

FRNT Financial Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise indicated)

(Unaudited)

Notice to Reader

Under National Instrument 51-102 Continuous Disclosure Obligations, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and were not reviewed by FRNT Financial Inc.'s independent auditor.

FRNT Financial Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars, unless otherwise indicated)

(Unaudited)

	Notes	December 31, 2025	June 30, 2025
ASSETS			
Current assets			
Cash		\$ 202,773	\$ 399,519
Trade and other receivables	5	188,150	180,565
Prepaid expenses and deposits	6	92,934	66,945
Investments	7	2,091,876	1,979,437
Digital assets – Bitcoin	9	531,459	-
		<u>3,107,192</u>	<u>2,626,466</u>
Deposits	6	27,933	-
Investments	7	137,480	229,676
Equipment	8	7,589	10,206
Right-of-use asset	10	291,252	33,626
Total assets		\$ 3,571,446	\$ 2,899,974
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	14	\$ 240,911	\$ 334,826
Lease liability	11	61,566	23,096
		<u>302,477</u>	<u>357,922</u>
Lease liability	11	243,948	-
Total liabilities		546,425	357,922
SHAREHOLDERS' EQUITY			
Share capital	12(a)	13,440,402	11,565,336
Stock option reserve	12(b)	4,010,895	3,931,154
Warrant reserve	12(c)	301,975	284,858
Accumulated other comprehensive income		373	1,010
Accumulated deficit		(14,728,624)	(13,240,306)
Total shareholders' equity		3,025,021	2,542,052
Total liabilities and shareholders' equity		\$ 3,571,446	\$ 2,899,974

Nature of operations 1

APPROVED BY THE BOARD OF DIRECTORS:Stéphane Ouellette

Director

Adam Rabie

Director

The accompanying notes are an integral part of these consolidated financial statements.

FRNT Financial Inc.

Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss

For the three and six months ended December 31, 2025, and 2024

(Expressed in Canadian dollars, unless otherwise indicated)

(Unaudited)

		Three months ended December		Six months ended December 31,	
	Notes	2025	31, 2024	2025	2024
Revenue					
Capital markets	17	\$ 101,772	\$ 33,559	\$ 153,386	\$ 215,807
Consulting and advisory		160,398	-	331,125	26,228
		262,170	33,559	484,511	242,035
Operating expenses					
Depreciation	8,10	19,661	22,594	40,855	45,727
General and administrative	13	126,220	171,975	267,286	312,506
Investor relations		124,195	22,631	220,005	46,881
Referral fees		-	-	10,945	-
Professional fees	13,14	535,062	458,103	949,880	950,052
Salaries and wages	14	175,029	299,527	457,603	565,240
Share-based payments	12(b)(c), 14	32,818	112,231	79,741	237,526
		1,012,985	1,087,061	2,026,315	2,157,932
Loss before the undernoted		(750,815)	(1,053,502)	(1,541,804)	(1,915,897)
Other income (expenses)					
Fair value gain on investments	7	12,011	477,233	174,023	535,972
Loss on revaluation of digital assets - Bitcoin	9	(163,019)	-	(167,231)	-
Interest expense	11	(5,272)	(1,176)	(7,445)	(1,668)
Foreign exchange		(4,597)	30,739	(4,141)	21,983
SR&ED tax credits	5	58,280	50,058	58,280	50,058
		(102,597)	556,854	53,486	606,345
Net loss		(853,412)	(496,648)	(1,488,318)	(1,309,552)
Other comprehensive loss					
Items that may be subsequently reclassified to profit or loss:					
Cumulative translation adjustment		(9,001)	(1,081)	(637)	1,229
Net loss and comprehensive loss		\$ (862,413)	\$ (497,729)	\$ (1,488,955)	\$ (1,308,323)
Loss per share – Basic and diluted		\$ (0.020)	\$ (0.013)	\$ (0.036)	\$ (0.035)
Weighted average shares outstanding					
– Basic and diluted		42,545,904	37,243,585	41,703,513	37,234,629

The accompanying notes are an integral part of these consolidated financial statements.

FRNT Financial Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the six months ended December 31, 2025, and 2024

(Expressed in Canadian dollars, unless otherwise indicated)

(Unaudited)

	Number of common shares	Share capital	Stock option reserve	Warrant reserve	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
Balance, June 30, 2024	37,219,329	\$ 11,565,336	\$ 3,524,891	\$ 284,858	\$ (1,670)	\$ (10,328,073)	\$ 5,045,342
Shares issued for options exercised	43,214	-	-	-	-	-	-
Share-based payments	-	-	237,526	-	-	-	237,526
Net loss and comprehensive loss	-	-	-	-	1,229	(1,309,552)	(1,308,323)
Balance, December 31, 2024	37,262,543	11,565,336	3,762,417	284,858	(441)	(11,637,625)	3,974,545
Balance, June 30, 2025	37,545,904	11,565,336	3,931,154	284,858	1,010	(13,240,306)	2,542,052
Shares issued in connection with private placement	5,000,000	2,000,000	-	-	-	-	2,000,000
Share issuance costs - cash	-	(107,817)	-	-	-	-	(107,817)
Share issuance costs - broker warrants	-	(17,117)	-	17,117	-	-	-
Share-based payments	-	-	79,741	-	-	-	79,741
Net loss and comprehensive loss	-	-	-	-	(637)	(1,488,318)	(1,488,955)
Balance, December 31, 2025	42,545,904	\$ 13,440,402	\$ 4,010,895	\$ 301,975	\$ 373	\$ (14,728,624)	\$ 3,025,021

The accompanying notes are an integral part of these consolidated financial statements.

FRNT Financial Inc.

Condensed Interim Consolidated Statements of Cash Flows
For the six months ended December 31, 2025 and 2024
(Expressed in Canadian dollars, unless otherwise indicated)
(Unaudited)

	December 31, 2025	December 31, 2024
Cash flows from operating activities		
Net loss for the year	\$ (1,488,318)	\$ (1,309,552)
Adjustments for non-cash items:		
Fair value gain on investments	(174,023)	(535,972)
Loss on revaluation of digital assets - cryptocurrencies	167,231	-
Share-based payments	79,741	237,526
Depreciation	40,855	45,727
Changes in non-cash working capital items:		
Trade and other receivables	(7,584)	23,265
Prepaid expenses and deposits	(38,352)	81,086
Accounts payable and accrued liabilities	(93,800)	(144,678)
Net cash used in operating activities	(1,514,250)	(1,602,598)
Cash flows from investing activities		
Proceeds on redemption of investments	182,452	1,049,858
Purchase of investments	(28,672)	-
Purchase of Digital Assets - Bitcoin	(700,000)	-
Net cash (used in) provided by investing activities	(546,220)	1,049,858
Cash flows from financing activities		
Proceeds from issuance of shares	2,000,000	-
Share issuance costs	(107,817)	-
Lease liability payments	(29,073)	(27,389)
Net cash provided by (used in) financing activities	1,863,110	(27,389)
Impact of currency translation	614	1,168
Net change in cash	(196,746)	(578,961)
Cash, beginning	399,519	1,552,482
Cash, ending	\$ 202,773	\$ 973,521
Supplemental Cash Flow Disclosures		
Interest received	3,631	2,217
Interest paid	(11,076)	(3,885)

The accompanying notes are an integral part of these consolidated financial statements.

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended December 31, 2025, and 2024

(Expressed in Canadian dollars, unless otherwise indicated)

(Unaudited)

1. NATURE OF OPERATIONS

FRNT Financial Inc. (the “Company”) was incorporated under the Canada Business Corporations Act on April 24, 2018. The Company’s head office and registered records office is located at 49 Wellington Street East, Unit 200, Toronto, Ontario, M5E 1C9. The Company is a financial technology company that provides a capital markets trading platform for institutional investors to access alternative trading opportunities.

The Company’s common shares are listed on the TSX Venture Exchange under the trading symbol “FRNT” and on the OTCQB Market under the trading symbol “FRFLF”.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on February 26, 2026.

2. BASIS OF PRESENTATION**a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including International Accounting Standards (“IAS”) 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). They have been prepared in accordance with the same accounting policies and methods of application as the most recent audited financial statements for the year ended June 30, 2025, except that they do not include all the disclosures required for the annual audited financial statements. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the Company for year ended June 30, 2025.

b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments and digital assets measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars.

c) Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Subsidiaries are consolidated from the date on which the Company obtains control over the subsidiary. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled subsidiaries are as follows:

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended December 31, 2025, and 2024

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(Unaudited)

Entity	Principal activities	Country of incorporation	Percentage Owned	
			December 31, 2025	June 30, 2025
FRNT Asset Management Inc.	Financial technology services	Canada	100%	100%
FRNT Financial UK Limited	Financial technology services	United Kingdom	100%	100%
FRNT Financial (Cayman) Limited	Financial technology services	Cayman Islands	100%	100%

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with the accounting policies disclosed in Note 3 of the audited consolidated financial statements for the year ended June 30, 2025. In addition, the Company's accounting policy to account for digital assets is as follows:

Digital assets

Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable nonmonetary assets without physical substance. Cryptocurrencies are initially recorded at cost, and the revaluation method is used to measure the digital assets subsequently at fair value. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. The Company re-values its digital assets at the end of each reporting period. There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. Decreases in fair value that reverse gains previously recorded in other comprehensive income are recorded in other comprehensive income.

Digital assets consisting of cryptocurrency denominated assets are measured at fair value using the quoted price on www.BitGo.com. Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges.

4. MANAGEMENT USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed interim consolidated financial statements, management has made judgments, estimates and assumptions that affect the applicable of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. In preparing these condensed interim consolidated financial statements, the significant estimates and critical judgments were the same as those applied to the annual consolidated financial statements as at and for the year ended June 30, 2025.

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars, unless otherwise indicated)

(Unaudited)

5. TRADE AND OTHER RECEIVABLES

	December 31,		June 30,	
	2025		2025	
Trade receivables	\$	473,874	\$	562,157
Allowance for expected credit loss (Note 16)		(399,600)		(399,600)
Interest receivable		3,613		-
SR&ED receivable		58,280		-
Sales tax receivable		51,983		18,008
	\$	188,150	\$	180,565

During the year ended June 30, 2025, the Company performed an expected credit loss assessment and recorded an allowance of \$109,600 on a balance owing from one customer. Combined with the allowance of \$290,000 recorded during the year ended June 30, 2024, the entire receivable balance owing from the customer of \$399,600 has been allowed for.

6. PREPAID EXPENSES AND DEPOSITS

	December 31,		June 30,	
	2025		2025	
Prepaid expenses	\$	52,605	\$	47,098
Short-term deposits		40,329		19,847
Prepaid expenses and deposits		92,934		66,945
Long-term deposit ⁽¹⁾		27,933		-
	\$	120,867	\$	66,945

(1) Security deposit on the Company's office lease that will be applied to lease payments or returned after the next 12 months are classified as non-current and amounts to \$27,933 (June 30, 2025 - \$Nil).

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited)

7. INVESTMENT

	Paradox Fund (i)	Paradox Fund – SPC (i)	Private Company (ii)	Total
	\$	\$	\$	\$
Balance, June 30, 2024	3,181,519	160,531	102,975	3,445,025
Proceeds on redemption of shares	(1,809,997)	-	-	(1,809,997)
Fair value gain (loss) on investments	607,915	(42,326)	8,496	574,085
Balance, June 30, 2025	1,979,437	118,205	111,471	2,209,113
Additions	695	-	27,977	28,672
Proceeds on redemption of shares	-	(182,452)	-	(182,452)
Fair value gain (loss) on investments	111,744	64,247	(1,968)	174,023
Balance, December 31, 2025	2,091,876	-	137,480	2,229,356
Current	2,091,876	-	-	2,091,876
Non-Current	-	-	137,480	137,480

(i) The Company holds a total investment of 1.09% (being \$1,526,115 USD of total assets under management) (June 30, 2025: 1.49%) interest in the Paradox Fund, a fund registered in the Cayman Islands. The investment is measured at fair value using unobservable inputs (Level 3) (Note 16).

During the year ended June 30, 2023, Paradox decided to sell the fund's holdings and right to claims in FTX, a now-bankrupt crypto exchange. Paradox's directors determined it was in the best interests of the fund to side pocket the realized value of the claim sale in an illiquid share class, denoted by "SPC". The SPC was non-redeemable and classified as a long-term investment until the directors determined that the realized value of the claim sale is free and clear of claw back risk. On December 1, 2025, the Company redeemed its investment in the Paradox Fund SPC and received \$182,452 (\$130,000 USD) which was collected in full during the period ended December 31, 2025. The Company realized a cumulative gain of \$182,452 on this redemption.

During the six months ended December 31, 2025, the change in fair value on the investment resulted in a gain of \$111,744 (2024: \$566,209), and a gain on the SPC of \$64,247 (2024: \$34,526 loss).

(ii) On August 29, 2022, the Company participated in a private placement for an early-stage crypto technology company by investing \$114,755 (75,000 GBP). On March 6, 2023 and August 13, 2025, the Company made an additional investment of \$11,585 (7,065 GBP) and \$27,976 (15,000 GBP).

During the six months ended December 31, 2025, the change in fair value on the investment resulted in a loss of \$1,968 (2024: \$4,288 gain). The fair value of the investment is determined based on the most recently observable market transactions. Management concluded that the most recent financing of this private company is a reasonable indication of the fair value of the investment as at December 31, 2025. The investment has been classified as a long-term investment due to being an investment in a private company and is categorized within Level 2 of the fair value hierarchy.

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Notes to the Condensed Interim Consolidated Financial Statements

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Sensitivity analysis to significant changes in unobservable inputs within the Level 3 hierarchy

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at December 31, 2025 and June 30, 2025 are shown below:

Description	Input	Sensitivity	December 31, 2025	June 30, 2025
Paradox Fund	Net asset value	10%	\$ 209,200	\$ 197,944
Paradox Fund - SPC	Net asset value	10%	\$ -	\$ 11,821

During six months ended December 31, 2025 and the year ended June 30, 2025, there were no transfers into or out of Level 1, Level 2 or Level 3 investments.

8. EQUIPMENT

Cost	Computer equipment	Office equipment	Total
Balance, June 30, 2024	\$ 40,109	\$ 11,979	\$ 52,088
Additions	2,135	-	2,135
Balance, June 30, 2025	42,244	11,979	54,223
Additions	-	-	-
Balance, December 31, 2025	\$ 42,244	\$ 11,979	\$ 54,223

Accumulated Depreciation

Balance, June 30, 2024	\$ 30,813	\$ 3,732	\$ 34,545
Depreciation	7,814	1,658	9,472
Balance, June 30, 2025	38,627	5,390	44,017
Depreciation	1,779	838	2,617
Balance, December 31, 2025	\$ 40,406	\$ 6,228	\$ 46,634

Carrying amounts

At June 30, 2025	\$ 3,617	\$ 6,589	\$ 10,206
Balance, December 31, 2025	\$ 1,838	\$ 5,751	\$ 7,589

9. DIGITAL ASSETS

Details of the Company's holdings of digital assets consisted of:

Cryptocurrency	As at December 31, 2025		As at June 30, 2025	
	Holdings	Fair Value	Holdings	Fair Value
Bitcoin	4.4312	531,459	-	-
		531,459	-	-

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended December 31, 2025, and 2024

(Expressed in Canadian dollars, unless otherwise indicated)

(Unaudited)

Digital assets activities consisted of:

		Bitcoin
Balance, June 30, 2024 and June 30, 2025	\$	-
Additions		700,000
Loss on revaluation of digital assets		(167,231)
Foreign currency translation		(1,310)
Balance, December 31, 2025	\$	531,459

10. RIGHT-OF-USE ASSET

The right-of-use asset was increased by \$295,864 during the period as a result of the office lease amendment entered into on August 25, 2025. For additional information, see Note 11 – Lease Liability.

Cost		Office
Balance, June 30, 2024 and June 30, 2025	\$	322,819
Additions		295,864
Balance, December 31, 2025	\$	618,683

Accumulated Depreciation		
Balance, June 30, 2024	\$	208,487
Depreciation		80,706
Balance, June 30, 2025		289,193
Depreciation		38,238
Balance, December 31, 2025	\$	327,431

Carrying amounts		
At June 30, 2025	\$	33,626
At December 31, 2025	\$	291,252

11. LEASE LIABILITY

The Company entered into a lease agreement for office space commencing on December 1, 2021, for a term of four years, with monthly lease payments of \$7,814.

On August 25, 2025, the Company entered into an amendment agreement with the lessor to extend the lease term by an additional four years, commencing December 1, 2025, and ending November 30, 2029. The Company will receive two months of free rent, followed by monthly lease payments of \$7,991, increasing by 1% after each year. In connection with the amendment, \$15,627 of prepaid rent was reclassified as a security deposit, bringing the total security deposit to \$27,933. The lease liability was remeasured using the Company's incremental borrowing rate of 10%, resulting in an increase of \$311,491. The corresponding right-of-use asset was adjusted by \$295,864, net of the reclassification of prepaid rent.

FRNT Financial Inc.

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(Unaudited)

		Office
Balance, June 30, 2024	\$	95,162
Lease liability payments		(78,137)
Accretion expense		6,071
Balance, June 30, 2025		23,096
Additions		311,491
Lease liability payments		(39,068)
Accretion expense		9,995
Balance, December 31, 2025	\$	305,514
Allocated as:		
Current	\$	61,566
Non-current		243,948
Balance, December 31, 2025	\$	305,514

The maturity analysis of the undiscounted contractual balance of the lease liability and a reconciliation to the recorded lease liability is as follows:

Maturity analysis		December 31, 2025
Less than one year	\$	87,904
One to three years		279,694
Four to five years		-
Total undiscounted lease liability		367,598
Amount representing implicit interest		(62,084)
Lease liability	\$	305,514

12. SHAREHOLDERS' EQUITY**(a) Share capital**

Authorized share capital of the Company consists of an unlimited number of common shares, non-cumulative discretionary dividends, voting, no par value.

During the six months ended December 31, 2025

On August 1, 2025, the Company issued 5,000,000 common shares at a price of \$0.40 per common share for aggregate gross proceeds of \$2,000,000 (the "LIFE Offering"). In connection with the LIFE Offering, the Company paid cash finders fees of \$32,564 and issued 81,410 broker warrants with a fair value of \$17,117 (Note 12(c)). Each broker warrant entitles the holder to acquire one common share at a price of \$0.40 per share at any time on or before August 1, 2028.

In addition to the finders fees and broker warrants, \$75,253 of share issuance cost were incurred in conjunction with the LIFE offering. Directors and officers subscribed for an aggregate of 475,000 common shares which is subject to an original hold period of four months and one day.

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended December 31, 2025, and 2024
(Expressed in Canadian dollars, unless otherwise indicated)
(Unaudited)

During the six months ended December 31, 2024

The Company issued 43,214 common shares upon the cashless exercise of 62,584 stock options.

(b) Options

The Company has adopted a fixed stock option plan (the “Plan”) under which the aggregate number of common shares reserved for issuance under the Plan, including any common shares which may be issued pursuant to any other stock option granted by the Company outside of the Plan, shall not exceed twenty percent (20%) of the total number of issued and outstanding common shares of the Company (calculated on a non-diluted basis) as at the date of implementation of the Plan by the Company, being 8,509,180 common shares.

The Plan is administered by the Board of Directors (the “Board”), which has full and final authority with respect to the granting of all options on such terms and conditions, consistent with the Plan, as the Board shall determine. The Board will establish the exercise price which will not be less than the closing market price of common shares on the date of grant of the stock options. All options granted under the Plan will expire on the fifth anniversary of the vesting date of such options, provided that in no event will the exercise period on an option exceed 10 years from the grant date. Options granted under the Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

Continuity of the Company’s stock options is as follows:

	Number of options	Weighted average exercise price	Weighted average fair value
Outstanding, June 30, 2024	4,614,320	\$ 0.86	\$ 0.45
Granted	770,000	0.50	0.30
Exercised	(500,671)	0.16	-
Expired	(58,265)	0.72	0.27
Outstanding, June 30, 2025	4,825,384	0.88	0.49
Expired	(29,133)	0.72	0.28
Outstanding, December 31, 2025	4,796,251	\$ 0.88	\$ 0.49
Exercisable, December 31, 2025	4,144,965	\$ 0.94	\$ 0.51

The weighted average remaining contractual life of options outstanding and exercisable as at December 31 and June 30, 2025 was 3.25 and 3.58 years, respectively.

During the six months ended December 31, 2025

On July 1, 2025, 14,566 options expired. The options had an exercise price of \$0.72.

On October 1, 2025, 14,567 options expired. The options had an exercise price of \$0.72.

During the six months ended December 31, 2024

On July 1, 2024, 14,566 options expired. The options had an exercise price of \$0.72.

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended December 31, 2025, and 2024

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On September 5, 2024, 31,292 options were exercised cashless for the issuance of 22,450 shares. The options had an exercise price of \$0.16. The fair value of the options determined on the original grant date was \$nil.

On September 5, 2024, the Company granted 250,000 stock options to a consultant. The options are exercisable at a price of \$0.57 per option for a period of five years from the vesting date. These options had a weighted average grant date fair value of \$0.44 per option using the Black-Scholes option pricing model with the following assumptions: i) exercise price: \$0.57; ii) share price: \$0.58; iii) term: 5.96 years; iv) volatility: 92%; v) discount rate: 3%. One twenty-fourth of the options vest on the Vesting Commencement Date, and one twenty-fourth vest monthly thereafter in equal installments, with the final installment vesting at the end of the period.

On October 1, 2024, 14,566 options expired. The options had an exercise price of \$0.72.

On December 2, 2024, the Company granted 50,000 stock options to a consultant. The options are exercisable at a price of \$0.50 per option for a period of five years from the vesting date. These options had a weighted average grant date fair value of \$0.37 per option using the Black-Scholes option pricing model with the following assumptions: i) exercise price: \$0.50; ii) share price: \$0.48; iii) term: 5.46 years; iv) volatility: 100%; v) discount rate: 3%. After one month following the Vesting Commencement Date, one-twelfth of the options vest, and one-twelfth vest monthly thereafter in equal installments, with the final installment vesting at the end of the period.

On December 2, 2024, the Company granted 150,000 stock options to directors of the Company. The options are exercisable at a price of \$0.50 per option for a period of five years from the vesting date. These options had a weighted average grant date fair value of \$0.31 per option using the Black-Scholes option pricing model with the following assumptions: i) exercise price: \$0.50; ii) share price: \$0.42; iii) term: 6.96 years; iv) volatility: 86%; v) discount rate: 3%. One-sixteenth of the options granted vest on a quarterly basis, beginning on the Vesting Commencement Date, and quarterly thereafter in equal installments, with the final installment vesting at the end of the period.

On December 24, 2024, 31,292 options were exercised cashless for the issuance of 20,764 shares. The options had an exercise price of \$0.16. The fair value of the options determined on the original grant date was \$nil.

(c) Warrants

Continuity of the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, June 30, 2024	3,359,200	\$ 1.28
Expired	(2,200,000)	(1.50)
Outstanding, June 30, 2025	1,159,200	\$ 0.87
Granted	81,410	0.40
Outstanding, December 31, 2025	1,240,610	\$ 0.84

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As at December 31, 2025, the following warrants were outstanding:

Grant date	Warrants outstanding	Exercise price	Expiry date	Remaining contractual life (years)
May 21, 2024	1,035,000	\$0.90	May 21, 2027	1.39
May 21, 2024	124,200	\$0.60	May 21, 2027	1.39
August 1, 2025	81,410	\$0.40	August 1, 2028	2.58
	1,240,610	\$0.84		1.4

13. OPERATING EXPENSES**General and administrative**

The following is a breakdown of general and administrative expenses for the three and six months ended December 31, 2025, and 2024:

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Bank charges	\$ 11,221	\$ 20,468	\$ 26,647	\$ 27,296
Insurance	13,926	19,614	27,851	39,804
Rent and rent related expenses	35,262	50,108	75,485	85,864
Travel, meals and entertainment	7,820	18,383	16,729	26,025
Recruitment and sign on fees	-	3,765	-	9,015
Office	4,114	9,611	6,306	17,683
Telephone, IT and web services	15,272	9,505	28,915	27,392
Dues and subscriptions	38,605	40,521	85,353	79,427
	\$ 126,220	\$ 171,975	\$ 267,286	\$ 312,506

Professional fees

The following is a breakdown of professional fees for the three and six months ended December 31, 2025, and 2024:

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Legal and corporate services	\$ 9,991	\$ 28,187	\$ 26,665	\$ 36,259
Accounting, audit, and related services	77,947	54,936	138,881	101,062
Transfer agent and filing fees	14,004	21,240	28,324	31,457
Advisory services	433,120	353,740	756,010	781,274
	\$ 535,062	\$ 458,103	\$ 949,880	\$ 950,052

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(1) The Company engages a number of individuals in a consulting capacity. Services provided by these consultants include, but are not limited to:

- Acting as the Company's Vice Chairman (Note 14);
- Driving revenue and development of product offerings;
- Develop and maintain customer relationships;
- Regulatory compliance and registration;
- Website and application maintenance, design and development.

14. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the condensed interim consolidated financial statements not disclosed elsewhere in these condensed interim consolidated financial statements are summarized below and include transactions with key management personnel of the Company.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Effective December 31, 2025, the President was appointed non-executive Vice Chairman and continues to be a related party.

Remuneration attributed to key management personnel are summarized as follows:

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Salaries and wages				
CEO	\$ 55,459	\$ 58,723	\$ 110,473	\$ 113,737
CFO	4,401	4,698	8,802	9,099
Share-based payments				
Directors	4,245	10,068	9,333	21,039
CFO	-	6,413	163	16,666
Former President, Vice Chairman	-	27,438	2,182	66,668
Referral Fees				
Company controlled by Directors	-	-	10,945	-
Professional fees				
Company controlled by CFO	53,619	28,306	114,832	73,199
Company controlled by President/Vice Chairman	97,500	82,500	232,670	145,000
Total	\$ 215,224	\$ 218,146	\$ 489,400	\$ 445,408

Other related party transactions

During the three and six months ended December 31, 2025, the Company earned capital markets revenue of \$101,771 and \$153,386 (2024: \$33,559 and \$175,446) from customer agency trades with

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Paradox Fund, which is managed by a company controlled by a director of the Company. Of these amounts \$18,643 (June 30, 2025: \$9,043) remained in trade and other receivables as of December 31, 2025. Refer to Note 7 for investment related balances, transactions and fair value gains associated with the Company's investment in the Paradox Fund.

During the three and six months ended December 31, 2025, the Company earned consulting revenue of \$55,630 and \$122,700 (2024: \$Nil) from contractor services with OSF Management Corp. which is managed by a company controlled by a director of the Company. Of these amounts \$55,630 (June 30, 2025: \$Nil) remained in trade and other receivables as of December 31, 2025.

As at December 31, 2025, \$9,558 (June 30, 2025: \$32,110) in accounts payable and accrued liabilities were owed to a companies controlled by the CFO of the Company for accounting and related services.

As at December 31, 2025, \$1,335 (June 30, 2025: \$1,014) in accounts payable and accrued liabilities was owed to the CFO of the Company for salaries and wages.

As at December 31, 2025, \$29,055 (June 30, 2025: \$16,999) in accounts payable and accrued liabilities was owed to the CEO of the Company for salaries and wages, and reimbursable expenses.

As at December 31, 2025, \$Nil (June 30, 2025: \$23,542) in accounts payable and accrued liabilities was owed to a company controlled by the Vice Chairman of the Company for advisory and consulting services.

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk level. The Company considers its capital for this purpose to be its equity, \$3,025,021 (June 30, 2025: \$2,542,052).

The Company's primary source of capital is through the issuance of common shares and debt. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding.

The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of the Company's capital. There have been no changes in the way in which the Company manages capital in the year.

The Company's subsidiary, FRNT Asset Management Inc., is subject to the regulatory capital requirements of NI 31-103 for portfolio managers, which require that it maintain minimum working capital of at least \$25,000 plus the Financial Institution Bond ("FIB") insurance deductible and other margin requirements, if any. As at December 31, 2025 and June 30, 2025, FRNT Asset Management Inc. was in compliance with its regulatory capital requirements.

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16. FINANCIAL RISK MANAGEMENT*Fair values*

The Company's financial instruments consist of cash, trade and other receivables, investments, and accounts payable and accrued liabilities. Investments are carried at fair value, while cash, trade and other receivables, and accounts payable and accrued liabilities approximate their carrying value due to their current nature.

Fair value measurements for financial assets classified at FVTPL are included in the fair value hierarchy as follows:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments that are recorded at fair value generally are classified within Level 2 or Level 3 within the fair value hierarchy using quoted market prices or quotes from administrators.

As at December 31, 2025 and June 30, 2025, the Company's investment in Paradox Fund and Paradox Fund – SPC was classified at Level 3 in the fair value hierarchy (Note 7), and the Company's investment in the private company was classified at Level 2 in the fair value hierarchy (Note 7). Additionally, as at December 31, 2025, the Company's Bitcoin holdings were classified within Level 2 of the fair value hierarchy.

The Company's exposure to financial instrument related risks and the methods used to manage those risks have not changed significantly over the last year. Significant risks that are relevant to the Company, as well as methods to manage the various types of risk to which it is exposed, are discussed below:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprised three types of risk: foreign exchange risk, interest rate risk and other price risk. Market risk arises as a result of the Company generating revenues in foreign currencies, holding assets and liabilities denominated in foreign currencies, holding liabilities with variable interest rates and measuring investments at fair value.

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Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. As at December 31, 2025, the Company is exposed to the following foreign exchange risk:

		CAD Equivalent
<i>Denominated in USD</i>		
Cash	\$	97,005
Trade and other receivables		18,619
Investment in Paradox Fund		2,091,876
Accounts payable		(28,086)
		<u>2,179,414</u>
<i>Denominated in GBP</i>		
Cash		847
Investment in private company		137,480
Accounts receivable		3,229
Accounts payable and accrued liabilities		(45,016)
		<u>96,540</u>
Net assets exposure	\$	2,275,954

The Company does not currently hedge its foreign exchange risk. Based on current exposures as at December 31, 2025 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the United States dollar against the Canadian dollar would result in an increase or decrease of approximately \$218,000 (June 30, 2025: \$229,000) in the Company's profit or loss. A 10% depreciation or appreciation of the British pound sterling against the Canadian dollar would result in an increase or decrease of approximately \$10,000 (June 30, 2025: \$12,000) in the Company's profit or loss.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not materially exposed to this risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to the individual investment or its issuers or factors affecting all financial instruments traded in the market.

A 10% increase (decrease) in the quotes obtained from third-party administrators on the investment would change net losses by approximately \$209,200 (June 30, 2025: \$198,000) on its regular investment, and \$Nil (June 30, 2025: \$12,000) on the SPC.

A 10% increase (decrease) in the estimated fair value of the Company's investment in the private company would result in a change in net loss of approximately \$13,748 (June 30, 2025: \$11,150).

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A 10% increase (decrease) in the fair value of the Company's Bitcoin holdings would result in a change in net loss of approximately \$53,000 (June 30, 2025: \$Nil).

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and trade and other receivables are exposed to credit risk.

The Company reduces its credit risk on cash by placing these instruments with either Schedule 1 Canadian bank or reputable institutions with a sufficiently long operating history to be considered reliable for credit worthiness purposes.

The Company manages its exposure to accounts receivable credit risk by assessing the associated risk of default prior to accepting new customers, monitoring the level of accounts receivable attributable to each customer, the length of time taken for amounts to be settled, and maintaining reserves for potential credit losses. In addition, if the age of an outstanding invoice reaches one year, the Company records an allowance for the doubtful account for the full amount of the invoice. Where necessary, management takes the appropriate action to collect those balances considered overdue.

During the six months ended December 31, 2025, the Company recorded no additional expected credit losses. During the year ended June 30, 2025, the Company performed an expected credit loss assessment on a \$399,600 balance owing from one customer that had been outstanding for more than 90 days. As a result of this assessment, an allowance for expected credit losses of \$399,000 was recognized. This allowance remains outstanding as at December 31, 2025. All other customer balances in accounts receivable as at December 31, 2025 were current and considered fully collectible.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of obligations on the due date. The Company addresses its liquidity by raising capital through the issuance of debt and equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

The table below summarizes the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at December 31, 2025 and June 30, 2025.

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December 31, 2025	On demand	Less than 1 year	1-3 years	4-5 years	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	240,911	-	-	-	240,911
Lease liability	-	87,904	279,694	-	367,598
June 30, 2025	On demand	Less than 1 year	1-3 years	4-5 years	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	334,826	-	-	-	334,826
Lease liability	-	23,441	-	-	23,441

17. SEGMENTED INFORMATION

The Company operates in one operating segment focused around developing and offering its capital market trading platform to institutional investors.

All of the Company's non-current assets, excluding financial instruments and deferred tax assets, are located in Canada.

During the six months ended December 31, 2025, the Company generated 100% of total revenues from three customers located in foreign countries, of which 32% was generated from a customer domiciled in the Cayman Islands, 43% from one customer in the United States and 25% from one customer in the Bahamas.

During the six months ended December 31, 2024, the Company generated 4% of total revenues with customers in Canada and generated 96% of total revenues from three customers located in foreign countries, of which 72% was generated from one customer domiciled in the Cayman Islands, 7% from one customer in the United States and 17% from one customer in the United Kingdom.

The Company generated 43%, 32% and 25% (December 31, 2024: 72% and 17%) respectively, of its total revenues from its three (December 31, 2024: two) major customers.