

FRMO Corp. Completes Restatement of Previously Issued Financial Statements

WHITE PLAINS, N.Y. — February 26, 2026

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today announced the filing of its restated financial statements for the fiscal years ending May 31, 2025 and 2024 and the financial information for each of the interim periods included within those years, and the Company’s quarterly financial statements as of and for the three months ended August 31, 2025 (the “Affected Periods”).

The Company also plans to file its quarterly report as of and for the three and six months ended November 30, 2025 on February 26, 2026, which will bring the Company back into compliance with the OTC Markets Group’s (“OTC”) annual and quarterly filing requirements. The Company anticipates that it will file its quarterly report for the three and nine months ended February 28, 2026 no later than 45 days after the end of the fiscal quarter, in accordance with the OTC’s quarterly reporting obligations.

“Completing this restatement, which brings the Company back into full compliance with reporting and listing requirements, marks an important milestone in our ongoing work to enhance stakeholder confidence,” said Murray Stahl, Chief Executive Officer of FRMO. “Looking ahead, our focus is a continued commitment to execution and maintaining the highest standards of compliance. With the restatement behind us, we believe the company is well positioned as we enter our next phase of growth.”

The Company determined that a restatement was required to correct the valuation of deferred tax liabilities and the provision for income taxes in the Company’s financial statements. The restatements did not change cash and cash equivalents, total assets, net income or loss from operations before the provision of income taxes, cash paid for income taxes, or cash flows from operations. The following tables present the restatements of the provision for income taxes and the deferred tax liability for each quarterly reporting date in each of the Affected Periods.

Provision for (benefit from) income taxes
(in thousands)

	As Previously Reported (Unaudited)	Restatement Adjustments (Unaudited)	As Restated (Unaudited)
Year ended May 31, 2023	\$ (3,223)	\$ 7,758	\$ 4,535
Three months ended August 31, 2023	\$ 8,294	\$ 4,977	\$ 13,271
Three months ended November 30, 2023	1,642	472	2,114
Three months ended February 29, 2024	3,743	1,810	5,553
Three months ended May 31, 2024	<u>4,742</u>	<u>2,974</u>	<u>7,716</u>
Year ended May 31, 2024	\$ 18,421	\$ 10,233	\$ 28,654
Three months ended August 31, 2024	\$ 10,489	\$ 5,076	\$ 15,565
Three months ended November 30, 2024	36,403	21,289	57,692
Three months ended February 28, 2025	(8,495)	(4,999)	(13,494)
Three months ended May 31, 2025	<u>(9,819)</u>	<u>(5,924)</u>	<u>(15,743)</u>
Year ended May 31, 2023	\$ 28,578	\$ 15,442	\$ 44,020
Three months ended August 31, 2025	\$ (1,763)	\$ (2,428)	\$ (4,191)

Deferred Tax Liability
(in thousands)

	As Previously Reported (Unaudited)	Restatement Adjustments (Unaudited)	As Restated (Unaudited)
As of May 31, 2023	\$ 16,004	\$ 7,758	\$ 23,762
As of August 31, 2023	\$ 24,498	\$ 12,735	\$ 37,233
As of November 30, 2023	25,304	13,207	38,511
As of February 29, 2024	28,393	15,017	43,410
As of May 31, 2024	\$ 33,669	\$ 17,991	\$ 51,660
As of August 31, 2024	\$ 42,330	\$ 23,068	\$ 65,398
As of November 30, 2024	78,661	44,356	123,017
As of February 28, 2025	70,129	39,357	109,486
As of May 31, 2025	\$ 60,618	\$ 33,433	\$ 94,051
As of August 31, 2025	\$ 55,875	\$ 31,005	\$ 86,880

(Components may not sum due to rounding)

Condensed Consolidated Balance Sheets
(in thousands)

	May 31, 2025	May 31, 2024
	As Restated	As Restated
Assets		
Current Assets:		
Cash and cash equivalents	\$ 43,864	\$ 39,190
Equity securities, at fair value	408,553	221,682
Digital assets, at fair value	16,949	10,979
Other current assets	2,441	4,252
Total Current Assets	<u>471,807</u>	<u>276,102</u>
Investment in limited partnerships and other equity investments, at fair value	201,529	127,579
Investments in securities exchanges	7,947	6,463
Other assets	1,483	1,609
Investment in Horizon Kinetics Holding Corporation (formerly Horizon Kinetics LLC at May 31, 2024)	20,439	17,205
Investment in Horizon Kinetics Holding Corporation (formerly Horizon Kinetics LLC at May 31, 2024) royalty participation	10,199	10,200
Total Assets	<u>\$ 713,404</u>	<u>\$ 439,159</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Securities sold, not yet purchased	\$ 1,307	\$ 951
Other current liabilities	268	1,258
Total Current Liabilities	<u>1,575</u>	<u>2,209</u>
Deferred Tax Liability	93,451	51,660
Mortgage payable	622	-
Total Liabilities	<u>95,648</u>	<u>53,869</u>
Stockholders' Equity:		
Stockholders' Equity Attributable to the Company	319,551	224,145
Noncontrolling interests	298,205	161,145
Total Stockholders' Equity	<u>617,756</u>	<u>385,290</u>
Total Liabilities and Stockholders' Equity	<u>\$ 713,404</u>	<u>\$ 439,159</u>

(Components may not sum to totals due to rounding)

Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

	Three Months Ended		Years Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
	As Restated (Unaudited)		As Restated	
Revenue:				
Fees	\$ 975	\$ 709	\$ 4,823	\$ 2,715
Equity earnings from limited partnerships and limited liability companies	2,470	2,188	11,746	5,044
Unrealized (losses) gains from investments	(17,735)	12,410	64,113	53,935
Other	1,073	1,193	7,736	4,275
Total revenue before unrealized gains (losses) from equity securities and digital assets	(13,218)	16,500	88,418	65,969
Unrealized (losses) gains from equity securities	(113,848)	32,655	169,065	66,186
Unrealized gains from digital assets	3,163	1,001	5,878	6,272
Total Revenue	(123,904)	50,156	263,362	138,427
Total Expenses	240	332	1,504	1,556
(Loss) Income from Operations before Provision for Income Taxes	(124,144)	49,824	261,858	136,871
(Benefit from) Provision for Income Taxes	(15,742)	14,976	44,021	28,654
Net (Loss) Income	(108,403)	34,848	217,837	108,217
Less net (loss) income attributable to noncontrolling interests	(79,167)	22,545	125,731	45,893
Net (Loss) Income Attributable to FRMO Corporation	\$ (29,235)	\$ 12,304	\$ 92,106	\$ 62,325
Diluted (Loss) Net Income per Common Share	\$ (0.66)	\$ 0.28	\$ 2.09	\$ 1.42
Weighted Average Common Shares Outstanding				
Basic	44,022,781	44,022,781	44,022,781	44,022,781
Diluted	44,022,781	44,027,031	44,029,929	44,026,529

(Components may not sum to totals due to rounding)

Condensed Consolidated Balance Sheets
(in thousands)

	August 31, 2025	May 31, 2025
	As Restated (Unaudited)	As Restated
Assets		
Current Assets:		
Cash and cash equivalents	\$ 45,021	\$ 43,864
Equity securities, at fair value	345,510	408,553
Digital assets, at fair value	17,663	16,949
Other current assets	<u>1,184</u>	<u>2,441</u>
Total Current Assets	409,377	471,807
Investment in limited partnerships and other equity investments, at fair value	195,385	201,529
Investments in securities exchanges	12,520	7,947
Other assets	1,688	1,483
Investment in Horizon Kinetics Holding Corporation	19,929	20,439
Horizon Kinetics Holding Corporation royalty participation	<u>10,200</u>	<u>10,200</u>
Total Assets	<u>\$ 649,100</u>	<u>\$ 713,404</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Securities sold, not yet purchased	\$ 941	\$ 1,307
Other current liabilities	<u>1,301</u>	<u>268</u>
Total Current Liabilities	2,242	1,575
Deferred Tax Liability	86,880	93,451
Mortgage payable	<u>615</u>	<u>622</u>
Total Liabilities	<u>89,736</u>	<u>95,648</u>
Stockholders' Equity:		
Stockholders' Equity Attributable to the Company	306,151	319,551
Noncontrolling interests	<u>253,213</u>	<u>298,205</u>
Total Stockholders' Equity	<u>559,364</u>	<u>617,756</u>
Total Liabilities and Stockholders' Equity	<u>\$ 649,100</u>	<u>\$ 713,404</u>

(Components may not sum to totals due to rounding)

Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

	Three Months Ended	
	August 31,	August 31,
	2025	2024
	As Restated (Unaudited)	
Revenue:		
Fees	\$ 923	\$ 737
Equity earnings from limited partnerships and limited liability companies	463	2,556
Unrealized (losses) gains from investments	(7,484)	16,399
Other	1,153	4,457
Total revenue before unrealized gains (losses) from equity securities and digital assets	(4,945)	24,150
Unrealized (losses) gains from equity securities	(58,061)	88,435
Unrealized gains from digital assets	694	(1,422)
Total Revenue	(62,313)	111,163
Total Expenses	372	418
(Loss) Income from Operations before Provision for Income Taxes	(62,684)	110,744
(Benefit from) Provision for Income Taxes	(4,192)	15,565
Net (Loss) Income	(58,493)	95,179
Less net (loss) income attributable to noncontrolling interests	(45,063)	65,769
Net (Loss) Income Attributable to FRMO Corporation	\$ (13,430)	\$ 29,411
Diluted (Loss) Net Income per Common Share	\$ (0.31)	\$ 0.67
Weighted Average Common Shares Outstanding		
Basic	44,022,781	44,022,781
Diluted	44,022,781	44,027,112

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About FRMO Corp.

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.

For more information, visit our website at www.frmocorp.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995 – With the exception of historical information, the matters discussed in this press release are forward-looking statements that involve a number of risks and uncertainties. Words like “believe,” “expect” and “anticipate” mean that these are our best estimates as of this writing, but that there can be no assurances that expected or anticipated results or events will actually take place, so our actual future results could differ significantly from those statements. Factors that could cause or contribute to such differences include, but are not limited to: our ability to maintain our competitive advantages, the general economics of the financial industry, our ability to finance growth, our ability to identify and close acquisitions on terms favorable to the Company, and a sustainable market.

Further information on our risk factors is contained in our quarterly and annual reports as filed on our website www.frmocorp.com and on www.otcmarkets.com/stock/FRMO/filings.

Contact

Thérèse Byars

Corporate Secretary

Email: tbyars@frmocorp.com

Telephone: 646-495-7337

www.frmocorp.com