	\$1,000	\$991	(436,830)	\$(7,483)	\$72,502	\$3	\$67,013

Dividends declared per share were \$0.21 for each of the three months ended July 31, 2020, October 31, 2020 and January 31, 2021 and \$0.22 for the three months ended April 30, 2021.

See independent auditor's report and accompanying notes to the consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1 — Organization and Summary of Significant Accounting Policies:

Value Line, Inc. (“Value Line” or “VLI”, and collectively with its subsidiaries, the “Company”) is incorporated in the State of New York. The name “Value Line” as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company. The Company’s core business is producing investment periodicals and their underlying research and making available certain Value Line copyrights, Value Line trademarks and Value Line Proprietary Ranks and other proprietary information, to third parties under written agreements for use in third-party managed and marketed investment products and for other purposes. The Company maintains a significant investment in Eulav Asset Management LLC (“EAM”) from which it receives a non-voting revenues interest and a non-voting profits interest. Pursuant to the EAM Declaration of Trust dated as of December 23, 2010 (the “EAM Trust Agreement”), VLI granted EAM the right to use the Value Line name for all existing Value Line Funds and agreed to supply, without charge or expense, the Value Line Proprietary Ranking System information to EAM for use in managing the Value Line Funds. EAM was established to provide investment management services to the Value Line Mutual Funds (“Value Line Funds” or the “Funds”).

Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Principles of Consolidation:

The Company follows the guidance in the Financial Accounting Standards Board’s (“FASB”) Topic 810 “Consolidation” to determine if it should consolidate its investment in a variable interest entity (“VIE”). A VIE is a legal entity in which either (i) equity investors do not have sufficient equity investment at risk to enable the entity to finance its activities independently or (ii) the equity holders at risk lack the obligation to

absorb losses, the right to receive residual returns or the right to make decisions about the entity’s activities that most significantly affect the entity’s economic performance. A holder of a variable interest in a VIE is required to consolidate the entity if it is determined that it has a controlling financial interest in the VIE and is therefore the primary beneficiary. The determination of a controlling financial interest in a VIE is based on a qualitative assessment to identify the variable interest holder, if any, that has (i) the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance, and (ii) either the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The accounting guidance requires the Company to perform an ongoing assessment of whether the Company is the primary beneficiary of a VIE and the Company has determined it is not the primary beneficiary of a VIE (see Note 5).

In accordance with FASB’s Topic 810, the assets, liabilities, and results of operations of subsidiaries in which the Company has a controlling interest have been consolidated. All significant intercompany accounts and transactions have been eliminated in consolidation. The Company holds a significant non-voting revenues interest (excluding distribution revenues) and a significant non-voting profits interest in EULAV Asset Management, a Delaware statutory trust (“EAM” or “EAM Trust”). The Company relied on the guidance in FASB’s ASC Topics 323 and 810 in its determination not to consolidate its investment in EAM and to account for such investment under the equity method of accounting. The Company reports the amount it receives for its non-voting revenues and non-voting profits interests as a separate line item below operating income in the Consolidated Condensed Statements of Income.

Revision of Previously Issued Consolidated Financial Statements:

In connection with the preparation of our consolidated financial statements, we identified that the previously issued financial statements for the years ended April 30, 2020 and April 30, 2019 did not include the adoption of Accounting Standards Update No. 2016-01 (“ASU 2016-01”) as required by U.S. generally accepted accounting principles

("GAAP"). The Consolidated Balance Sheets as of April 30, 2020 and 2019, and the Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, Consolidated Statements of Shareholders' Equity, and Consolidated Statements of Cash Flows for the years ended April 30, 2020 and April 30, 2019, have been revised to correct that immaterial error by including the adoption of ASU 2016-01 as of the beginning of the fiscal year ended April 30, 2019.

In January 2016, the FASB issued ASU 2016-01 Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. ASU 2016-01 changed accounting for equity investments, financial liabilities under the fair value option, and presentation and disclosure requirements for financial instruments. ASU 2016-01 does not apply to equity investments in consolidated subsidiaries or those accounted for under the equity method of accounting. Equity investments with readily determinable fair values are measured at fair value with changes in fair value recognized in Net Income. ASU 2016-01 was effective for Value Line Inc. on May 1, 2018, which required a cumulative effect adjustment to opening Retained Earnings to be recorded for equity investments with readily determinable fair values. The Company has recorded a cumulative effect adjustment to decrease Accumulated Other Comprehensive Income with a corresponding increase to Retained Earnings for the amount of the unrealized gain, net of tax, as of the beginning of fiscal year 2019, which resulted in no change to Total Shareholders' Equity. A summary of the revisions to certain previously reported financial information is included in Note 20.

Revenue Recognition:

Depending upon the product, subscription fulfillment for Value Line periodicals and related publications is available in print or digitally, via internet access. The length of a subscription varies by product and offer received by the subscriber. Generally, subscriptions are offered as annual subscriptions with the majority of subscriptions paid in advance. Subscription revenues, net of discounts, are recognized ratably on a straight line basis when the product is served to the client over the life of the subscription. Accordingly, the amount of subscription fees to be earned by fulfilling subscriptions after the date of the balance sheets are shown as unearned revenue within current and long-term liabilities.

Copyright fees are derived from providing certain Value Line trademarks and the Value Line Proprietary Ranks to

third parties under written agreements for use in selecting securities for third party marketed products, including unit investment trusts, annuities and exchange traded funds ("ETFs"). The Company earns asset-based copyright fees upon delivery of the product to the customer as specified in the individual agreements. Revenue is recognized monthly and received either quarterly or in advance over the term of the agreement and, because it is asset-based, will fluctuate as the market value of the underlying portfolio increases or decreases in value.

EAM earns investment management fees from the Value Line Funds. The management fees and average daily net assets for the Value Line Funds are calculated by State Street Bank, which serves as the fund accountant, fund administrator, and custodian of the Value Line Funds.

The Value Line Funds are open-end management companies registered under the Investment Company Act of 1940 (the "1940 Act"). Shareholder transactions for the Value Line Funds are processed each business day by the third party transfer agent of the Funds. Shares can be redeemed without advance notice upon request of the shareowners each day that the New York Stock Exchange is open.

Investment in Unconsolidated Entities:

The Company accounts for its investment in its unconsolidated entity, EAM, using the equity method of accounting in accordance with FASB's ASC 323. The equity method is an appropriate means of recognizing increases or decreases measured by GAAP in the economic resources underlying the investments. Under the equity method, an investor recognizes its share of the earnings or losses of an investee in the periods for which they are reported by the investee in its financial statements rather than in the period in which an investee declares a dividend or distribution. An investor adjusts the carrying amount of an investment for its share of the earnings or losses recognized by the investee.

The Company's "interests" in EAM, the investment adviser to and the sole member of the distributor of the Value Line Funds, consist of a "non-voting revenues interest" and a "non-voting profits interest" in EAM as defined in the EAM Trust Agreement. The non-voting revenues interest entitles the Company to receive a range of 41% to 55%, based on the amount of EAM's adjusted gross revenues, excluding EULAV Securities' distribution revenues ("Revenues Interest"). The non-voting profits interest entitles the Company to receive

50% of EAM's profits, subject to certain limited adjustments as defined in the EAM Trust Agreement ("Profits Interest"). The Revenues Interest and at least 90% of the Profits Interest are to be distributed each quarter to all interest holders of EAM, including Value Line. The Company's Revenues Interest in EAM excludes participation in the service and distribution fees of EAM's subsidiary EULAV Securities. The Company reflects its non-voting revenues and non-voting profits interests in EAM as non-operating income under the equity method of accounting. Although the Company does not have control over the operating and financial policies of EAM, pursuant to the EAM Trust Agreement, the Company has a contractual right to receive its share of EAM's revenues and profits.

Recent Accounting Pronouncements:

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)". This ASU requires that, for leases longer than one year, a lessee recognize in the statements of financial position a right-of-use asset, representing the right to use the underlying asset for the lease term, and a lease liability, representing the liability to make lease payments. It also requires that for finance leases, a lessee recognize interest expense on the lease liability, separately from the amortization of the right-of-use asset in the statements of earnings, while for operating leases, such amounts should be recognized as a combined expense. The Company adopted this ASU in May 2019 under a modified retrospective approach (see Note 9).

On June 21, 2018, the United States Supreme Court reversed the 1992 ruling in *Quill*, which protected firms delivering items by common carrier into a state where it had no physical presence from having to collect sales tax in such state. The Company has integrated the effects of the various state laws into its operations and continues to do so.

Valuation of Securities:

The Company's securities classified as cash equivalents, equity securities and available-for-sale fixed income securities consist of shares of money market funds that invest primarily in short-term U.S. Government securities and investments in equities including ETFs and are valued in accordance with the requirements of the Fair Value Measurements Topic of the FASB's ASC 820. The securities classified as equity securities reflected in the Consolidated Balance Sheets are valued at

market and unrealized gains and losses are recorded in the Consolidated Statements of Income per FASB Accounting Standards Update No. 2016-01 ("ASU 2016-01"). The securities classified as available-for-sale fixed income securities reflected in the Consolidated Balance Sheets are valued at market and unrealized gains and losses, net of applicable taxes, are reported as a separate component of shareholders' equity. Investment gains and losses on sales of the equity securities are the difference between proceeds from sales and the fair value of the equity securities sold at the beginning of the period or the purchase date, if later. Investment gains and losses on sales of the available-for-sale fixed income securities are the difference between proceeds from sales and the cost of the securities. Investment gains and losses on sales of the securities are recorded in earnings as of the trade date and are determined on the identified cost method.

The Company classifies its equity securities and available-for-sale fixed income securities as current assets to properly reflect its liquidity and to recognize the fact that it has liquid assets available-for-sale should the need arise.

Market valuations of securities listed on a securities exchange and ETF shares are based on the closing sales prices on the last business day of each month. The market value of the Company's fixed maturity U.S. Government debt securities is determined utilizing publicly quoted market prices. Cash equivalents consist of investments in money market funds that invest primarily in U.S. Government securities valued in accordance with rule 2a-7 under the 1940 Act.

The Fair Value Measurements Topic of FASB's ASC defines fair value as the price that the Company would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market for the investment. The Fair Value Measurements Topic established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the information that market participants would use in pricing the asset or liability, including assumptions about risk. Examples of risks include those inherent in a particular valuation technique used to measure fair value such as the risk inherent in the inputs to the valuation technique. Inputs are classified as observable

or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

The following summarizes the levels of fair value measurements of the Company's investments:

(\$ in thousands)	As of April 30, 2021			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$18,209	\$–	\$–	\$18,209
Equity securities	23,582	–	–	23,582
Available-for-sale fixed income securities	2,600	–	–	2,600
	\$44,391	\$–	\$–	\$44,391

(\$ in thousands)	As of April 30, 2020			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$2,115	\$—	\$—	\$2,115
Equity securities	14,125	—	—	14,125
Available-for-sale fixed income securities	15,079	—	—	15,079
	\$31,319	\$—	\$—	\$31,319

The Company had no other financial instruments such as futures, forwards and swap contracts. For the periods ended April 30, 2021 and April 30, 2020, there were no Level 2 nor Level 3 investments. The Company does not have any liabilities subject to fair value measurement.

Advertising expenses:

The Company expenses advertising costs as incurred.

Income Taxes:

The Company computes its income tax provision in accordance with the Income Tax Topic of the FASB's ASC. Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected in the Consolidated Financial Statements. Deferred tax liabilities and assets are determined based on the differences between the book values and the tax bases of particular assets and liabilities, using tax rates currently in effect for the years in which the differences are expected to reverse. The Company adopted the provisions of ASU 2015-17, Income taxes (Topic 740) and classifies all deferred taxes as long-term liabilities on the Consolidated Balance Sheets.

The Income Tax Topic of the FASB's ASC establishes for all entities, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. As of April 30, 2021, management has reviewed the tax positions for the years still subject to tax audit under the statute of limitations, evaluated the implications, and determined that there is no material impact to the Company's financial statements.

Earnings per share:

Earnings per share are based on the weighted average number of shares of common stock and common stock equivalents outstanding during each period. Any shares that are reacquired during the period are weighted for the portion of the period that they are outstanding. The Company does not have any potentially dilutive common shares from outstanding stock options, warrants, restricted stock, or restricted stock units.

Cash and Cash Equivalents:

For purposes of the Consolidated Statements of Cash Flows, the Company considers all cash held at banks and short-term liquid investments with an original maturity of less than three months to be cash and cash equivalents. As of April 30, 2021 and April 30, 2020, cash equivalents included \$18,209,000 and \$2,115,000, respectively, for amounts invested in money market mutual funds that invest in short-term U.S. government securities.

Note 2 — Supplementary Cash Flow Information:

Reconciliation of Cash, Cash Equivalents, and Restricted Cash:

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Statement of Cash Flows that sum to the total of the same such amounts shown in the Consolidated Statement of Cash Flows.

(\$ in thousands)	Fiscal Years Ended April 30,		
	2021	2020	2019
Cash and cash equivalents	\$19,171	\$4,954	\$6,493
Restricted cash	\$469	\$469	\$469
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statement of Cash Flows	\$19,640	\$5,423	\$6,962

Income Tax Payments:

The Company made income tax payments as follows:

(\$ in thousands)	Fiscal Years Ended April 30,		
	2021	2020	2019
State and local income tax payments	\$1,406	\$1,105	\$387
Federal income tax payments to the Parent	\$7,154	\$3,325	\$2,700

See Note 3 — Related Party Transactions for tax amounts associated with Arnold Bernhard and Co., Inc. (“AB&Co.” or the “Parent”).

Note 3 — Related Party Transactions:

Investment Management (overview):

The Company has substantial non-voting revenues and non-voting profits interests in EAM, the asset manager to the Value Line Mutual Funds. Accordingly, the Company does not reports this operation as a separate business segment, although it maintains a significant interest in the cash flows generated by this business and receives non-voting revenues and non-voting profits interests, as discussed below.

Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2021, were \$4.96 billion, which is

\$1.4 billion, or 38.8%, above total assets of \$3.58 billion in the Value Line Funds managed and/or distributed by EAM at April 30, 2020.

The Company’s non-voting revenues and non-voting profits interests in EAM entitle it to receive quarterly distributions in a range of 41% to 55% of EAM’s revenues (excluding distribution revenues) from EAM’s mutual fund and separate account business and 50% of the residual profits of EAM (subject to temporary increase in certain limited circumstances). The Voting Profits Interest Holders will receive the other 50% of residual profits of EAM. Distribution is not less than 90% of EAM’s profits payable each fiscal quarter under the provisions of the EAM Trust Agreement. Value Line’s percent share of EAM’s revenues is calculated each fiscal quarter. The applicable recent non-voting revenues interest percentage for the fourth quarter of fiscal 2021 was 52.95%.

The non-voting revenues and 90% of the Company’s non-voting profits interests due from EAM to the Company are payable each fiscal quarter under the provisions of the EAM Trust Agreement. The distributable amounts earned through the balance sheet date, which is included in the Investment in EAM Trust on the Consolidated Balance Sheets, and not yet paid, were \$4,664,000 and \$2,949,000 at April 30, 2021 and April 30, 2020, respectively.

EAM Trust-VLI’s non-voting revenues and non-voting profits interests:

The Company holds non-voting revenues and non-voting profits interests in EAM which entitle the Company to receive from EAM an amount ranging from 41% to 55% of EAM’s investment management fee revenues from its mutual fund and separate accounts business. EAM currently has no separately managed account clients. The Company recorded income from its non-voting revenues interest and its non-voting profits interests in EAM as follows:

(\$ in thousands)	Fiscal Years Ended April 30,		
	2021	2020	2019
Non-voting revenues interest in EAM	\$15,190	\$11,184	\$8,260
Non-voting profits interest in EAM	2,131	1,166	1,049
	\$17,321	\$12,350	\$9,309

Transactions with Parent:

During the fiscal years ended April 30, 2021 and April 30, 2020, the Company was reimbursed \$408,000 and \$388,000, respectively for payments it made on behalf of and for services it provided to AB&Co. There were no receivables due from the Parent at April 30, 2021 or April 30, 2020.

The Company is a party to a tax-sharing arrangement with the Parent which allocates the tax liabilities of the two Companies between them. For the years ended April 30, 2021, 2020, and 2019, the Company made payments to the Parent for federal income tax amounting to \$7,154,000, \$3,325,000 and \$2,700,000, respectively.

From time to time, the Parent has purchased additional shares of common stock of the Company in the market when and as the Parent has determined it to be appropriate. The Parent may make additional purchases of common stock of the Company from time to time in the future. As of April 30, 2021, the Parent owned 90.28% of the outstanding shares of common stock of the Company.

Note 4 — Investments:

Investments held by the Company and its subsidiaries are classified as equity securities and available-for-sale fixed income securities in accordance with FASB's ASC 321, Investments - Equity Securities and with FASB's ASC 320, Investments - Debt Securities. All of the Company's securities were readily marketable or had a maturity of twelve months or less and are classified as current assets on the Consolidated Balance Sheets.

Equity Securities:

Equity securities on the Consolidated Balance Sheets, consist of ETFs held for dividend yield that attempt to replicate the performance of certain equity indexes and ETFs that hold preferred shares primarily of financial institutions.

As of April 30, 2021 and April 30, 2020, the aggregate cost of the equity securities, which consist of investments in the SPDR Series Trust S&P Dividend ETF (SDY), First Trust Value Line Dividend Index ETF (FVD), Invesco Financial Preferred ETF (PGF), ProShares Trust S&P 500 Dividend Aristocrats ETF (NOBL), iShares Preferred & Income Securities ETF (PFF), and other Exchange Traded Funds and common stock equity securities was a combined total \$19,105,000 and \$12,877,000, respectively, and the fair value was \$23,582,000 and \$14,125,000, respectively.

The carrying value and fair value of securities available-for-sale at April 30, 2021 were as follows:

(\$ in thousands)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
ETFs — equities	\$19,105	\$4,532	\$(55)	\$23,582

The carrying value and fair value of securities available-for-sale at April 30, 2020 were as follows:

(\$ in thousands)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
ETFs — equities	\$12,877	\$1,317	\$(69)	\$14,125

Government Debt Securities (Fixed Income Securities):

Fixed income securities consist of certificates of deposits and securities issued by federal, state and local governments within the United States.

Proceeds from maturities and sales of government debt securities classified as available-for-sale during the twelve months ended April 30, 2021 and April 30, 2020, were \$14,902,000 and \$8,663,000, respectively. As of April 30, 2021 and April 30, 2020, accumulated other comprehensive income included unrealized gains of \$4,000 and \$177,000, net of deferred taxes of \$1,000 and \$46,000, respectively.

The aggregate cost and fair value at April 30, 2021 of fixed income securities classified as available-for-sale were as follows:

(\$ in thousands)	Amortized Historical Cost	Gross Unrealized Holding Gains	Fair Value
Maturity			
Due within 1 year	\$2,596	\$4	\$2,600
Total investment in government debt securities	\$2,596	\$4	\$2,600

The decrease in gross unrealized gains of \$173,000 on fixed income securities classified as available-for-sale net of deferred income taxes of \$45,000, was included in Accumulated Other Comprehensive Income on the Consolidated Balance Sheet as of April 30, 2021.

The aggregate cost and fair value at April 30, 2020 of fixed income securities classified as available-for-sale were as follows:

(\$ in thousands)	Amortized Historical Cost	Gross Unrealized Holding Gains	Fair Value
Maturity			
Due within 1 year	\$14,652	\$177	\$14,829
Due 1 year through 5 years	250	—	250
Total investment in government debt securities	\$14,902	\$177	\$15,079

The increase in gross unrealized gains of \$134,000 on fixed income securities classified as available-for-sale net of deferred income taxes of \$37,000, was included in Accumulated Other Comprehensive Income on the Consolidated Balance Sheet as of April 30, 2020.

The average yield on the Government debt securities classified as available-for-sale at April 30, 2021 and April 30, 2020 was 1.4% and 2.27%, respectively.

Investment Gains/(Losses):

Investment gains/(losses) were comprised of the following:

(\$ in thousands)	Fiscal Years Ended April 30,		
	2021	2020	2019
Dividend income	\$573	\$352	\$257
Interest income	137	279	201
Investment gains/(losses) recognized on sales of equity securities during the period	835	(1,075)	—
Unrealized gains/(losses) recognized on equity securities held at the end of the period	3,875	(339)	1,087
Other	—	(6)	46
Total investment gains/(losses)	\$5,420	\$(789)	\$1,591

Proceeds from sales of equity securities during the twelve months ended April 30, 2021 and April 30, 2020 were \$8,212,000 and \$4,387,000, respectively. Taxable realized gains/(losses) on equity securities sold during fiscal years

2021 and 2020, which are generally the difference between the proceeds from sales and our original cost, were gains of \$1,481,000 in fiscal 2021 and losses of \$581,000 in fiscal 2020. There were no realized gains or losses on sales of equity securities during fiscal 2019.

Investment in Unconsolidated Entities:

Equity Method Investment:

As of April 30, 2021 and April 30, 2020, the Company's investment in EAM Trust, on the Consolidated Balance Sheets was \$60,977,000 and \$59,165,000, respectively.

The value of VLI's investment in EAM at April 30, 2021 and April 30, 2020 reflects the fair value of contributed capital of \$55,805,000 at inception, which included \$5,820,000 of cash and liquid securities in excess of working capital requirements contributed to EAM's capital account by VLI, plus VLI's share of non-voting revenues and non-voting profits from EAM less distributions, made quarterly to VLI by EAM, during the period subsequent to its initial investment through the dates of the Consolidated Balance Sheets.

It is anticipated that EAM will have sufficient liquidity and earn enough profit to conduct its current and future operations so the management of EAM will not need additional funding.

The Company monitors its Investment in EAM Trust for impairment to determine whether an event or change in circumstances has occurred that may have a significant adverse effect on the fair value of the investment. Impairment indicators include, but are not limited to the following: (a) a significant deterioration in the earnings performance, asset quality, or business prospects of the investee, (b) a significant adverse change in the regulatory, economic, or technological environment of the investee, (c) a significant adverse change in the general market condition of the industry in which the investee operates, or (d) factors that raise significant concerns about the investee's ability to continue as a going concern such as negative cash flows, working capital deficiencies, or noncompliance with statutory capital and regulatory requirements. EAM did not record any impairment losses for its assets during the fiscal years 2021 or 2020.

The components of EAM's investment management operations, provided to the Company by EAM, were as follows:

(\$ in thousands)	Fiscal Years Ended April 30,		
	2021	2020	2019
Investment management fees earned from the Value Line Funds, net of waivers shown below	\$29,022	\$21,985	\$16,715
12b-1 fees and other fees, net of waivers shown below	\$ 9,604	\$ 8,436	\$ 6,811
Other income	\$361	\$ (156)	\$ 273
Investment management fee waivers and reimbursements	\$ 121	\$ 302	\$ 421
12b-1 fee waivers	\$ 651	\$ 667	\$ 654
Value Line's non-voting revenues interest	\$15,190	\$11,184	\$ 8,260
EAM's net income (1)	\$ 4,262	\$ 2,332	\$ 2,098

(1) Represents EAM's net income, after giving effect to Value Line's non-voting revenues interest, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

(\$ in thousands)	Fiscal Years Ended April 30,	
	2021	2020
EAM's total assets	\$64,197	\$61,335
EAM's total liabilities ⁽¹⁾	(6,870)	(4,192)
EAM's total equity	\$57,327	\$57,143

(1) At April 30, 2021 and 2020, EAM's total liabilities included a payable to VLI for its accrued non-voting revenues and non-voting profits interests of \$4,664,000 and \$2,949,000, respectively.

Note 5 — Variable Interest Entity:

The Company holds a non-voting revenues interest and a 50% non-voting profits interest in EAM, the adviser to the Value Line asset management and mutual fund distribution businesses. EAM is considered to be a VIE in relation to the Company. The Company makes its determination for consolidation of EAM as a VIE based on a qualitative assessment of the purpose and design of EAM, the terms and characteristics of the variable interests in EAM, and the risks EAM is designed to originate and pass through to holders of variable interests. Other than EAM, the Company does not have an interest in any other VIEs.

The Company has determined that it does not have a controlling financial interest in EAM because it does not have the power to direct the activities of EAM that most significantly impact its economic performance. Value Line does not hold any voting stock of EAM and it does not have any involvement

in the day-to-day activities or operations of EAM. Although the EAM Trust Agreement provides Value Line with certain consent rights and contains certain restrictive covenants related to the activities of EAM, these are considered to be protective rights and therefore Value Line does not maintain control over EAM.

In addition, although EAM is expected to be profitable, there is a risk that it could operate at a loss. While all of the profit interest shareholders in EAM are subject to variability based on EAM's operations risk, Value Line's non-voting revenues interest in EAM is a preferred interest in the revenues of EAM, rather than a profits interest in EAM, and Value Line accordingly believes it is subject to proportionately less risk than other holders of the profits interests.

The Company has not provided any explicit or implicit financial or other support to EAM other than what was contractually agreed to in the EAM Trust Agreement. Value Line has no obligation to fund EAM in the future and, as a result, has no exposure to loss beyond its initial investment and any undistributed revenues and profits interests retained in EAM. The following table presents the total assets of EAM, the maximum exposure to loss due to involvement with EAM, as well as the value of the assets and liabilities the Company has recorded on its Consolidated Balance Sheets for its interest in EAM.

(\$ in thousands)	Value Line			
	VIE Assets	Investment in EAM Trust ⁽¹⁾	Liabilities	Maximum Exposure to Loss
As of April 30, 2021	\$64,197	\$60,977	\$—	\$60,977
As of April 30, 2020	\$61,335	\$59,165	\$—	\$59,165

(1) Reported within Long-Term Assets on Consolidated Balance Sheets.

Note 6 — Property and Equipment:

Property and equipment are carried at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets, or in the case of leasehold improvements, over the remaining terms of the leases. For income tax purposes, depreciation of furniture and equipment is computed using accelerated methods and buildings and leasehold improvements are depreciated over prescribed extended tax lives. Property and equipment, net,

on the Consolidated Balance Sheets was comprised of the following:

(\$ in thousands)	As of April 30,	
	2021	2020
Building and leasehold improvements	\$1,013	\$1,013
Operating lease — right-of-use asset	7,522	8,550
Furniture and equipment	4,080	4,047
	12,615	13,610
Accumulated depreciation and amortization	(4,304)	(4,110)
Total property and equipment, net	\$8,311	\$9,500

Note 7 — Federal, State and Local Income Taxes:

In accordance with the requirements of the Income Tax Topic of the FASB's ASC, the Company's provision for income taxes includes the following:

(\$ in thousands)	Fiscal Years Ended April 30,		
	2021	2020	2019
Current tax expense:			
Federal	\$5,407	\$4,201	\$2,964
State and local	1,046	1,353	600
Current tax expense	6,453	5,554	3,564
Deferred tax expense (benefit):			
Federal	859	(174)	(422)
State and local	(316)	328	1,162
Deferred tax expense (benefit):	543	154	740
Income tax provision	\$6,996	\$5,708	\$4,304

On December 22, 2017 H.R. 1, originally known as the Tax Cuts and Jobs Act (the "Tax Act"), was enacted. The Tax Act lowered the U.S. federal income tax rate ("Federal Tax Rate") from 35% to 21% effective January 1, 2018. Accordingly, the Company computes Federal income tax expense using the Federal Tax Rate of 21% in fiscal year 2019 and each year thereafter.

The overall effective income tax rates, as a percentage of pre-tax ordinary income for the twelve months ended April 30, 2021, April 30, 2020 and April 30, 2019 were 23.11%, 27.64% and 26.38%, respectively. The decrease in the effective tax rate during the twelve months ended April 30, 2021 is primarily a result of a decrease in the state and local income taxes from 6.30% to 2.05% as a result of changes in state and local income tax allocations, such as the effect of the reduction in the New York State and New York City tax allocation factors on deferred taxes in fiscal 2021. The Company's annualized overall effective tax rate fluctuates due to a number of factors, in addition to changes in tax law, including but not limited to an increase or decrease in the ratio of items that do not have tax consequences to pre-income tax, the Company's geographic profit mix between tax jurisdictions, taxation method adopted by each locality, new interpretations of existing tax laws and rulings and settlements with tax authorities.

The increase in the effective tax rate during the twelve months ended April 30, 2020 is primarily a result of an increase in the state and local income taxes to 6.30% as a result of changes in state and local income tax allocations, such as the effect of the reduction in the NYC tax allocation factor on deferred taxes in fiscal 2019.

Deferred income taxes, a liability, are provided for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The tax effect of temporary differences giving rise to the Company's long-term deferred tax liability are as follows:

(\$ in thousands)	Fiscal Years Ended April 30,	
	2021	2020
Federal tax liability (benefit):		
Deferred gain on deconsolidation of EAM	\$10,669	\$10,669
Deferred non-cash post-employment compensation	(372)	(372)
Depreciation and amortization	108	108
Unrealized gain on securities held for sale	941	299
Right of Use Asset	(196)	(182)
Deferred charges	(186)	(166)
Other	(218)	(207)
Total federal tax liability	10,746	10,149
State and local tax liabilities (benefits):		
Deferred gain on deconsolidation of EAM	1,807	2,564
Deferred non-cash post-employment compensation	(63)	(88)
Depreciation and amortization	18	44
Unrealized gain on securities held for sale	159	72
Other	238	110
Total state and local tax liabilities	2,159	2,702
Deferred tax liability, long-term	\$12,905	\$12,851

The tax effect of temporary differences giving rise to the Company's long-term deferred tax liability is primarily a result of the federal, state and local taxes related to the \$50,805,000 gain from deconsolidation of the Company's asset management and mutual fund distribution subsidiaries, partially offset by the long-term tax benefit related to the non-cash post-employment compensation of \$1,770,000 granted to VLI's former employee.

The Company uses the effective income tax rate determined to provide for income taxes on a year-to-date basis and reflects the tax effect of any tax law changes and certain other discrete events in the period in which they occur.

The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. statutory income tax rate to pre-tax income as a result of the following:

	Fiscal Years Ended April 30,		
	2021	2020	2019
U.S. statutory federal tax rate	21.00%	21.00%	21.00%
Increase (decrease) in tax rate from:			
State and local income taxes, net of federal income tax benefit	2.05%	6.30%	6.02%
Effect of dividends received deductions	(0.31%)	(0.24%)	(0.24%)
Other, net	0.37%	0.58%	(0.40%)
Effective income tax rate	23.11%	27.64%	26.38%

The Company believes that, as of April 30, 2021, there were no material uncertain tax positions that would require disclosure under GAAP.

The Company is included in the consolidated federal income tax return of the Parent. The Company has a tax sharing agreement which requires it to make tax payments to the Parent equal to the Company's liability/(benefit) as if it filed a separate return. Beginning with the fiscal year ended April 30, 2017, the Company files combined income tax returns with the Parent on a unitary basis in certain states as a result of changes in state tax regulations.

The Company's federal income tax returns (included in the Parent's consolidated returns) and state and city tax returns for fiscal years ended 2018 through 2020, are subject to examination by the tax authorities, generally for three years after they are filed with the tax authorities. The Company is presently engaged in a New York City tax audit for the fiscal years ended April 30, 2017 through 2019 and does not expect it to have a material effect on the financial statements.

Note 8 — Employees' Profit Sharing and Savings Plan:

Substantially all employees of the Company and its subsidiaries are members of the Value Line, Inc. Profit Sharing and Savings Plan (the "Plan"). In general, this is a qualified, contributory plan which provides for a discretionary annual Company contribution which is determined by a formula based on the salaries of eligible employees and the amount of consolidated net operating income as defined in the Plan. For the fiscal years ended April 30, 2021, 2020 and 2019, the estimated profit sharing plan contribution, which is included as an expense in salaries and employee benefits in the Consolidated Statements of Income, was \$980,000, \$870,000 and \$592,000, respectively.

Note 9 — Lease Commitments:

On November 30, 2016, Value Line, Inc., received consent from the landlord at 551 Fifth Avenue, New York, NY to the terms of a new sublease agreement between Value Line, Inc. and ABM Industries, Incorporated (“ABM” or the “Sublandlord”) commencing on December 1, 2016. Pursuant to the agreement Value Line leased from ABM 24,726 square feet of office space located on the second and third floors at 551 Fifth Avenue, New York, NY (“Building” or “Premises”) beginning on December 1, 2016 and ending on November 29, 2027. Base rent under the sublease agreement is \$1,126,000 per annum during the first year with an annual increase in base rent of 2.25% scheduled for each subsequent year, payable in equal monthly installments on the first day of each month, subject to customary concessions in the Company’s favor and pass-through of certain increases in utility costs and real estate taxes over the base year. The Company provided a security deposit represented by a letter of credit in the amount of \$469,000 in October 2016, which is scheduled to be reduced to \$305,000 on October 3, 2021 and fully refunded after the sublease ends. This Building became the Company’s new corporate office facility. The Company is required to pay for certain operating expenses associated with the Premises as well as utilities supplied to the Premises. The sublease terms provide for a significant decrease (23% initially) in the Company’s annual rental expenditure taking into account free rent for the first six months of the sublease. Sublandlord provided Value Line a work allowance of \$417,000 which accompanied with the six months free rent worth \$563,000 was applied against the Company’s obligation to pay rent at our NYC headquarters, delaying the actual rent payments until November 2017.

On February 29, 2016, the Company’s subsidiary VLDC and Seagis Property Group LP (the “Landlord”) entered into a lease agreement, pursuant to which VLDC has leased 24,110 square feet of warehouse and appurtenant office space located at 205 Chubb Ave., Lyndhurst, NJ (“Warehouse”) beginning on May 1, 2016 and ending on April 30, 2024 (“Lease”). Base rent under the Lease is \$192,880 per annum payable in equal monthly installments on the first day of each month, in advance during fiscal 2017 and will gradually increase to \$237,218 in fiscal 2024, subject to customary increases based on operating costs and real estate taxes. The Company provided a security deposit in cash in the amount of \$32,146, which will be fully refunded after the lease term expires. The

lease is a net lease requiring the Company to pay for certain operating expenses associated with the Warehouse as well as utilities supplied to the Warehouse.

In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842)”. This ASU requires that, for leases longer than one year, a lessee recognizes in the statements of financial position a right-of-use asset, representing the right to use the underlying asset for the lease term, and a lease liability, representing the liability to make lease payments. It also requires that for finance leases, a lessee recognizes interest expense on the lease liability, separately from the amortization of the right-of-use asset in the statements of earnings, while for operating leases, such amounts should be recognized as a combined expense. The firm adopted this ASU in May 2019 under a modified retrospective approach.

The Company adopted ASU 2016-02 using a modified retrospective transition approach as of the Effective Date as permitted by the amendments in ASU 2018-11, which provides an alternative modified retrospective transition method. As a result, the Company was not required to adjust its comparative period financial information for effects of the standard or make the new required lease disclosures for periods before the date of adoption (i.e. May 1, 2019). The Company has elected to employ the transitional relief offered by the FASB and, therefore, has not reassessed (1) whether existing or expired contracts contain a lease, (2) lease classification for existing or expired leases or (3) the accounting for initial direct costs that were previously capitalized.

The Company leases office space in New York, NY and a warehouse and appurtenant office space in Lyndhurst, NJ. The Company has evaluated these leases and determined that they are operating leases under the definitions of the guidance of ASU 2016-02.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the net present value of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. For operating leases, the right-of-use asset is subsequently measured throughout the lease term at the carrying amount of the net present value of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received.

On May 1, 2019, the Company recorded a right-of-use asset in the amount of \$9,575,000, which represents the lease liability of \$10,340,000 adjusted for previously recorded unamortized lease incentives in the amount of \$765,000. The right-of-use asset will be amortized over the remaining lease term in the amount equal to the difference between the calculated straight-line expense of the total lease payments less the monthly interest calculated on the remaining lease liability. As of April 30, 2021, the Company had a long-term lease asset of \$7,522,000 recorded in property and equipment in its consolidated balance sheets.

The Company recognizes lease expense, calculated as the remaining cost of the lease allocated over the remaining lease term on a straight-line basis. Lease expense are presented as part of continuing operations in the consolidated statements of income. For the twelve months ended April 30, 2021, the Company recognized \$1,499,000 in lease expense.

For the twelve months ended April 30, 2021, the Company paid \$1,432,000 in rent relating to the leases. As a payment arising from an operating lease, the \$1,432,000 will be classified within operating activities in the consolidated statements of cash flows.

The Company's leases generally do not provide an implicit interest rate, and therefore the Company estimated an incremental borrowing rate, or IBR, as of the commencement date, to determine the present value of its operating lease liabilities. The IBR is defined under ASC 842 as the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments in a similar economic environment. The following table reconciles the undiscounted future minimum lease payments to the total operating lease liabilities recognized on the consolidated balance sheet as of April 30, 2021:

Fiscal Years Ended April 30,	(\$ in thousands)
2022	1,506
2023	1,597
2024	1,634
2025	1,429
2026	1,461
Thereafter	2,375
Total undiscounted future minimum lease payments	10,002
Less: difference between undiscounted lease payments & the present value of future lease payments	1,547
Total operating lease liabilities	\$8,455

For the fiscal years ended April 30, 2021, 2020 and 2019, rental expenses were \$1,499,000, \$1,499,000 and \$1,278,000, respectively.

Note 10 — Disclosure of Credit Risk of Financial Instruments with Off-Balance Sheet Risk:

Other than EAM and the Value Line Funds as explained in Note 3 — Related Party Transactions, a single customer accounted for a significant portion of the Company's sales in fiscal 2021, 2020 or 2019, and its accounts receivable as of April 30, 2021 or 2020. During the twelve months ended April 30, 2021, 2020 and 2019, 31.6%, 31.4% and 20.5%, respectively, of total publishing revenues were derived from a single customer as explained in Note 16 — Concentration.

Note 11 — Comprehensive Income:

The FASB's ASC Comprehensive Income topic requires the reporting of comprehensive income in addition to net income from operations. Comprehensive income is a more inclusive financial reporting methodology that includes disclosure of certain financial information that otherwise would not be recognized in the calculation of net income.

As of April 30, 2021 and April 30, 2020 the Company held fixed income securities consisting of certificates of deposits and securities issued by federal, state, and local governments within the United States that are classified as securities available-for-sale on the Consolidated Balance Sheets. The change in valuation of fixed income securities, net of deferred income taxes, has been recorded in Accumulated Other Comprehensive Income in the Company's Consolidated Balance Sheets.

The components of comprehensive income that are included in the Consolidated Statement of Changes in Shareholders' Equity for the twelve months ending April 30, 2021 are as follows:

Fiscal Year Ended April 30, 2021			
(\$ in thousands)	Amount Before Tax	Tax (Expense)/Benefit	Amount Net of Tax
Change in unrealized gains on available-for-sale fixed income securities	\$(173)	\$45	\$(128)
	\$(173)	\$45	\$(128)

The components of comprehensive income that are included in the Consolidated Statement of Changes in Shareholders' Equity for the twelve months ending April 30, 2020 are as follows:

Fiscal Year Ended April 30, 2020			
(\$ in thousands)	Amount Before Tax	Tax (Expense)/Benefit	Amount Net of Tax
Change in unrealized gains on available-for-sale fixed income securities	\$134	\$(37)	\$97
	\$134	\$(37)	\$97

The components of comprehensive income that are included in the Consolidated Statement of Changes in Shareholders' Equity for the twelve months ending April 30, 2019 are as follows:

Fiscal Year Ended April 30, 2019			
(\$ in thousands)	Amount Before Tax	Tax (Expense)/Benefit	Amount Net of Tax
Change in unrealized gains on available-for-sale fixed income securities	\$46	\$(10)	\$36
	\$46	\$(10)	\$36

Note 12 — Accounting for the Costs of Computer Software Developed for Internal Use:

The Company has adopted the provisions of the Statement of Position 98-1 (SOP 98-1), "Accounting for the Costs of Computer Software Developed for Internal Use". SOP 98-1 requires companies to capitalize as long-lived assets many of the costs associated with developing or purchasing software

for internal use and amortize those costs over the software's estimated useful life in a systematic and rational manner. Such costs, when incurred, are capitalized and amortized over the expected useful life of the asset, normally 3 to 5 years.

During the twelve months ended April 30, 2021, the Company capitalized \$145,000 related to the third party programmers' costs. The Company did not incur and did not capitalize expenditures related to the development of software for internal use during the twelve months ended April 30, 2021, April 30, 2020 or April 30, 2019.

The Company did not incur and did not capitalize expenditures related to third party programmers' costs during the twelve months ended April 30, 2020. During the twelve months ended April 30, 2019 the Company capitalized \$111,000 related to the third party programmers' costs. Total amortization expenses for the years ended April 30, 2021, 2020 and 2019 were \$70,000, \$65,000 and \$131,000, respectively.

Note 13 — Treasury Stock and Repurchase Program:

On April 17, 2020, the Company's Board of Directors approved a share repurchase program authorizing the repurchase of shares of the Company's common stock up to an aggregate purchase price of \$2,000,000. The repurchases may be made from time to time on the open market at prevailing market prices, in negotiated transactions off the market, in block purchases or otherwise. The repurchase program may be suspended or discontinued at any time at the Company's discretion and has no set expiration date.

Treasury stock, at cost, consists of the following:

(\$ in thousands except for cost per share)	Shares	Cost Assigned	Average Cost per Share	Aggregate Purchase Price Remaining Under the Program
Balance as of April 30, 2018	308,380	\$4,135	\$13.41	\$255
Purchases effected in open market	28,059	\$608	\$21.68	—
Balance as of April 30, 2019	336,439	\$4,743	\$14.10	\$1,438
Purchases effected in open market	46,840	\$1,214	\$25.91	—
Balance as of April 30, 2020	383,279	\$5,957	\$15.54	\$2,000
Purchases effected in open market ⁽¹⁾	53,551	\$1,526	\$28.50	\$—
Balance as of April 30, 2021	436,830	\$7,483	\$17.13	\$474

(1) Were acquired during the \$2 million repurchase program authorized in April 2020.

Note 14 — Copyright Fees:

During the twelve months ended April 30, 2021, copyright fees of \$12,763,000 were 0.7% above fiscal 2020. During the twelve months ended April 30, 2020, copyright fees of \$12,671,000 were 70.4% above fiscal 2019. As of April 30, 2021, total third party sponsored assets were \$11.6 billion, as compared to \$8.6 billion in assets at April 30, 2020.

Note 15 — Restricted Cash and Deposits:

Restricted Money Market Investment in the noncurrent assets on the Consolidated Balance Sheet at April 30, 2021 and April 30, 2020, includes \$469,000, which represents cash invested in a bank money market fund securing a letter of credit (“LOC”) in the amount of \$469,000 issued to the sublandlord as a security deposit for the Company’s New York City leased corporate office facility. Effective October 3, 2021, the LOC and restricted cash will be reduced to \$305,000 according to the lease agreement.

Note 16 — Concentration:

During the twelve months ended April 30, 2021, 31.6% of total publishing revenues of \$40,392,000 were derived from a single customer. During the twelve months ended April 30, 2020, 31.4% of total publishing revenues of \$40,299,000 were derived from a single customer.

Note 17 — Concentration of Credit Risk:

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At April 30, 2021 and 2020, the Company had \$2,742,000 and \$5,202,000, respectively, in excess of the FDIC insured limit. Management has concluded the excess does not represent a material risk, based on the creditworthiness of the counter parties.

Note 18 — Business Segments:

The Publishing business segment, the Company’s only reportable segment subsequent to December 23, 2010, produces investment periodicals and related publications (retail and institutional) in both print and digital form, and includes Value Line copyrights and Value Line Proprietary Ranks and other proprietary information.

As described in Note 1 — Organization and Summary of Significant Accounting Policies, the Company deconsolidated its investment management business on December 23, 2010 and therefore no longer reports the investment management operation as a separate business unit. Although VLI continues to receive significant cash flows from these operations through its non-controlling investment in EAM, it no longer considers this to be a reportable business segment due to its lack of control over the operating and financial policies of EAM.

Note 19 — Paycheck Protection Program Loan:

Shortly after declaration of a pandemic and “lockdowns” of numerous non-essential businesses, the Company in April of 2020 executed a note and received a loan (the “PPP Loan”) from JP Morgan Chase Bank under the Paycheck Protection Program (“PPP”) which was established under

the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and is administered by the U.S. Small Business Administration. In April 2020, the Company received the PPP Loan of \$2,331,365. The proceeds from the PPP Loan were used in accordance with the terms of the CARES Act program, as described further below.

The term of the PPP Loan is two years. The interest rate on the PPP Loan is 1.00%. Payments of principal and interest are deferred until ten months after the loan covered period (twenty four weeks after receipt of the loan). Pursuant to the terms of the CARES Act, the proceeds of the PPP Loan may be used for payroll costs, mortgage interest, rent or utility costs. The promissory note evidencing the PPP Loan contains customary events of default relating to, among other things, payment defaults, breach of representations and warranties, or provisions of the promissory note. The occurrence of an event of default may result in a claim for the immediate repayment of all amounts outstanding under such PPP Loan, collection of all amounts owing from the respective Borrower, filing suit and obtaining judgment against the respective Borrower.

Under the terms of the CARES Act, Borrowers can apply for and be granted forgiveness for all or a portion of the PPP Loan. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds in accordance with the terms of the CARES Act, as described above, during a period not to exceed a twenty-four week period after loan origination and the maintenance or achievement of certain employee levels. No assurance is provided that a Borrower will obtain forgiveness under any relevant PPP Loan in whole or in part.

Subsequent to the Balance Sheet date, the Company completed and submitted an application for full forgiveness of the PPP loan.

Note 20 — Revision of Previously Issued Consolidated Financial Statements:

As described in Note 1, the Company has determined that the previously issued financial statements for the years ended April 30, 2020 and April 30, 2019 did not include the adoption of Accounting Standards Update No. 2016-01 (“ASU 2016-01”) as is required by U.S. generally accepted accounting principles (“GAAP”). The Company has corrected this immaterial error by revising the financial statements as of and for each of the years ended April 30, 2020 and April 30, 2019 by including the adoption of ASU 2016-01 as of the beginning of the fiscal year ended April 30, 2019.

As of the adoption date, the Company held equity securities with a fair value of approximately \$9,379,000, which included a net unrealized gain of \$994,000, and an associated deferred tax liability of \$209,000. The Company has recorded a cumulative effect adjustment of \$785,000 to decrease Accumulated Other Comprehensive Income with a corresponding increase to Retained Earnings for the amount of the unrealized gain, net of tax, as of the beginning of fiscal year 2019, which resulted in no change to Total Shareholders’ Equity.

Other than the aforementioned cumulative effect adjustment, the principal impact of ASU 2016-01 to the Company's financial statements is the recognition of changes in the fair values of equity securities in the Statements of Income, instead of the Statements of Comprehensive Income, as they were reported prior to the adoption of ASU 2016-01. A summary of the revisions that have been made to the Company's financial statements is as follows:

(\$ in thousands, except per share amounts)	Fiscal Years Ended April 30,					
	2020			2019		
	Originally Reported	Adjustment	Corrected	Originally Reported	Adjustment	Corrected
Consolidated Balance Sheets						
Current Assets						
Securities available-for-sale	\$29,204	\$(29,204)	\$-	\$21,828	\$(21,828)	\$-
Equity securities	\$-	\$14,125	\$14,125	\$-	\$10,622	\$10,622
Available-for-sale Fixed Income Securities	\$-	\$15,079	\$15,079	\$-	\$11,206	\$11,206
Shareholders' Equity						
Retained earnings	\$56,450	\$924	\$57,374	\$48,598	\$1,644	\$50,242
Accumulated Other Comprehensive Income, net of tax	\$1,055	\$(924)	\$131	\$1,678	\$(1,644)	\$34
Total shareholders' equity	\$53,539	\$-	\$53,539	\$47,524	\$-	\$47,524
Consolidated Statements of Income						
Income/(loss) from securities transactions, net	\$44	\$(833)	\$(789)	\$504	\$1,087	\$1,591
Income before income taxes	\$21,484	\$(833)	\$20,651	\$15,226	\$1,087	\$16,313
Income tax provision	\$5,821	\$(113)	\$5,708	\$4,076	\$228	\$4,304
Net income	\$15,663	\$(720)	\$14,943	\$11,150	\$859	\$12,009
Earnings per share	\$1.62	\$(0.07)	\$1.55	\$1.15	\$0.09	\$1.24
Consolidated Statements of Comprehensive Income						
Net income	\$15,663	\$(720)	\$14,943	\$11,150	\$859	\$12,009
Change in unrealized gains on securities, net of taxes	\$(623)	\$720	\$97	\$895	\$(859)	\$36
Other comprehensive income/(loss)	\$(623)	\$720	\$97	\$895	\$(859)	\$36
Comprehensive income	\$15,040	\$-	\$15,040	\$12,045	\$-	\$12,045
Consolidated Statements of Cash Flows						
Net income	\$15,663	\$(720)	\$14,943	\$11,150	\$859	\$12,009
Investment (gains)/losses	\$581	\$833	\$1,414	\$-	\$(1,087)	\$(1,087)
Deferred income taxes	\$267	\$(113)	\$154	\$512	\$228	\$740
Total adjustments	\$(1,918)	\$720	\$(1,198)	\$344	\$(859)	\$(515)
Net cash provided by operating activities	\$13,745	\$-	\$13,745	\$11,494	\$-	\$11,494
Consolidated Statements of Changes in Shareholders' Equity (Total)						
Net income	\$15,663	\$(720)	\$14,943	\$11,150	\$859	\$12,009
Change in unrealized gains on securities, net of taxes	\$(623)	\$720	\$97	\$895	\$(859)	\$36
Cumulative effect of adoption of ASU 2016-01*	\$-	\$-	\$-	\$-	\$-	\$-
Balance as of April 30	\$53,539	\$-	\$53,539	\$47,524	\$-	\$47,524

*As discussed above, the cumulative effect adjustment of \$785,000 from Accumulated Other Comprehensive Income to Retained Earnings results in a net zero effect to Total Shareholders' Equity.

Report of Independent Accountants

HOROWITZ & ULLMANN, P.C. Certified Public Accountants

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and
Board of Directors of Value Line, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Value Line, Inc. and Subsidiaries (the "Company") as of April 30, 2021 and 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended April 30, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended April 30, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to the accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which they relate.

Investment in Unconsolidated Entity

As described in note 4 to the consolidated financial statements, the Company uses the equity method of accounting to report its investment in its unconsolidated entity. As of April 30, 2021, the carrying value of the investment was \$60,977,000. On an annual basis, management performs an impairment assessment to ensure that the carrying value of the investment in its unconsolidated entity is properly reflected.

The principal considerations for our determination that performing procedures relating to such assessment is a critical audit matter are that there were significant judgements made by management in estimating the fair value of the investment and the fact that management utilized a specialist to assist in its determination of fair value. This in turn led to a high degree of auditor judgement, subjectivity, and audit effort in evaluating management's estimation of the fair value of the investment in its unconsolidated entity, including management's assessment of the unconsolidated entity's financial condition and results of operations.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, reviewing management's process for estimating the fair value of the investment in its unconsolidated entity, evaluating the appropriateness of the valuation model, testing the completeness and accuracy of data used in the model, and evaluating the significant assumptions used by management.

/s/ Horowitz & Ullmann, P.C.
We have served as the Company's auditor since 1996.



New York, NY
July 28, 2021

Miscellaneous

Board of Directors

Stephen R. Anastasio
Vice President and Treasurer

Mary Bernstein
Director of Accounting and Secretary

Howard A. Brecher
Chairman and Chief Executive Officer

Stephen P. Davis
Retired Deputy Commissioner, New York City
Police Department (NYPD)

Alfred Fiore
Retired Chief of Police, Westport, CT

Glenn Muenzer
Retired Special Agent, Federal Bureau of Investigation

Miscellaneous

Independent Auditors,
Horowitz & Ullmann, P.C.

Transfer Agent and Registrar,
American Stock Transfer & Trust Company, LLC
NASDAQ Symbol, VALU

Common Stock Performance

The Company's Common Stock is traded on NASDAQ under the symbol "VALU". The approximate number of record holders of the Registrant's Common Stock at April 30, 2021 was 30. As of April 30, 2021, the closing stock price was \$30.54.

The reported high and low prices and the dividends declared on these shares during the past two fiscal years were as follows:

Quarter Ended	High	Low	Dividend Declared Per Share
April 30, 2021	\$33.00	\$26.53	\$0.22
January 31, 2021	\$35.95	\$25.40	\$0.21
October 31, 2020	\$31.80	\$23.76	\$0.21
July 31, 2020	\$34.00	\$20.46	\$0.21
April 30, 2020	\$36.60	\$20.01	\$0.21
January 31, 2020	\$36.31	\$19.62	\$0.20
October 31, 2019	\$27.27	\$18.40	\$0.20
July 31, 2019	\$29.49	\$20.86	\$0.20

The Board of Directors of Value Line at its July 2021 meeting declared an increased regular quarterly dividend of \$0.22 per share, which was paid on August 11, 2021.

Form 10-K

Stockholders may obtain a copy of Value Line, Inc.'s Form 10-K for fiscal year 2021, as filed with the Securities and Exchange Commission, without charge, by writing to: Secretary, Value Line, Inc., 551 Fifth Avenue, New York, NY 10176 or on our Website: <http://www.valueline.com/About/InvestorRelation.aspx>. Also available at www.sec.gov under the symbol VALU.

Code of Ethics

The Company's Code of Business Conduct and Ethics that applies to its principal executive officer, principal financial officer, all other officers, and all other employees is available on the Company's website at http://www.valueline.com/About/Code_of_Ethics.aspx





Value Line®

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