

Disclosure Statement Pursuant to the OTCID Basic Disclosure Guidelines

FRMO CORP.

A Delaware Corporation

Principal Executive Offices and Principal Place of Business:
1 North Lexington Avenue, Suite 12C
White Plains, NY 10601

914-632-6730
www.frmocorp.com
info@frmocorp.com
SIC Code: 6719 – Holding Company

Quarterly Report

For the period ended February 28, 2026 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

44,022,781 as of February 28, 2026 [Current Reporting Period],

44,022,781 as of May 31, 2025 [Most Recent Completed Fiscal Year End]

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

¹ “Change in Control” shall mean any events resulting in:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

FRMO Corp.

FRMO Corp. is an active corporation incorporated in the state of Delaware in November 1993. The name of the Corporation was changed from FRM Nexus (a Delaware Corporation) to FRMO Corp. on November 29, 2000.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

1 North Lexington Avenue, Suite 12C
White Plains, NY 10601

The address(es) of the issuer's principal place of business:

1 North Lexington Avenue, Suite 12C
White Plains, NY 10601

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name:
Broadridge Corporate Issuer Solutions, Inc.
1717 Arch Street, Suite 1300
Philadelphia, PA 19103

Phone: 800-733-1121
Email: Shareholder@Broadridge.com

Publicly Quoted or Traded Securities:

Trading symbol:	FRMO
Exact title and class of securities outstanding:	Common Stock
CUSIP:	30262F205
Par or stated value:	\$0.001

Total shares authorized:	90,000,000	as of date: February 28, 2026
Total shares outstanding:	44,022,781	as of date: February 28, 2026
Number of shares in the Public Float:	19,615,522	as of date: February 28, 2026
Total number of shareholders of record:	50	as of date: February 28, 2026

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol:	n/a	
Exact title and class of securities outstanding:	Preferred Stock	
CUSIP:	n/a	
Par or stated value:	\$0.001	
Total shares authorized:	2,000,000	as of date: February 28, 2026
Total shares outstanding:	None	as of date: February 28, 2026
Total number of shareholders of record:	None	as of date: February 28, 2026

Other classes of authorized or outstanding equity securities:

None

Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date: May 31, 2024 Common: 44,022,781 Preferred: None									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
October 5, 2023	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$7.50 per share	Common	N/A	N/A	Option Granted to Jay Hirschson	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 5, 2023	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$7.50 per share	Common	N/A	N/A	Option Granted to Alice C. Brennan	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 5, 2023	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$7.50 per share	Common	N/A	N/A	Option Granted to Hebert M. Chain	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 5, 2023	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$7.50 per share	Common	N/A	N/A	Option Granted to Dov Glickman	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 10, 2024	Option grant	Option grant to purchase 3,000 shares of	Common	N/A	N/A	Option Granted to Jay Hirschson	Director Compensation	Options are unexercised. Will be restricted	Registration of these Shares under the

		common stock, exercise price of \$8.55 per share						upon exercise.	Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 10, 2024	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.55 per share	Common	N/A	N/A	Option Granted to Alice C. Brennan	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 10, 2024	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.55 per share	Common	N/A	N/A	Option Granted to Hebert M. Chain	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 10, 2024	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.55 per share	Common	N/A	N/A	Option Granted to Dov Glickman	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 9, 2025	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.70 per share	Common	N/A	N/A	Option Granted to Jay Hirschson	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
October 9, 2025	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.70 per share	Common	N/A	N/A	Option Granted to Rimmy Malhotra	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption

									provided by Section 4(2) of the Act.
October 9, 2025	Option grant	Option grant to purchase 3,000 shares of common stock, exercise price of \$8.70 per share	Common	N/A	N/A	Option Granted to Melinda Newman	Director Compensation	Options are unexercised. Will be restricted upon exercise.	Registration of these Shares under the Securities Act of 1933, as amended, is not required pursuant to the exemption provided by Section 4(2) of the Act.
Shares Outstanding Ending Balance on Date of This Report: Date: February 28, 2026 Common: 44,022,781 Preferred: None									

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on www.otcmarketst.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The corporation is an intellectual capital firm that provides consulting and advisory services in the asset management sector and engages in the mining of digital assets.

B. List any subsidiaries, parent company, or affiliated companies.

Fromex Equity Corp., a Delaware corporation, is a wholly owned subsidiary of FRMO Corp.

C. Describe the issuers' principal products or services.

The interim condensed consolidated financial statements include the accounts of FRMO Corporation and its controlled subsidiaries (collectively referred to as the "Company"). As of February 28, 2026 and May 31, 2025, the Company held a 21.77% and 21.82% equity interest in Horizon Kinetics Hard Assets LLC ("HKHA"), a company formed by Horizon Kinetics Holding Corporation ("HKHC") or ("Horizon") and certain officers, principal stockholders and directors of the Company. The Company owns 4.42% of HKHC and earns substantially all of its advisory fees from HKHC (see Note 4 – Investments). Due to the common control and ownership between HKHA and the Company's principal stockholders and directors, HKHA has been consolidated within the Company's financial statements. The noncontrolling interest of 78.23% and 78.18% in HKHA has been eliminated from results of operations for the periods ended February 28, 2026 and 2025. Total stockholders' equity includes, as a separate item, the amount attributable to the noncontrolling interests.

D. Investment Concentration

The following are the approximate amounts (in thousands) of the Company's investments in equity securities and digital asset funds held directly and indirectly, through its various investments in managed funds, amounting to greater than 10% of stockholders' equity attributable to the Company ("Equity"). None of the Company's other direct or indirect investments were greater than 10% of Equity as of February 28, 2026 and May 31, 2025.

Investment	February 28, 2026		May 31, 2025	
	Amount	Percent of Equity	Amount	Percent of Equity
Investment A	\$ 308,984	82.0%	\$ 217,782	68.2%
Investment B	\$ 33,426	8.9%	\$ 53,327	16.7%

The following are the approximate amounts (in thousands) of investments included in the Company's investments in equity securities, and investments in limited partnerships and other equity investments (together, "Investments") held directly and indirectly, through its various investments in managed funds, amounting to greater than 10% of Investments. None of the Company's other direct or indirect investments were greater than 10% of Investments as of February 28, 2026 and May 31, 2025.

Investment	February 28, 2026		May 31, 2025	
	Amount	Percent of Investments	Amount	Percent of Investments
Investment A				
Equity securities	\$ 558,889	97.3%	\$ 395,807	96.9%
Investments in limited partnerships and other equity investments	\$ 147,264	63.0%	\$ 103,059	51.1%
Investment B				
Investments in limited partnerships and other equity investments	\$ 32,968	14.1%	\$ 52,571	26.1%

The following are the approximate amounts (in thousands) of investments included in the Company's unrealized (losses) gains from equity securities amounting to greater than 10% of unrealized (losses) gains from equity securities. None of the Company's other investments were greater than 10% of unrealized (losses) gains from equity securities for the three and nine months ended February 28, 2026 and 2025.

Investment	Three Months Ended February 28,				Nine Months Ended February 28,			
	2026		2025		2026		2025	
	Amount	Percent of Unrealized Gains	Amount	Percent of Unrealized Gains	Amount	Percent of Unrealized Gains	Amount	Percent of Unrealized Gains
Investment A	\$ 251,777	100.1%	\$ (59,427)	99.2%	\$ 163,043	95.1%	\$ 280,827	99.3%

5) Issuer's Facilities

Company leases fully furnished office space from Horizon Kinetics LLC at 1 North Lexington Avenue, Suite 12C, White Plains, New York 10601. The lease term is one year renewable for consecutive one-year periods until terminated.

6) Officers, Directors, and Control Persons

Name of Beneficial Officer	Shares Beneficially Owned or Controlled	Approximate Percentage of Shares Outstanding
Estate of Murray Stahl ⁽¹⁾	8,023,313	18.2%
Steven Bregman	5,958,329	13.5%
John C. Meditz	5,421,351	12.3%
Thomas C. Ewing	4,539,048	10.3%
Peter B. Doyle	4,226,140	9.6%
Lawrence J. Goldstein	1,865,632	4.2%
Santa Monica Partners, L.P. ⁽²⁾	1,012,757	2.3%
Jay P. Hirschson	3,000	*
Alice C. Brennan	5,500	*
R. Rimmy Malhotra	6,150	*
Melinda J. Newman	-	*
Jay Kesslen	12,243	*
Therese Byars	50,640	*
Directors and executive officers as a group	31,124,103	70.7%

* Less than 1%

(1) Mr. Stahl passed away on April 7, 2026. Includes approximately 857,300 shares held in pooled accounts previously controlled by Mr. Stahl. Mr. Stahl's estate disclaims ownership over such shares except to the extent of his pecuniary interest.

(2) Controlled by Mr. Goldstein

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

NONE

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

NONE

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

NONE

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

NONE

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NONE

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

NONE

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Morris Simkin
Firm: Law Office of Morris Simkin
Address 1: 5400 Broken Sound Blvd. NW, Apt. 431
Address 2: Boca Raton, FL 33487
Phone: (914) 646-8035
Email: msimkin@securitiesregslawyer.com

Accountant or Auditor

Name: Sougata Banerjee, Engagement Partner
Firm: CBIZ CPAs P.C.
Address 1: 600 Anton Boulevard, Suite 1600
Address 2: Costa Mesa, CA 92626
Phone: (949) 236-5600
Email: Sougata.Banerjee@cbiz.com

Investor Relations

None

All other means of Investor Communication:

Twitter: n/a
Discord: n/a
LinkedIn: n/a

Facebook: n/a
[Other] n/a

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: n/a
Firm: n/a
Nature of Services: n/a
Address 1: n/a
Address 2: n/a
Phone: n/a
Email: n/a

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Therese Byars
Title: Corporate Secretary
Relationship to Issuer: Officer

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: David Arndt
Title: Chief Financial Officer
Relationship to Issuer: Officer

Describe the qualifications of the person or persons who prepared the financial statements:¹ Certified Public Accountant, has prepared SEC filings for public companies and OTC filers for over 15 years.

The financial statements listed in items 9Ca – 9Ce are appended to this Disclosure Statement.:

- a. Report of Independent Registered Public Accounting Firm
- b. Condensed Consolidated Balance Sheets
- c. Condensed Consolidated Statements of Income
- d. Condensed Consolidated Statements of Stockholders' Equity
- e. Condensed Consolidated Statements of Cash Flows
- f. Notes to Condensed Consolidated Financial Statements

¹The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

I, Peter Doyle certify that:

1. I have reviewed this Disclosure Statement for FRMO Corp;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 14, 2026

/s/ Peter Doyle

Principal Executive Officer

I, Steven Bregman certify that:

1. I have reviewed this Disclosure Statement for FRMO Corp.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 14, 2026

/s/ Steven Bregman

Principal Financial Officer:

I, David Arndt certify that:

4. I have reviewed this Disclosure Statement for FRMO Corp.;
5. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
6. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 14, 2026

/s/ David Arndt

FRMO CORPORATION AND SUBSIDIARIES

White Plains, New York

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of February 28, 2026 (Unaudited) and
May 31, 2025 and for the Three and Nine Months Ended February
28, 2026 and 2025 (Unaudited)

FRMO CORPORATION AND SUBSIDIARIES

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of FRMO Corporation and Subsidiaries

Results of Review of Interim Financial Statements

We have reviewed the accompanying interim condensed consolidated balance sheet of FRMO Corporation and Subsidiaries (the "Company") as of February 28, 2026, and the related condensed consolidated statements of operations for the three- and nine- month periods then ended and the related condensed consolidated statements of equity and cash flows for the nine-month period then ended, and the related notes (collectively referred to as the "interim financial statements"). Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

The consolidated balance sheet of the Company as of May 31, 2025 and the related consolidated statement of income, stockholders' equity and cash flows for the year then ended, were previously audited by other auditors whose report dated February 26, 2026 expressed an unqualified opinion on those statements.

Basis for Review Results

These interim financial statements are the responsibility of the Company's management, which includes the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error. We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB") and in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB or in accordance with GAAS, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ CBIZ CPAs P.C.

Costa Mesa, CA
April 14, 2026

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FRMO CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in thousands)

	February 28, 2026 (Unaudited)	May 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 45,590	\$ 43,864
Accounts receivable (due from related parties)	553	1,042
Prepaid income taxes	-	1,223
Other current assets	142	176
Total current assets	46,285	46,305
Digital mining assets, net of accumulated depreciation of \$85 and \$618 at February 28, 2026 and May 31, 2025, respectively		
	16	1,013
Equity securities, at fair value	574,202	408,553
Digital assets, at fair value	10,911	16,949
Investments in limited partnerships and other equity investments at fair value	233,860	201,529
Investments in securities exchanges	14,160	7,947
Other investments	2,661	469
Investment in Horizon Kinetics Holding Corporation	27,187	20,439
Horizon Kinetics Holding Corporation royalty participation	10,200	10,200
Total assets	\$ 919,482	\$ 713,404
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 345	\$ 242
Income taxes payable	672	-
Current portion of mortgage note payable	-	26
Securities sold, not yet purchased	717	1,307
Total current liabilities	1,734	1,575
Deferred tax liability	122,588	93,451
Mortgage note payable, net of current portion	-	622
Total liabilities	124,322	95,648
Commitments and contingencies (Note 11)		
Stockholders' equity		
Stockholders' equity attributable to the Company	376,704	319,551
Noncontrolling interests	418,456	298,205
Total stockholders' equity	795,160	617,756
Total liabilities and stockholders' equity	\$ 919,482	\$ 713,404

See notes to interim condensed consolidated financial statements.

FRMO CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations (Unaudited)
(in thousands, except per share data)

	<u>Three Months Ended February 28,</u>		<u>Nine Months Ended February 28,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Revenue:				
Consulting and advisory fees and other income	\$ 861	\$ 2,232	\$ 2,644	\$ 3,849
Total revenue	861	2,232	2,644	3,849
Operating expenses:				
General and administrative expenses	233	414	1,058	1,127
Depreciation	15	39	43	137
Total operating expenses	248	453	1,101	1,264
Other income (expense)				
Dividends and interest income, net	1,178	1,268	3,370	6,710
Net realized gains (losses) from investments	81	(27)	647	(47)
Equity earnings from limited partnerships, limited liability companies, and other equity investments	468	8,188	2,112	9,277
Unrealized gains (losses) from investments	58,238	(28,546)	36,161	81,849
Unrealized gains (losses) from equity securities	251,560	(59,915)	171,373	282,913
Unrealized (losses) gains from digital assets	(3,843)	(1,951)	(6,087)	2,715
Gain on sale of long-lived assets	671	-	671	-
Total other income (expense), net	308,353	(80,983)	208,247	383,417
Income (loss) from operations before provision for income taxes	308,966	(79,204)	209,790	386,002
Income tax (expense) benefit	(44,029)	13,494	(33,225)	(59,763)
Net income (loss)	264,937	(65,710)	176,565	326,239
Less: net (income) loss attributable to noncontrolling interests	(181,584)	42,005	(119,654)	(204,898)
Net income (loss) attributable to the Company	\$ 83,353	\$ (23,705)	\$ 56,911	\$ 121,341
Net income (loss) per common share				
Basic	\$ 1.89	\$ (0.54)	\$ 1.29	\$ 2.76
Diluted	\$ 1.89	\$ (0.54)	\$ 1.29	\$ 2.76
Weighted average shares outstanding				
Basic	44,023	44,023	44,023	44,023
Diluted	44,026	44,023	44,028	44,030

See notes to interim condensed consolidated financial statements.

FRMO CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)
(in thousands)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Stockholders' Equity Attributable to the Company	Non- Controlling Interests	Total Stockholders' Equity
	Shares	Amount					
Balance - June 1, 2024	44,023	\$ 44	\$ 42,050	\$ 182,051	\$ 224,145	\$ 161,145	\$ 385,290
Non-cash compensation	-	-	26	-	26	-	26
Stock-based compensation	-	-	-	-	-	-	-
Capital accounts of consolidated limited liability company	-	-	(81)	-	(81)	-	(81)
Net income	-	-	-	29,411	29,411	65,769	95,180
Capital contributed to consolidated subsidiary from noncontrolling interests	-	-	-	-	-	-	-
Balance - August 31, 2024	44,023	\$ 44	\$ 41,995	\$ 211,462	\$ 253,501	\$ 226,914	\$ 480,415
Non-cash compensation	-	-	26	-	26	-	26
Stock-based compensation	-	-	48	-	48	-	48
Capital accounts of consolidated limited liability company	-	-	37	-	37	-	37
Net income	-	-	-	115,634	115,634	181,135	296,769
Capital contributed to consolidated subsidiary from noncontrolling interests	-	-	-	-	-	(244)	(244)
Balance - November 30, 2024	44,023	\$ 44	\$ 42,106	\$ 327,096	\$ 369,246	\$ 407,805	\$ 777,051
Non-cash compensation	-	-	25	-	25	-	25
Stock-based compensation	-	-	-	-	-	-	-
Capital accounts of consolidated limited liability company	-	-	51	-	51	-	51
Net loss	-	-	-	(23,704)	(23,704)	(42,006)	(65,710)
Capital contributed to consolidated subsidiary from noncontrolling interests	-	-	-	-	-	180	180
Balance - February 28, 2025	44,023	\$ 44	\$ 42,182	\$ 303,392	\$ 345,618	\$ 365,979	\$ 711,597
Balance - June 1, 2025	44,023	\$ 44	\$ 45,350	\$ 274,157	\$ 319,551	\$ 298,205	\$ 617,756
Non-cash compensation	-	-	26	-	26	-	26
Stock-based compensation	-	-	-	-	-	-	-
Capital accounts of consolidated limited liability company	-	-	3	-	3	-	3
Net loss	-	-	-	(13,430)	(13,430)	(45,063)	(58,493)
Capital contributed to consolidated subsidiary from noncontrolling interests	-	-	-	-	-	71	71
Balance - August 31, 2025	44,023	\$ 44	\$ 45,379	\$ 260,727	\$ 306,150	\$ 253,213	\$ 559,363
Non-cash compensation	-	-	26	-	26	-	26
Stock-based compensation	-	-	39	-	39	-	39
Capital accounts of consolidated limited liability company	-	-	69	-	69	-	69
Net loss	-	-	-	(13,012)	(13,012)	(16,868)	(29,880)
Capital contributed to consolidated subsidiary from noncontrolling interests	-	-	-	-	-	334	334
Balance - November 30, 2025	44,023	\$ 44	\$ 45,513	\$ 247,715	\$ 293,272	\$ 236,679	\$ 529,951
Non-cash compensation	-	-	25	-	25	-	25
Stock-based compensation	-	-	-	-	-	-	-
Capital accounts of consolidated limited liability company	-	-	54	-	54	-	54
Net income	-	-	-	83,353	83,353	181,584	264,937
Capital contributed to consolidated subsidiary from noncontrolling interests	-	-	-	-	-	193	193
Balance - February 28, 2026	44,023	\$ 44	\$ 45,592	\$ 331,068	\$ 376,704	\$ 418,456	\$ 795,160

See notes to interim condensed consolidated financial statements.

FRMO CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Nine Months Ended February 28,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 176,565	\$ 326,239
Adjustments to reconcile net income to net cash (used) provided by operating activities:		
Stock-based compensation	39	48
Non-cash compensation	77	77
Net realized (gains) losses from investments	(647)	47
Equity earnings from limited partnerships, limited liability companies, and other equity investments	(2,112)	(9,277)
Unrealized gains from investments subject to fair valuation	(36,161)	(81,849)
Unrealized gains from equity securities	(171,373)	(282,913)
Unrealized losses (gains) from digital assets	6,087	(2,715)
Non-cash fee revenue	(56)	(73)
Depreciation	43	137
Deferred income tax expense	29,137	57,827
Gain on sale of long-lived assets	(671)	-
Changes in operating assets and liabilities		
Accounts receivable	(52)	(400)
Prepaid income taxes and other current assets	1,232	28
Accounts payable and accrued expenses	103	55
Income taxes payable	672	-
Total adjustments to net income	(173,682)	(319,008)
Net cash provided by operating activities	2,883	7,231
Cash flows from investing activities:		
Proceeds from sale of investments	3,648	159
Purchases of investments	(3,310)	(1,008)
Net proceeds (purchase) of digital mining assets, net of disposals	8	(25)
Proceeds from securities sold, not yet purchased	153	351
Purchases to cover securities previously sold	(3)	(6)
Distributions from limited partnerships	70	273
Investment in other equity investments	(230)	-
Other investments	(1,099)	(1,267)
Net cash flows used in investing activities	(763)	(1,523)
Cash flows from financing activities:		
Principal payments on mortgage payable	(19)	(15)
Proceeds from issuance of other consolidated subsidiary equity	45	45
Distributions to members of consolidated limited liability company	(420)	(1,050)
Net cash flows used in financing activities	(394)	(1,020)
Net increase (decrease) in cash and cash equivalents	1,726	4,688
Cash and cash equivalents, beginning of year	43,864	39,190
Cash and cash equivalents, end of period	\$ 45,590	\$ 43,878
Supplemental disclosure of cash flow information:		
Cash paid during the period for income taxes	\$ 2,187	\$ 1,902
Cash paid during the period for interest	\$ 65	\$ 76
Supplemental disclosure of non-cash investing activities:		
Investments acquired through the contribution of other investments and assets	\$ 2,871	\$ 718

See notes to interim condensed consolidated financial statements

FRMO CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)
(in thousands, except per share data)

Note 1. Nature of Business and Basis of Presentation

FRMO Corporation ("FRMO" or the "Company") was incorporated in 1993 under the laws of the State of Delaware. In January 2001, FRMO spun off its operations in a transaction accounted for as a reverse pooling of interests. FRMO Corp. is an intellectual capital firm that provides consulting and advisory services in the asset management sector and engages in the mining of digital assets.

The interim condensed consolidated financial statements include the accounts of FRMO Corporation and its controlled subsidiaries (collectively referred to as the "Company"). As of February 28, 2026 and May 31, 2025, the Company held a 21.77% and 21.82% equity interest in Horizon Kinetics Hard Assets LLC ("HKHA"), a company formed by Horizon Kinetics Holding Corporation ("HKHC") or ("Horizon") and certain officers, principal stockholders and directors of the Company. The Company owns 4.42% of HKHC and earns substantially all of its advisory fees from HKHC (see Note 4 – Investments). Due to the common control and ownership between HKHA and the Company's principal stockholders and directors, HKHA has been consolidated within the Company's financial statements (see Note 12 – Variable Interest Entities). The noncontrolling interest of 78.23% and 78.18% in HKHA has been eliminated from results of operations for the periods ended February 28, 2026 and 2025. Total stockholders' equity includes, as a separate item, the amount attributable to the noncontrolling interests. The Company maintains its corporate office in White Plains, New York.

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. The principles for interim condensed financial information do not require the inclusion of all the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements as of and for the year ended May 31, 2025 and notes thereto. The accompanying interim condensed consolidated financial statements in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the Company's interim financial position and results of operations. The results of operations for the three and nine months ended February 28, 2026 may not be indicative of the results that may be expected for the year ending May 31, 2026.

Note 2. Summary of Significant Accounting Policies

Reclassifications

The Company has reclassified certain prior period amounts to conform to the current year presentation, including the reclassification of certain assets that are not expected to be realized in cash, sold, or consumed within one year, and certain other income or expense items that better align with the Company's primary operations.

Segment Information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), in deciding how to allocate resources and assess performance. The Company's CODM group is composed of the Chief Executive Officer and Chief Financial Officer. The Company operates as one operating segment and evaluates segment performance based on several factors, including income from operations before the provision for income taxes.

Subsequent Events

The Company has evaluated all subsequent events from the date of the interim condensed consolidated balance sheets through April 14, 2026, which represents the date these interim condensed consolidated financial statements are available to be issued.

Note 3. Adoption of New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which expands the disclosures required in an entity's income tax rate reconciliation table and requires disclosure of income taxes paid in both U.S. and foreign jurisdictions. The amendments are effective for fiscal years beginning after December 15, 2024, with early adoption permitted, to be applied on a prospective basis, with retrospective application permitted. These requirements will impact our income tax disclosures and we are currently evaluating the impact of adoption.

In November 2024, the FASB issued ASU 2024-03, Income Statement (Topic 220): Reporting Comprehensive Income - Expense Disaggregation Disclosures, which requires an entity to disclose on an annual and interim basis, disaggregated information about specific income statement expense categories. The guidance should be applied prospectively with the option to apply the standard retrospectively. This ASU is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and disclosures.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (“ASU 2025-11”) which is intended to improve the navigability of the guidance in ASC 270, Interim Reporting, and clarify when it applies. Under the amendments, an entity is subject to ASC 270 if it provides interim financial statements and notes in accordance with GAAP. ASU 2025-11 also addresses the form and content of such financial statements, interim disclosures requirements, and establishes a principle under which an entity must disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, and early adoption is permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and disclosures.

Note 4. Investments

Limited Partnerships and Equity Investments

The Company's investments in limited partnerships and equity investments consist of the following as of February 28, 2026 and May 31, 2025:

	February 28, 2026		
	Cost or (Proceeds)	Net Unrealized Gains	Fair Value
Equity securities	<u>\$ 96,098</u>	<u>\$ 478,104</u>	<u>\$ 574,202</u>
Investments in limited partnerships and other equity investments:			
Investments in limited partnerships:			
South LaSalle Partners, LP	<u>\$ 5,518</u>	<u>\$ 20,769</u>	<u>\$ 26,287</u>
Investments in managed funds:			
Horizon Multi-Strategy Fund, LP	24,109	62,697	86,806
CDK Partners, LP	1,945	12,226	14,171
Polestar Fund, LP	17,671	80,570	98,241
Multi-Disciplinary Fund, LP	672	828	1,500
Kinetics Institutional Partners, LP	10	64	74
Shepherd I, LP	20	50	70
Other	44	1,125	1,169
Total investments in managed funds	<u>44,471</u>	<u>157,560</u>	<u>202,031</u>
Investment in Winland Holdings Corporation, 2,262 shares	<u>4,765</u>	<u>777</u>	<u>5,542</u>
Total investments in limited partnership and other equity investments	<u>\$ 54,754</u>	<u>\$ 179,106</u>	<u>\$ 233,860</u>
Securities sold, not yet purchased (liability)	<u>\$ (10,898)</u>	<u>\$ 10,181</u>	<u>\$ (717)</u>

	May 31, 2025		
	Cost or (Proceeds)	Net Unrealized Gains	Fair Value
Equity securities	\$ 95,731	\$ 312,822	\$ 408,553
Investments in limited partnerships and other equity investments:			
Investments in limited partnerships:			
South LaSalle Partners, LP	\$ 5,531	\$ 9,062	\$ 14,593
Investments in managed funds:			
Horizon Multi-Strategy Fund, LP	21,927	59,831	81,758
CDK Partners, LP	1,919	11,589	13,508
Polestar Fund, LP	17,410	62,373	79,783
Multi-Disciplinary Fund, LP	662	747	1,409
Kinetics Institutional Partners, LP	10	53	63
Shepherd I, LP	16	50	66
Other	41	856	897
Total investments in managed funds	41,985	135,499	177,484
Investment in Winland Holdings Corporation, 2,011 shares	3,666	5,785	9,451
Total investments in limited partnership and other equity investments	\$ 51,182	\$ 150,346	\$ 201,528
Securities sold, not yet purchased (liability)	\$ (11,059)	\$ 9,752	\$ (1,307)

Investments in Unconsolidated Entities

Investment in Securities Exchanges

Investments in securities exchanges consist of the following as of February 28, 2026 and May 31, 2025:

	February 28, 2026	May 31, 2025
Miami International Holdings, Inc., at fair value	\$ 13,917	\$ 7,704
CNSX Markets, Inc., at cost	243	243
Total securities exchanges	\$ 14,160	\$ 7,947

The Company elected to account for its investment in Miami International Holdings, Inc. (“MIH”) under the fair value method of accounting. On August 15, 2025, MIH completed an initial public offering (“the IPO”). All shareholders of MIH prior to the IPO (including the Company) were required to enter into lockup agreements that restrict sales for a period of six months following the IPO.

Other Investments

The following are the Company’s other investments as of February 28, 2026 and May 31, 2025:

	February 28, 2026	May 31, 2025
Synteq Digital Repairs and Hosting, LLC ⁽¹⁾ , at cost	\$ 1,843	\$ -
Consensus Mining & Seigniorage Corporation, at fair value as of February 28, 2026 ⁽²⁾	742	393
Digital Currency Group, Inc., at cost	76	76
Total other investments	\$ 2,661	\$ 469

- (1) On February 9, 2026, the Company received shares of Synteq Digital Repairs and Hosting, LLC (“Synteq”) related to the sale of certain assets from related parties as well as land and property owned in North Carolina. Total non-cash consideration received from the transaction was \$1,843 in common stock of Synteq.
- (2) On May 13, 2025, Consensus Mining and Seigniorage Corporation (“CMSG”) was qualified to trade on the OTC Markets. (“OTCQX”), and on July 28, 2025, CMSG began trading on the OTCQX. As of July 28, 2025, the Company elected to account for its investment in CMSG under the fair value method of accounting.

Concentration

The following are the approximate amounts of the Company’s investments in equity securities and digital asset funds held directly and indirectly, through its various investments in managed funds, amounting to greater than 10% of stockholders’ equity attributable to the Company (“Equity”). None of the Company’s other direct or indirect investments were greater than 10% of Equity as of February 28, 2026 and May 31, 2025.

<u>Investment</u>	<u>February 28, 2026</u>		<u>May 31, 2025</u>	
	<u>Amount</u>	<u>Percent of Equity</u>	<u>Amount</u>	<u>Percent of Equity</u>
Investment A	\$ 308,984	82.0%	\$ 217,782	68.2%
Investment B	\$ 33,426	8.9%	\$ 53,327	16.7%

The following are the approximate amounts of investments included in the Company’s investments in equity securities, and investments in limited partnerships and other equity investments (together, “Investments”) held directly and indirectly, through its various investments in managed funds, amounting to greater than 10% of Investments. None of the Company’s other direct or indirect investments were greater than 10% of Investments as of February 28, 2026 and May 31, 2025.

<u>Investment</u>	<u>February 28, 2026</u>		<u>May 31, 2025</u>	
	<u>Amount</u>	<u>Percent of Investments</u>	<u>Amount</u>	<u>Percent of Investments</u>
Investment A				
Equity securities	\$ 558,889	97.3%	\$ 395,807	96.9%
Investments in limited partnerships and other equity investments	\$ 147,264	63.0%	\$ 103,059	51.1%
Investment B				
Investments in limited partnerships and other equity investments	\$ 32,968	14.1%	\$ 52,571	26.1%

The following are the approximate amounts of investments included in the Company’s unrealized gains (losses) from equity securities amounting to greater than 10% of unrealized gains (losses) from equity securities. None of the Company’s other investments were greater than 10% of unrealized gains (losses) from equity securities for the three and nine months ended February 28, 2026 and 2025.

<u>Investment</u>	<u>Three Months Ended February 28,</u>				<u>Nine Months Ended February 28,</u>			
	<u>2026</u>		<u>2025</u>		<u>2026</u>		<u>2025</u>	
	<u>Amount</u>	<u>Percent of Unrealized Gains</u>	<u>Amount</u>	<u>Percent of Unrealized Gains</u>	<u>Amount</u>	<u>Percent of Unrealized Gains</u>	<u>Amount</u>	<u>Percent of Unrealized Gains</u>
Investment A	\$ 251,777	100.1%	\$ (59,427)	99.2%	\$ 163,043	95.1%	\$ 280,827	99.3%

Note 5. Digital Assets

The Company’s holdings in digital assets consist of the following as of February 28, 2026 and May 31, 2025:

February 28, 2026				
	Units	Cost	Net Unrealized Gains	Fair Value
Bitcoin	159.3	\$ 4,024	\$ 6,652	\$ 10,676
Other digital assets		306	(71)	235
Total		<u>\$ 4,330</u>	<u>\$ 6,581</u>	<u>\$ 10,911</u>

May 31, 2025				
	Units	Cost	Net Unrealized Gains	Fair Value
Bitcoin	159.0	\$ 3,977	\$ 12,657	\$ 16,634
Other digital assets		305	10	315
Total		<u>\$ 4,282</u>	<u>\$ 12,667</u>	<u>\$ 16,949</u>

Note 6. Fair Value Measurements

In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value (“NAV”) per share or its equivalent practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets.

In accordance with the fair value accounting requirements, companies may choose to measure eligible financial instruments and certain other items at fair value. The Company has elected the fair value option for its investments on an investment-by-investment basis at the time each investment is initially recognized in the financial statements or upon an event that gives rise to a new basis of accounting for these items. The Company has elected the fair value option for its investment in Winland Holdings Corporation.

The Company values certain of its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidance emphasizes that fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, accounting guidance establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1 Unadjusted quoted prices in active markets for identical instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgment.

Level 2 Valuations based on quoted prices for similar or identical instruments in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The fair value hierarchy guidance gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of February 28, 2026 and May 31, 2025, and indicates the fair value hierarchy the Company utilized to determine such fair values.

February 28, 2026					
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV as a practical expedient</u>
Money market cash equivalents	\$ 44,520	\$ 44,520	\$ -	\$ -	\$ -
Investments:					
Equity securities	\$ 574,202	\$ 574,202	\$ -	\$ -	\$ -
Digital assets	10,911	10,911	-	-	-
Investment in Horizon Kinetics Holding Corporation	27,187	27,187	-	-	-
Miami International Holdings, Inc.	13,917	13,917	-	-	-
Consensus Mining & Seigniorage Corporation	742	742	-	-	-
Limited partnerships and other equity instruments	233,860	5,542	-	-	228,318
Total investments	<u>\$ 860,819</u>	<u>\$ 632,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,318</u>
Liabilities:					
Securities sold, not yet purchased	\$ 717	\$ 717	\$ -	\$ -	\$ -
Total liabilities	<u>\$ 717</u>	<u>\$ 717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
May 31, 2025					
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV as a practical expedient</u>
Money market cash equivalents	\$ 43,514	\$ 43,514	\$ -	\$ -	\$ -
Investments:					
Equity securities	\$ 408,553	\$ 408,553	\$ -	\$ -	\$ -
Digital assets	16,949	16,949	-	-	-
Investment in Horizon Kinetics Holding Corporation	20,439	20,439	-	-	-
Limited partnerships and other equity instruments	201,529	9,451	-	-	192,078
Total investments	<u>\$ 647,470</u>	<u>\$ 455,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,078</u>
Liabilities:					
Securities sold, not yet purchased	\$ 1,307	\$ 1,307	\$ -	\$ -	\$ -
Total liabilities	<u>\$ 1,307</u>	<u>\$ 1,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 7. Income Taxes

The Company files a consolidated federal income tax return and a combined state/city tax return with its wholly-owned subsidiary, Fromex Equities Corp. HKHA, which is included in consolidated net income (loss) before taxes, is a pass-through entity subject to K-1 reporting and is not included in the Company's consolidated income tax return. Pass-through income allocated to the Company is based on the Company's ownership percentage as of February 28, 2026 and May 31, 2025, which was 21.77% and 21.82%, respectively. Income tax attributable to the remaining noncontrolling interest of 78.23% and 78.18% represents a permanent difference related to "consolidation of noncontrolling interests" in the reconciliation table below of federal statutory rate to effective tax rate.

The Company records adjustments related to prior years' taxes during the period when they are identified, generally when the tax returns are filed. The effect of these adjustments on the current and prior periods (during which the

differences originated) is evaluated based upon quantitative and qualitative factors and are considered in relation to the interim condensed consolidated financial statements taken as a whole for the respective periods.

The (benefit from) provision for income taxes is comprised of the following:

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2026	2025	2026	2025
Current:				
Federal	\$ 521	\$ 4	\$ 2,137	\$ 971
State and city	573	33	1,951	966
Total current	1,094	37	4,088	1,937
Deferred:				
Federal	21,622	(7,191)	14,289	30,731
State and city	21,313	(6,340)	14,848	27,095
Total deferred	42,935	(13,531)	29,137	57,826
Total provision (benefit) for income taxes:				
Federal	22,143	(7,187)	16,426	31,702
State and city	21,886	(6,307)	16,799	28,061
Total provision (benefit) for income taxes	\$ 44,029	\$ (13,494)	\$ 33,225	\$ 59,763

The provision for income taxes includes estimated amounts for income and loss items derived from pass through entities. The actual amounts are determined upon completion of the Company's tax return and may differ from the amounts presented above due to the variable nature of these items.

Deferred tax assets and liabilities are determined using the enacted tax rates applicable to the period the temporary differences are expected to be recovered. The net deferred income taxes on the balance sheets reflect temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and income tax purposes, tax effected at a various rates depending on whether the temporary differences are subject to federal taxes, state and city taxes, or both.

The tax effects of temporary differences which give rise to the deferred tax liability consist of the following as of February 28, 2026 and May 31, 2025:

	February 28, 2026	May 31, 2025
Investments in limited partnerships	\$ (13)	\$ 164
Investments in unconsolidated limited liability companies	3,915	1,618
Deferral of gain from like-kind exchange	3,393	3,351
Unrealized gain from equity securities, digital assets, and investments in managed funds	115,293	88,318
Net deferred tax liability	\$ 122,588	\$ 93,451

The Company's effective income tax rate is dependent on many factors, including the realization of investment income from equity securities, digital assets, and investments in limited partnerships and other equity instruments. Additionally, the Company's effective tax rate is influenced by the estimated nature and amounts of income and expenses allocated to non-controlling interests without being subject to federal, state and local income taxes at the corporate level, and other state apportionment factors. For the three and nine months ended February 28, 2026 and 2025, the Company recorded its interim income tax provision utilizing the estimated annual effective tax rate and estimated amounts related to the value of deferred taxes, which can be impacted by state apportionment factors.

Note 8. Mortgage Payable

On February 9, 2026, the Company entered into a real estate purchase agreement related to the property in North Carolina. The Company sold all land and property owned in North Carolina in exchange for cash and common stock of the buyer of \$1,625. Cash proceeds received from the buyer equaled the amount of the outstanding balance of the mortgage and were utilized immediately to pay the mortgage in full. The Company also received non-cash consideration of the buyer's common stock, equal to the purchase price less the amount of cash consideration related to the mortgage repayment. The difference between the purchase price of \$1,625 and the carrying value of the property of \$954 at the date of the agreement was recorded as a gain on sale of long-lived assets of \$671.

On November 8, 2019, the Company acquired a building located in North Carolina to be used in certain business operations for \$1,050. The building was purchased subject to an \$800 mortgage with a 3.9% interest rate and a balloon payment of \$655 due on the maturity date of November 6, 2024. The mortgage was extended through November 6, 2029 with a 7.45% interest rate and a balloon payment of \$522 due on the maturity date. The mortgage was also collateralized by an assignment of all rents received from the building. The building was rented to a related party, subject to a lease-free month to month rental of \$11 per month, which concluded when the Company entered into the real estate purchase agreement.

Note 9. Earnings per Share

Basic and diluted earnings per common share is calculated by dividing net income allocated to common stock by the weighted average common shares outstanding during the period. The weighted average number of shares of common stock used in the calculation of diluted earnings per share is adjusted for the dilutive effects of potential common shares including the assumed exercise of vested stock options based on the treasury stock method. Assumed exercise or conversion of potential common shares is only when the weighted average market price for the period exceeds the exercise price and the conversion price, and that the entity records earnings from continuing operations, as the inclusion of such adjustments would otherwise be anti-dilutive to earnings per share from continuing operations.

Potential common shares consist of unexercised stock options of 74 and 73 for the nine months ended February 28, 2026 and 2025, respectively.

As of February 28, 2026 and May 31, 2025 there were 46 and 24 vested options, respectively, with an exercise price below the weighted average market price of the Company's common stock during the period.

The reconciliation of the weighted average number of common shares used in the calculation of basic and diluted earnings per common share follows for the three and nine months ended February 28, 2026 and 2025:

	<u>Three Months Ended February 28,</u>		<u>Nine Months Ended February 28,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Weighted average common shares outstanding	44,023	44,023	44,023	44,023
Effect of dilutive securities, common share equivalents:				
Exercise of stock options	<u>3</u>	<u>-</u>	<u>5</u>	<u>7</u>
Dilutive potential common share equivalents	<u>44,026</u>	<u>44,023</u>	<u>44,028</u>	<u>44,030</u>

Note 10. Stockholders' Equity

Redeemable Preferred Stock

The number of authorized Series R preferred shares is 5,000 with a par value of \$.001 per share. These shares are each convertible to 1,000 shares of the Company's common stock at the option of either the Company or the holder. There were no shares of preferred stock outstanding as of February 28, 2026 and May 31, 2025.

Stock Options

A summary of option activity as of and for the nine months ended February 28, 2026 is as follows:

	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at June 1, 2025	73	\$ 8.12	3.75	\$ 52
Granted	9	\$ 8.70	6.86	
Exercised	-	\$ -	-	
Expired	(8)	\$ 7.90	-	
Outstanding at February 28, 2026	<u>74</u>	<u>\$ 8.21</u>	<u>4.06</u>	<u>\$ 31</u>
Vested and exercisable at February 28, 2026	<u>74</u>	<u>\$ 8.21</u>	<u>4.06</u>	<u>\$ 31</u>

All stock options were vested as of February 28, 2026 and May 31, 2025.

The aggregate intrinsic value of options outstanding and options exercisable at February 28, 2026 and May 31, 2025 is calculated as the difference between the exercise price of the underlying options and the market price of FRMO's common stock for the shares that had exercise prices that were lower than the \$8.00 and \$8.41 closing price of FRMO's common stock on February 28, 2026 and May 31, 2025, respectively.

As of February 28, 2026, there was no unrecognized compensation cost related to unvested options.

Note 11. Commitments and Contingencies

The Company and the companies in which it holds ownership interests may be involved in various claims and legal actions in the ordinary course of business. Currently there are no material pending claims or legal actions against the Company or the companies in which it holds ownership interests. The Company records the costs associated with legal fees as such services are rendered.

Note 12. Variable Interest Entities

In addition to its wholly-owned subsidiaries, GAAP requires that the assets, liabilities and results of operations of a variable interest entity ("VIE") be consolidated into the financial statements of the enterprise that has a controlling interest in the VIE.

Due to the common control and ownership between HKHA and the Company's principal stockholders and directors, the Company determined HKHA to be a VIE. The Company concluded that it is the primary beneficiary as substantially all of the activities of the fund are currently conducted on behalf of the Company.

The assets and liabilities of HKHA presented on the accompanying Condensed Consolidated Balance Sheets consist of:

	February 28, 2026	May 31, 2025
Assets of variable interest entities:		
Cash and cash equivalents	\$ 11,575	\$ 10,109
Equity securities, at fair value	520,553	368,415
Total	<u>\$ 532,128</u>	<u>\$ 378,524</u>
Liabilities of variable interest entities:		
Accounts payable and accrued expenses	\$ 8	\$ 9
Total	<u>\$ 8</u>	<u>\$ 9</u>

The following condensed financial information of HKHA presented on the accompanying Condensed Consolidated Statements of Operations consist of:

	<u>Three Months Ended February 28,</u>		<u>Nine Months Ended February 28,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Operating expenses:				
General and administrative expenses	\$ 7	\$ 9	\$ 24	\$ 21
Other income (expense)				
Dividends and interest income, net	677	811	1,972	4,952
Net realized gains (losses) from investments	96	29	333	29
Unrealized (losses) gains from equity securities	231,350	(54,601)	150,670	257,327
Total other income (expense), net	232,123	(53,761)	152,975	262,308
Income (loss) from operations before provision for income taxes	232,116	(53,770)	152,951	262,287
Income tax (expense) benefit	-	-	-	-
Net income (loss)	<u>\$ 232,116</u>	<u>\$ (53,770)</u>	<u>\$ 152,951</u>	<u>\$ 262,287</u>