UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2025

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _ to _

Commission file number: 0-26680

OLD MARKET CAPITAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware	**59-2506879**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1601 Dodge Street, Suite 3350 **Omaha, Nebraska**	**68102**
(Address of Principal Executive Offices)	(Zip Code)

(531) 867-3631
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	OMCC	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 and 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒
Smaller reporting company	☒	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ☐ No ☒

As of November 14, 2025, 6,790,097 shares of common stock of the Registrant were outstanding. Of the Registrant's 12,716,000 shares of common stock issued as of that date, 5,925,903 shares were held by the Registrant as treasury shares. Pursuant to applicable law, the shares held by the Registrant are not entitled to vote and, accordingly, 6,790,097 shares were entitled to vote.

OLD MARKET CAPITAL CORPORATION
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Old Market Capital Corporation
Condensed Consolidated Balance Sheets
(Unaudited)
(In thousands, except par value)

	September 30, 2025	March 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 18,940	$ 24,516
Accounts receivable - net of related allowance for credit losses of $1 and $2, as of September 30, 2025 and March 31, 2025, respectively	142	109
Materials and supplies	1,176	968
Income taxes receivable	902	902
Prepaid expenses and other current assets	1,385	941
Assets of discontinued operations	12	-
Total current assets	22,557	27,436
Operating lease right-of-use assets	2,823	2,963
Property, plant, and equipment, net	39,677	30,945
Intangible assets, net	3,401	3,673
Goodwill	12,280	12,280
Other assets	330	375
Total assets	$ 81,068	$ 77,672
Liabilities, redeemable non-controlling interest and shareholders' equity		
Current liabilities:		
Accounts payable	$ 3,070	$ 1,300
Accrued expenses and other current liabilities	839	588
Operating lease liability - current portion	296	286
Contract liability	639	569
Current portion long-term debt	115	69
Liabilities of discontinued operations	-	90
Total current liabilities	4,959	2,902
Deferred income taxes	4,333	4,306
Long-term debt	3,348	759
Operating lease liability	2,538	2,685
Total liabilities	15,178	10,652
Commitments and contingencies (Note 10)		
Redeemable non-controlling interest	12,113	13,880
Shareholders' equity:		
Preferred stock, no par value: 5,000 shares authorized; none issued	-	-
Common stock, 50,000 shares authorized, $0.01 par value, 12,716 shares issued and 6,755 outstanding at September 30, 2025; no par value, 12,674 shares issued and 6,696 shares outstanding at March 31, 2025	68	67
Treasury stock: 5,961 and 6,020 common shares, at cost, as of September 30, 2025 and March 31, 2025, respectively	(81,927)	(82,423)
Additional paid-in capital	43,285	41,645
Retained earnings	92,351	93,851
Total shareholders' equity	53,777	53,140
Total liabilities, redeemable non-controlling interest and shareholders' equity	$ 81,068	$ 77,672

See accompanying Notes to the Condensed Consolidated Financial Statements.

Old Market Capital Corporation
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except per share amounts)

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Six Months Ended September 30, 2025	For the Six Months Ended September 30, 2024
Revenue				
Wireless internet services	$ 1,666	$ 1,764	$ 3,338	$ 2,083
Fiber internet services	1,016	773	1,946	879
Other revenue	477	421	909	485
Total revenue:	3,159	2,958	6,193	3,447
Operating expenses				
General and administrative	2,208	2,811	4,441	6,602
Depreciation and amortization	864	481	1,472	572
Plant specific operations	362	324	789	398
Plant nonspecific operations	247	227	474	265
Cost of other revenue (exclusive of depreciation shown separately)	177	209	353	245
Cost of wireless and fiber internet services (exclusive of depreciation shown separately)	175	157	371	187
Advertising and marketing	89	12	242	12
Total operating expenses	4,122	4,221	8,142	8,281
Loss from operations	(963)	(1,263)	(1,949)	(4,834)
Other income (expense)				
Interest income, net	148	395	363	806
Emigration tax expense	-	-	-	(1,711)
Loss on dissenting shareholders' liability	-	(274)	-	(1,103)
Gain on sale of assets	5	30	21	30
Other income expense	21	10	37	10
Total other income (expense), net	174	161	421	(1,968)
Loss before income taxes	(789)	(1,102)	(1,528)	(6,802)
Income tax (expense) benefit	(8)	(103)	(27)	25
Net loss from continuing operations	(797)	(1,205)	(1,555)	(6,777)
Total income from discontinued operations, net of tax	50	801	88	2,860
Net loss	(747)	(404)	(1,467)	(3,917)
Less: Net income attributable to redeemable noncontrolling interest	5	277	33	66
Net loss attributable to common shareholders	$ (752)	$ (681)	$ (1,500)	$ (3,983)
Net loss per share attributable to common shareholders from continuing operations:				
Basic	$ (0.12)	$ (0.22)	$ (0.24)	$ (1.02)
Diluted	$ (0.12)	$ (0.22)	$ (0.24)	$ (1.02)
Net income per share attributable to common shareholders from discontinued operations:				
Basic	$ 0.01	$ 0.12	$ 0.01	$ 0.43
Diluted	$ 0.01	$ 0.12	$ 0.01	$ 0.43
Net loss per share attributable to common shareholders:				
Basic	$ (0.11)	$ (0.10)	$ (0.22)	$ (0.59)
Diluted	$ (0.11)	$ (0.10)	$ (0.22)	$ (0.59)

See accompanying Notes to Condensed Consolidated Financial Statements.

Old Market Capital Corporation
Condensed Consolidated Statements of Redeemable Non-Controlling Interest and Shareholders' Equity
(Unaudited)
(In Thousands)

	Three Months Ended September 30, 2025						
		Common Stock					
	Redeemable Non-Controlling Interest	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Total OMCC Shareholders' Equity
Balance at June 30, 2025	$ 13,908	6,708	$ 67	$ (82,321)	$ 41,616	$ 93,103	$ 52,465
Reissuance of treasury stock	-	-	-	394	(394)	-	-
Share-based compensation	-	47	1	-	263	-	264
Purchase of additional shares of Amplex	(1,800)	-	-	-	1,800	-	1,800
Net income (loss)	5	-	-	-	-	(752)	(752)
Balance at September 30, 2025	$ 12,113	$ 6,755	$ 68	$ (81,927)	$ 43,285	$ 92,351	$ 53,777

	Three Months Ended September 30, 2024						
		Common Stock					
	Redeemable Non-Controlling Interest	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Total OMCC Shareholders' Equity
Balance at June 30, 2024	$ 15,453	6,654	$ 67	$ (76,794)	$ 34,126	$ 95,698	$ 53,097
Repurchase of common stock from dissenting shareholders	-	-	-	(5,629)	5,629	-	-
Share-based compensation	-	-	-	-	185	-	185
Net income (loss)	277	-	-	-	-	(681)	(681)
Balance at September 30, 2024	$ 15,730	6,654	$ 67	$ (82,423)	$ 39,940	$ 95,017	$ 52,601

See accompanying Notes to Condensed Consolidated Financial Statements.

Old Market Capital Corporation
Condensed Consolidated Statements of Redeemable Non-Controlling Interest and Shareholders' Equity
(Unaudited)
(In Thousands)

	Six Months Ended September 30, 2025						
		Common Stock					
	Redeemable Non-Controlling Interest	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Total OMCC Shareholders' Equity
Balance at March 31, 2025	$ 13,880	6,696	$ 67	$ (82,423)	$ 41,645	$ 93,851	$ 53,140
Reissuance of treasury stock	-	-	-	496	(496)	-	-
Share-based compensation	-	59	1	-	336	-	337
Purchase of additional shares of Amplex	(1,800)	-	-	-	1,800	-	1,800
Net income (loss)	33	-	-	-	-	(1,500)	(1,500)
Balance at September 30, 2025	$ 12,113	6,755	$ 68	$ (81,927)	$ 43,285	$ 92,351	$ 53,777

	Six Months Ended September 30, 2024						
		Common Stock					
	Redeemable Non-Controlling Interest	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Total OMCC Shareholders' Equity
Balance at March 31, 2024	$ -	7,289	$ 35,267	$ (76,794)	$ -	$ 100,369	$ 58,842
Issuance of restricted stock awards	-	17	-	-	-	-	-
Reclassification of dissenting shares to liability	-	(652)	(3,157)	-	-	(1,369)	(4,526)
Repurchase of common stock from dissenting shareholders	-	-	-	(5,629)	5,629	-	-
Redomestication from Canada to Delaware and reduction of par value	-	-	(32,043)	-	32,043	-	-
Share-based compensation	-	-	-	-	288	-	288
Acquisition of Amplex	17,644	-	-	-	-	-	-
Purchase of additional shares of Amplex	(1,980)	-	-	-	1,980	-	1,980
Net income (loss)	66	-	-	-	-	(3,983)	(3,983)
Balance at September 30, 2024	$ 15,730	6,654	$ 67	$ (82,423)	$ 39,940	$ 95,017	$ 52,601

See accompanying Notes to Condensed Consolidated Financial Statements.

Old Market Capital Corporation
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In Thousands)

	For the Six Months Ended September 30, 2025	2024
Cash flows from operating activities:		
Net loss	$ (1,467)	$ (3,917)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	1,472	572
Loss on dissenting shareholders' liability	-	1,103
Gain on sale of assets	(21)	(30)
Share-based compensation	519	288
Impairment of operating lease right-of-use assets	-	56
Deferred income taxes	27	(25)
Provision for credit losses	1	2
Amortization of operating lease right-of-use assets	140	61
Changes in operating assets and liabilities, net of acquisition:		
Accounts receivable	(34)	(15)
Materials and supplies	(208)	(218)
Prepaid expenses and other assets	80	(347)
Accounts payable, accrued expenses, and other liabilities	464	1,880
Operating lease liabilities	(137)	(33)
Other assets	45	-
Cash (used in) provided by operating activities from discontinued operations	(102)	91
Net cash provided by (used in) operating activities	779	(532)
Cash flows from investing activities:		
Cash paid for acquisition of Amplex, net of cash acquired	-	(18,364)
Payments for property, plant, and equipment	(8,502)	(3,940)
Proceeds from the disposal of property, plant, and equipment	36	35
Net cash provided by investing activities from discontinued operations	-	38,912
Net cash (used in) provided by investing activities	(8,466)	16,643
Cash flows from financing activities:		
Repurchase of dissenting shares	-	(5,629)
Proceeds from RUS Reconnect Loan	2,422	-
Proceeds from Bank Equipment Loans	262	-
Payments on Bank Equipment Loans	(49)	-
Net cash provided by (used in) financing activities	2,635	(5,629)
Net (decrease) increase in cash and cash equivalents	(5,052)	10,482
Cash, cash equivalents and restricted cash at beginning of period	24,829	18,982
Cash, cash equivalents and restricted cash at end of period	$ 19,777	$ 29,464
Reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets to the total amounts reported on the condensed consolidated statements of cash flows:		
Cash and cash equivalents at beginning of period	$ 24,516	$ 18,982
Restricted cash included in Prepaid expenses and other assets at beginning of period	313	-
Total cash, cash equivalents and restricted cash at beginning of period	$ 24,829	$ 18,982
Cash and cash equivalents at end of period	$ 18,940	$ 29,464
Restricted cash included in Prepaid expenses and other assets at end of period	837	-
Total cash, cash equivalents and restricted cash at end of period	$ 19,777	$ 29,464
Supplemental disclosure of cash flow information:		
Interest paid	$ 10	$ -
Supplemental schedule of noncash investing and financing activities:		
Purchase of property, plant, and equipment included in accounts payable	$ 1,848	$ 1,169
Reissuance of treasury stock related to share-based compensation	$ 496	$ -
Additional investments in controlled entity (Amplex)	$ 4,500	$ 3,000

See accompanying Notes to Condensed Consolidated Financial Statements.

Notes to the Condensed Consolidated Financial Statements

Note 1. Organization

Effective as of September 27, 2024, Old Market Capital Corporation, a Delaware corporation formerly known as Nicholas Financial, Inc. ("OMCC", and together, with its subsidiaries, the "Company") amended its Certificate of Incorporation to change its name from Nicholas Financial, Inc. to Old Market Capital Corporation by filing a Certificate of Amendment to Certificate of Incorporation with the Delaware Secretary of State. OMCC is a holding company with one direct majority-owned subsidiary, Amplex Holdings, Inc., a Delaware corporation ("Amplex Holdings"), and one indirect majority-owned subsidiary, Amplex Electric, Inc., an Ohio corporation ("Amplex"), which is wholly owned by Amplex Holdings. On April 18, 2024, OMCC completed its continuation and domestication from British Columbia to the State of Delaware by filing its Certificate of Corporate Domestication and Certificate of Incorporation in the State of Delaware. As a result of the domestication, the Company's common stock par value increased from $0.00 to $0.01 on a one-for-one basis.

Historically, the Company, through its former wholly-owned subsidiary Nicholas Data Services, Inc., a Florida corporation ("NDS"), was engaged in supporting and updating industry specific computer application software for small businesses located primarily in the Southeastern United States. Also historically, the Company's former wholly-owned subsidiary Nicholas Financial, Inc., a Florida corporation ("NFI"), was a specialized consumer finance company engaged primarily in acquiring and servicing automobile finance installment contracts for purchases of used and new automobiles and light trucks. NFI previously also offered direct consumer loans and sold consumer finance related products. NFI and NDS were based in the state of Florida but, effective as of June 27, 2025, each of NDS and NFI have been dissolved and no longer conduct any operations.

On November 13, 2023, the Company entered into a Master Asset Purchase Agreement (the "Purchase Agreement") with Westlake Services, LLC dba Westlake Financial, a California limited liability company ("Westlake Financial"), pursuant to which the Company agreed to sell substantially all of its finance receivables and repossessed assets. In connection with entering into the Purchase Agreement, the Company ceased new loan originations of contracts and direct loans by NFI. On April 26, 2024, the transactions contemplated by the Purchase Agreement closed. See Note 13 for additional information.

On June 15, 2024, OMCC closed upon the acquisition of 51% of the issued and outstanding common shares of Amplex (the "Amplex Acquisition"), all of which shares were placed in Amplex Holdings as a newly formed holding company and subsidiary of OMCC. Amplex is a provider of broadband internet, voice over internet protocol (VOIP), and video services within service areas located primarily in Northwest and North Central Ohio. As of September 30, 2025, Amplex had approximately 13,400 broadband customers (5,400 fiber subscribers) and over 15,000 fiber passings completed. Amplex's customer base includes residential and commercial customers. Amplex leases certain property (including an office building and warehouse).

In conjunction with the closing of the Amplex Acquisition, the Company converted the outstanding principal and accrued interest of approximately $0.8 million under certain term loan advances made by the Company to Amplex from February 2024 to June 2024 (the "Term Loan Advances") into 421 shares of Amplex Holdings common stock at the share purchase price of $1,792.55 each. Subsequent to the closing of the Amplex Acquisition, the Company contributed an additional $3.0 million in June 2024 for 1,674 shares of Amplex Holdings common stock, at the purchase price of $1,792.55 per share, bringing the Company's total indirect ownership to 56.5% of the issued and outstanding common shares of Amplex Holdings. In December 2024, the Company invested an additional $4.5 million into Amplex Holdings for 2,583 shares, at the purchase price of $1,742.16 per share, increasing the Company's ownership percentage to 60.9% of the issued and outstanding common shares of Amplex Holdings. In July 2025, the Company invested an additional $4.5 million into Amplex Holdings for 4,120 shares, at $1,092.26 per share, increasing the Company's ownership percentage to 66.4% of the issued and outstanding common shares of Amplex Holdings.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries, primarily consisting of the operations of Amplex. For consolidated entities that are less than wholly-owned, the third party's holding of the equity interest is presented as redeemable noncontrolling interests in the condensed consolidated statements of redeemable noncontrolling interest and shareholders' equity. The portion of net income (loss) attributable to the redeemable noncontrolling interests is presented as net loss attributable to redeemable noncontrolling interests in the Company's condensed consolidated statements of operations. All intercompany accounts and transactions have been eliminated in consolidation.

The accompanying condensed consolidated financial statements are stated in U.S. dollars and are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). for interim financial information, with instructions to Form 10-Q pursuant to the Securities Exchange Act of 1934, as amended, and with Article 8 of Regulation S-X thereunder Accordingly, they do not include all of the information and notes to the consolidated financial statements required by U.S. GAAP for complete consolidated financial statements, although the Company believes that the disclosures made are adequate to ensure the information is not misleading. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for interim periods are not necessarily indicative of the results that may be expected for the year ending March 31, 2026. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and accompanying notes thereto included in the Company's Annual Report on Form 10-K for the year ended March 31, 2025, as filed with the Securities and Exchange Commission on June 30, 2025 and as amended on June 30, 2025 and July 21, 2025.

Use of Estimates

The preparation of the Company's condensed consolidated financial statements, in accordance with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Management evaluates its estimates, assumptions, and judgments on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company's significant estimates and assumptions include the fair value of assets acquired and liabilities assumed in business combinations, the recognition of deferred taxes, assessing the useful life and recoverability of long-lived assets including property, plant and equipment, goodwill, and intangible assets, and assessing the likelihood of adverse outcomes from pending litigation and regulatory matters. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

Short-term highly liquid investments with a maturity date that was 3 months or less at the time of purchase are treated as cash equivalents. Amounts earned from cash equivalents are presented separately in the condensed consolidated statements of operations. Cash equivalents for the period include money market accounts and brokerage accounts.

Restricted cash consists of cash held in a pledged deposit account received in connection with the RUS Loan (see Note 6) that is required to be held by Amplex and is able to be used by the Company solely for the purposes for which the funds were awarded to complete a project, or for such other purposes as may be approved in writing. Restricted cash is included in Prepaid expenses and other assets in the Condensed Consolidated Balance Sheets.

Accounts Receivable and Allowances for Credit Losses

Trade accounts receivable are recorded at invoiced amounts, net of allowance for credit losses, if applicable, and are unsecured and do not bear interest.

The allowance for credit losses is based on the probability of future collection under the current expect credited loss impairment model under Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326), *Measurement of Credit Losses on Financial Assets*. Under the CECL impairment model, the Company determines its allowance by applying a loss-rate method based on an aging schedule using the Company's historical loss rate. The Company also considers reasonable and supportable current information in determining its estimated loss rates, such as macroeconomic trends or other factors including customers' credit risk and historical loss experience. The adequacy of the allowance is evaluated on a regular basis. Account balances are written off after all means of collection are exhausted and the balance is deemed uncollectible. Subsequent recoveries are credited to the allowance. Changes in the allowance are recorded as adjustments to credit loss expense in the period incurred.

Property, Plant, and Equipment, net

Property, plant, and equipment is recorded at cost, net of accumulated depreciation. Expenditures for repairs and maintenance are charged to expense as incurred. Additions and improvements that extend the economic useful life of the asset are capitalized and depreciated over the remaining useful lives of the assets. Upon disposal of assets, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized currently in the condensed consolidated statements of operations. Depreciation of property, plant, and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

Asset	Estimated Useful Life
Fiber plant	15 - 30 years
Equipment	3 - 7 years
Leasehold improvements	Lesser of lease term or useful life (generally 6 - 15 years)
Furniture and fixtures	5 - 7 years
Tower Sites and Construction Equipment	5 - 10 years

Acquisitions, Goodwill and Intangible Assets

Upon acquisition of a company, the Company determines if the transaction is a business combination, which is accounted for using the acquisition method of accounting. Under the acquisition method, once control is obtained from a business, the assets acquired, and liabilities assumed, including amounts attributed to noncontrolling interests, are recorded at their estimated fair values. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill.

Certain assumptions, estimates, and judgments are used in determining the fair value of net assets acquired, including goodwill and intangible assets, as well as determining the allocation of goodwill to the reporting units. Accordingly, the Company may obtain the assistance of third-party valuation specialists for the valuation of significant tangible and intangible assets. The fair value estimates are based on available historical information and on future expectations and assumptions deemed reasonable by management but that are inherently uncertain. Measurement period adjustments are reflected at the time identified, up through the conclusion of the measurement period, which is the time at which all information for determination of the values of assets acquired and liabilities assumed is received and is not to exceed one year from the acquisition date. If the initial accounting for the business combination has not been completed by the end of the reporting period in which the business combination occurs, provisional amounts are reported to present information about facts and circumstances that existed as of the acquisition date. Once the measurement period ends, which in no case extends beyond one year from the acquisition date, revisions to the accounting for the business combination are recorded in earnings.

Intangibles with definite lives are amortized on a straight-line basis over their useful lives, which generally range from 5 to 10 years. When certain triggering events occur, the Company assesses the useful lives of its intangibles with definite lives. Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount of the asset group may not be recoverable regardless of whether such carrying amount is zero or negative.

Goodwill and intangibles with indefinite lives are not amortized. The Company is required to test goodwill and indefinite lived intangible assets for impairment on an annual basis, or more often if indicators of potential impairment exist due to triggering events, by determining if the carrying value of the Company's goodwill exceeds the estimated fair value of said goodwill. Indicators that could trigger an interim impairment test include, but are not limited to, underperformance relative to projected future operating results, significant negative industry or economic trends, an adverse change in regulatory environment, or pending adverse litigation.

In evaluating goodwill and indefinite lived intangible assets for impairment, the Company first assesses qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that the fair value of the Company's goodwill and indefinite lived intangible assets is less than its carrying value as of the assessment date. If no events, facts, or circumstances are identified during the qualitative assessment, the Company does not need to perform a quantitative impairment assessment. If the Company concludes that it is more likely than not that the fair value of the goodwill and indefinite lived intangible assets is less than its carrying value, then the Company will perform a quantitative impairment test by comparing the fair value of the goodwill and indefinite lived intangible assets with its carrying amount. If the carrying amount of the goodwill and indefinite lived intangible assets exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of the goodwill and indefinite lived intangible assets. During the periods presented, the Company did not have any impairment charges.

Assets Held-for-Sale and Discontinued Operations

The Company classifies assets as held-for-sale if all held-for-sale criteria are met pursuant to Accounting Standards Codification ("ASC") 360-10, *Property, Plant and Equipment*. Criteria include management's commitment to sell the disposal group in its present condition and the sale being deemed probable of being completed within one year. Assets classified as held-for-sale are not depreciated and are measured at the lower of their carrying amount or fair value less cost to sell. The Company assesses the fair value of a disposal group, less any costs to sell, each reporting period it remains classified as held-for-sale and reports any subsequent changes as an adjustment to the carrying value of the disposal group, as long as the new carrying value does not exceed the initial carrying value of the disposal group.

Pursuant to ASC 310-10, *Receivables*, a loan classified as held for investment should be reclassified to held for sale if the reporting on the date a loan is transferred into the held-for-sale category, any previously recorded allowance for credit losses is reversed in earnings and the loan is recorded at its amortized cost basis. Prior to the transfer, a reporting entity should apply its write off policy to the amortized cost basis. The amortized cost at the date of transfer should be reduced by any writeoffs recognized just prior to the transfer. If the amortized cost basis exceeds the loan’s fair value at the date of transfer, the reporting entity should establish a valuation allowance equal to the difference between amortized cost basis and fair value.

When the Company has sold, or classified as held for sale, a business component that represents a strategic shift with significant effect on the Company's operations and financial results, it classifies that business component as discontinued operations and retrospectively presents discontinued operations for the comparable periods. The post-tax income, or loss, of discontinued operations are shown as a single line on the face of the statement of operations. The disposal of the discontinued operation would also result in a gain or loss upon final disposal.

As a result of the sale of finance receivables and repossessed assets to Westlake Financial, the accompanying condensed consolidated financial statements reflect the activity related to the sale of the assets of the consumer finance segment as discontinued operations. The Company determined that the finance receivables met the held-for-sale criteria as of November 1, 2023 and the consumer finance segment met the discontinued operations criteria during the six months ended September 30, 2025. Additionally, concurrent with the decision to sell the finance receivables in November 2023, the Company reclassified its finance receivables to held for sale, which are carried at the lower of amortized cost or fair value. The Company compared the fair value and amortized cost of finance receivables held for sale and recorded a held for sale valuation allowance through earnings to reduce the amortized cost basis to fair value. The sale of the finance receivables and repossessed assets of the consumer finance segment was completed on April 26, 2024. See Note 13 for additional information regarding the activities of discontinued operations.

Leases

The Company determines if an arrangement is a lease at inception and classifies its leases at commencement. Operating leases are presented as right-of-use ("ROU") assets, and the corresponding lease liabilities are included in operating lease liabilities, current and operating lease liabilities in the Company's balance sheets. ROU assets represent the Company's right to use an underlying asset, and lease liabilities represent the Company's obligation for lease payments in exchange for the ability to use the asset for the duration of the lease term.

ROU assets and lease liabilities are recognized at commencement date or acquisition date and determined using the present value of the future minimum lease payments over the lease term. The Company uses a discount rate based on a benchmark approach to derive an appropriate incremental borrowing rate to discount remaining lease payments. The Company benchmarked itself against other companies of similar credit ratings and comparable quality and derived imputed rates for lease term lengths ranging 3 to 8 years. The lease term may include options to extend when it is reasonably certain that the Company will exercise that option. In addition, the Company does not recognize short term leases that have a term of twelve months or less as ROU assets or lease liabilities for all asset classes. The Company recognizes operating lease expense on a straight-line basis over the lease term.

The Company has lease agreements which contain both lease and non-lease components, which it has elected to account for as a single lease component for all asset classes when the payments are fixed. As such, variable lease payments, including those not dependent on an index or rate, such as real estate taxes, common area maintenance, and other costs that are subject to fluctuation from period to period are not included in lease measurement.

Upon the closing of the Amplex Acquisition on June 15, 2024, the Company recorded lease liabilities and corresponding ROU assets of approximately $502 thousand, based on the present value of the remaining minimum rental payments for leases existing upon adoption of the new lease standard and other adjustments to the opening balance of ROU assets. The Company estimates its incremental borrowing rate based on information available at the commencement date in determining the present value of payments. Additionally, after adjusting for the immaterial correction of an error of Red Bug, LLC as a variable interest entity, or VIE, the Company recognized ROU assets and lease liabilities which should have initially been accounted for as part of the Amplex Acquisition of approximately $2.5 million. See Note 9 for additional detail on the Company's leasing arrangements.

On May 1, 2025, Amplex as the lessee, and Red Bug, LLC (the “Lessor”) executed a First Amendment to the Lease Agreement originally dated March 1, 2023 (the "Amendment"), for premises located in Troy Township, Wood County, Ohio. The Amendment grants Amplex a right of first refusal (“ROFR”) to purchase the leased premises during the lease term, subject to certain conditions. Under the ROFR provision, if the Lessor intends to sell the property (excluding certain exempt transactions), Amplex has 30 days to elect to purchase the property on the same terms offered to a third-party buyer. If Amplex declines or does not respond, the Lessor may proceed with the sale within 180 days. If the sale terms materially change, then the ROFR resets and has to be reoffered to Amplex. The Amendment does not modify the lease term, rent obligations, or other material economic terms of the original lease and has no accounting impact. The lease continues to be classified as an operating lease.

Dissenting Shares and Domestication

On November 22, 2023, OMCC, formerly known as Nicholas Financial, Inc., filed an initial Registration Statement on Form S-4 to register certain shares of the Company’s common stock in connection with the re-domestication (continuation) of the Company and the sale of the Company’s loan portfolio (the “Loan Portfolio Sale”). Shareholders had the right to dissent (the “Dissent Right”) to the continuation and the Loan Portfolio Sale under Section 309 of the British Columbia Business Corporations Act (“BCBCA”). Dissenting shareholders had the right to be paid the fair value of their shares (the “Dissenting Shares”) under Section 245 of the BCBCA. Fair value was determined as of the close of business on the day before the Loan Portfolio Sale was approved by shareholders.

On April 15, 2024 (the “Approval Date”), the shareholders of OMCC approved the re-domestication of the Company from Canada to the State of Delaware and the Loan Portfolio Sale. There were 652,249 Dissenting Shares exercised in accordance with the Dissent Right. The Company determined the Dissenting Shares were within the scope of ASC 480-10 as they were considered mandatorily redeemable as of the Approval Date and as such were classified as liabilities. Liability-classified instruments are initially measured at fair value (or allocated value). Subsequent changes in fair value are recognized through earnings for as long as the instruments continue to be classified as a liability. As of the Approval Date, the Company determined the fair value of the Dissenting Shares was $4.5 million based on the Company’s stock price of $6.94 as of such date.

On September 5, 2024, the Company settled in cash with the dissenting shareholders to repurchase 652,249 Dissenting Shares at a price per share of $8.63, or $5.6 million. The Dissenting Shares were retained by the Company to be included within treasury stock.

The following table summarizes the change in the Dissenting Shares liability measured at fair value, on a recurring basis, for which Level 3 inputs have been used to determine fair value:

Balance of Dissenting Shareholders' Liability as of April 1, 2024	$	-
Initial value upon re-domestication		4,526
Change in fair value		1,103
Cash settlement of dissenting shareholders' liability		(5,629)
Balance of Dissenting Shareholders' Liability as of September 30, 2025	$	-

In conjunction with the cash settlement, the Company recognized a loss on dissenting shareholders' liability of $1.1 million for the six months ended September 30, 2024, and derecognized the dissenting shareholders' liability. The Dissenting Shares liability was measured at fair value on a recurring basis using Level 3 inputs and the corresponding change in fair value was reflected in the loss on dissenting shareholders' liability until settlement. In addition, the repurchase of the Dissenting Shares (which were retained by the Company) were included within treasury stock as of the date of repurchase.

Fair Value Measurements

The Company applies ASU 820, *Fair Value Measurement* ("ASU 820"), which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. ASU 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company’s principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value hierarchy established in ASU 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity’s own assumptions based on market data and the entity’s judgments about the assumptions that market participants would use in pricing the asset or liability and are to be developed based on the best information available in the circumstances.

Certain assets and liabilities of the Company are required to be recorded at fair value either on a recurring or nonrecurring basis. The Company's non-financial assets such as property, plant, and equipment are recorded at cost. Fair value adjustments are made to these non-financial assets, on a nonrecurring basis, during the period an impairment charge is recognized, as applicable.

Certain of the Company's financial instruments are carried at fair value and are presented within Level 1 of the fair value hierarchy, such as money market funds included within cash and cash equivalents on the condensed consolidated balance sheet. In addition, the carrying amounts reflected in the condensed consolidated balance sheet for cash and cash equivalents, accounts receivable, materials and supplies, prepaid expenses and other assets, accounts payable, and accrued expenses and other liabilities approximate fair value due to their short-term nature.

The valuation hierarchy is composed of three levels. The classification within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The levels within the valuation hierarchy are described below:

Level 1 **-** Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 **-** Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 **-** Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

The following table presents information about the Company's financial instruments measured at fair value, on a recurring basis, consistent with the fair value hierarchy provisions:

	Fair Value Measurement Using (In thousands)				
Description	**Level 1**	**Level 2**	**Level 3**	**Fair Value**	**Carrying Value**
Cash and restricted cash:					
September 30, 2025	$ 8,414	$ -	$ -	$ 8,414	$ 8,414
March 31, 2025	$ 1,400	$ -	$ -	$ 1,400	$ 1,400
Cash equivalents:					
September 30, 2025	$ 11,363	$ -	$ -	$ 11,363	$ 11,363
March 31, 2025	$ 23,429	$ -	$ -	$ 23,429	$ 23,429

The following table summarizes the changes in financial assets measured at fair value, on a recurring basis, for which Level 3 inputs have been used to determine fair value:

Balance of Dissenting Shareholders' Liability as of April 1, 2024	$ -
Initial value upon re-domestication	4,526
Change in fair value	1,103
Cash settlement of dissenting shareholders' liability	(5,629)
Balance of Dissenting Shareholders' Liability as of September 30, 2025	$ -

Advertising and Marketing

Advertising and marketing costs are expensed as incurred. Advertising and marketing expense was $89 thousand and $242 thousand for the three and six months ended September 30, 2025, respectively. Advertising and marketing expense was $12 thousand and $12 thousand for the three and six months ended September 30, 2024, respectively.

Materials and supplies

Materials and supplies primarily consists of internet optical network terminals as well as telecommunications and customer installation equipment. All materials and supplies inventory are stated at the lower of cost or net realizable value, using the first-in, first-out ("FIFO") cost method. The total valuation of materials and supplies is determined based on the FIFO adjusted cost of the telecommunications or internet device, accessory shipped or optical network terminals.

The net realizable value of materials and supplies inventory is analyzed for signs of obsolescence or damage on a regular basis. If assessments regarding the above factors adversely change, the Company *may* be required to write down the value of materials and supplies inventory. Due to the longer shelf lives and quick turnover for use in the Company's operations of the materials and supplies purchased, there have been no inventory write-downs or allowances recorded to-date.

Long-lived assets

Finite-lived intangible assets, property, plant, and equipment, and other long-lived assets held for use are amortized or depreciated over their estimated useful lives, as summarized in the respective notes below. These assets are evaluated for impairment based on the identification of asset groups. Our asset groups align with our reportable segments. We evaluated our asset groups for impairment during the fourth quarter of fiscal 2024 and concluded that there were no indicators that an asset group impairment was more likely than not.

Loss Contingencies

Certain conditions may exist as of the date the condensed consolidated financial statements are issued that may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies, the Company's legal counsel evaluates the perceived merits of any legal proceedings, disputes, or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, the estimated liability would be accrued in the Company's condensed consolidated financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the condensed consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases along with operating loss and tax credit carryforwards, if any. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in income in the period that includes the enactment date.

As part of the Amplex Acquisition, goodwill was recorded on the books. The goodwill recorded on the books as a result of the Amplex Acquisition through a stock purchase does not have favorable tax treatment. It will not be amortized or deducted for tax purposes, and the tax basis of the acquired assets remains unchanged. This results in a permanent book-tax difference when the goodwill is recognized for financial reporting purposes but not for tax purposes.

The Company recognizes tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the condensed consolidated financial statements from any such position would be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. It is the Company's policy to recognize interest and penalties accrued on any uncertain tax benefits as a component of income tax expense. There were no uncertain tax positions as of September 30, 2025 or 2024.

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions, and Canada. The effect on deferred taxes of a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

Revenue Recognition

The Company generates revenue primarily from the following sources:

1. Wireless internet services – The Company offers these services to residential and commercial customers under standard monthly plans for 12-month periods. Contracts standard terms and conditions state a penalty for early termination; however, the Company normally waives this penalty. Standard monthly plans vary in price according to the amount of bandwidth provided and include installation and equipment. For the three and six months ended September 30, 2025, these services totaled approximately $2 million and $3 million, respectively.

2. Fiber internet services – The Company offers these services to residential and commercial customers under standard monthly plans for 12-month periods. Fiber optic internet services provide higher speeds than wireless internet. Contracts are typically cancellable without penalty. Standard monthly plans vary in price according to the amount of bandwidth provided and include installation and equipment. For the three and six months ended September 30, 2025, these services totaled approximately $1 million and $2 million, respectively.

3. Other – These services include primarily voice over internet protocol ("VOIP") telephone services to residential and commercial customers under 12-month periods. Contracts are typically cancellable without penalty. Standard monthly plans vary based on the features offered. Customers may purchase the equipment from the Company or a third-party vendor. In addition, the Company offers video streaming services through third-party providers. For the three and six months ended September 30, 2025, these services totaled approximately $0.5 million and $0.9 million, respectively.

In accordance with ASC 606 "Revenue Recognition", the Company recognizes revenue from contracts with customers using a five-step model, which is described below:

1. identify the customer contract;

2. identify performance obligations that are distinct;

3. determine the transaction price;

4. allocate the transaction price to the distinct performance obligations; and

5. recognize revenue as the performance obligations are satisfied.

Identify the customer contract

A customer contract is generally identified when there is approval and commitment from both the Company and its customer, the rights have been identified, payment terms are identified, the contract has commercial substance and collectability is probable. Specifically, the Company obtains written/electronic signatures on contracts and purchase orders, if said purchase orders are issued in the normal course of business by the customer.

Identify performance obligations that are distinct

A performance obligation is a promise by the Company to provide a distinct good or service or a series of distinct goods or services. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and a company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Determine the transaction price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding sales taxes that are collected on behalf of government agencies.

Allocate the transaction price to distinct performance obligations

The transaction price is allocated to each performance obligation based on the relative standalone selling prices ("SSP") of the goods or services being provided to the customer. The Company's contracts may contain multiple performance obligations, for which the Company accounts for individual performance obligations separately, if they are distinct. The standalone selling price reflects the price the Company would charge for a specific piece of equipment or service if it was sold separately in similar circumstances and to similar customers.

Recognize revenue as the performance obligations are satisfied

Revenues from wireless and fiber internet, VOIP services, and video streaming services are recognized ratably as performance obligations are satisfied by transferring control of a promised product or service to a customer. Revenues from equipment sales are recognized when control transfers to the customer, which occurs upon delivery.

Customers are billed in advance for services to be provided in the upcoming month. Once billed, payment from customers is due 30 days from the invoice date. The Company's agreements with its customers do not provide for any refunds for services or products and therefore no specific reserve for such is maintained.

Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue.

The Company fulfills obligations under a contract with a customer by transferring products and services in exchange for consideration from the customer. There are no contract assets related to performance under the contract. The Company is contractually entitled to invoice in advance for services to be provided in the future. Accordingly, accounts receivable are recorded when the customer has been billed or the right to consideration is unconditional. The Company recognizes deferred revenue when consideration has been billed or received in advance of the Company's satisfaction of its performance obligation(s).

In accordance with ASC 606-10-50-13, the Company is required to include disclosure on its remaining performance obligations as of the end of the current reporting period. Due to the nature of the Company's contracts, these reporting requirements are not applicable. The majority of the Company's remaining contracts meet one of the exemptions defined in ASC 606-10-50-14 through 606-10-50-14A, i.e., performance obligation is part of a contract that has an original expected duration of one year or less.

Segment Reporting

The Company reports operating segments in accordance with ASC 280, *Segment Reporting* ("ASC 280"), including the impact of adopting ASU 2023-07 "*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*" ("ASU 2023-07"). Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by their chief operating decision maker in deciding how to allocate resources and assesses performance. ASC 280 requires that a public enterprise report a measure of segment profit or loss, certain specific revenue and expense items, segment assets, information about the way operating segments were determined and other items.

The Company's Chief Executive Officer represents the Company's chief operating decision maker ("CODM"). The CODM regularly reviews the Company's results to assess performance and allocates resources at the Telecommunications operating segment, excluding Corporate and discontinued operations of the Company. All of the Company's ongoing services provided to customers are delivered through an integrated network and have similar types or classes of customers. As such, management has identified one operating segment, telecommunications, which is the Company's reportable segment under this organizational and reporting structure.

Redeemable Noncontrolling Interest

The Company classifies noncontrolling interests with redemption features that are not solely within the control of the Company within temporary equity on the Company's condensed consolidated balance sheets in accordance with ASC 480-10-S99-3A, SEC Staff Announcement: Classification and Measurement of Redeemable Securities ("ASC 480-10-S99-3A"). The noncontrolling interest was recorded outside of shareholders' equity because the noncontrolling interest provided the holder with put rights which allows the holder to compel the Company to purchase Amplex common stock at a variable amount per share at any time following the fifth anniversary of the closing date of the Amplex Acquisition but prior to the fifteenth anniversary of the closing date of the Amplex Acquisition. During this time period, the put option may be exercised by the holder at any time after 90 days prior written notice, which is considered not solely within the Company's control. The Company determined the put option is not within the scope of ASC 480-10 to be recorded as a liability at fair value and will not subsequently adjust for changes in fair value. The Company adjusts redeemable noncontrolling interests for the portion of net loss attributable to the redeemable noncontrolling interests and for the change in the carrying amount of redeemable noncontrolling interest for the incremental value to which the noncontrolling interest holder may ultimately be entitled. When the redemption amount of redeemable noncontrolling interest exceeds the fair value, the Company has made an accounting policy election to reflect as a deemed dividend the entire change in the redemption amount (see Note 5).

For the three and six months ended September 30, 2025, the Company did not recognize a deemed dividend due to the carrying value of the redeemable noncontrolling interest exceeding its redemption value. As of September 30, 2025, the book value of this interest was approximately $12.1 million and was recorded as a redeemable noncontrolling interest in our condensed consolidated balance sheets.

Reclassifications

During the fiscal year ended March 31, 2025, the Company determined that the consumer finance company segment met the criteria for discontinued operations classification. As a result, the Company made reclassifications to include certain prior year amounts within discontinued operations and assets held for sale in the Company's condensed consolidated balance sheets, statements of operations, and statements of cash flows. See Note 13 Discontinued Operations for further details.

Recently Issued Accounting Pronouncements

In March 2024, the Financial Accounting Standards Board (the "FASB") issued ASU 2024-02, *Codification Improvements-Amendments to Remove References to the Concepts Statements* ("ASU 2024-02"). ASU 2024-02 contains amendments to the Codification that remove references to various FASB Concepts Statements. The requirements of this ASU 2024-02 are effective for the Company for interim periods in fiscal years beginning after December 15, 2024 and can be applied on a prospective or retrospective basis. The Company adopted this standard in the current year on a prospective basis and it has not had a material impact on the Company's condensed consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No. 2023-09 *"Income Taxes (Topic 740): Improvements to Income Tax Disclosures"* ("ASU 2023-09"). This ASU requires that reporting entities disclose specific categories in the effective tax rate reconciliation as well as information about income taxes paid. The authoritative guidance is effective for annual periods beginning after December 15, 2024 and for interim periods beginning after December 15, 2025, with early adoption permitted. The Company is currently evaluating the effect of this new guidance and does not expect this standard to have a material impact on the Company's condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. ASU 2024-03 requires disclosure in the notes to the financial statements of specified information about certain costs and expenses. The requirements of ASU 2024-03 are effective for the Company for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted and should be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all period periods presented in the financial statements. The Company is currently evaluating the impact of this standard on its condensed consolidated financial statements and related disclosures and the Company does not expect its adoption to have a material impact on the Company's condensed consolidated financial statements.

Note 3. Business Combination

On June 15, 2024 (the "Closing Date"), the Company completed the Amplex Acquisition and closed on a share purchase agreement to acquire a majority interest in Amplex from the shareholders of Amplex (the "Sellers"), pursuant to which the Sellers agreed to sell, and the Company agreed to purchase 51% of the issued and outstanding common shares, no par value per share, of Amplex and the Company agreed to make payment to the holders of options for Amplex's common shares in consideration of cancellation of such options for total purchase consideration of $18.4 million, which was paid in cash on the Closing Date. Amplex is an Ohio-based provider of rural broadband services to business and residential customers. The Company acquired a majority interest in Amplex in an attempt to provide better shareholder value over time. The financial results of Amplex have been included within the condensed consolidated financial statements since the Closing Date.

In conjunction with the closing of the Amplex Acquisition, the Company converted the outstanding principal and accrued interest of approximately $0.8 million under the Term Loan Advances into 421 shares of Amplex Holdings common stock at the per share purchase price of $1,792.55 and in June 2024 purchased an additional 1,674 shares of Amplex Holdings common stock at a price of $1,792.55 per share for a total of $3.0 million. These transactions, concurrently executed on the Closing Date, increased the Company's ownership in Amplex Holdings to 56.5%. In December 2024, the Company entered into a Subscription Agreement whereby the Company invested an additional $4.5 million into Amplex Holdings, for 2,583 shares, at the purchase price of $1,742.16 per share, increasing the Company's ownership percentage to 60.9% of Amplex Holdings. In July 2025, the Company entered into an additional Subscription Agreement whereby the Company invested another $4.5 million into Amplex for 4,120 shares at $1,092.26 per share, further increasing the Company's ownership percentage to 66.4% of Amplex Holdings.

In accordance with ASC 805, *Business Combinations*, the Amplex Acquisition was accounted for using the acquisition method of accounting, which requires, among other things, the assets acquired and the liabilities assumed be recognized at their fair values as of the Closing Date. Goodwill is calculated as the excess of the purchase price for the acquired business over the fair value of net assets acquired, including the liabilities assumed, from the Amplex Acquisition. Goodwill represents the value the Company expects to achieve through the implementation of operational synergies, the expansion of the business into new or growing segments of the industry, and other intangible assets acquired that do not qualify for separate recognition, including an assembled workforce. None of the goodwill recognized was deductible for income tax purposes.

The allocation of the purchase price to the assets acquired and liabilities assumed was finalized as of March 31, 2025 using the purchase method of accounting in accordance with ASC 805.

The fair value of the subscriber relationships was determined using the multi-period excess earnings method (“MPEEM”) under the income approach. This method reflects the present value of the operating cash flows generated by this asset after taking into account the cost to realize the revenue, and an appropriate discount rate to reflect the time value and risk associated with the invested capital. The Company utilized the relief-from-royalty method, a form of both the market and income approach, to determine the fair value of the trade names. Under this method, it is assumed that if the Company did not own the intangible asset, it would be willing to pay a royalty for its use. Internally developed software was valued using a cost approach, specifically the cost to re-create method. The cost to re-create method considers the cost required to recreate an identical asset considering current prices of direct and indirect costs. These costs are then adjusted for the developers’ profit, which reflects the expected return on the direct and indirect costs, and opportunity cost, which represents the forgone returns during the period when the asset is being developed. The Citizens Broadband Radio Service FCC license ("CBRS FCC license") was valued using a cost approach, specifically, the cost incurred by the business in acquiring the CBRS FCC license. In determining the fair value of the property, plant, and equipment, the Company used a combination of various valuation techniques including the income approach, the cost approach, and the market approach.

The Company's final allocation of the purchase price to the assets acquired, liabilities assumed, and noncontrolling interest recognized and redeemable as of the Closing Date were as follows:

(In thousands)

Cash and cash equivalents	$	221
Accounts receivable		116
Materials and supplies		537
Operating lease right-of-use		3,063
Prepaid expenses and other assets		265
Property, plant, and equipment		24,584
Intangible assets		4,133
Goodwill		12,280
Total assets acquired		45,199
Accounts payable		1,252
Accrued expenses and other liabilities		112
Lease liabilities		3,063
Deferred income taxes		4,208
Deferred revenue		556
Total liabilities assumed		9,191
Total fair value of net assets acquired		36,008
Less: redeemable noncontrolling interest		(17,644)
Total Adjusted Base Purchase Price	$	18,364

The Company incurred $1.1 million of transaction costs related to the Amplex Acquisition during the fiscal year ended March 31, 2025. These costs are classified as general and administrative expenses in the Company's condensed consolidated statements of operations. The Company recorded a measurement period adjustment during the fourth fiscal quarter of 2025 that decreased the value of finite lived intangible assets acquired in the transaction by $7.0 million, increased the value of property, plant, and equipment by $4.5 million, increased cash acquired by $0.2 million, and decreased total liabilities by $0.5 million (which is almost entirely attributable to a decrease in deferred income taxes). These adjustments had the net effect of increasing goodwill by $1.8 million.

The measurement period adjustments for the fair value of the assets acquired and liabilities assumed, as described above, were recognized during the fiscal year ended March 31, 2025, of which the final purchase price allocation adjustments were determined and calculated as if the accounting had been completed as of the Closing Date. As a result of the final revised estimates in the fair values determined for the finite lived intangible assets, property, plant, and equipment, and their related estimated useful lives, there also was a corresponding adjustment to the income effects that would have been recognized for depreciation expense and amortization expense.

Of the $0.5 million of amortization expense recorded during the year ended March 31, 2025 for the finite lived intangible assets acquired, approximately $170 thousand would have been recognized through the second quarter ended September 30, 2024, which represents a $39 thousand decrease in amortization expense from the $208 thousand that was previously estimated using the provisional amounts of finite lived intangible assets as presented in previous filings.

Of the $1.5 million of depreciation expense recorded during the year ended March 31, 2025 for the property, plant, and equipment acquired, approximately $544 thousand would have been recognized through the second quarter ended September 30, 2024, which represents a $207 thousand increase in depreciation expense from the $337 thousand that was previously estimated using the provisional amounts of property, plant, and equipment as presented in previous filings.

The following is the net impact of the Amplex Acquisition on the Company's condensed consolidated statements of operations for the three and six months ended September 30, 2025 and 2024:

	(In thousands) Three Months Ended September 30,		(In thousands) Six Months Ended September 30,	
	2025	2024	2025	2024
Total revenue	$ 3,159	$ 2,958	$ 6,193	$ 3,447
Net income (loss) from continuing operations	$ 313	$ 410	$ 387	$ (190)

The following table represents the supplemental consolidated financial results of the Company on an unaudited pro forma basis, as if the acquisition had been consummated on April 1, 2024.

	(In thousands)			
	Three Months Ended September 30,		Six Months Ended September 30,	
	2025 (Actual)	2024 (Actual)	2025 (Actual)	2024 (Pro Forma)
Revenue	$ 3,159	$ 2,958	$ 6,193	$ 5,858
Net loss from continuing operations attributable to common shareholders	(802)	(1,482)	(1,588)	(7,593)
Net income from discontinued operations attributable to common shareholders	50	801	88	2,860
Net loss attributable to common shareholders	$ (752)	$ (681)	$ (1,500)	$ (4,733)

The following table represents the supplemental schedule of noncash investing and financing activities related to the Amplex acquisition:

	(In thousands) Three Months Ended September 30,		(In thousands) Six Months Ended September 30,	
	2025	2024	2025	2024
Supplemental schedule of noncash investing and financing activities				
Fair value of Amplex assets acquired	$ -	$ -	$ -	$ 45,199
Less: redeemable noncontrolling interest	-	-	-	(17,644)
Less: cash paid for Amplex common stock	-	-	-	(18,364)
Amplex liabilities assumed	$ -	$ -	$ -	$ 9,191

Note 4. Revenue and Deferred Revenue

Revenue

The Company sells its goods and services to customers primarily under contracts with stated terms of 12 months. The Company’s standard terms and conditions state a penalty for early termination of wireless internet service contracts; however, the Company normally waives this penalty. Disaggregated revenues are presented in the accompanying statements of operations.

Contract Liability

The Company has current contract liability balances recorded of $0.6 million and $0.6 million as of September 30, 2025 and March 31, 2025, respectively, which represent amounts billed or collected in advance of the Company’s satisfaction of its performance obligations for the applicable contracts. During the quarter ended March 31, 2025, almost the entire $0.6 million contract liability balance as of March 31, 2025 was recognized as revenue during the period, and the $0.6 million contract liability balance as of September 30, 2025 pertains almost entirely to new customer billings made in advance of the Company's satisfaction of future performance obligations, as substantially all of the Company's billings that get added to the contract liability balances are billed for performance obligations that are satisfied by the Company in the subsequent month.

Note 5. Earnings Per Share

The Company has granted stock compensation awards with nonforfeitable dividend rights which are considered participating securities. Earnings per share is calculated using the two-class method, as such awards are more dilutive under this method than the treasury stock method. Ordinarily, basic earnings per share is calculated by dividing net income allocated to common shareholders by the weighted average number of common shares outstanding during the period, which excludes the participating securities. The Company's participating securities are non-vested restricted shares which are not required to share losses, and accordingly, are not allocated losses in periods of net loss. Dilutive earnings per share are calculated by dividing net income allocated to common shareholders by the weighted average number of common shares outstanding during the period which includes the dilutive effect of additional potential common shares from stock compensation awards. In a period of loss, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive. Therefore, in periods when a loss is reported, basic and dilutive loss per share are the same.

In accordance with ASC 480-10-S99-3A, as the Company's redeemable noncontrolling interest is redeemable at an amount other than fair value, the Company has made an accounting policy election to reflect the entire adjustment to the carrying value, when the formula-based calculation of redemption value exceeds its stated carrying amount, as a deemed dividend. After accounting for the adjustments to the carrying value to reflect the changes in the calculated redemption amount for the three and six months ended September 30, 2025, as described in the Summary of Significant Accounting Policies (see Note 2) there were no resulting deemed dividends to be recognized and accordingly no adjustment was made to the numerator for calculating earnings per share.

For the six months ended September 30, 2025, there were no potentially dilutive securities excluded from the diluted net loss per share calculations due to there being none outstanding and also because they would be anti-dilutive if there were such dilutive shares outstanding during the period. For the six months ended September 30, 2024, potentially dilutive securities that were not included in the diluted net loss per share calculations because they would be anti-dilutive were comprised of 5 thousand shares from options to purchase common shares.

Loss and income per share has been computed based on the following weighted average number of common shares outstanding:

	Three Months Ended September 30, (In thousands, except per share amounts)		Six Months Ended September 30, (In thousands, except per share amounts)	
	2025	2024	2025	2024
Numerator				
Net loss from continuing operations attributable to common shareholders	$ (802)	$ (1,482)	$ (1,588)	$ (6,843)
Net income from discontinued operations attributable to common shareholders	$ 50	$ 801	$ 88	$ 2,860
Net loss attributable to common shareholders	$ (752)	$ (681)	$ (1,500)	$ (3,983)
Denominator				
Denominator for basic loss per share - weighted-average shares outstanding	6,754	6,654	6,731	6,701
Dilutive effect of stock options	-	5	-	5
Denominator for diluted earnings per share from discontinued operations	6,754	6,659	6,731	6,706
Per share loss from continuing operations attributable to common shareholders				
Basic	$ (0.12)	$ (0.22)	$ (0.24)	$ (1.02)
Diluted	(0.12)	(0.22)	$ (0.24)	$ (1.02)
Per share income from discontinued operations attributable to common shareholders				
Basic	$ 0.01	$ 0.12	$ 0.01	$ 0.43
Diluted	0.01	0.12	$ 0.01	$ 0.43
Per share loss available to common shareholders				
Basic	$ (0.11)	$ (0.10)	$ (0.22)	$ (0.59)
Diluted	(0.11)	(0.10)	$ (0.22)	$ (0.59)

Note 6. Long-Term Debt

	(In thousands)	
	September 30, 2025	March 31, 2025
RUS Loan	$ 3,037	615
Bank Equipment Loans	426	213
Total Outstanding Debt	3,463	828
Less Current Portion	115	69
Total Long-Term Debt	$ 3,348	$ 759

The scheduled maturities of outstanding debt, excluding the effect of any future drawdowns or interest expense, at September 30, 2025 are as follows (in thousands):

(In thousands)	
Remainder of FY 2026	$ 56
FY 2027	120
FY 2028	424
FY 2029	1,000
FY 2030 and thereafter	1,863
Total Outstanding Debt	$ 3,463

The Company’s weighted-average interest rate for the outstanding debt agreements was 2.62% and 4.73% for the six months ended September 30, 2025 and fiscal year ended March 31, 2025, respectively. The Company's weighted-average interest rate on only its short-term borrowings outstanding was 7.07% as of September 30, 2025 and 15.50% for the fiscal year ended March 31, 2025, which is solely inclusive of the bank equipment loans.

RUS Loan - On September 23, 2024, Amplex entered into a Reconnect Program Loan and Security Agreement (the “RUS Loan Agreement”) with the United States of America acting through the Administrator of the Rural Electric Services (“RUS”), pursuant to which RUS has extended Amplex a secured loan in the principal amount of up to $21,341,792 (the “RUS Loan”). The cash received from the RUS Loan is restricted and held in a pledged deposit account, which is presented within “Prepaid expenses and other current assets” within the condensed consolidated balance sheets. The purpose of the RUS Loan is to finance the construction of a broadband infrastructure project to serve rural areas where at least 50% of the households are without sufficient access to broadband.

Amplex has five years to draw funds under the RUS Loan Agreement, which expires on October 31, 2029. The RUS Loan is secured by all of Amplex’s assets and bears interest at a rate of 2% per annum, calculated by daily accrual. All monthly payments for accrued interest and principal on advances are able to be deferred for a three-year period ending on October 31, 2027, unless earlier payments are elected to be made by the Company. At the end of the three-year deferral period, all unpaid accrued interest will be capitalized and added to the outstanding principal, and monthly payments will be established in an amount that amortizes the outstanding balance in equal payments over the remaining term of the RUS Loan. The principal advanced pursuant to the RUS Loan Agreement and remaining unpaid, if any, and interest thereon, shall be due and payable on October 31, 2046. All, or a portion of the outstanding balance, of any advance made under the RUS Loan Agreement may be prepaid on any payment date without penalty.

The obligation of RUS to advance funds to Amplex under the RUS Loan Agreement is subject to conditions that are customary for loans made by RUS, including the accuracy of Amplex’s representations and warranties, no material adverse effect with respect to Amplex, no event of default, receipt of a financial requirement statement from Amplex, current financial statements, compliance with buildout timelines, material compliance with the RUS Loan Agreement, obtaining specified permits, licenses and franchises and maintenance of on deposit in a pledged deposit account of required matching funds for completion of projects. Other conditions include Amplex having positive cash flow from operations at the end of the fifth year of an award under the RUS Loan Agreement and providing the specified level of broadband service for the period specified in the RUS Loan Agreement. The RUS Loan Agreement contains negative covenants of Amplex that are customary for loans made by RUS, including Amplex not merging, consolidating, reorganizing or selling, leasing or transferring a substantial part of its property without RUS’ prior written consent, Amplex not incurring additional debt with specified exceptions, Amplex not changing its principal place or place of business without RUS’ consent and Amplex not issuing preferred stock without RUS’ consent. RUS may suspend advances if Amplex suffers a material adverse effect or an event of default occurs.

The RUS Loan Agreement contains customary events of default, including materially incorrect representations and warranties, nonpayment of the RUS Loan, improper expenditures, failure to keep adequate records, failure to build in accordance with timelines, bankruptcy, dissolution or liquidation and impairment of business. If an event of default occurs, RUS could restrict Amplex’s ability to obtain additional advances under the RUS Loan Agreement, accelerate all amounts outstanding under the RUS Loan Agreement, enforce RUS’ interest against the collateral pledged under the RUS Loan Agreement or enforce such other rights and remedies as RUS may have under the loan documents or applicable law as secured lenders.

Bank Equipment Loans - In November 2024, June 2025, and August 2025, the Company entered into equipment finance agreements with Huntington National Bank (collectively, the "Bank Equipment Loans") to provide financing for the purchase of certain equipment fixed assets. The Bank Equipment Loans are secured by the respective pieces of equipment acquired under each agreement and contain customary covenants and events of default, including materially incorrect representations and warranties, nonpayment, and failure to maintain proper registrations, titles, permits, licenses, and insurance policies covering the equipment. Interest under the Bank Equipment Loans accrues at a rate indexed to the "ICE Swap Rate - USD rates SOFR 1100" as published by Intercontinental Exchange, Inc., subject to a maximum of 18% per annum. Payments are due monthly, with the loans maturing in November 2026 and July 2029, respectively.

Note 7. Property, Plant, and Equipment, net

Property, plant, and equipment consist of the following:

	(In thousands)	
	September 30, 2025	**March 31, 2025**
Fiber plant	$ 29,835	$ 21,375
Equipment	10,669	9,794
Leasehold improvements	592	580
Furniture and fixtures	281	249
Tower Sites and Construction Equipment	36	36
Total, property, plant, and equipment in service	41,413	32,034
Property, plant, and equipment under construction	878	346
Total property, plant, and equipment	42,291	32,380
Less: accumulated depreciation	(2,614)	(1,435)
Total property, plant, and equipment, net	$ 39,677	$ 30,945

Depreciation expense was $719 thousand and $1.2 million for the three and six months ended September 30, 2025, respectively. Depreciation expense was $306 thousand and $367 thousand for the three and six months ended September 30, 2024 respectively, Depreciation expense is included in depreciation and amortization in the condensed consolidated statements of operations.

Note 8. Goodwill and Intangible Assets

The acquired goodwill represents the value of combining operations of Amplex and the Company.

The change in the carrying amount of goodwill for the six months ended September 30, 2025 was as follows:

(In thousands)	Net Carrying Amount as of March 31, 2025	Additions	Impairment	Net Carrying Amount as of September 30, 2025
Goodwill	$ 12,280	$ -	$ -	12,280
	$ 12,280	$ -	$ -	$ 12,280

The changes in intangible assets for the six months ended September 30, 2025 consists of the following:

(In thousands)	Weighted Average Remaining Amortization Period (Years)	Net Carrying Amount as of March 31, 2025	Additions	Impairment	Amortization	Net Carrying Amount as of September 30, 2025
Definite lived intangible assets:						
Subscriber relationships	3.74	$ 2,234	$ -	$ -	$ (247)	$ 1,987
Trade name	8.67	467	-	-	(25)	442
		2,701	-	-	(272)	2,429
Indefinite lived intangible assets:						
IP Addresses	N/A	392	-	-	-	392
FCC Spectrum license	N/A	580	-	-	-	580
		972	-	-	-	972
		$ 3,673	$ -	$ -	$ (272)	$ 3,401

Amortization expense totaled $145 thousand and $272 thousand for the three and six months ended September 30, 2025, respectively. Amortization expense totaled $178 thousand and $208 thousand for the three and six months ended September 30, 2024, respectively. Amortization expense is included in depreciation and amortization in the condensed consolidated statements of operations.

As of September 30, 2025, the future expected amortization expense for intangible assets is as follows:

(In thousands)	
Remainder of FY 2026	$ 290
FY 2027	582
FY 2028	582
FY 2029	582
FY 2030	180
Thereafter	213
Total	$ 2,429

Note 9. Leases

The Company's operating leases for its equipment and specialized spaces for company equipment have terms expiring at various dates through June 2033. Certain lease arrangements include renewal options, escalation clauses and rights of first refusal for the lessee to purchase the applicable property.

Operating lease assets and operating lease liabilities are recognized based on the present value of the future lease payments over the lease term at the commencement date. As most of the Company's leases do not provide an implicit rate, the Company estimates its incremental borrowing rate based on information available at the commencement date in determining the present value of future payments. Lease expense related to the net present value of payments is recognized on a straight-line basis over the lease term.

The key components of the Company's operating lease expenses are included in general and administrative expenses on the condensed consolidated statements of operations and were as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Operating lease expense	$ 116	$ 23	233	33
Short-term lease expense	-	-	-	3
Total lease cost	$ 116	$ 23	$ 233	$ 36

Right-of-use assets and lease liabilities for operating leases were recorded in the condensed consolidated balance sheets as follows:

	(In thousands)	
	September 30, 2025	**March 31, 2025**
Operating leases:		
Operating lease right-of-use assets	$ 2,823	$ 2,963
Current portion of operating lease liabilities	296	286
Operating lease liabilities, net of current portion	2,538	2,685

The weighted-average remaining lease term for operating leases was 10 years for the six months ended September 30, 2025, and the fiscal year ended March 31, 2025. The weighted-average discount rate was 6.3% for the six months ended September 30, 2025, and the fiscal year ended March 31, 2025.

Future minimum lease payments under non-cancelable operating leases as of September 30, 2025, are as follows:

(In thousands)	
Remainder of FY 2026	$ 237
FY 2027	468
FY 2028	455
FY 2029	413
FY 2030	412
Thereafter	1,833
Total minimum lease payments	3,818
Less: effects of discounting	(984)
Present value of future minimum lease payments	$ 2,834

Note 10. Commitments and Contingencies

The Company is involved in certain claims and legal proceedings in the normal course of business. If one of these claims were to be decided against the Company, it could have a material adverse effect on the Company’s financial condition or results of operations.

The Company has been sued together with several other defendants, in a lawsuit styled: Nicholas Financial, Inc. v. Jeremiah Gross, No. 21CY-CV02148-01, 7th Judicial Circuit, Clay County, Missouri. On March 9, 2021 the Company filed suit against Jeremiah Gross for a deficiency balance owed to the Company following the 2018 surrender and sale of his motor vehicle which secured a loan from the Company. On April 22, 2021 a default judgment for $7,984 was entered against Gross. On December 22, 2021 Gross filed a motion to set aside the default judgment. The Court granted his motion on March 23, 2022. In his answer he asserted a class-action counterclaim against the Company seeking to represent a Nationwide class of the Company's customers who received allegedly deficient notices regarding the sale of their vehicles and whose vehicles were recovered and sold by the Company, and on behalf of Missouri customers who received allegedly deficient notices from the Company regarding the sale of their recovered vehicles and the calculation of the deficiency owed the Company. The Company filed its answer to the counterclaim on May 13, 2022. On September 9, 2022 the Company filed a motion for summary judgment as to all counts of the counterclaim and Nicholas Financial, Inc.'s claim against Gross. The motion was argued on February 16, 2023. On March 27, 2023 the Court entered an order granting the motion in part and denying the motion in part. The Court found in favor of Nicholas Financial, Inc. as to the counterclaim regarding presale notices and prejudgment interest and in Gross's favor for the counterclaim as to post-sale notices. The Court also denied Nicholas Financial, Inc.'s motion for summary judgment as to its claim for a deficiency against Gross. The remaining claim related to post sale notices sent to Missouri customers. The parties, including the Company's insurer Gemini Insurance Company ("Gemini"), settled the case and the Court entered a Final Approval Order on May 15, 2024 which found the Agreement to have been entered into in good faith and approving the Company's assignment to the Class of the Company's claims against certain insurers, brokers, and agents. Further, the Court approved the settlement as fair, reasonable, and adequate as to, and in the best interests of, each of the Parties and the Settlement Class members and in full compliance with all requirements of the laws of Missouri, the United States Constitution (including the Due Process Clause), and any other applicable law. The Court directed the parties to the Lawsuit to implement and consummate the Agreement pursuant to its terms and provisions. Pursuant to the terms of the Agreement, the Court entered a Final Judgment against the Company in favor of the Class. In the Final Judgment, the Court held that other than the funds to be paid by Gemini on behalf of the Company, the Company had no obligation to satisfy the judgment, and that any remaining amount may only be satisfied from the Company's Insurers and Insurance Agents other than Gemini.

On May 15, 2024, Gross filed on behalf of the Class, as assignee of the Company, a Cross-Claim in the underlying lawsuit against American Zurich Insurance Company ("AZIC"), American Guarantee and Liability Insurance Company ("AGLIC"), and Zurich American Insurance Company ("ZAIC" and collectively with AZIC and AGLIC, "Zurich"), for breach of contract, breach of the duty to defend, and bad faith failure to defend or settle ("Cross-Claim"). On June 14, 2024, Zurich filed a Motion to Amend the Final Judgment and a Notice of Removal of the Cross-Claim, seeking to remove the Cross-Claim to federal court in the Western District of Missouri. In its Notice of Removal, Zurich acknowledged that the Company is no longer a proper party to the Lawsuit "because all the claims against it are resolved by the Final Judgment." On June 24, 2024, Zurich filed a Notice of Appeal of the Final Judgment.

On August 14, 2024, the federal court in the Western District of Missouri granted Gross's (Class Representative's) motion to remand the Cross-Claim against Zurich, which means the action was reinstated that day in the state Circuit Court. Shortly after the remand, on September 5, 2024, the state court granted a joint motion by Gross and Zurich to stay the state court action pending the state Appeals Court's disposition of Zurich's appeal. On April 25, 2025, Missouri Court of Appeals dismissed Zurich's appeal for failure to prosecute.

On October 16, 2024, Gross and the class reached an agreement with the Company and Zurich to resolve the dispute regarding the Company's insurance coverage under the Zurich policies (the "Zurich settlement"). On May 22, 2025 the Circuit Court for Clay County, Missouri approved the Zurich settlement. The effective date under the class action settlement has been triggered, and Gemini made the class action settlement payment on behalf of the Company which the Settlement Administrator confirmed cleared on June 3, 2025. There was no income or expense recorded by the Company in relation to this case as of September 30, 2025.

Note 11. Stock Plans

In May 2019, the Company's Board of Directors ("Board") authorized a stock repurchase program allowing for the repurchase of up to $8.0 million of the Company's outstanding shares of common stock in open market purchases, privately negotiated transactions, or through other structures in accordance with applicable federal securities laws. The authorization was effective immediately.

The timing and actual number of shares will depend on a variety of factors, including stock price, corporate and regulatory requirements and other market and economic conditions. The Company's stock repurchase program may be suspended or discontinued at any time.

In August 2019, the Company's Board authorized an additional repurchase of up to $1.0 million of the Company's outstanding shares.

On September 5, 2024, the Company settled in cash with the dissenting shareholders to repurchase the 652,249 Dissenting Shares at a price per share of $8.63, or $5.6 million (as discussed in Note 2). The Dissenting Shares were retained by the Company to be included within treasury stock.

Beginning during the three months ended June 30, 2025, the Company began settling certain share-based compensation amounts due through the reissuance of treasury shares rather than issuing new shares of common stock. Treasury shares are reissued at historical cost, with the Company applying a last-in, first out method to determine cost. After reissuing treasury shares at their historical cost, the share-based compensation is settled by issuing the related shares of common stock at their respective fair values, with the difference between the treasury shares reissued at historical cost and the fair values of the shares of common stock issued to settle the share-based compensation being recognized within Additional paid-in capital. This activity is reflected in the consolidated statements of redeemable non-controlling interest and shareholders' equity and as a non-cash financing activity in the consolidated statements of cash flows.

The table below summarizes treasury share transactions for the Company:

	Three Months Ended September 30,					
	2025			2024		
	Number of Shares		Amount	Number of Shares		Amount
Treasury shares at the beginning of period	6,008	$	(82,321)	5,368	$	(76,794)
Treasury shares purchased	-		-	652		(5,629)
Treasury shares reissued	(47)		394	-		-
Treasury shares at the end of period	5,961	$	(81,927)	$ 6,020	$	(82,423)

	Six Months Ended September 30,					
	2025			2024		
	Number of Shares		Amount	Number of Shares		Amount
Treasury shares at the beginning of period	6,020	$	(82,423)	5,368	$	(76,794)
Treasury shares purchased	-		-	652		(5,629)
Treasury shares reissued	(59)		496	-		-
Treasury shares at the end of period	5,961	$	(81,927)	$ 6,020	$	(82,423)

Note 12. Income Taxes

For the three and six months ended September 30, 2025, the Company recorded income tax expense (benefit) from continuing operations of $8 thousand and $27 thousand, respectively. These amounts represent a decrease of $95 thousand and an increase of $52 thousand compared to the income tax expense (benefit) from continuing operations of $103 thousand and ($25) thousand, respectively, for the three and six months ended September 30, 2024.

The Company’s effective tax rate for the three months ended September 30, 2025 and 2024 was (0.94%) and (9%), respectively. The Company’s effective tax rate for the six months ended September 30, 2025 and 2024 was (1.74%) and 0.38%, respectively. The change in the effective tax rate from the comparison of 2025 and 2024 as noted above primarily relates to the operations of Amplex. The Company only records a valuation allowance for OMCC because there is not sufficient evidence of future earnings to support a position that it will be able to realize its net deferred tax asset.

As of March 31, 2025, the Company had federal and state net operating losses (“NOL”) of approximately $70 million and $61 million, respectively.

The Federal NOLs were generated after December 31, 2017 and therefore have an infinite carryforward period but can only be utilized up to 80% of taxable income. State NOLs generated have various expiration rules and dates with the first amount of NOLs expiring in 2033. In accordance with Section 382 of the U.S. Internal Revenue Code, the usage of the Company’s NOL carryforwards is subject to annual limitations following greater than 50% ownership changes. The Company is subject to taxation in the United States federal and state jurisdictions. The Company’s federal income tax and state income tax returns are subject to examination by tax authorities. Its statute of limitations will remain open for all years with unutilized NOLs. The Company is not currently under examination by any tax authority.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provision of the Tax Cuts and Jobs Act, modification to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Company does not anticipate the bill will have a material impact on its financial statements.

Note 13. Discontinued Operations

On November 13, 2023, the Company entered into the Purchase Agreement with Westlake Financial, pursuant to which the Company agreed to sell substantially all of its finance receivables and all of its repossessed assets. In connection with entering into the Purchase Agreement, the Company ceased new loan originations of contracts and direct loans. On April 26, 2024, the transactions contemplated by the Purchase Agreement closed with an aggregate purchase price of $65.6 million, pursuant to the terms of the Purchase Agreement. Pursuant to the terms of the Purchase Agreement, Westlake Financial was due to make additional payments to the Company based on a percentage of cash collections received over a predetermined threshold on the loan portfolio from September 30, 2023 through the closing of the disposition. On April 26, 2024, Westlake Financial made a $40.6 million payment to the Company at the closing of the disposition.

Subsequent to closing, the Company and Westlake Financial determined that Westlake Financial overpaid the Company $2.6 million. The Company accordingly recorded a $2.6 million contingent liability while negotiations took place until a settlement could be reached on the established contingent consideration.

On July 25, 2024, the arrangement between the Company and Westlake regarding a reconciliation of the initial payment to Nicholas Financial, escrow, and contingent consideration was settled, which resulted in the Company paying Westlake Financial $2.4 million and waiving the right to any future contingent payments from Westlake Financial as originally stated in the Purchase Agreement. As a result of the sale of the Company's finance receivables and repossessed assets to Westlake, the Company recognized a gain of $1.7 million, calculated as the excess of the total consideration received over the carrying value of the finance receivables and repossessed assets sold to Westlake. The disposition of the finance receivables and all of its repossessed assets represents a strategic shift in the business based on the total assets, revenue, and net income of the segment sold to Westlake in comparison to the financial information of the Company as a whole.

The following depicts the results of operations for the discontinued operations of the Company for the three and six months ended September 30, 2025 and 2024:

	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
	2025	2024	2025	2024
Interest and fee income on finance receivables	-	-	-	1,229
Operating (recoveries) expenses	(50)	97	(88)	784
Income from operations	50	(97)	88	445
Gain on disposal of assets	-	(175)	-	(1,692)
Gain on sale of financial assets	-	(723)	-	(723)
Income tax expense (benefit)	-	-	-	-
Net income from discontinued operations, net of tax	$ 50	$ 801	$ 88	$ 2,860

Note 14. Segment Information

Segment Information - The Company's CODM has been identified as the Chief Executive Officer, who reviews the operating results and financial metrics for the Company to make decisions about allocating resources and assessing financial performance. The Company has one segment manager who reports directly to the CODM. The Company operates as one operating segment, Telecommunications, which provides broadband internet, voice over internet protocol (VOIP), and video services within service areas located primarily in Northwest and North Central Ohio. Customers include residential clients and commercial clients. In previous years, the Company had a consumer finance segment, however, this is now reported within discontinued operations for the periods presented (refer to Note 13 for further details).

The CODM uses segment operating income (loss) and assets to assess performance and allocate resources at the Telecommunications operating segment, which excludes corporate and discontinued operations of the Company. We define operating income (loss) as revenues less operating expenses. Operating expenses include cost of wireless and fiber internet services, cost of other revenue (exclusive of depreciation shown separately), plant specific and nonspecific operations expenses, general and administrative expenses, and depreciation and amortization expenses.

Costs incurred at corporate generally include legal, salary and wages for the executive management team, professional fees for services received, human resources, finance, and taxes.

The accounting policies of the Company's segment are the same as those described in the summary of significant accounting policies.

Reported segment revenue, segment operating income (loss), and significant segment expenses for the six months ended September 30, 2025 and 2024 are as follows:

Telecommunications	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
2025 ($ in thousands)	2025	2024	2025	2024
Telecommunications Segment Revenue				
Wireless internet services	$ 1,666	$ 1,764	$ 3,338	$ 2,083
Fiber internet services	1,016	773	1,946	879
Other revenue	477	421	909	485
Total revenue	3,159	2,958	6,193	3,447
Operating expenses				
General and administrative	1,252	1,134	2,479	1,965
Depreciation and amortization	829	465	1,401	545
Plant specific operations	363	324	790	398
Plant nonspecific operations	247	227	474	265
Cost of other revenue (exclusive of depreciation shown separately)	177	209	353	245
Cost of wireless and fiber internet services (exclusive of depreciation shown separately)	175	157	371	187
Advertising and marketing	85	-	229	-
Total segment operating expenses	3,128	2,516	6,097	3,605
Telecommunications segment operating income (loss)	31	442	96	(158)
Total other segment (expense) income[1]	(1)	30	27	30
Segment income (loss) before income taxes and discontinued operations	30	472	123	(128)
Reconciliation to consolidated net loss before income taxes and discontinued operations:				
Corporate overhead and other income				

General and administrative	(956)	(1,677)	(1,962)	(4,637)
Advertising & marketing	(4)	(12)	(13)	(12)
Depreciation and amortization	(35)	(16)	(71)	(27)
Interest income, net	176	395	395	806
Emigration tax (expense)	-	-	-	(1,711)
(Loss) on dissenting shareholders' liability	-	(274)	-	(1,103)
Other income	-	10	-	10
Consolidated net loss before income taxes and discontinued operations	$ (789)	$ (1,102)	$ (1,528)	$ (6,802)

[1] Other segment items included in Segment operating loss include interest expense, gain on the sale of assets, and other income.

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Assets by segment as of September 30, 2025 and March 31, 2025 are as follows:

($ in thousands)	September 30, 2025	March 31, 2025
Telecommunications operating segment assets	$ 62,944	$ 53,994
Corporate assets	18,124	23,678
Total Assets	$ 81,068	$ 77,672

Note 15. Subsequent Events

On September 8, 2025, the Company's Board of Directors approved a change in the Company's fiscal year end from March 31 to December 31, effective October 1, 2025. This change is intended to better align the Company's financial reporting cycle with its operational and strategic planning processes.

Accordingly, the Company will file its next Annual Report on Form 10-KT for the nine-month period ending December 31, 2025. Future annual reports will reflect the new fiscal year ending December 31. The Company has evaluated the impact of this change and determined that it does not materially affect the comparability of financial information presented in prior periods.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward- Looking Information

This Quarterly Report on Form 10-Q contains various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on management's current beliefs and assumptions, as well as information currently available to management. When used in this document, the words "anticipate", "estimate", "expect", "forecast", "will", "would", "may", "plan", "believe", "intend" and similar expressions are intended to identify forward-looking statements. Although Old Market Capital Corporation, including its subsidiaries (collectively, the "Company", "we", "us", or "our") believes that the expectations reflected or implied in such forward-looking statements are reasonable, it can give no assurance that such expectation will prove to be correct.

Forward-looking statements involve a number of risks and uncertainties, including but not limited to those discussed in the "Risk Factors" section in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2025. Readers should not place undue reliance on any forward-looking statement and should recognize that the statements are predictions of future results or conditions, which may not occur as anticipated. Actual results or conditions could differ materially from those anticipated in the forward-looking statements and from historical results, due to the risks and uncertainties described herein and in the Company's other public filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the Company's fiscal year ended March 31, 2025, as well as other risks and uncertainties not now anticipated. The risks and uncertainties described herein and in the Company's other public filings are not exclusive and further information concerning the Company and its businesses, including factors that potentially could materially affect the Company's financial results, may emerge from time to time. Except as required by law, the Company assumes no obligation to update forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

Any forward-looking statements made by us in this document speak only as of the date on which they are made. We are under no obligation, and expressly disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, subsequent events or otherwise.

Overview

The Company was previously a specialized consumer finance company focused on subprime auto lending. The Company announced the restructuring of operations in November 2023 and now operates as a holding company which owns an indirect controlling interest in Amplex, a broadband company located in northwest Ohio. The Company, which is based in Omaha, Nebraska, continues to pursue additional controlling interests in other companies and sectors yet to be determined.

Change in Operating Strategy

On November 13, 2023, the Company entered into a Master Asset Purchase Agreement (the "Purchase Agreement") with Westlake Services, LLC dba Westlake Financial, a California limited liability company ("Westlake Financial"), pursuant to which the Company agreed to sell substantially all of the Company's finance receivables and all of its repossessed assets. On April 26, 2024, the transactions contemplated by the Purchase Agreement closed.

On June 15, 2024, the Company closed upon the acquisition of 51% of the issued and outstanding common shares of Amplex, all of which were placed into Amplex Holdings. Amplex is a provider of broadband internet, voice over internet protocol (VOIP), and video services within service areas located primarily in Northwest and North Central Ohio. As of September 30, 2025, Amplex had approximately 13,400 broadband customers (5,200 fiber subscribers) and over 14,600 fiber passings completed.

Concurrently, on June 15, 2024, the Company converted the outstanding principal and accrued interest of approximately $0.8 million under the Term Loan Advances into 421 shares of Amplex Holdings common stock at the Share Purchase Price of $1,792.55 and purchased 1,674 shares of Amplex Holdings common stock at the share purchase price of $1,792.55 each for an aggregate purchase price of $3.0 million. These transactions increased the Company's indirect ownership in Amplex to 56.5%. In December 2024, the Company entered into a Subscription Agreement whereby the Company invested an additional $4.5 million into Amplex Holdings, increasing the Company's ownership percentage to 60.9%. In July 2025, the Company invested an additional $4.5 million into Amplex Holdings, increasing the Company's ownership percentage to 66.4%.

How We Generate Revenues and Evaluate our Business

The Company generates revenues primarily through customer contracts and provides wireless internet services, fiber internet services, and other services including voice over telephone services. The Company fulfills obligations and recognizes revenue under a contract with a customer by transferring products and services in exchange for consideration from the customer. Payments received or consideration billed in advance are recorded as deferred revenue. Further, the Company records accounts receivable for services billed in advance.

Operating income (loss) is a key metric that we use to evaluate segment operating performance and to determine resource allocation between segments. We define operating income (loss) as revenues less operating expenses. Operating expenses include cost of wireless and fiber internet services, cost of other revenue, plant specific and nonspecific operations expenses, general and administrative expenses, and depreciation and amortization expenses.

Result of Operations

Three months ended September 30, 2025 compared to three months ended September 30, 2024

Revenues of Continuing Operations

For the three months ended September 30, 2025 and 2024, our revenues in dollars and as a percentage of total revenues were as follows:

	For the Three Months Ended September 30,		Variance	
(In thousands)	**2025**	**2024**	**$ Change**	**% Change**
Revenue				
Wireless internet services	1,666	1,764	(98)	(6)%
Fiber internet services	1,016	773	243	31 %
Other revenue	477	421	56	13 %
Total revenue	$ 3,159	$ 2,958	$ 201	7 %

Revenue totaled $3.2 million for the three months ended September 30, 2025, compared to $3 million for the three months ended September 30, 2024. The increase in revenue for the three months ended September 30, 2025 is primarily due to an increase in total number of broadband subscribers by approximately 600 as compared to the three months ended September 30, 2024.

Expenses of Continuing Operations

For the three months ended September 30, 2025 and 2024, our expenses in dollars and as a percentage of total expenses were as follows:

	For the Three Months Ended September 30,		Variance	
(In thousands)	**2025**	**2024**	**$ Change**	**% Change**
Operating expenses				
General and administrative	$ 2,208	$ 2,811	$ (603)	(21)%
Depreciation and amortization	864	481	383	80 %
Plant specific operations	362	324	38	12 %
Plant nonspecific operations	247	227	20	9 %
Cost of other revenue (exclusive of depreciation shown separately)	177	209	(32)	(15)%
Cost of wireless and fiber internet services (exclusive of depreciation shown separately)	175	157	18	11 %
Advertising and marketing	89	12	77	642 %
Total operating expenses	$ 4,122	$ 4,221	$ (99)	(2)%

Cost of Wireless and Fiber Internet Services and Cost of Other Revenue of Continuing Operations

Cost of wireless and fiber internet services totaled $0.2 million for the three months ended September 30, 2025, compared to $0.2 million for the three months ended September 30, 2024. In addition, cost of other revenue totaled $0.2 million for the three months ended September 30, 2025 compared to $0.2 million for the three months ended September 30, 2024. The increase in the cost of wireless and fiber internet of $0.02 million is primarily related to an increase in fiber subscribers as we continue to expand the fiber network. The decrease in the cost of other revenue of $0.03 million is primarily related to an increased emphasis on the wireless and fiber internet service offerings.

Plant Specific and Plant Nonspecific Operations of Continuing Operations

Plant specific and plant nonspecific operations expenses totaled $0.6 million for the three months ended September 30, 2025, which were flat as compared to $0.6 million for the three months ended September 30, 2024.

General and Administrative Expenses of Continuing Operations

General and administrative expenses totaled $2.2 million for the three months ended September 30, 2025, compared to $2.8 million for the three months ended September 30, 2024. The decrease in general and administrative expenses for the three months ended September 30, 2025 is primarily due to additional professional fees and restructuring expenses incurred in the prior period in relation to the Amplex Acquisition, which was closed by the Company during the six months ended September 30, 2024. General and administrative expenses for the three months ended September 30, 2024 included costs related to the integration of Amplex into the Company's consolidated operations subsequent to the Amplex Acquisition, which did not recur in the three months ended September 30, 2025

Depreciation and Amortization Expenses of Continuing Operations

Depreciation and amortization expense totaled $0.9 million for the three months ended September 30, 2025, compared to $0.5 million for the three months ended September 30, 2024. The increase in depreciation and amortization expense for the three months ended September 30, 2025 is primarily attributable to increases in fixed asset balances from the continuing build out of our fiber network as of September 30, 2025, as compared to September 30, 2024.

Emigration Tax Expense of Continuing Operations

There was no emigration tax expense for the three months ended September 30, 2025 compared to emigration tax expense of $0.00 million for the three months ended September 30, 2024. The Company completed its continuation and domestication from a company incorporated under the laws of British Columbia to a corporation incorporated under the laws of the State of Delaware as of April 18, 2024.

Loss on Dissenting Shareholders' Liability of Continuing Operations

There was no loss on dissenting shareholders' liability for the three months ended September 30, 2025 compared to a loss on dissenting shareholders' liability of -$0.3 million for the three months ended September 30, 2024. The decrease in loss on dissenting shareholders' liability is a result of the change in fair value of the liability during the period that represents the amount owed to dissenting shareholders from the re-domestication of the Company from British Columbia to the State of Delaware and the sale of assets to Westlake Financial. As of September 30, 2025, the Company settled the total amount owed to the dissenting shareholders.

Discontinued Operations

Income from discontinued operations was $0.1 million for the three months ended September 30, 2025 compared to income from discontinued operations of $0.8 million for the three months ended September 30, 2024. The decrease in income for the three months ended September 30, 2025 is primarily attributed to the non-recurrence of any gains on the disposal of assets and on the sale of the finance receivables in the current fiscal period when compared to the three months ended September 30, 2024.

Six months ended September 30, 2025 compared to six months ended September 30, 2024

Revenues of Continuing Operations

For the six months ended September 30, 2025 and 2024, our revenues in dollars and as a percentage of total revenues were as follows:

	For the Six Months Ended September 30,		**Variance**	
(In thousands)	**2025**	**2024**	**$ Change**	**% Change**
Revenue				
Wireless internet services	$ 3,338	$ 2,083	$ 1,255	60 %
Fiber internet services	1,946	879	1,067	121 %
Other revenue	909	485	424	87 %
Total revenue	$ 6,193	$ 3,447	$ 2,746	80 %

Revenue totaled $6.2 million for the six months ended September 30, 2025, compared to $3.4 million for the six months ended September 30, 2024. The increase in revenue for the six months ended September 30, 2025 primarily reflects the full-period consolidation of Amplex following the Amplex Acquisition on June 15, 2024. In the current period, revenue includes services provided by Amplex for the entire six month period, whereas in 2024 Amplex contributed revenue only for the period between June 15, 2024 to September 30, 2024. Through the Company's majority interest in Amplex Holdings, which owns 100% of Amplex, the Company now offers wireless internet, fiber internet, and additional services such as VOIP telephone and video streaming. Due to the Amplex Acquisition in 2024, revenue is not comparable on a year-over-year basis.

Expenses of Continuing Operations

For the six months ended September 30, 2025 and 2024, our expenses in dollars and as a percentage of total expenses were as follows:

(In thousands)	For the Six Months Ended September 30, 2025	2024	Variance $ Change	% Change
Operating expenses				
General and administrative	$ 4,441	$ 6,602	$ (2,161)	(33)%
Depreciation and amortization	1,472	572	900	157%
Plant specific operations	789	398	391	98 %
Plant nonspecific operations	474	265	209	79 %
Cost of other revenue (exclusive of depreciation shown separately)	353	245	108	44 %
Cost of wireless and fiber internet services (exclusive of depreciation shown separately)	371	187	184	98 %
Advertising and marketing	242	12	230	1917 %
Total operating expenses	$ 8,142	$ 8,281	$ (139)	(2)%

Cost of Wireless and Fiber Internet Services and Cost of Other Revenue of Continuing Operations

Cost of wireless and fiber internet services totaled $0.4 million for the six months ended September 30, 2025, compared to $0.2 million for the six months ended September 30, 2024. In addition, cost of other revenue totaled $0.4 million for the six months ended September 30, 2025 compared to $0.2 million for the six months ended September 30, 2024. The increase is attributable to the full-period consolidation of Amplex. Operating expenses were recognized for the entire quarter for the current period, whereas for the six months ended September 30, 2024, Amplex only provided 15 days' worth of operating expenses commencing from the date of the Amplex Acquisition. Therefore, the cost of wireless and fiber internet services and cost of other revenue increased during the six months ended September 30, 2025 when compared to the prior period. As a result of the Purchase Agreement with Westlake Financial in April of 2024 and the Amplex Acquisition in June of 2024, the Company's cost of wireless and fiber internet services and cost of other revenue is not comparable on a year-over-year basis.

Plant Specific and Plant Nonspecific Operations of Continuing Operations

Plant specific and plant nonspecific operations expenses totaled $1.3 million for the six months ended September 30, 2025, compared to $0.7 million for the six months ended September 30, 2024. The increase is attributable to the full-period consolidation of Amplex with the Company's operations. Operating expenses for Amplex were recognized for the entire quarter for the current period, whereas for the six months ended September 30, 2024, Amplex only provided 15 days' worth of operating expenses commencing from the date of the Amplex Acquisition.

Therefore, plant specific and nonspecific operations expenses increased for the six months ended September 30, 2025 when compared to the prior period. As a result of the Amplex Acquisition in June of 2024, the Company's plant specific and nonspecific operations expenses are not comparable on a year-over-year basis.

General and Administrative Expenses of Continuing Operations

General and administrative expenses totaled $4.4 million for the six months ended September 30, 2025, compared to $6.6 million for the six months ended September 30, 2024. The decrease in general and administrative expenses for the six months ended September 30, 2025 is primarily due to additional professional fees and restructuring expenses incurred in the prior period in relation to the Amplex Acquisition, which was closed by the Company during the six months ended September 30, 2024. As a result of the Purchase Agreement with Westlake Financial in April of 2024 and the Amplex Acquisition in June of 2024, the Company's general and administrative expenses are not comparable on a year-over-year basis.

Depreciation and Amortization Expenses of Continuing Operations

Depreciation and amortization expense totaled $1.5 million for the six months ended September 30, 2025, compared to $0.6 million for the six months ended September 30, 2024. The increase in depreciation and amortization expense for the six months ended September 30, 2025 is primarily attributable to the full-period consolidation of Amplex for the entire period of the six months ended September 30, 2025. Operating expenses were recognized for the entire quarter for the current period, whereas for the six months ended September 30, 2024, Amplex only provided 15 days' worth of operating expenses commencing from the date of acquisition. As a result of the Purchase Agreement with Westlake Financial in April of 2024 and the Amplex Acquisition in June of 2024, the Company's depreciation and amortization expense is not comparable on a year-over-year basis.

Emigration Tax Expense of Continuing Operations

There was no emigration tax expense for the six months ended September 30, 2025 compared to emigration tax expense of $1.7 million for the six months ended September 30, 2024. The decrease in emigration tax expense in the current period is due to the Company completing its continuation and domestication from a company incorporated under the laws of British Columbia to a corporation incorporated under the laws of the State of Delaware as of April 18, 2024.

Loss on Dissenting Shareholders' Liability of Continuing Operations

There was no loss on dissenting shareholders' liability for the six months ended September 30, 2025 compared to loss on dissenting shareholders' liability of $1.1 million for the six months ended September 30, 2024. As of September 30, 2024, the Company had fully settled all amounts owed to dissenting shareholders, resulting in no loss recognized in the current period.

Discontinued Operations

Income from discontinued operations was $0.1 million for the six months ended September 30, 2025 compared to income from discontinued operations of $2.9 million for the six months ended September 30, 2024. The decrease in income for the six months ended September 30, 2025 is primarily attributed to the non-recurrence of any gains on the disposal of assets and on the sale of the finance receivables in the current fiscal period when compared to the six months ended September 30, 2024.

Liquidity and Capital Resources

The Company's cash flows are summarized as follows:

(In thousands)	Six Months Ended September 30, 2025	2024
Net cash provided by (used in) operating activities	$ 779	$ (532)
Net cash (used in) provided by investing activities	(8,466)	16,643
Net cash provided by (used in) financing activities	2,635	(5,629)

Net cash provided by operating activities was $0.8 million for the six months ended September 30, 2025 compared to net cash used in operating activities of $0.5 million for the six months ended September 30, 2024. The increase in cash provided by operating activities was primarily due to a decrease in net loss of $2.5 million, offset in part by a net decrease in operating assets and liabilities of $1.3 million. Further, as a result of the Purchase Agreement with Westlake Financial in April of 2024 and the Amplex Acquisition in June of 2024, the Company's change in cash provided by operating activities is not comparable on a year-over-year basis.

Net cash used in investing activities was $8.5 million for the six months ended September 30, 2025 compared to net cash provided by investing activities of $16.7 million for the six months ended September 30, 2024. Net cash used in investing activities primarily reflects the purchase of property and equipment totaling $8.5 million for the six months ended September 30, 2025. In comparison, for the six months ended September 30, 2024, investing activities included $38.9 million in proceeds from discontinued operations related to the sale of assets to Westlake Financial. Additionally, $18.4 million was paid for the Amplex Acquisition, and purchases of property and equipment totaled $3.9 million. As a result of the Purchase Agreement with Westlake Financial in April of 2024 and the Amplex Acquisition in June of 2024, the Company's change in cash provided by investing activities is not comparable on a year-over-year basis.

Net cash provided by financing activities for the six months ended September 30, 2025 was $2.6 million, compared to net cash used in financing activities of $5.6 million during the six months ended September 30, 2024. The current increase in net cash provided by financing activities was primarily due to the proceeds from long-term debt of $2.7 million during the three months ended September 30, 2025.

We have no material commitments for capital expenditures as of September 30, 2025. Part of our growth strategy, however, is to continuing to make capital expenditures for the purpose of expanding our fiber network, and potentially to acquire businesses. We would anticipate funding such activity through cash on hand, the issuance of debt, Common Stock, restricted stock units, and warrants for our Common Stock or a combination thereof.

Long-Term Borrowing Facilities

On September 23, 2024, Amplex entered into a Reconnect Program Loan and Security Agreement with the United States of America, acting through the Administrator of the Rural Utilities Service (“RUS”), for a secured loan of up to $21.3 million (the “RUS Loan”). At September 30, 2025, Amplex had outstanding borrowings of $3.0 million under the RUS Loan. The loan is intended to finance broadband infrastructure in rural areas where at least 50% of households lack sufficient access.

The loan bears interest at 2% per annum, with payments deferred for three years through October 31, 2027. After the deferral period, accrued interest will be capitalized, and monthly payments will amortize the balance through the loan’s maturity on October 31, 2046. Amplex may draw funds through October 31, 2029, and may prepay advances without penalty.

Loan proceeds are restricted and held in a pledged deposit account, classified under Prepaid expenses and other current assets. The loan is secured by all of Amplex’s assets and includes customary covenants and conditions, including maintaining positive cash flow by year five, compliance with buildout timelines, and restrictions on additional debt, asset transfers, and organizational changes without RUS consent.

Failure to meet these conditions or the occurrence of specified events of default could result in suspension of advances, acceleration of repayment obligations, or enforcement of collateral rights. At September 30, 2025, Amplex was in compliance with all financial loan covenants relating to the RUS Loan.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements.

Significant Developments

None.

Critical Accounting Policies and Estimates

A critical accounting estimate is an estimate that: (i) is made in accordance with generally accepted accounting principles, (ii) involved a significant level of estimation uncertainty and (iii) has had or is reasonably likely to have a material impact on the Company's financial condition or results of operations.

We account for our business combinations using the acquisition accounting method, which requires us to determine the fair value of identifiable assets acquired and liabilities assumed, including any contingent consideration, to properly allocate the purchase price to the individual assets acquired and liabilities assumed and record any residual purchase price as goodwill. We identify and attribute fair values and estimated lives to the intangible assets acquired and allocate the total cost of an acquisition to the underlying net assets based on their respective estimated fair values. If the initial accounting for the business combination has not been completed by the end of the reporting period in which the business combination occurs, provisional amounts are reported to present information about facts and circumstances that existed as of the acquisition date. Once the measurement period ends, which in no case extends beyond one year from the acquisition date, revisions to the accounting for the business combination are recorded in earnings. All acquisition-related costs, other than the costs to issue debt or equity securities, are accounted for as expenses in the period in which they are incurred.

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("GAAP") and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported. A critical accounting estimate is an estimate that: (i) is made in accordance with GAAP, (ii) involved a significant level of estimation uncertainty and (iii) has had or is reasonably likely to have a material impact on the Company's financial condition or results of operations. The Company's critical accounting estimates and assumptions affecting the financial statements relate to the fair value of assets acquired and liabilities assumed. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and involves the use of significant estimates, including projections of future cash inflows and outflows, discount rates and asset lives. We base our fair value estimates on assumptions we believe are reasonable but recognize that the assumptions are inherently uncertain.

The Company is required to test goodwill and indefinite lived intangible assets for impairment on an annual basis, or more often if indicators of potential impairment exist due to triggering events, by determining if the carrying value of the Company's goodwill exceeds the estimated fair value of said goodwill. Finite-lived intangible assets are amortized over their useful lives and tested for impairment when a triggering event occurs. Indicators that could trigger an interim impairment test include, but are not limited to, underperformance relative to projected future operating results, significant negative industry or economic trends, an adverse change in regulatory environment, or pending adverse litigation.

In evaluating goodwill and indefinite-lived intangible assets for impairment, the Company first assesses qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that the fair value of the Company's goodwill is less than its carrying value as of the assessment date. If no events, facts, or circumstances are identified during the qualitative assessment, the Company does not need to perform a quantitative impairment assessment. If the Company concludes that it is more likely than not that the fair value of the goodwill is less than its carrying value, then the Company will perform a quantitative impairment test by comparing the fair value of the goodwill and indefinite-lived intangible assets with its carrying amount. If the carrying amount exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. During the periods presented, the Company did not have any impairment charges. Our annual impairment test for goodwill and indefinite-lived intangible assets is ongoing as of the date of filing this Quarterly Report on Form 10-Q. Once our analysis is complete, it may result in a change in the recorded value of goodwill.

In evaluating finite-lived intangible assets for impairment, if impairment indicators (internal or external) suggest the asset's carrying amount may not be recoverable, then the Company compares the asset's carrying amount to the sum of its undiscounted future cash flows. If the carrying amount is less than the cash flows, no impairment is recognized. If the asset fails the recoverability test, the Company records impairment equal to the difference between the carrying amount and fair value

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In accordance with Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's management evaluated, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act).

Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures were not effective at a reasonable level of assurance as of September 30, 2025, due to the following material weaknesses: 1.) material weaknesses in our internal control over financial reporting relating to non-routine transactions which lead to the correction of errors with respect to the (a) application of complex technical accounting standards related to the presentation and measurement of certain equity and liability instruments from the re-domestication of the Company, (b) initial and subsequent measurement of redeemable noncontrolling interest, certain acquired assets and deferred tax liabilities assumed in the acquisition of a controlling interest in Amplex and the consolidation of smaller leasing entities for which a variable interest did not exist, and (c) post-business combination accounting for depreciation of assets recorded at fair value; 2.) limited formal internal assessment documentation retained over the Company's evaluation of the financial reporting process; 3.) inadequate segregation of duties and lack of documented review of journal entries and monthly close process at the Amplex subsidiary; 4.) Amplex's Chief Executive Officer having the ability to prepare and post journal entries without independent review or approval; and 5.) limited formally documented IT policies and procedures governing system access, change management, or data security for Amplex's general ledger application. Additionally, there is no formal process for conducting periodic user access reviews at Amplex.

Remediation Plans for Material Weaknesses

During the second fiscal quarter of fiscal 2026, the Company began executing its remediation plan to address the material weaknesses identified above, which includes:

1. The implementation of new controls focused on financial reporting matters related to non-routine transactions.

2. The implementation of new controls relating to the formal internal assessment and related documentation of the Company's evaluation of the financial reporting process.

3. The implementation of new controls relating to the review of journal entries occurring within the Amplex general ledger system, including review by corporate financial reporting personnel prior to approval.

4. The implementation of system configuration changes limiting the access of Amplex's Chief Executive Officer as it pertains to the ability to prepare and post journal entries.

5. Ensuring that Amplex's general ledger application and other relevant IT systems are included within the scope of our existing IT policies and procedures governing system access, change management, data security. and user access reviews.

Each weakness will not be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. The Company expects to complete the remediation of the above material weaknesses during fiscal 2026.

The Company's management, including our Chief Executive Officer and Chief Financial Officer, does not expect that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud due to inherent limitations of internal controls. Because of such limitations, there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

While the Company believes that its efforts for remediation, once implemented, will improve the effectiveness of its internal control over financial reporting, these remediation efforts have been ongoing and will require more time to operate for management to be able to conclude that the design is effective to remediate the material weaknesses identified. The Company may conclude that additional measures will be necessary to remediate the material weaknesses in its internal control over financial reporting, which may necessitate additional evaluation and implementation time.

Changes in Internal Control Over Financial Reporting

In connection with the weaknesses noted above management is in the process of establishing and is refining its internal procedures and controls to ensure the accounting around future complex transactions are thoroughly reviewed with external consultants specializing in the specific transactions identified.

Other than the remediation efforts for material weaknesses described above, during the most recent fiscal quarter, there has been no changes in the Company's internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that have materially affected or are reasonably likely to materially affect the Company’s internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See the disclosure in Note 10 - Commitments and Contingencies to the condensed consolidated financial statements set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q, which disclosure is hereby incorporated herein by reference.

ITEM 1A. RISK FACTORS

There have been no material changes from risk factors previously disclosed in the Company’s most recent Annual Report on Form 10-K. See the discussions of the Company’s risk factors under Part I, Item 1A in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
3.1	Certificate of Corporate Domestication of Nicholas Financial, Inc., which is incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated April 18, 2024, as filed with the SEC on April 24, 2024.
3.2	Certificate of Incorporation of Nicholas Financial, Inc., which is incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, dated April 18, 2024, as filed with the SEC on April 24, 2024.
3.3	Certificate of Amendment of Certificate of Incorporation of Nicholas Financial, Inc., which is incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated September 27, 2024, as filed with the SEC on September 27, 2024.
3.4	Bylaws of Nicholas Financial, Inc., which is incorporated herein by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K, dated April 18, 2024, as filed with the SEC on April 24, 2024.
3.5	Amendment No. 1 to the Bylaws of Old Market Capital Corporation, which is incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated September 8, 2025, as filed with the SEC on September 12, 2025
4.1	Form of Common Stock Certificate, which is incorporated herein by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024, as filed with the SEC on July 1, 2024.
4.2	Description of the Registrant's Securities, which is incorporated herein by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024, as filed with the SEC on July 1, 2024.
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
32.1[1]	Certification of the Chief Principal Executive Officer Pursuant to 18 U.S.C. § 1350
32.2[1]	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. § 1350
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

[1] This certification is furnished with the Quarterly Report on Form 10-Q and is not filed as part of it.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Signature	Title	Date
/s/ Jeffrey Royal Jeffrey Royal	Chief Executive Officer (Principal Executive Officer)	November 14, 2025
/s/ Charles Krebs Charles Krebs	Chief Financial Officer (Principal Financial and Accounting Officer)	November 14, 2025

**CERTIFICATION PURSUANT TO RULE 13A-14(A)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeffrey Royal, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old Market Capital Corporation.

2. Based on my knowledge, this report 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 report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 14, 2025

By: /s/ Jeffrey Royal

Jeffrey Royal
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO RULE 13A-14(A) UNDER
THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Charles Krebs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old Market Capital Corporation.

2. Based on my knowledge, this report 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 report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2025

By: /s/ Charles Krebs

Charles Krebs
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. § 1350

Solely for the purpose of complying with 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned President and Chief Executive Officer of Old Market Capital Corporation (the “Company”), hereby certify that the Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2025

By: /s/ Jeffrey Royal

Jeffrey Royal
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. § 1350

Solely for the purpose of complying with 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Financial Officer of Old Market Capital Corporation (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2025	By:	/s/ Charles Krebs
		Charles Krebs
		Chief Financial Officer
		(Principal Financial Officer)