FRNT Financial Announces Cost Reduction Progress and Update on Strategic Alternatives Review

TORONTO, June 1, 2026 – FRNT Financial Inc. (TSXV:FRNT) (OTCQB:FRFLF) (FSE:XZ3) (the "**Company**" or "**FRNT**") today provided an update on its operational and financial progress in the third quarter of fiscal 2026, and on the previously announced strategic alternatives review (the "**Strategic Review**").

Cost Structure Update

The Company executed a comprehensive cost reduction program during the second quarter, reducing operating costs by approximately 40% for the quarter, with many of the underlying reductions not fully realized until March 2026. Reflecting the timing of these actions, FRNT's cost reductions as of Q2/26 are estimated to be in the range of 60% to 70% on an annualized basis. These reductions were achieved without a material impact to revenues.

Applying a go-forward annualized cost assumption, FRNT was profitable on a cash basis during the month of April 2026.

Strategic Alternatives Review Update

Further to the Company's press release dated May 13, 2026, the initiation of the Strategic Review has generated a range of preliminary inquiries from prospective counterparties, which the Company and its Board are currently reviewing and assessing.

Stéphane Ouellette, CEO of FRNT, commented: "The work our team has done this quarter has meaningfully improved FRNT's cost base while preserving the revenue-generating capabilities that define the franchise. Achieving cash-basis profitability in April, combined with the inbound interest received since announcing the Strategic Review, gives us increased confidence as we evaluate the right path forward for shareholders."

Throughout the Strategic Review, management remains focused on day-to-day operations and its commitment to clients, shareholders, partners, and employees. There can be no assurance that the Strategic Review will result in any transaction or any particular outcome. The Strategic Review is ongoing, and the Company has not set a definitive timetable for its completion.

About FRNT

FRNT is a digital asset investment bank offering capital markets and advisory services to institutional investors participating in or entering the space. The Company aims to bridge the worlds of traditional and web-based finance with a technology-forward and compliant operation. Business lines include deliverable trading services, structured derivative products, merchant banking, advisory, consulting, lending origination and principal investments. Headquartered in Toronto, FRNT was co-founded in 2018 by CEO Stéphane Ouellette.

FRNT Financial Inc.
Chief Executive Officer
Stéphane Ouellette
stephane.ouellette@frnt.io
(416) 505-3362
https://frnt.io

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

FORWARD-LOOKING STATEMENTS

This press release contains “forward-looking statements” and “forward-looking information” within the meaning of applicable law which may include, without limitation, statements relating to the Company’s cost reduction initiatives, expected future operating cost structure, potential for continued cash flow positivity or profitability, the Strategic Review and the timing, scope and possible outcomes thereof. Generally, forward-looking statements and forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. All forward-looking statements and forward-looking information are based on reasonable assumptions that have been made by the Company as at the date of such information. Forward-looking statements and forward-looking information are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements and forward-looking information, including, without limitation, the risk that any potential transaction considered in connection with the Strategic Review may not be completed on acceptable terms or at all, the general risks associated with the speculative nature of the Company’s business, current global financial conditions, uncertainty of additional capital, price volatility, no history of earnings, government regulation in the industries in which the Company operates, political and economic risk, financing availability, prevailing market conditions for cryptocurrencies, disruption of FRNT’s information technology systems, protection of sensitive data used or stored by FRNT, limited history and market for cryptocurrencies, the perception and treatment of cryptocurrencies by both the public and governmental authorities, new regulations regarding cryptocurrencies may be introduced by governmental authorities, absence of public trading market, arbitrary offering price, dilution to the common shares in the capital of the Company, dependence on key personnel, currency fluctuations, insurance and uninsured risks, competition, legal proceedings, conflicts of interest and lack of dividends. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements and forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information. The Company does not undertake to update any forward-looking statement or forward-looking information that is included herein, except in accordance with applicable securities laws.