
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 31, 2025

OR

☐ **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 0-13200

AstroNova, Inc.

(Exact name of registrant as specified in its charter)

Rhode Island
(State or other jurisdiction of
incorporation or organization)

600 East Greenwich Avenue, West Warwick, Rhode Island
(Address of principal executive offices)

05-0318215
(I.R.S. Employer
Identification No.)

02893
(Zip Code)

(401) 828-4000

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.05 Par Value	ALOT	NASDAQ Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period 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 pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) 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 Exchange Act) Yes ☐ No ☒

The number of shares of the registrant's common stock, \$0.05 par value per share, outstanding as of September 5, 2025 was 7,636,321.

ASTRONOVA, INC.

INDEX

	<u>Page No.</u>
Part I.	
Financial Information	
Item 1. Financial Statements	
Unaudited Condensed Consolidated Balance Sheets – July 31, 2025 and January 31, 2025	1
Unaudited Condensed Consolidated Statements of Income (Loss) – Three and Six Months Ended July 31, 2025 and August 3, 2024	2
Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss) – Three and Six Months Ended July 31, 2025 and August 3, 2024	3
Unaudited Condensed Consolidated Statements of Changes in Shareholders’ Equity – Three and Six Months Ended July 31, 2025 and August 3, 2024	4
Unaudited Condensed Consolidated Statements of Cash Flows – Six Months Ended July 31, 2025 and August 3, 2024	5
Notes to the Condensed Consolidated Financial Statements (unaudited)	6
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	26
Item 3. Quantitative and Qualitative Disclosures about Market Risk	37
Item 4. Controls and Procedures	37
Part II.	
Other Information	37
Item 1. Legal Proceedings	37
Item 1A. Risk Factors	38
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	38
Item 6. Exhibits	40
Signatures	41

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

ASTRONOVA, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share Data)

	<u>July 31, 2025</u>	<u>January 31, 2025</u>
	<u>(Unaudited)</u>	
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,855	\$ 5,050
Accounts Receivable, net	18,535	21,218
Inventories, net	48,393	47,894
Prepaid Expenses and Other Current Assets	4,447	3,855
Total Current Assets	75,230	78,017
Property, Plant and Equipment, net	17,018	17,639
Identifiable Intangibles, net	22,729	23,519
Goodwill	15,279	14,515
Deferred Tax Assets, net	8,535	8,431
Right of Use Asset	2,689	1,781
Other Assets	1,669	1,693
TOTAL ASSETS	\$ 143,149	\$ 145,595
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 6,908	\$ 7,928
Accrued Compensation	4,324	3,745
Other Accrued Expenses	4,520	4,461
Revolving Line of Credit	19,079	20,929
Current Portion of Long-Term Debt	5,559	6,110
Short-Term Debt	253	581
Current Liability—Royalty Obligation	1,218	1,358
Current Liability—Excess Royalty Payment Due	556	691
Deferred Revenue	1,459	543
Total Current Liabilities	43,876	46,346
NON-CURRENT LIABILITIES		
Long-Term Debt, net of current portion	18,566	19,044
Lease Liabilities, net of current portion	2,235	1,535
Grant Deferred Revenue	1,101	1,090
Royalty Obligation, net of current portion	858	1,106
Income Taxes Payable	684	684
Deferred Tax Liabilities	—	40
Other Long-Term Liability	43	—
TOTAL LIABILITIES	67,363	69,845
SHAREHOLDERS' EQUITY		
Preferred Stock, \$10 Par Value, Authorized 100,000 shares, None Issued	—	—
Common Stock, \$0.05 Par Value, Authorized 13,000,000 shares; Issued 11,035,656 and 10,936,220 shares at July 31, 2025 and January 31, 2025, respectively	552	547
Additional Paid-in Capital	65,023	64,215
Retained Earnings	47,761	49,380
Treasury Stock, at Cost, 3,414,737 and 3,394,942 shares at July 31, 2025 and January 31, 2025, respectively	(35,223)	(35,043)
Accumulated Other Comprehensive Loss, net of tax	(2,327)	(3,349)
TOTAL SHAREHOLDERS' EQUITY	75,786	75,750
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 143,149	\$ 145,595

See Notes to condensed consolidated financial statements (unaudited).

ASTRONOVA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(In Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Revenue	\$ 36,102	\$ 40,539	\$ 73,810	\$ 73,500
Cost of Revenue	24,469	26,213	49,524	47,202
Gross Profit	11,633	14,326	24,286	26,298
Operating Expenses:				
Selling and Marketing	5,731	6,732	11,284	12,388
Research and Development	1,576	1,412	3,119	3,015
General and Administrative	5,034	5,121	10,018	8,488
Total Operating Expenses	12,341	13,265	24,421	23,891
Operating Income (Loss)	(708)	1,061	(135)	2,407
Other Income (Expense):				
Interest Expense	(885)	(938)	(1,782)	(1,419)
Gain (Loss) on Foreign Currency Transactions	(30)	(181)	(25)	(323)
Other Income/(Expense), net	(74)	8	(55)	31
Total Other Income (Expense)	(989)	(1,111)	(1,862)	(1,711)
Income (Loss) Before Income Taxes	(1,697)	(50)	(1,997)	696
Income Tax Provision (Benefit)	(454)	261	(378)	(173)
Net Income (Loss)	\$ (1,243)	\$ (311)	\$ (1,619)	\$ 869
Net Income (Loss) per Common Share—Basic	\$ (0.16)	\$ (0.04)	\$ (0.21)	\$ 0.12
Net Income (Loss) per Common Share—Diluted	\$ (0.16)	\$ (0.04)	\$ (0.21)	\$ 0.11
Weighted Average Number of Common Shares Outstanding:				
Basic	7,610	7,516	7,585	7,489
Diluted	7,610	7,516	7,585	7,617

See Notes to condensed consolidated financial statements (unaudited).

ASTRONOVA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In Thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Net Income (Loss)	\$ (1,243)	\$ (311)	\$ (1,619)	\$ 869
Other Comprehensive Income (Loss), net of taxes:				
Foreign Currency Translation Adjustments	47	343	1,022	146
Other Comprehensive Income	47	343	1,022	146
Comprehensive Income (Loss)	<u>\$ (1,196)</u>	<u>\$ 32</u>	<u>\$ (597)</u>	<u>\$ 1,015</u>

See Notes to condensed consolidated financial statements (unaudited).

ASTRONOVA, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(\$ In Thousands, Except Share Data)
(Unaudited)

	Common Stock		Additional	Retained	Treasury	Accumulated	Total
	Shares	Amount	Paid-in	Earnings	Stock	Other	Shareholders'
			Capital			Comprehensive	Equity
						Income (Loss)	
Balance January 31, 2025	10,936,220	\$ 547	\$ 64,215	\$ 49,380	\$ (35,043)	\$ (3,349)	\$ 75,750
Share-Based Compensation	—	—	306	—	—	—	306
Employee Stock Purchase Plan	6,463	—	51	—	—	—	51
Restricted Stock Awards							
Vested	65,550	3	(3)	—	(155)	—	(155)
Net Loss	—	—	—	(376)	—	—	(376)
Foreign Currency Translation							
Adjustments	—	—	—	—	—	975	975
Balance April 30, 2025	11,008,233	\$ 550	\$ 64,569	\$ 49,004	\$ (35,198)	\$ (2,374)	\$ 76,551
Share-Based Compensation	—	—	456	—	—	—	456
Employee Option Exercises	—	—	—	—	—	—	—
Restricted Stock Awards							
Vested	27,423	2	(2)	—	(25)	—	(25)
Net Loss	—	—	—	(1,243)	—	—	(1,243)
Foreign Currency Translation							
Adjustment	—	—	—	—	—	47	47
Balance July 31, 2025	11,035,656	\$ 552	\$ 65,023	\$ 47,761	\$ (35,223)	\$ (2,327)	\$ 75,786
Balance January 31, 2024	10,812,137	\$ 541	\$ 62,684	\$ 63,869	\$ (34,593)	\$ (2,219)	\$ 90,282
Share-Based Compensation	—	—	325	—	—	—	325
Employee Option Exercises	5,055	—	48	—	—	—	48
Restricted Stock Awards							
Vested	78,077	4	(4)	—	(432)	—	(432)
Net Income	—	—	—	1,181	—	—	1,181
Foreign Currency Translation							
Adjustment	—	—	—	—	—	(197)	(197)
Balance April 27, 2024	10,895,269	\$ 545	\$ 63,053	\$ 65,050	\$ (35,025)	\$ (2,416)	\$ 91,207
Share-Based Compensation	—	—	481	—	—	—	481
Employee Option Exercises	14,433	1	29	—	—	—	30
Restricted Stock Awards							
Vested	4,312	—	—	—	—	—	—
Net Loss	—	—	—	(311)	—	—	(311)
Foreign Currency Translation							
Adjustment	—	—	—	—	—	343	343
Balance August 3, 2024	10,914,014	\$ 546	\$ 63,563	\$ 64,739	\$ (35,025)	\$ (2,073)	\$ 91,750

See Notes to condensed consolidated financial statements (unaudited).

ASTRONOVA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Six Months Ended	
	July 31, 2025	August 3, 2024
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ (1,619)	\$ 869
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,570	2,216
Amortization of Debt Issuance Costs	21	14
Share-Based Compensation	805	806
Deferred Income Tax Benefit	(52)	—
Changes in Assets and Liabilities, net of impact of acquisition:		
Accounts Receivable	3,042	3,612
Inventories	426	(384)
Income Taxes	(963)	(711)
Accounts Payable and Accrued Expenses	(1,026)	2,409
Deferred Revenue	773	(619)
Other	667	(1,146)
Net Cash Provided by Operating Activities	4,644	7,066
Cash Flows from Investing Activities:		
Purchases of Property, Plant and Equipment	(107)	(830)
Cash Paid for MTEX Acquisition, net of cash acquired	—	(20,729)
Net Cash Used for Investing Activities	(107)	(21,559)
Cash Flows from Financing Activities:		
Net Cash Proceeds from Employee Stock Option Plans	—	13
Net Cash Proceeds from Share Purchases under Employee Stock Purchase Plan	51	64
Net Cash Used for Payment of Taxes Related to Vested Restricted Stock	(180)	(432)
Revolving Credit Facility, net	(2,195)	3,912
Proceeds from Long-Term Debt Borrowings	—	15,078
Payment of Minimum Guarantee Royalty Obligation	(693)	(750)
Principal Payments of Long-Term Debt	(2,917)	(3,274)
Payments of Debt Issuance Costs	(34)	(35)
Net Cash Provided by (Used for) Financing Activities	(5,968)	14,576
Effect of Exchange Rate Changes on Cash and Cash Equivalents	236	214
Net (Decrease) Increase in Cash and Cash Equivalents	(1,195)	297
Cash and Cash Equivalents, Beginning of Period	5,050	4,527
Cash and Cash Equivalents, End of Period	<u>\$ 3,855</u>	<u>\$ 4,824</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Period for:		
Cash Paid During the Period for Interest	\$ 1,522	\$ 1,008
Cash Paid During the Period for Income Taxes, net of refunds	\$ 563	\$ 540
Non-Cash Transactions:		
Operating Lease Obtained in Exchange for Operating Lease Liabilities	\$ 986	\$ 1,455

See Notes to condensed consolidated financial statements (unaudited).

ASTRONOVA, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 – Business and Basis of Presentation

Overview

AstroNova, Inc., headquartered in West Warwick, Rhode Island, uses its proprietary printing technologies and expertise to design, manufacture, and distribute specialty printers that present data visually across various media. Our products are used worldwide in diverse applications.

Our business consists of two segments, Product Identification (“Product ID”) and Aerospace (formerly known as Test & Measurement).

Effective February 1, 2025, we changed the name of our Test & Measurement segment to “Aerospace” to better reflect the end markets we serve in that segment. The segment name change did not result in any change to the composition of our reportable segments and, therefore, did not result in any changes to our historical segment results.

Our Product ID segment includes tabletop printers, professional label printers, direct to package/overprint printers, mail and sheet/flat pack printers and our most recently launched flexible packaging printers. The Aerospace segment consists of our line of Aerospace products, including flight deck printers, networking hardware, and related accessories as well as data acquisition systems sold under the AstroNova® brand name.

On May 4, 2024, we entered into an agreement to acquire MTEX New Solution, S.A., (“MTEX”), a Portugal-based manufacturer of digital printing equipment that addresses a broad variety of markets and applications including wide format high-volume package printing, labeling, flexible package printing and more. We report MTEX results as a part of our Product ID segment as of May 6, 2024, the closing date of this acquisition. Refer to Note 3, “Acquisition” for further details. Subsequent to the acquisition, MTEX has been fully integrated into the Product ID segment and no longer operates as an independent business entity.

Customers of our Product ID segment include brand owners, professional printing houses and small print shops, corrugated box and paper bag makers, paper packaging converters and co-packers, original equipment manufacturers (“OEMs”) and channels active in direct mail and transactional print. Product ID products sold under the QuickLabel, TrojanLabel, GetLabels and AstroJet brands are used in brand owner and commercial applications to provide product packaging, marketing, tracking, branding, and labeling solutions to a wide array of industries. The Product ID segment offers a variety of digital color label tabletop printers and light commercial label printers, direct-to-package printers, high-volume presses, and specialty OEMs printing systems. We expanded our product offerings with the May 2024 MTEX acquisition to include mid-to-high volume direct-to-package printers, flexible packaging printers, and label printers primarily targeting the industrial and commercial printing segments. Products manufactured by our Astro Machine facility also include a variety of label printers, mail and flat-pack printers and packaging printing, and related processing and handling equipment. Hardware sales are approximately 20% of Product ID segment revenue. The Product ID segment also offers a wide range of printer supplies, repair parts and service. The supplies include labels, tags, ink and toner, allowing customers to mark, track, protect and enhance the appearance of their products. Recurring supplies, parts and service revenue is approximately 80% of segment revenue.

Our Product ID products are sold by direct field salespersons and independent dealers and representatives. In the United States, we have factory-trained direct field salespeople located throughout the country specializing in Product ID products. We also have direct field sales or service centers in Canada, China, Denmark, France, Germany, Malaysia, Portugal, Singapore, and the United Kingdom staffed by our own employees and dedicated third party contractors. Additionally, we utilize over 125 independent dealers and representatives selling and marketing our products in approximately 100 countries.

In the Aerospace segment, we have a long history of using our technologies to provide high-resolution flight deck and cabin printers and, networking systems for the aerospace market. We also provide parts, service, specialty paper and other supplies for our aerospace customers. Hardware comprises approximately 57% of segment revenue and the remaining 43% is recurring sales of supplies, parts and service. Customers include defense industry prime contractors, aircraft OEMs and commercial airlines. In addition, the Aerospace segment includes data acquisition recorders, sold under the AstroNova brand, that enable our customers to acquire and record visual and electronic signal data from local and networked data streams and sensors. The recorded data is processed, analyzed, stored and presented in various visual output formats. Customers for these solutions include NASA, and defense industry prime contractors, as well as other entities that utilize these solutions in high precision applications for power, rail, and

industrial manufacturing. Our Aerospace products are predominantly sold directly and through a limited number of independent representatives.

Unless otherwise indicated, references to “AstroNova,” the “Company,” “we,” “our,” and “us” in this Quarterly Report on Form 10-Q refer to AstroNova, Inc. and its consolidated subsidiaries.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and reflect all adjustments consisting of normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results of the interim periods included herein. These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended January 31, 2025.

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the condensed consolidated financial statements and accompanying notes, including those that require consideration of forecasted financial information using information that is reasonably available to us at this time. Some of the more significant estimates relate to revenue recognition, allowances for doubtful accounts, inventory valuation, income taxes, valuation of long-lived assets, intangible assets and goodwill, share-based compensation, and warranty reserves. Management’s estimates are based on the facts and circumstances available at the time estimates are made, historical experience, risk of loss, general economic conditions and trends, and management’s assessments of the probable future outcome of these matters. Consequently, actual results could differ from those estimates.

Beginning with the first quarter of our fiscal year ending January 31, 2026, we have adjusted our fiscal quarters to end on April 30, July 31, October 31 and January 31. Prior year periods have not been recast to reflect this change.

Results of operations for the interim periods presented herein are not necessarily indicative of the results that may be expected for the full year.

Certain amounts in the prior year’s financial statements have been reclassified to conform to the current year’s presentation.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of AstroNova, Inc. and its wholly-owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

Note 2 – Summary of Significant Accounting Policies Update

The accounting policies used in preparing the condensed consolidated financial statements in this Form 10-Q are the same as those used in preparing our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” ASU 2024-03 enhances expense disclosures on both an annual and interim basis by requiring public entities to disclose additional information about specific expense categories in the notes to the consolidated financial statements. This ASU requires disclosure in tabular format of purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion, as applicable, for each income statement line item that contains those expenses. Specific expenses, gains and losses that are already disclosed under existing US GAAP are also required to be included in the disaggregated income statement expense line-item disclosures, and any remaining amounts will need to be described quantitatively. Additionally, ASU 2024-03 requires disclosure of the total amount of selling expenses and the entity’s definition of selling expenses. ASU 2024-03 is effective for the first annual disclosure period beginning after December 15, 2026, and for the interim periods subsequent to that, with early adoption permitted. The amendment should be applied prospectively; however, retrospective application is permitted. We are currently evaluating the new disclosure requirements of ASU 2024-03 and do not expect the adoption of this guidance to have a material impact on our consolidated financial statements or disclosures.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” to enhance the transparency and decision usefulness of income tax disclosures primarily related to the rate reconciliation and income taxes paid information. ASU 2023-09 modifies the requirement for income tax disclosures to include (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic

and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions. The guidance is effective for annual periods beginning after December 15, 2024. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. We are currently evaluating the potential impact and related disclosures required as a result of adopting this new guidance within our Annual Report on Form 10-K for the year ended January 31, 2026, and subsequent annual reports.

No other new accounting pronouncements, issued or effective during the first six months of the current year, have had or are expected to have a material impact on our consolidated financial statements.

Note 3 – Acquisition

MTEX

Background

On May 4, 2024, AstroNova, along with its wholly-owned Portuguese subsidiary, AstroNova Portugal, Unipessoal, Lda (the “Purchaser”) entered into a Share Purchase Agreement (the “Purchase Agreement”) with Effort Premier Solutions Lda., a private limited company incorporated under the laws of Portugal (the “Seller”) and Elói Serafim Alves Ferreira, as the “Guarantor.”

In accordance with the terms and subject to the conditions set forth in the Purchase Agreement, the Purchaser acquired from the Seller, 100% of the issued and outstanding share capital of MTEX. The closing date for the acquisition was May 6, 2024. This transaction was a business combination and accounted for using the acquisition method as prescribed by ASC 805, “Business Combinations.”

The purchase price for this acquisition consisted of EUR 17,268,345 (approximately \$18.7 million) paid by the Purchaser to the Seller on the closing date, and up to an additional EUR 731,655 (approximately \$0.8 million) retained by the Purchaser to secure certain indemnification obligations of the Seller to be released by the Purchaser subject to resolution of such obligations.

Purchase Price Allocation

A summary of the fair value of the consideration transferred as of the acquisition closing date is presented in the table below:

(In thousands)	Preliminary Estimate	Measurement Period Adjustment	Final
Cash Paid at Closing	\$ 18,732	\$ (1)	\$ 18,731
Holdback Amount	742	—	742
Fair Value of the Earnout	1,619	(1,619)	—
Total Purchase Price	<u>\$ 21,093</u>	<u>\$ (1,620)</u>	<u>\$ 19,473</u>

In accordance with the terms of the Purchase Agreement, the Seller may have been entitled to additional contingent consideration of potential earn-out payments if specified revenue targets were achieved by MTEX for the three calendar year periods ending after the closing date. The approach to valuing the initial contingent consideration relating to the earn-out requires the use of unobservable factors such as projected revenues over the term of the earn-out periods, discounted for the period over which the initial contingent consideration is measured, and relevant volatility rates. Based upon these assumptions, the earn-out contingent consideration was valued using an option pricing model, which resulted in the estimated fair value being reduced to zero as of the acquisition closing date.

Since the initial preliminary estimates, we have adjusted certain amounts for the fair value of the assets acquired and liabilities assumed as a result of obtaining additional information that allowed us to determine the final purchase price allocation. Measurement period adjustments were recognized in the reporting period in which the adjustments were determined and calculated as if the accounting had been completed at the acquisition date. As of the end of the first quarter of fiscal 2026, we completed our final fair value determination of the assets acquired and liabilities assumed.

The following table sets forth the final purchase price allocation of the MTEX acquisition for the estimated fair value of the net assets acquired and liabilities assumed as of May 6, 2024:

(In thousands)	Preliminary Estimate	Measurement Period Adjustment	Final Purchase Price Allocation
Cash	\$ 364	\$ —	\$ 364
Accounts Receivable	3,989	(2,777)	1,212
Inventory	3,807	(200)	3,607
Prepaid Expenses and Other Current Assets	301	—	301
Property, Plant and Equipment	4,802	—	4,802
Other Long-Term Assets	5,154	1,054	6,208
Identifiable Intangible Assets	9,556	(2,017)	7,539
Goodwill	10,629	3,650	14,279
Accounts Payable and Other Current Liabilities	(4,225)	(1,870)	(6,095)
Debt Assumed	(7,918)	—	(7,918)
Other Long-Term Liabilities	(5,366)	540	(4,826)
Total Purchase Price	<u>\$ 21,093</u>	<u>\$ (1,620)</u>	<u>\$ 19,473</u>

The following table reflects the preliminary fair value of the acquired identifiable intangible assets and related estimated useful lives:

(In thousands)	Fair Value	Measurement Period Adjustment	Final Fair Value	Useful Life (years)
Customer Relations	\$ 8,786	\$ (6,183)	\$ 2,603	10
Internally Developed Technology	488	4,231	4,719	6
Trademarks/Tradenames	282	(65)	217	3
Total	<u>\$ 9,556</u>	<u>\$ (2,017)</u>	<u>\$ 7,539</u>	

The customer relations intangible asset represents the relationships that will be maintained with certain historical customers of MTEX. The trademark/tradename intangible assets reflect the industry reputation of the MTEX name, and the registered trademarks held by MTEX for the use of several marks and logos. The internally developed technology intangible asset represents software used to collect a wide range of data on each piece of equipment and the ability to monitor customer ink usage and troubleshoot issues with customers.

The fair value of the customer relations intangible asset acquired was estimated by applying the income approach using the Multi-Period Excess Earning Method. This fair value measurement is based on significant inputs that are not observable in the market and therefore represents a Level 3 measurement as defined in ASC 820, “Fair Value Measurement.” The fair value determined under this approach is a function of (i) future revenues expected to be generated by these assets and the profitability of the assets, (ii) identification of the contribution of other tangible and intangible assets to the cash flows generated by these asset to apply an appropriate capital charge against the cash flow, and (iii) a discount rate of 15.5% used to calculate the present value of the stream of anticipated cash flows. The fair value of the trademark intangible asset acquired was estimated by applying the income approach using the “relief-from-royalty” method. The value under the relief-from-royalty method is a function of (i) the concluded royalty rate of 0.75%, (ii) projected revenues generated by product sales under the asset being valued, and (iii) a discount rate of 15.5%. The fair value of the internally developed technology intangible asset acquired was estimated by applying the cost approach, which takes into consideration the internal development costs of the technology and a hypothetical developer’s profit margin to build the software, the opportunity costs the buyer avoids by not having to reproduce this asset and any duplicative or unproductive efforts, as well as functional obsolescence of the technology.

The purchased goodwill of \$14.3 million, which is not deductible for tax purposes, represents the excess of the purchase price over the estimated fair value assigned to the tangible and identifiable intangible assets acquired and liabilities assumed from MTEX. The goodwill recognized under ASC 805 was attributable to the expected earnings potential of the business, synergies which were expected to enhance and expand our overall product portfolio, opportunities in new and existing markets, and MTEX’s assembled workforce. The carrying amount of the goodwill was allocated to the Product ID segment. In the fourth quarter of fiscal 2025, we recognized a \$13.4 million impairment charge related to the MTEX goodwill.

During the first six months of the current year, we incurred an additional \$0.3 million of acquisition-related costs which were included in general and administrative expenses in our condensed consolidated statements of income for the three and six months ended July 31, 2025. Total acquisition-related costs through July 31, 2025 were \$1.5 million, including \$1.2 million recognized in fiscal 2025.

The amounts of revenue and earnings before taxes attributable to MTEX and included in our consolidated statements of income for the three and six months ended July 31, 2025 and August 3, 2024 were as follows:

(In thousands)	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Revenue	\$ 711 (1)	\$ 1,139	\$ 2,114 (2)	\$ 1,139
Gross Profit	(522)	(68)	(403)	(68)
Operating Expenses:				
Selling Expenses	830	915	1,459	915
Research and Development Expenses	347	(98)	518	(98)
General and Administrative Expenses	180	510	416	510
Total Operating Expenses	\$ 1,357	\$ 1,327	\$ 2,393	\$ 1,327
Operating Loss	(1,879)	(1,395)	(2,796)	(1,395)
Other Income (Expenses)	1,832	(69)	1,693	(69)
Earnings (Loss) before Taxes	<u>\$ (47)</u>	<u>\$ (1,464)</u>	<u>\$ (1,103)</u>	<u>\$ (1,464)</u>

(1) Includes \$151,000 of MTEX revenue related to sales that were sold to third parties via intercompany sales at cost plus mark-up.

(2) Includes \$878,000 of MTEX revenue related to sales that were sold to third parties via intercompany sales at cost plus mark-up.

MTEX was acquired on May 6, 2024, and therefore for fiscal 2025 second quarter and second quarter year-to-date results are the same.

MTEX no longer operates as an independent business, but rather our manufacturing operation in Portugal is treated as a cost center. The majority of MTEX sales are through intercompany operations. MTEX financial results are reported as part of the Product ID segment. Pro forma results as if the acquisition was closed on February 1, 2024 are not provided, as disclosure of such amounts was impractical to determine.

Note 4 – Revenue Recognition

We derive revenue from (i) the sale of hardware, including digital color label printers and specialty OEM printing systems, portable data acquisition systems, and airborne printers and networking hardware used in the flight deck and cabin of military, commercial and business aircraft, (ii) the sale of related supplies required in the operation of the hardware, (iii) repairs and maintenance of hardware and (iv) service agreements.

Revenues disaggregated by primary geographic markets and major product types are as follows:

Primary geographical markets:

(In thousands)	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
United States	\$ 21,940	\$ 23,777	\$ 44,611	\$ 43,341
Europe	9,665	10,222	19,551	19,192
Canada	1,788	2,741	3,294	4,500
Asia	1,335	2,080	3,294	3,265
Central and South America	1,017	1,336	2,360	2,534
Other	357	383	700	668
Total Revenue	<u>\$ 36,102</u>	<u>\$ 40,539</u>	<u>\$ 73,810</u>	<u>\$ 73,500</u>

Major product types:

(In thousands)	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Hardware	\$ 10,936	\$ 12,359	\$ 22,231	\$ 21,234
Supplies	19,495	22,344	40,576	40,977
Service and Other	5,671	5,836	11,003	11,289
Total Revenue	<u>\$ 36,102</u>	<u>\$ 40,539</u>	<u>\$ 73,810</u>	<u>\$ 73,500</u>

Contract Assets and Liabilities

We normally do not have contract assets, which are primarily unbilled accounts receivable that are conditional on something other than the passage of time.

Our contract liabilities, which represent billings in excess of revenue recognized, are related to advanced billings for purchased service agreements and extended warranties. Contract liabilities were \$579,000 and \$543,000 at July 31, 2025 and January 31, 2025, respectively, and are recorded as deferred revenue in the accompanying condensed consolidated balance sheet. The increase in the deferred revenue balance during the six months ended July 31, 2025 is due to cash payments received in advance of satisfying performance obligations in excess of revenue recognized during the current period, including \$167,000 of revenue recognized that was included in the deferred revenue balance at January 31, 2025.

In March 2025, we entered into an agreement with a customer to support the production ramp-up for one of our Aerospace product lines. Under the terms of the agreement, the customer made an advance payment of \$1.1 million, representing 50% of the contractual unit selling price for the units delivered beginning in June 2025. This advance payment was recorded as deferred revenue and will be recognized as revenue upon delivery of the related units. We have recognized \$0.2 million in revenue related to this transaction for the three and six months ended July 31, 2025, and \$0.9 million continues to remain in deferred revenue in our condensed consolidated balance sheet at July 31, 2025.

Contract Costs

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. We have determined that certain costs related to obtaining sales contracts for our aerospace printer products meet the requirement to be capitalized. These costs are deferred and amortized over the remaining useful life of these contracts, which we currently estimate to be approximately 16 years as of July 31, 2025. We also recognize an asset for the costs to fulfill a contract with a customer if the costs are specifically identifiable, generate or enhance resources used to satisfy future performance obligations, and are expected to be recovered. The balance of these contract assets at January 31, 2025 was \$1.5 million. During the three and six months ended July 31, 2025, we amortized contract costs of \$23,000 and \$47,000, respectively. The balance of deferred incremental direct costs net of accumulated amortization at July 31, 2025 was \$1.5 million, of which \$0.1 million is reported in other current assets, and \$1.4 million is reported in other assets in the accompanying condensed consolidated balance sheet.

Note 5 – Net Income (Loss) Per Common Share

Basic net income (loss) per share is calculated by dividing net income (loss) by the weighted average number of shares outstanding during the period. Diluted net income (loss) per share is calculated by dividing net income (loss) by the weighted average number of shares and, if dilutive, common equivalent shares, determined using the treasury stock method for stock options, restricted stock awards and restricted stock units outstanding during the period. A reconciliation of the shares used in calculating basic and diluted net income (loss) per share is as follows:

	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Weighted Average Common Shares Outstanding – Basic	7,609,917	7,515,706	7,585,228	7,489,223
Effect of Dilutive Options, Restricted Stock Awards and Restricted Stock Units	— (1)	— (2)	— (1)	128,183
Weighted Average Common Shares Outstanding – Diluted	<u>7,609,917</u>	<u>7,515,706</u>	<u>7,585,228</u>	<u>7,617,406</u>

⁽¹⁾For the three and six months ended July 31, 2025 we had weighted average common stock equivalent shares outstanding of 38,232 and 51,130, respectively, that could potentially dilute earnings per share in future periods. These shares were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive given the net loss during the period.

⁽²⁾For the three months ended August 3, 2024, we had weighted average common stock equivalent shares outstanding of 86,197, that could potentially dilute earnings per share in future periods. These shares were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive given the net loss during the periods.

For the three and six months ended July 31, 2025, the diluted per share amounts do not reflect weighted average common equivalent shares outstanding of 383,744 and 419,130, respectively. For the three and six months ended August 3, 2024, the diluted per share amounts do not reflect weighted average common equivalent shares outstanding of 218,210 and 223,011, respectively. These outstanding common equivalent shares were not included due to their anti-dilutive effect.

Note 6 – Intangible Assets

Intangible assets are as follows:

(In thousands)	July 31, 2025				January 31, 2025			
	Gross Carrying Amount	Accumulated Amortization	Currency Translation Adjustment	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Currency Translation Adjustment	Net Carrying Amount
RITEC:								
Customer Contract Relationships	\$ 2,830	\$ (1,788)	\$ —	\$ 1,042	\$ 2,830	\$ (1,755)	\$ —	\$ 1,075
TrojanLabel:								
Distributor Relations	937	(824)	34	147	937	(774)	16	179
Honeywell:								
Customer Contract Relationships	27,773	(14,095)	—	13,678	27,773	(13,661)	—	14,112
Astro Machine:								
Customer Contract Relationships	3,060	(1,836)	—	1,224	3,060	(1,530)	—	1,530
Trademarks	420	(252)	—	168	420	(210)	—	210
MTEX:								
Customer Contract Relationships	2,603	(328)	124	2,399	2,603	(194)	(104)	2,305
Internally Developed Technology								
Technology	4,719	(990)	208	3,937	4,719	(586)	(181)	3,952
Trademarks	217	(91)	8	134	217	(54)	(7)	156
Intangible Assets, net	<u>\$ 42,559</u>	<u>\$ (20,204)</u>	<u>\$ 374</u>	<u>\$ 22,729</u>	<u>\$ 42,559</u>	<u>\$ (18,764)</u>	<u>\$ (276)</u>	<u>\$ 23,519</u>

There were no impairments to intangible assets during the six months ended July 31, 2025 or August 3, 2024.

With respect to the acquired intangible assets included in the table above, amortization expense of \$0.7 million has been included in the condensed consolidated statements of income (loss) for both of the three months ended July 31, 2025 and August 3, 2024. Amortization expense of \$1.4 million and \$1.1 million related to the above-acquired intangible assets has been included in the accompanying condensed consolidated statements of income (loss) for the six months ended July 31, 2025 and August 3, 2024, respectively.

Estimated amortization expense for the next five fiscal years is as follows:

(In thousands)	Remaining 2026	2027	2028	2029	2030
Estimated amortization expense	\$ 1,439	\$ 2,878	\$ 2,376	\$ 2,009	\$ 2,009

Note 7 – Inventories

Inventories are stated at the lower of cost (standard and average methods) or net realizable value and include material, labor and manufacturing overhead. The components of inventories are as follows:

(In thousands)	July 31, 2025	January 31, 2025
Materials and Supplies	\$ 32,839	\$ 35,181
Work-In-Process	2,602	2,559
Finished Goods	22,401	19,879
	57,842	57,619
Inventory Reserve	(9,449)	(9,725)
	<u>\$ 48,393</u>	<u>\$ 47,894</u>

Note 8 – Property, Plant and Equipment

Property, plant and equipment consist of the following:

(In thousands)	July 31, 2025	January 31, 2025
Land and Land Improvements	\$ 2,304	\$ 2,304
Buildings and Leasehold Improvements	15,192	15,116
Machinery and Equipment	31,031	30,403
Computer Equipment and Software	14,567	14,538
Gross Property, Plant and Equipment	63,094	62,361
Accumulated Depreciation	(46,076)	(44,722)
Net Property Plant and Equipment	\$ 17,018	\$ 17,639

Depreciation expense on property, plant and equipment was \$0.5 million and \$1.1 million for the three and six months ended July 31, 2025, respectively. Depreciation expense on property, plant and equipment was \$0.6 million and \$1.1 million for the three and six months ended August 3, 2024, respectively.

Note 9 – Credit Agreement and Long-Term Debt

In connection with our purchase of MTEX, on May 6, 2024, we entered a Third Amendment to Amended and Restated Credit Agreement (the “Third Amendment”) with Bank of America, N.A., as lender (the “Lender”). The Third Amendment amended the Amended and Restated Credit Agreement dated as of July 30, 2020, as amended by the First Amendment to Amended and Restated Credit Agreement, dated as of March 24, 2021, the LIBOR Transition Amendment, dated as of December 14, 2021, the Second Amendment to Amended and Restated Credit Agreement dated as of August 4, 2022, and the Joinder Agreement relating to our subsidiary Astro Machine Corporation (“Astro Machine”) dated as of August 26, 2022 (as so amended, the “Credit Agreement”; the Credit Agreement as amended by the Amendment, the “Amended Credit Agreement”), between AstroNova, Inc. as the borrower, Astro Machine as a guarantor, and the Lender.

The Amended Credit Agreement provides for (i) a new term loan to AstroNova, Inc. in the principal amount of EUR 14.0 million (the “Term A-2 Loan”), which term loan is in addition to the existing term loan (the “Term Loan”) outstanding under the Credit Agreement in the principal amount of approximately \$12.3 million as of the effective date of the Third Amendment, and (ii) an increase in the aggregate principal amount of the revolving credit facility available to AstroNova, Inc. from \$25.0 million to \$30.0 million until January 31, 2025, upon and after which the aggregate principal amount of the revolving credit facility reduced to \$25.0 million. At the closing of the Third Amendment, we borrowed the entire EUR 14.0 million Term A-2 Loan, EUR 3.0 million under the revolving credit facility and a US dollar amount under the revolving credit facility that was converted to Euros to satisfy the entire purchase price payable on the closing date pursuant to the Purchase Agreement. The revolving credit facility may otherwise be used for general corporate purposes.

On March 20, 2025, we entered into a Fourth Amendment to Amended and Restated Credit Agreement (the “Fourth Amendment”) with Bank of America, which further amended the Amended Credit Agreement (as so amended, the “Further Amended Credit Agreement”).

The Further Amended Credit Agreement modified the remaining quarterly installments in which the outstanding balance of the Term Loan must be paid. The outstanding principal balance of the Term Loan as of the effective date of the Fourth Amendment was \$9.5 million. Under the Further Amended Credit Agreement, such remaining quarterly installments must be paid on the last day of each of our fiscal quarters through April 30, 2027 in the principal amount of (i) in the case of the installments for the fiscal quarters ending April 30, 2025 through January 31, 2026, \$325,000 each, (ii) in the case of the installments for the fiscal quarters ending April 30, 2026 through January 31, 2027, \$725,000 each, and (iii) in the case of the installment for the fiscal quarter ending April 30, 2027, \$950,000; the entire then-outstanding principal balance of the Term Loan is required to be paid on August 4, 2027. We continue to have the right to voluntarily prepay the Term Loan, in whole or in part, from time to time without premium or penalty (other than customary breakage costs, if applicable).

The remaining repayment installments of the Term A-2 Loan were not modified by the Fourth Amendment; the outstanding principal balance of the Term A-2 Loan as of the effective date of the Fourth Amendment was EUR 12,250,000. The Further Amended Credit Agreement requires that the remaining balance of the Term A-2 Loan be paid in quarterly installments on the last day of each of our fiscal quarters through April 30, 2027 in the principal amount of EUR 583,333 each, and the entire then-remaining principal balance of the Term A-2 Loan is required to be paid on August 4, 2027. We continue to have the right to voluntarily prepay the Term A-2 Loan, in whole or in part, from time to time without premium or penalty (other than customary breakage costs, if applicable).

The amount and availability and repayment terms of the existing \$25.0 million revolving credit facility available to the Company under the Further Amended Credit Agreement were not modified by the Fourth Amendment; the outstanding principal

balance under the revolving credit facility as of the effective date of the Fourth Amendment was \$21.7 million. We may repay borrowings under the revolving credit facility at any time without premium or penalty (other than customary breakage costs, if applicable), but in any event no later than August 4, 2027, and any outstanding revolving loans thereunder will be due and payable in full, and the revolving credit facility will terminate, on such date. We may reduce or terminate the revolving credit facility at any time, subject to certain thresholds and conditions, without premium or penalty.

The loans under the Further Amended Credit Agreement are subject to certain mandatory prepayments, subject to various exceptions, from net cash proceeds from certain dispositions of property, certain issuances of equity, certain issuances of additional debt and certain extraordinary receipts.

Amounts repaid under the revolving credit facility may be reborrowed, subject to our continued compliance with the Further Amended Credit Agreement. No amount of the Term Loan or the Term A-2 Loan that is repaid may be reborrowed.

The Further Amended Credit Agreement modified the applicable interest rate margins payable with respect to the Term Loan, the Term A-2 Loan and the revolving credit facility loans and modified the commitment fee payable with respect to the undrawn portion of the revolving credit facility. Under the Further Amended Credit Agreement, the Term Loan and revolving credit facility loans bear interest at a rate per annum equal to, at the Company's option, either (a) the Term SOFR rate as defined in the Further Amended Credit Agreement (or, in the case of revolving credit loans denominated in Euros or another currency other than U.S. Dollars, the applicable quoted rate), plus a margin that varies within a range of 1.60% to 2.85% based on our consolidated leverage ratio, or (b) a fluctuating reference rate equal to the highest of (i) the federal fund rate plus 0.50%, (ii) Bank of America's publicly announced prime rate (iii) the Term SOFR Rate plus 1.00%, or (iv) 0.50%, plus a margin that varies within a range of 0.60% to 1.85% based on our consolidated leverage ratio. Under the Further Amended Credit Agreement, the Term A-2 Loan bears interest at a rate per annum equal to the EURIBOR rate as defined in the Further Amended Credit Agreement, plus a margin that varies within a range of 1.60% to 2.85% based on our consolidated leverage ratio. Under the Further Amended Credit Agreement, the commitment fee that we are required to pay on the undrawn portion of the revolving credit facility under the Further Amended Credit Agreement varies within a range of 0.15% and 0.40% based on our consolidated leverage ratio.

We must comply with various customary financial and non-financial covenants under the Further Amended Credit Agreement, certain provisions of which covenants were modified by the Fourth Amendment. The financial covenants under the Further Amended Credit Agreement consist of a maximum consolidated leverage ratio, a minimum consolidated fixed charge coverage ratio that is tested commencing with the measurement period ending with the fiscal quarter ending January 31, 2026, and a minimum interim consolidated fixed charge coverage ratio that is tested for certain measurement periods ending April 30, 2025, July 31, 2025 and October 31, 2025; the interim minimum consolidated fixed charge coverage ratio was added by the Fourth Amendment, and certain provisions of the existing financial covenants were modified by the Fourth Amendment.

The Fourth Amendment also provided a waiver of the events of default that had occurred under the Amended Credit Agreement as a result of our failure to comply with the maximum consolidated leverage ratio and the minimum consolidated fixed charge coverage ratio in effect thereunder for our fiscal measurement period ended January 31, 2025 as described above.

The Lender is entitled to accelerate repayment of the loans and to terminate its revolving credit commitment under the Further Amended Credit Agreement upon the occurrence of any of various customary events of default, which include, among other events, the following (which are subject, in some cases, to certain grace periods): failure to pay when due any principal, interest or other amounts in respect of the loans, breach of any of our covenants or representations under the loan documents, default under any other of our or our subsidiaries' significant indebtedness agreements, a bankruptcy, insolvency or similar event with respect to us or any of our subsidiaries, a significant unsatisfied judgment against us or any of our subsidiaries, or a change of control.

As of July 31, 2025, we were not in compliance with the Further Amended Credit Agreement, as a result of our failure to comply with the minimum consolidated fixed charge coverage ratio in effect for our fiscal measurement period ended July 31, 2025. On September 8, 2025, we and the Lender entered into a Fifth Amendment to Amended and Restated Credit Agreement and Waiver Agreement relating to the Further Amended Credit Agreement (the "Fifth Amendment"), pursuant to which, among other things, (i) the Lender waived the event of default that had occurred under the Further Amended Credit Agreement as a result of our failure to comply with such ratio for such fiscal measurement period, (ii) we agreed to provide to the Lender a mortgage of our owned real property in Elk Grove Village, Illinois to secure our obligations under the Further Amended Credit Agreement and (iii) we agreed to obtain and provide to the Lender a phase II environmental site assessment with respect to our owned real property in West Warwick, Rhode Island and to complete or conduct any required compliance, removal or remedial action with respect to any hazardous materials as set forth in the assessment.

Our obligations under the Further Amended Credit Agreement continue to be secured by substantially all of our personal property assets (including a pledge of the equity interests we hold in ANI Scandinavia ApS, AstroNova GmbH, AstroNova SAS and the Purchaser), subject to certain exceptions, and by a mortgage on our owned real property in West Warwick, Rhode Island, and are guaranteed by, and secured by substantially all of the personal property assets of, Astro Machine. Such obligations will also be secured by the mortgage to be provided on our owned real property in Elk Grove Village, Illinois upon its execution as provided in the Fifth Amendment.

Equipment Financing

In January 2024, we entered into a secured equipment loan facility agreement with Banc of America Leasing & Capital, LLC and borrowed a principal amount of \$0.8 million thereunder for the purpose of financing our purchase of production equipment. This loan matures on January 23, 2029 and bears interest at a fixed rate of 7.06%. Under this loan agreement, equal monthly payments including principal and interest of \$16,296 commenced on February 23, 2024, and will continue through the maturity of the equipment loan facility on January 23, 2029.

Assumed Financing Obligations of MTEX

In connection with our acquisition of MTEX, on the May 6, 2024 closing date of this acquisition we assumed certain existing financing obligations of MTEX that remain outstanding as of July 31, 2025. The long-term debt obligations of MTEX that remain outstanding include a term loan (the “MTEX Term Loan”) pursuant to an agreement dated December 22, 2023 (the “MTEX Term Loan Agreement”) between MTEX and Caixa Central de Crédito Agrícola Mutuo. The current remaining balance for the MTEX Term Loan as of July 31, 2025, was EUR 1.4 million (\$1.6 million). The MTEX Term Loan bears interest at a fixed rate of 6.022% per annum, requires monthly principal and interest payments totaling EUR 17,402 (\$18,795) commencing in October 2024 and continuing through maturity on December 21, 2033.

MTEX has also received government assistance in the form of interest-free loans from government agencies located in Portugal (the “MTEX Government Grant Term Loans”). The MTEX Government Grant Term Loans are to be repaid to the applicable government agencies. The balance of the MTEX Government Grants Term Loans as of July 31, 2025 is EUR 0.5 million (\$0.6 million), of which EUR 0.4 million (\$0.5 million) is classified as short-term debt and the remainder as long-term debt in the condensed consolidated balance sheet as of July 31, 2025. The MTEX Government Grant Term Loans provide interest-free financing so long as monthly principal payments are made. In the event that MTEX and the applicable government agency renegotiate the payment dates, interest will be calculated according to a rate determined by the government agency as of the date of renegotiation and added to the outstanding principal payments. The MTEX Government Grant Term Loans mature at different dates through January 2027.

Additionally, we assumed short-term financing obligations of MTEX including letters of credit, maturing term loans, and financing arrangements for working capital classified as debt of which \$0.3 million remains outstanding as of July 31, 2025.

Summary of Outstanding Debt

Revolving Credit Facility

At July 31, 2025, we had an outstanding balance of \$19.1 million under our revolving credit facility under the Further Amended Credit Agreement. The balance outstanding under the revolving credit facility bore interest at a weighted average rate of 7.15% and 7.13%, respectively, for the three and six months ended July 31, 2025, and we incurred \$373,000 and \$749,000, respectively, for interest on this obligation during the three and six months ended July 31, 2025. Additionally, during the three and six months ended July 31, 2025, we incurred \$4,000 and \$12,000, respectively, of commitment fees on the undrawn portion of our revolving credit facility. During the three and six months ended August 3, 2024, the balance outstanding under the revolving credit facility bore interest at a weighted average annual rate of 8.52% and 8.54%, respectively, and we incurred \$254,000 and \$386,000, respectively, for interest on this obligation. Additionally, during the three and six months ended August 3, 2024, we incurred \$13,000 and \$25,000, respectively, of commitment fees on the undrawn portion of our revolving credit facility. Both the interest expense and commitment fees are included as interest expense in the accompanying condensed consolidated statements of income (loss) for all periods presented. At July 31, 2025, \$5.9 million remained available for borrowing under our revolving credit facility under the Further Amended Credit Agreement. Additionally, MTEX has a EUR 0.5 million (\$0.6 million) available line of credit with Caixa Central de Crédito Agrícola Mutuo. This credit line was established in December 2023 and is renewable every six months. There was no outstanding balance on this line of credit as of July 31, 2025.

Long-Term Debt

Long-term debt in the accompanying condensed consolidated balance sheets is as follows:

(In thousands)	July 31, 2025	January 31, 2025
USD Term Loan (7.29% as of July 31, 2025 and 6.90% as of January 31, 2025); maturity date of August 4, 2027	\$ 8,800	\$ 9,450
Euro Term Loan (4.72% as of July 31, 2025 and 5.38% as of January 31, 2025); maturity date of August 4, 2027	12,667	12,719
MTEX Euro Term Loan (6.022% Fixed Rate); maturity date of December 21, 2033	1,590	1,514
MTEX Euro Government Grant Term Loan (0% as of July 31, 2025 and January 31, 2024); maturity dates through January 2027	561	876
Equipment Loan (7.06% Fixed Rate); maturity date of January 23, 2029	605	680
Total Debt	\$ 24,223	\$ 25,239
Less: Debt Issuance Costs, net of accumulated amortization	98	85
Current Portion of Debt	5,559	6,110
Long-Term Debt	<u>\$ 18,566</u>	<u>\$ 19,044</u>

During the three and six months ended July 31, 2025, we recognized interest expense on term debt of \$371,000 and \$750,000, respectively, and during the three and six months ended August 3, 2024, we recognized interest expense on debt of \$560,000 and \$793,000, respectively, which is recognized in the accompanying condensed consolidated statements of income (loss) for all periods presented.

The schedule of required principal payments remaining during the next five years on long-term debt outstanding as of July 31, 2025 is as follows:

(In thousands)	
Fiscal 2026, remainder	\$ 2,461
Fiscal 2027	6,095
Fiscal 2028	14,286
Fiscal 2029	364
Fiscal 2030 and thereafter	1,017
	<u>\$ 24,223</u>

Note 10 – Financial Instruments and Risk Management

We use foreign currency-denominated debt to partially hedge our net investment in our operations in Europe against adverse movements in exchange rates. Commencing on August 3, 2024, a portion of the Euro-denominated debt was designated and effective as an economic hedge of part of the net investment in our Portuguese operation. On January 31, 2025, we assessed the effectiveness of this net investment hedge and determined that it was no longer highly effective. To address this situation, effective January 31, 2025, the Euro-denominated debt has been designated as an economic hedge of part of our net investment in our German operation to replace part of our net investment in our Portuguese operation. As a result, foreign currency transaction gains or losses due to spot rate fluctuations on the Euro-denominated debt are included in the foreign currency translation adjustments in the condensed consolidated statement of comprehensive income (loss) for the three and six months ended July 31, 2025, and within the accumulated other comprehensive items in the shareholder's equity section of the condensed consolidated balance sheet as of July 31, 2025 as follows:

(In thousands)	Amount of Foreign Currency Translation Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivative			
	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Financial Instruments Designated as Net Investment Hedge				
Euro Denominated Debt	\$ (5)	\$ —	\$ (477)	\$ —

Note 11 – Royalty Obligation

In fiscal 2018, we entered into an Asset Purchase and License Agreement with Honeywell International, Inc. (“Honeywell”) to acquire an exclusive, perpetual, world-wide license to manufacture Honeywell’s narrow-format flight deck printers for two aircraft families along with certain inventory used in the manufacturing of the licensed printers. The purchase price included a guaranteed minimum royalty payment of \$15.0 million, to be paid over ten years, based on gross revenues from the sales of the printers, paper and repair services of the licensed products. The royalty rates vary based on the year in which they are paid or earned, the product sold or service provided and range from single-digit to mid double-digit percentages of gross revenue.

The guaranteed minimum royalty payment obligation was recorded at the present value of the minimum annual royalty payments. As of July 31, 2025, we had paid an aggregate of \$13.5 million of the guaranteed minimum royalty obligation. At July 31, 2025, the current portion of the outstanding guaranteed minimum royalty obligation of \$1.0 million is to be paid over the next twelve months and is reported as a current liability and the remainder of \$0.5 million is reported as a long-term liability on our condensed consolidated balance sheet. For the three and six months ended July 31, 2025, we incurred \$0.6 million and \$1.1 million, respectively, in excess royalty expense which is included in cost of revenue in our consolidated statements of income for all periods presented. A total of \$1.2 million in excess royalties was paid through the second quarter of the current fiscal year, and there are \$1.1 million in excess royalty payables due as a result of this agreement for the quarter ended July 31, 2025.

In fiscal 2023, we entered into an Asset Purchase and License Agreement with Honeywell International Inc. (the “New HW Agreement”) to acquire an exclusive, perpetual, world-wide license to manufacture Honeywell’s flight deck printers for the Boeing 787 aircraft. The New HW Agreement provides for royalty payments to Honeywell based on gross revenues from the sales of the printers, paper and repair services of the licensed products in perpetuity. The royalty rates vary based on the year in which they are paid or earned and as products are sold or as services are provided and range from single-digit to mid-double-digit percentages of gross revenue. The New HW Agreement includes a provision for guaranteed minimum royalty payments to be paid in the event that the royalties earned by Honeywell do not meet the minimum for the preceding calendar year as follows: \$100,000 in 2024, \$200,000 in 2025, \$233,000 in each of 2026 and 2027, and \$234,000 in 2028.

As of July 31, 2025, the total outstanding royalty obligation under the New HW Agreement was \$0.5 million, including \$0.2 million recorded as a current liability in the accompanying condensed consolidated balance sheet.

Note 12 – Leases

We enter into lease contracts for certain of our facilities at various locations worldwide. Our leases have remaining lease terms of one to ten years, some of which include options to extend the lease term for periods of up to five years when it is reasonably certain that we will exercise such options.

Balance sheet and other information related to our leases are as follows:

Operating Leases (In thousands)	Balance Sheet Classification	July 31, 2025	January 31, 2025
Lease Assets	Right of Use Assets	\$ 2,689	\$ 1,781
Lease Liabilities – Current	Other Accrued Expenses	\$ 547	\$ 320
Lease Liabilities – Long Term	Lease Liabilities	\$ 2,235	\$ 1,535

Lease cost information is as follows:

Operating Leases (In thousands)	Statement of Income Classification	Three Months Ended	
		July 31, 2025	August 3, 2024
Operating Lease Costs	General and Administrative Expense	\$ 183	\$ 109

Operating Leases (In thousands)	Statement of Income Classification	Six Months Ended	
		July 31, 2025	August 3, 2024
Operating Lease Costs	General and Administrative Expense	\$ 341	\$ 178

Maturities of operating lease liabilities are as follows:

(In thousands)	July 31, 2025
Fiscal 2026, remaining	\$ 364
Fiscal 2027	705
Fiscal 2028	630
Fiscal 2029	447
Fiscal 2030	353
Thereafter	839
Total Lease Payments	3,338
Less: Imputed Interest	(556)
Total Lease Liabilities	<u>\$ 2,782</u>

As of July 31, 2025, the weighted-average remaining lease term and weighted-average discount rate for our operating leases are 5.8 years and 6.10%, respectively. We calculated the weighted-average discount rate using incremental borrowing rates, which equal the rates of interest that we would pay to borrow funds on a fully collateralized basis over a similar term.

Supplemental cash flow information related to leases is as follows:

(In thousands)	Three Months Ended	
	July 31, 2025	August 3, 2024
Cash paid for operating lease liabilities	\$ 165	\$ 88
(In thousands)	Six Months Ended	
	July 31, 2025	August 3, 2024
Cash paid for operating lease liabilities	\$ 309	\$ 174

Note 13 – Government Grants

MTEX receives grants from its local government in Portugal to support its operations and various capital projects. We account for these government grants by analogy to International Accounting Standards 20, “Accounting for Government Grants and Disclosure of Government Assistance”, which follows a grant accounting model. Under this accounting framework, government assistance is recognized when it is probable we will receive assistance and comply with the conditions attached to the assistance. Operational related assistance is recorded on a systematic basis over the periods in which the related costs or expenditures have occurred and is presented as a reduction in the expense for which it is intended to defray. Capital related assistance is recorded as long-term deferred revenue and is recognized in cost of revenue as an offset against depreciation expense over the applicable asset's useful life.

The grant programs have various execution periods - some ending in May 2025 and others continuing through November 2026. The government agencies may verify compliance with the conditions established in the contracts during the investment phase and upon completion and are entitled to propose adjustments and require reimbursement if the contracts do not meet the specifications. Historically, no significant corrections or returns have occurred. As of July 31, 2025, there are no contingencies associated with the government grants.

The capital related government contracts between the Portuguese government and MTEX are defined on a grant-by-grant basis, with partial reimbursement of the assets acquired in connection with these grants. We have \$1.3 million of short and long-term deferred revenue for capital related government grants which is included in the accompanying condensed consolidated balance sheet as of July 31, 2025, and we have recognized \$0.1 million of grant revenue which is included in cost of revenue as an offset to depreciation expense in the accompanying condensed consolidated statement of income (loss) for the six months ended July 31, 2025.

Under the operational related assistance grants, MTEX commits to research and development projects that the Portuguese government partially reimburses. We have recognized \$0.2 million of grant revenue for our operational related assistance grants which is offset against the expenditures recognized for those grants and is included in selling and marketing expense in the accompanying condensed consolidated statement of income (loss) for the six months ended July 31, 2025.

Note 14 – Accumulated Other Comprehensive Loss

The changes in the balance of accumulated other comprehensive loss by component are as follows:

(In thousands)	Foreign Currency Translation Adjustments
Balance at January 31, 2025	\$ (3,349)
Other Comprehensive Income	1,022
Balance at July 31, 2025	\$ (2,327)

The amounts presented above are net of taxes except for translation adjustments associated with our German and Danish subsidiaries. The foreign cumulative translation adjustment includes translation adjustments and net investment hedges. See Note 10, “Financial Instruments and Risk Management” for additional disclosures about the net investment hedge.

Note 15 – Share-Based Compensation

We have one equity incentive plan from which we are authorized to grant equity awards, the AstroNova, Inc. 2018 Equity Incentive Plan (the “2018 Plan”). The 2018 Plan provides for, among other things, the issuance of awards, including incentive stock options, non-qualified stock options, stock appreciation rights, time-based restricted stock units (“RSUs”), or performance-based

restricted stock units (“PSUs”) and restricted stock awards (“RSAs”). The 2018 Plan authorizes the issuance of up to 1,550,000 shares of common stock, plus an additional number of shares equal to the number of shares subject to awards granted under our prior 2015 Equity Incentive Plan that are forfeited, canceled, satisfied without the issuance of stock, otherwise terminated (other than by exercise), or, for shares of stock issued pursuant to any unvested award, that are reacquired by us at not more than the grantee’s purchase price (other than by exercise). Under the 2018 Plan, all awards to employees generally have a minimum vesting period of one year. Options granted under the 2018 Plan must be issued at an exercise price of not less than the fair market value of our common stock on the date of grant and expire after ten years. Under the 2018 Plan, there were 153,117 unvested RSUs; 20,000 unvested PSUs; and options to purchase an aggregate of 146,500 shares outstanding as of July 31, 2025.

In addition to the 2018 Plan, we previously granted equity awards under our 2015 Equity Incentive Plan (the “2015 Plan”) and our 2007 Equity Incentive Plan (the “2007 Plan”). No new awards may be issued under either the 2007 Plan or 2015 Plan, but outstanding awards will continue to be governed by those plans. As of July 31, 2025, options to purchase an aggregate of 117,349 shares were outstanding under the 2007 Plan and options to purchase an aggregate of 55,200 shares were outstanding under the 2015 Plan.

We also have a Non-Employee Director Annual Compensation Program (the “Program”) under which each non-employee director receives an automatic grant of RSAs on the date of the regular full meeting of the Board of Directors held each fiscal quarter. Under the Program, the number of whole shares to be granted each quarter is equal to 25% of the number calculated by dividing the director’s annual compensation amount by the fair market value of our stock on such day. On June 11, 2024, the director’s annual compensation amount for RSAs was adjusted to be \$72,800. Beginning in the fiscal quarter ended July 31, 2025, the Board of Directors elected to receive their annual cash compensation entirely in stock, issued as RSAs based on the closing stock price at each quarterly meeting. The amount of annual cash compensation varies by director based on the positions held on the Board. All RSAs granted under the Program vest immediately.

Share-based compensation expense was recognized as follows:

(In thousands)	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Stock Options	\$ 35	\$ —	\$ 35	\$ —
Restricted Stock Awards and Restricted Stock Units	421	470	702	789
Stock-Settled Performance Awards	43	—	43	—
Employee Stock Purchase Plan	—	11	25	17
Total	<u>\$ 499</u>	<u>\$ 481</u>	<u>\$ 805</u>	<u>\$ 806</u>

Stock Options

The fair value of stock options granted during the six months ended July 31, 2025 was estimated using the following assumptions:

Risk Free Interest Rate	4.2%
Expected Volatility	45.7%
Expected Life (in years)	7.6

The weighted average fair value per share for options granted was \$6.15 during the three and six month periods ended July 31, 2025. There were no stock options granted in fiscal 2025.

Aggregated information regarding stock option activity for the six months ended July 31, 2025, is summarized below:

	Number of Options	Weighted Average Exercise Price
Outstanding at January 31, 2025	421,699	\$ 15.52
Granted	30,000	11.10
Exercised	—	—
Forfeited	—	—
Canceled	(132,650)	14.40
Outstanding at July 31, 2025	<u>319,049</u>	<u>\$ 15.57</u>

Below is a summary of options outstanding at July 31, 2025:

Range of Exercise prices	Outstanding			Exercisable		
	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life
\$10.01-15.00	127,974	\$ 12.92	3.2	102,974	\$ 13.36	1.6
\$15.01-20.00	191,075	\$ 17.35	1.7	191,075	\$ 17.35	1.7
	<u>319,049</u>	<u>\$ 15.57</u>	<u>2.3</u>	<u>294,049</u>	<u>\$ 15.95</u>	<u>1.7</u>

As of July 31, 2025, there was approximately \$124,000 of unrecognized compensation expense related to stock options which is expected to be recognized over a weighted average period of approximately 0.3 years.

Restricted Stock Units (RSUs), Performance-Based Stock Units (PSUs) and Restricted Stock Awards (RSAs)

Aggregated information regarding RSU, PSU and RSA activity for the six months ended July 31, 2025, is summarized below:

	RSUs, PSUs & RSAs	Weighted Average Grant Date Fair Value
Outstanding at January 31, 2025	253,777	\$ 14.07
Granted	152,436	8.33
Vested	(92,973)	12.79
Forfeited	(140,123)	12.81
Outstanding at July 31, 2025	<u>173,117</u>	<u>\$ 10.71</u>

As of July 31, 2025, there was approximately \$1.1 million of unrecognized compensation expense related to RSUs, PSUs and RSAs, which is expected to be recognized over a weighted average period of 2.3 years.

Long-Term Incentive Program

In June 2025, the Human Capital and Compensation Committee of our Board of Directors approved the 2026 Senior Executive Long-Term Incentive Program ("2026 LTIP"). The 2026 LTIP provides for the issuance of Stock-Settled Performance Awards ("SSPA") to senior executives. Each senior executive's SSPA has a set dollar value at the grant date and will be settled in a variable number of shares of common stock subsequent to fiscal 2028 based on the achievement of certain fiscal 2028 Company performance goals. Shares issued under the 2026 LTIP will be issued from our 2018 Plan.

We record share-based compensation expense related to the 2026 LTIP over the service period of eligible employees based on forecasted performance relative to the Company metrics. To the extent that updated estimates differ from original estimates, the cumulative effect on current and prior periods of those changes is recorded in the period those estimates are revised.

For the three and six months ended July 31, 2025, we recorded \$43,000 of share-based compensation expense under the 2026 LTIP.

Employee Stock Purchase Plan (ESPP)

Our ESPP allowed eligible employees to purchase shares of common stock at a 15% discount from fair value on the first or last day of an offering period, whichever is less. A total of 40,000 shares were initially reserved for issuance under the ESPP. Effective April 22, 2025, the Board of Directors terminated the ESPP. There were 6,463 shares purchased in fiscal 2026 through the April 22, 2025, termination date.

Note 16— Income Taxes

Our effective tax rates are as follows:

	Three Months Ended	Six Months Ended
Fiscal 2026	26.8%	18.9%
Fiscal 2025	(522.0)%	(24.9)%

We determine our estimated annual effective tax rate at the end of each interim period based on full-year forecasted pre-tax income and facts known at that time. The estimated annual effective tax rate is applied to the year-to-date pre-tax income at the end of each interim period with the cumulative effect of any changes in the estimated annual effective tax rate being recorded in the fiscal quarter in which the change is determined. The tax effect of significant unusual items is reflected in the period in which they occur.

During the three months ended July 31, 2025, we recognized an income tax benefit of \$454,000. The effective tax rate in this period was directly impacted by a \$17,000 tax expense arising from shortfall tax expense related to our stock and a \$43,000 tax benefit related to foreign return to provision differences. During the three months ended August 3, 2024, we recognized an income tax expense of \$261,000. The effective tax rate in this period was directly impacted by the return to provision associated with our fiscal 2023 amended federal tax return which resulted in a \$447,000 increase to tax expense. Additional impacts on the effective tax rate included a \$162,000 tax benefit related to foreign return to provision differences and a \$13,000 tax benefit arising from windfall tax benefits related to our stock.

During the six months ended July 31, 2025, we recognized an income tax benefit of \$378,000. The effective tax rate in this period was directly impacted by a \$109,000 tax expense related to the return to provision associated with our fiscal 2023 amended state tax returns. Additional impacts on the effective tax rate included a \$79,000 tax expense arising from shortfall tax expense related to our stock, a \$26,000 tax benefit related to the expiration of the statute of limitations on a previously uncertain tax position and a \$43,000 tax benefit related to foreign return to provision differences. During the six months ended August 3, 2024, we recognized an income tax benefit of \$173,000. The effective tax rate in this period was directly impacted by a \$124,000 tax benefit related to a previous unrecorded reduction in our future income tax payable balance that should have been discretely recognized in the fourth quarter of fiscal year 2024, netted with the current quarter tax expense related to amending our fiscal year 2023 federal tax return.

On July 4, 2025, the “One Big Beautiful Bill Act” (“OBBBA”) was signed into law in the United States. The OBBBA includes a broad range of tax reform provisions for businesses, including extensions of key Tax Cuts and Jobs Act provisions, modifications to the international tax framework, and restoration of favorable tax treatment for certain business provisions. Certain provisions of the legislation will become effective in 2025, while others are effective in 2026. As the OBBBA was enacted during our fiscal quarter ended July 31, 2025, we have considered its potential effects and reflected the impact of the OBBBA on our financial position, results of operations, and cash flows. We are in the process of evaluating the impact of these provisions on future periods, but we do not expect the OBBBA to have a material impact on our consolidated financial statements.

Note 17 – Segment Information

Our operations consist of the design, development, manufacture and sale of specialty printers and data acquisition and analysis systems, including both hardware and software and related consumable supplies. We organize and manage our business as a portfolio of products and services designed around a common theme of data acquisition and information output.

We have two reporting segments consistent with our revenue product groups: Product ID and Aerospace. Effective February 1, 2025, we changed the name of our Test & Measurement segment to “Aerospace” to better reflect the end markets we serve in that segment. The segment name change did not result in any change to the composition of our reportable segments and, therefore, did not result in any changes to our historical segment results or the way our chief operating decision maker (“CODM”) allocates resources or makes decisions.

Our Product ID segment produces an array of high-technology digital color and monochrome label printers, commercial presses, direct to package/overprint printers, mail and sheet/flatpack printers and flexible packaging printers as well as supplies for a variety of industries worldwide. Our Aerospace segment produces our line of aerospace flight deck and cabin printers, as well as specialty airborne certified networking equipment and related supplies and services. The Aerospace segment also includes data acquisition systems used worldwide for a variety of recording, monitoring and troubleshooting applications for many industries including aerospace, defense, rail, energy, industrial and general manufacturing.

Our CODM has been identified as the President and Chief Executive Officer. The CODM regularly receives and uses discrete financial information about each reporting segment which is used for performance assessments and resource allocation decisions. The CODM evaluates the performance of and allocates resources to the reporting segments based on segment profit or loss, which represents the segments’ income (loss) before income taxes and excludes corporate expenses. The accounting policies of the reporting segments are the same as those described in the summary of significant accounting policies included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025.

The CODM does not evaluate reportable segment asset or liability information, and as such, assets are reported on a consolidated basis only.

Summarized below are the Revenue and Segment Operating Profit for each reporting segment:

(\$ in thousands)	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Revenue:				
Product ID	\$ 24,754	\$ 27,165	\$ 51,043	\$ 50,350
Aerospace	11,348	13,374	22,767	23,150
Total Revenue	<u>\$ 36,102</u>	<u>\$ 40,539</u>	<u>\$ 73,810</u>	<u>\$ 73,500</u>
Cost of Revenue:				
Product ID	\$ 17,077	\$ 18,545	\$ 34,638	\$ 33,403
Aerospace	7,392	7,668	14,886	13,799
Total Cost of Revenue	<u>\$ 24,469</u>	<u>\$ 26,213</u>	<u>\$ 49,524</u>	<u>\$ 47,202</u>
Operating Expenses:				
Product ID ⁽¹⁾	\$ 5,761	\$ 6,272	\$ 11,698	\$ 11,607
Aerospace ⁽¹⁾	1,546	1,872	2,705	3,796
Total Operating Expenses	<u>\$ 7,307</u>	<u>\$ 8,144</u>	<u>\$ 14,403</u>	<u>\$ 15,403</u>
Segment Operating Income:				
Product ID	\$ 1,916	\$ 2,348	\$ 4,707	\$ 5,340
Aerospace	2,410	3,834	5,176	5,555
Total Segment Operating Income	<u>\$ 4,326</u>	<u>\$ 6,182</u>	<u>\$ 9,883</u>	<u>\$ 10,895</u>
Corporate Expense ⁽²⁾	(5,034)	(5,121)	(10,018)	(8,488)
Operating Income (Loss)	\$ (708)	\$ 1,061	\$ (135)	\$ 2,407
Interest Expense	(885)	(938)	(1,782)	(1,419)
Other Income (Expense) ⁽³⁾	(104)	(173)	(80)	(292)
Income (Loss) Before Income Taxes	\$ (1,697)	\$ (50)	\$ (1,997)	\$ 696
Income Tax Provision (Benefit)	(454)	261	(378)	(173)
Net Income (Loss)	<u>\$ (1,243)</u>	<u>\$ (311)</u>	<u>\$ (1,619)</u>	<u>\$ 869</u>

(1) Product ID and Aerospace segment operating expenses include Selling and Marketing and Research and Development.

(2) The amounts included in Corporate Expenses consist of executive and finance compensation, acquisition and integration costs, restructuring costs, professional fees as well as certain other non-recurring costs not allocated to the reporting segments.

(3) Includes gain/(loss) on foreign exchange and other miscellaneous income/(expense) not allocated to the reporting segments.

Revenue by product type for each reporting segment:

(\$ in thousands)	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Product ID :				
Hardware	\$ 4,511	\$ 4,311	\$ 9,288	\$ 8,112
Supplies	18,535	20,895	38,411	38,476
Other	1,708	1,959	3,344	3,762
Total Product ID Revenue	<u>24,754</u>	<u>27,165</u>	<u>51,043</u>	<u>50,350</u>
Aerospace:				
Hardware	6,425	8,048	12,943	13,121
Supplies	960	1,449	2,164	2,502
Other	3,963	3,877	7,660	7,527
Total Aerospace Revenue	<u>11,348</u>	<u>13,374</u>	<u>22,767</u>	<u>23,150</u>
Total Revenue	<u>\$ 36,102</u>	<u>\$ 40,539</u>	<u>\$ 73,810</u>	<u>\$ 73,500</u>

Other information by segment is presented below:

(In thousands)	Depreciation and Amortization		Capital Expenditures	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Product ID	\$ 1,971	\$ 1,572	\$ 107	\$ 830
Aerospace	599	644	—	—
Total	<u>\$ 2,570</u>	<u>\$ 2,216</u>	<u>\$ 107</u>	<u>\$ 830</u>

Note 18 – Fair Value

Assets and Liabilities Not Recorded at Fair Value

Our long-term debt, including the current portion of long-term debt not reflected in the financial statements at fair value, is reflected in the table below:

	July 31, 2025					
	Fair Value Measurement					
(In thousands)	Level 1	Level 2	Level 3	Total		Carrying Value
Long-Term debt and related current maturities	\$ —	\$ —	\$ 24,115	\$ 24,115		\$ 24,223

	January 31, 2025					
	Fair Value Measurement					
(In thousands)	Level 1	Level 2	Level 3	Total		Carrying Value
Long-Term debt and related current maturities	\$ —	\$ —	\$ 25,202	\$ 25,202		\$ 25,239

The fair value of our long-term debt, including the current portion, is estimated by discounting the future cash flows using current interest rates at which similar loans with the same maturities would be made to borrowers with similar credit ratings and is classified as Level 3.

Note 19 - Restructuring

On March 20, 2025, we announced our restructuring actions for fiscal 2026, which include the reduction of approximately 10% of the Company's global workforce, primarily in the Product ID segment, and the realignment of our underperforming MTEX operation in Portugal. As part of this initiative, we have cut approximately 70% of the MTEX product portfolio, phasing out low-volume, low-profit and developmental models in the nascent fabric printing market to focus more resources on much higher-margin products that capitalize on our supplies business. In addition, all MTEX sales, marketing and customer support functions have been integrated into our global teams to improve accountability and performance. We anticipate our restructuring actions to generate \$3.0 million in annualized savings and expect to complete the planned actions by the end of fiscal 2026.

As a result of the adoption and implementation of the above restructuring actions, as of July 31, 2025 we have recognized total pre-tax restructuring charges of \$1.2 million, comprised primarily of cash charges related to severance-related costs. Below is a summary of the restructuring costs and liabilities by type as of July 31, 2025.

(in thousands)	Restructuring Costs	Amounts paid in quarter ended April 30, 2025	Amounts paid in quarter ended July 31, 2025	Restructuring Liability
Severance and Employee Related Costs	\$ 1,157	\$ (99)	\$ (310)	\$ 748
Other Restructuring Costs	90	-	-	90
Total	\$ 1,247	\$ (99)	\$ (310)	\$ 838

The following table summarizes restructuring costs included in the accompanying condensed consolidated statement of income (loss) for the three and six months ended July 31, 2025:

(in thousands)	Three Months Ended July 31, 2025	Six Months Ended July 31, 2025
Cost of Revenue	\$ (3)	\$ 337
Operating Expenses:		
Selling & Marketing	111	209
General & Administrative	581	701
Total	\$ 689	\$ 1,247

Note 20— Subsequent Events

Credit Agreement Amendment and Waiver

On September 8, 2025, we entered into a Fifth Amendment to Amended and Restated Credit Agreement and Waiver Agreement relating to the Further Amended Credit Agreement (the “Fifth Amendment”) with Bank of America. See Note 9, “Credit Agreement and Long-Term Debt” for additional disclosures about the Fifth Amendment.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Business Overview

This section should be read in conjunction with our condensed consolidated financial statements included elsewhere herein and our Annual Report on Form 10-K for the fiscal year ended January 31, 2025.

We are a multinational enterprise that leverages our proprietary printing technologies to design, develop, manufacture, distribute and service a broad range of products that acquire, store, analyze and enable data to be visualized in multiple formats and on a variety of materials. We market and sell our products and services through the following two segments:

- Product Identification (“Product ID”) – offers color and monochromatic digital label printers, direct-to-package printers and custom OEM printers. Product ID also provides proprietary software to design, manage, and store print images as well as to fully control the workflow of its printers. The software enables both local and network control of the printers. As a full solution supplier, Product ID offers a wide variety of application-matched printing supplies such as pressure-sensitive labels, tags, inks, toners, and thermal transfer ribbons used by digital printers. Product ID also provides on-site and remote service, spare parts, and various service contracts.
- Aerospace (formerly - Test & Measurement)* – The Aerospace segment is a leading supplier of aerospace flight deck printers for commercial, military transport, business, and regional aircraft. The printers are used to print hard copies of data required for the safe and efficient operation of aircraft, including navigation maps, clearances, arrival and departure procedures, NOTAMs, flight itineraries, weather maps, performance data, passenger data, and various air traffic control data. Aerospace products also include aircraft networking systems for high-speed onboard data transfer. The Aerospace segment also provides repairs, service and spare parts. Aerospace also offers a suite of products and services that acquire data from local and networked data streams and sensors as well as wired and wireless networks.

*Effective February 1, 2025, we changed the name of our Test & Measurement segment to “Aerospace” to better reflect the end markets we serve in that segment. The segment name change did not result in any change to the composition of our reportable segments and, therefore, did not result in any changes to our historical segment results or the way our chief operating decision maker (“CODM”) allocates resources or makes decisions.

We market and sell our products and services globally through a diverse distribution structure of direct sales personnel, manufacturers’ representatives and authorized dealers that deliver a full complement of branded products and services to customers in our respective markets. Our growth strategy centers on driving organic growth through product innovation and through a robust go-to-market strategy that is customer-centric.

On May 4, 2024, we entered into an agreement to acquire MTEX New Solution, S.A., (“MTEX”), a Portugal-based manufacturer of digital printing equipment that addresses a wide variety of markets and applications including, wide format high-volume package printing, labeling, flexible package printing and more. We reported MTEX as a part of our Product ID segment as of the May 6, 2024 closing date. Refer to Note 3, “Acquisition” in our condensed consolidated financial statements located elsewhere in this report for further details.

On March 20, 2025, we announced our restructuring actions for fiscal 2026, which included the reduction of approximately 10% of the Company’s global workforce, primarily in the Product ID segment, and the realignment of our underperforming MTEX operation in Portugal. As part of this initiative, we have eliminated approximately 70% of the MTEX product portfolio, phasing out low-volume, low-profit and developmental models in the nascent fabric printing market to focus more resources on higher-margin products that provide recurring revenue. In addition, all MTEX sales, marketing and customer support functions were integrated into the AstroNova sales structure. We expect our restructuring actions to result in \$3.0 million in annualized savings and we expect to complete this plan by the end of fiscal 2026. As of July 31, 2025, we have incurred \$1.2 million in restructuring charges primarily consisting of severance-related charges and have realized \$3.0 million in annualized savings.

On June 29, 2025, Gregory A. Woods resigned from his positions as our Chief Executive Officer and President and as a member of our Board of Directors. Effective as of August 15, 2025, Jorik E. Ittmann became our new President and Chief Executive Officer and a member of our Board of Directors. Mr. Ittmann previously served as our Senior Vice President of Product Identification.

Results of Operations

Three Months Ended July 31, 2025 vs. Three Months Ended August 3, 2024

Revenue by segment and current quarter percentage change over the prior year for the three months ended July 31, 2025 and August 3, 2024 were:

(Dollars in thousands)	July 31, 2025	As a % of Revenue	August 3, 2024	As a % of Revenue	% Change Compared to Prior Year
Product ID	\$ 24,754	68.6%	\$ 27,165	67.0%	(8.9)%
Aerospace	11,348	31.4%	13,374	33.0%	(15.1)%
Total	\$ 36,102	100.0%	\$ 40,539	100.0%	(10.9)%

Revenue for the second quarter of the current year was \$36.1 million, representing a 10.9% decrease compared to the previous year's second quarter reflecting lower sales in both the Product ID and Aerospace segments. Revenue through domestic channels for the second quarter of the current year was \$21.9 million, representing approximately 60% of our second quarter revenue and reflecting a decrease of 7.7% from the prior year's second quarter domestic revenue of \$23.8 million. International revenue for the second quarter of the current year was \$14.2 million, representing approximately 40% of our second quarter revenue and reflecting a 15.5% decrease from the previous year's second quarter international revenue. International revenue for the second quarter of the current year reflected a favorable foreign exchange rate impact of \$0.4 million.

Hardware revenue in the second quarter of the current year was \$10.9 million, a \$1.4 million or 11.5% decrease compared to the prior year's second quarter hardware revenue of \$12.4 million. The current quarter's decrease is primarily attributable to a \$1.5 million or 20.1% decline in aerospace printer sales in the Aerospace segment compared to the same period in the prior year. We also experienced a \$0.9 million decline in hardware sales for our QuickLabel and Trojan Label printer brands in the Product ID segment. Hardware sales in the current quarter were also impacted by a \$0.2 million decline in data recorder sales in our Aerospace segment. The overall decline in hardware sales was partially offset by increased hardware sales from our Astro Machine subsidiary of \$0.8 million and from MTEX of \$0.2 million, both in the Product ID segment.

Supplies revenue in the second quarter of the current year was \$19.5 million, a \$2.8 million or 12.8% decrease compared to the prior year's second quarter supplies revenue of \$22.3 million. The current quarter decrease in supplies revenue is primarily attributable to a \$2.4 million or 11.3% decrease in sales of supplies in the Product ID segment. The total decline in supplies revenue for the current quarter was also impacted by a decline in sales of paper supplies for the aerospace printer product line in the Aerospace segment.

Service and other revenues of \$5.7 million in the current quarter decreased \$0.2 million or 2.8% compared to service and other revenues of \$5.8 million in the second quarter of the prior year. The modest decrease in current quarter service and other revenue was primarily attributable to a sales decline in the Product ID segment of \$0.3 million, or 12.8% compared to the same period in the prior year. The decrease in service and other revenue was slightly offset by the contribution of service and other revenue from the aerospace printer product line in the Aerospace segment.

The current year's second quarter gross profit was \$11.6 million, an 18.8% decrease compared to the prior year's second quarter gross profit of \$14.3 million. Current quarter gross profit margin of 32.2% reflected a 3.1 point decrease from the prior year's second quarter gross profit margin of 35.3%. The lower gross profit margin for the current quarter compared to the prior year's second quarter is primarily attributable to unfavorable product mix and lower sales in the current quarter.

Operating expenses for the current quarter were \$12.3 million, a \$0.9 million or 7.0% decrease compared to the prior year's second quarter operating expenses of \$13.3 million. Current quarter selling and marketing expenses were \$5.7 million, a 14.9% decrease compared to the second quarter of the prior year. Excluding \$0.1 million of restructuring costs, selling and marketing expenses decreased \$1.1 million from the prior year. The decrease in selling and marketing expenses for the current quarter was primarily due to decreases in employee wages, travel and entertainment, advertising, trade shows and commission expenses. Current quarter general and administrative ("G&A") expenses were \$5.0 million, a 1.7% decrease compared to prior year second quarter G&A expenses of \$5.1 million. Current quarter G&A expenses included non recurring charges of \$0.6 million for restructuring, \$0.1 million for legal, and \$0.4 million related to our contested proxy solicitation. Prior year second quarter G&A included non recurring charges of \$1.1 million for our MTEX acquisition and CFO transition. Excluding these non recurring charges, current year G&A expenses were flat compared to the prior year. Research and development ("R&D") expenses were \$1.6 million in the current quarter, an 11.6% increase compared to the second quarter prior year R&D expenses of \$1.4 million. The \$0.2 million increase in R&D expenses from

the prior year was primarily due to increases in employee wages, partially offset by decreases in supplies and product testing expenses. R&D spending as a percentage of revenue for the current quarter was 4.4% as compared to 3.5% for the same period in the prior year.

We recognized a federal, state and foreign income tax benefit for the second quarter of the current year of \$0.4 million resulting in an effective tax rate of 26.8%. The effective tax rate in this period was directly impacted by a \$17,000 tax expense arising from shortfall tax expense related to our common stock and a \$43,000 tax benefit related to foreign return to provision differences. During the three months ended August 3, 2024, we recognized an income tax expense of \$261,000. The effective tax rate in this period was directly impacted by the return to provision associated with our fiscal 2023 amended federal tax return which resulted in a \$447,000 increase in tax expense. Additional impacts on the effective tax rate included a \$162,000 tax benefit related to foreign return to provision differences and a \$13,000 tax benefit arising from windfall tax benefits related to our common stock.

We reported a net loss of \$1.2 million or \$(0.16) per diluted share for the second quarter of the current year. Current quarter net loss and net loss per diluted share were impacted by restructuring charges of \$0.7 million (\$0.5 million net of tax or \$0.07 per diluted share), legal fees related to the MTEX litigation of \$0.1 million (\$0.1 million net of tax or \$0.01 per diluted share), and non recurring costs related to our contested proxy solicitation of \$0.4 million (\$0.3 million net of tax or \$0.04 per diluted share). Net loss for the prior year's second quarter was \$0.3 million or \$0.04 per diluted share. Net loss and net loss per diluted share for the quarter ended August 3, 2024 were impacted by inventory step-up costs of \$0.1 million (\$0.1 million net of tax or \$ 0.01 per diluted share) and transaction costs of \$0.6 million (\$0.5 million net of tax or \$0.06 per diluted share), both related to the MTEX acquisition, and CFO transition charges of \$0.4 million (\$0.3 million net of tax or \$0.05 million per diluted share).

Six Months Ended July 31, 2025 vs. Six Months Ended August 3, 2024

Revenue by segment and current period percentage change over the prior year for the six months ended July 31, 2025 and August 3, 2024 were:

(Dollars in thousands)	July 31, 2025	As a % of Revenue	August 3, 2024	As a % of Revenue	% Change Compared to Prior Year
Product ID	\$ 51,043	69.2%	\$ 50,350	68.5%	1.4%
Aerospace	22,767	30.8%	23,150	31.5%	(1.7)%
Total	\$ 73,810	100.0%	\$ 73,500	100.0%	0.4%

Revenue for the first six months of the current year was \$73.8 million, representing a 0.4% increase compared to the previous year's first six months' revenue. Revenue through domestic channels for the first half of the current year was \$44.6 million, an increase of 2.9% from the prior year's domestic revenue of \$43.3 million. International revenue for the first six months of the current year was \$29.2 million, a 3.2% decrease from the previous year's international revenue of \$30.2 million. International revenue for the first six months of the current year reflected a favorable foreign exchange rate impact of \$0.4 million.

Hardware revenue in the first six months of the current year was \$22.2 million, a 4.7% increase compared to the prior year's first six months' hardware revenue of \$21.2 million. The current year's increase is primarily attributable to growth in hardware sales in the Product ID segment, as current year hardware sales were \$9.3 million, an increase of 14.5% or \$1.2 million compared to the previous year's Product ID hardware sales of \$8.1 million. This increase was slightly offset by declines in hardware sales in the Aerospace segment for the current year which were \$12.9 million, a 1.4% decrease from the prior year's Aerospace hardware sales of \$13.1 million, with the decline primarily related to lower sales in the data recorder product line, offset by a slight increase in current year aerospace printer sales.

Supplies revenue in the first half of the current year was \$40.6 million, representing a 1.0% decrease over the prior year's six months' supplies revenue of \$41.0 million, as supplies revenue slightly decreased in both the Product ID and Aerospace segments in the current year. The Product ID supply sales decrease relates primarily to a decline in sales of our ink jet supply products in our QuickLabel product group, which was slightly offset by an increase in ink jet sales in our Trojan Label and Astro Machine products and print head and media supply sales in our QuickLabel product group. Also contributing to the decrease in the current year's supplies revenue was a decline in paper revenue for the airborne printer product line in the Aerospace segment.

Service and other revenues were \$11.0 million in the first six months of the current year, a 2.5% decrease compared to the prior year's first six months of service and other revenues of \$11.3 million. The decrease is primarily due to a \$0.4 million or 11.1% decline in sales repairs and parts revenue in the Product ID segment. The overall supplies sales decrease is partially offset by a \$0.1 million or 1.8% increase in parts and repairs revenue in the airborne printer product line in the Aerospace segment.

Gross profit for the first six months of the current year was \$24.3 million, a 7.7% decrease compared to the prior year's gross profit of \$26.3 million. Our gross profit margin of 32.9% in the current year reflects a 2.9 percentage point decrease from the prior

year's first six months' gross profit margin of 35.8%. The decrease in gross profit and related profit margin for the current year is primarily attributable to lower sales, product mix and \$0.4 million in restructuring costs in the current year.

Operating expenses for the first six months of the current fiscal year were \$24.4 million, a 2.2% increase compared to the prior year's first six months operating expenses of \$23.9 million. Selling and marketing expenses for the current year were \$11.3 million, a decrease of 8.9% compared to the previous year's \$12.4 million. Excluding the impact of a \$0.5 million increase for six months of MTEX expenses recognized in the current year and \$0.2 million increase related to restructuring expenses, current year selling and marketing expenses have decreased \$1.9 million compared to the prior year. The decrease for the current year was primarily due to a decline in employee wages and benefits, travel and entertainment expenses, labor expenses and professional fees. G&A expenses increased 18.0% to \$10.0 million in the first six months of the current year compared to \$8.5 million in the first six months of the prior year. Current year G&A expenses included non recurring charges of \$0.7 million for restructuring, \$0.1 for legal, and \$0.4 million related to our contested proxy solicitation. Prior year G&A included non recurring charges of \$1.1 million for our MTEX acquisition and CFO transition. Excluding these non recurring charges, current year G&A expenses increased \$1.7 million from the same period of prior year primarily due to increased employee benefits, subscription fees and demo provisions expenses. R&D spending in the first six months of the current year was \$3.1 million, a 3.4% increase compared to the prior year's first six months R&D spend of \$3.0 million. Excluding the impact of a \$0.6 million increase in R&D related to MTEX current year R&D expense overall R&D expenses decreased \$0.5 million from the same period in the prior year primarily as a result of declines in supplies and product testing expenses. Current year's spending on R&D represents 4.2% of revenue compared to the prior year's first six months' level of 4.1%.

Other expenses during the first six months of the current year were \$1.9 million compared to \$1.7 million in the first six months of the previous year. Current year other expense includes interest expense on our term debt and revolving line of credit of \$1.8 million and foreign exchange losses and other expenses of \$0.1 million. Prior year other expense includes interest expense on our term debt and revolving line of credit of \$1.4 million and foreign exchange losses of \$0.3 million.

We recognized a \$0.4 million income tax benefit for the first six months of the fiscal year, resulting in an effective tax rate of 18.9%. The effective tax rate in this period was directly impacted by a \$109,000 tax expense related to the return to provision associated with our fiscal 2023 amended state tax returns. Additional impacts on the effective tax rate included a \$79,000 tax expense arising from shortfall tax expense related to our common stock, a \$26,000 tax benefit related to the expiration of the statute of limitations on a previously uncertain tax position and a \$43,000 tax benefit related to foreign return to provision differences. We recognized a \$0.2 million income tax benefit for the first six months of the prior fiscal year, resulting in an effective tax rate of (24.9)%. The effective tax rate was directly impacted by a \$124,000 tax benefit related to a previously unrecorded reduction in our future income tax payable balance that should have been discretely recognized in the fourth quarter of fiscal year 2024, netted with the current quarter tax expense related to amending our fiscal year federal tax return. Additional impacts on the effective tax rate include a \$162,000 tax benefit related to foreign return to provision differences and an \$88,000 tax benefit arising from windfall tax benefits related to our common stock.

We reported net loss of \$1.6 million, or \$0.21 per diluted share, for the first six months of the current year. Net loss and net loss per diluted share for the six months ended July 31, 2025, were impacted by inventory step up cost of \$0.1 million (\$0.1 million net of tax or \$0.01 per diluted share) and transaction costs of \$0.3 million (\$0.2 million net of tax or \$0.03 per diluted share), both related to the MTEX acquisition, restructuring charges of \$1.2 million (\$0.9 million net of tax or \$0.12 per diluted share), legal fees related to the MTEX litigation of \$0.1 million (\$0.1 million net of tax or \$0.01 per diluted share), and non-recurring proxy costs of \$0.4 million (\$0.3 million net of tax or \$0.04 per diluted share). We reported net income of \$0.9 million, or \$0.11 per diluted share, for the six months ended August 3, 2024. Net income and net income per diluted share for this period were impacted by inventory step up cost of \$0.1 million (\$0.1 million net of tax or \$0.01 per diluted share) and transaction costs of \$0.6 million (\$0.5 million net of tax or \$0.06 per diluted share), both related to the MTEX acquisition and CFO transition charges of \$0.4 million (\$0.3 million net of tax or \$0.05 million per diluted share).

Segment Analysis

We report two segments: Product ID and Aerospace and evaluate segment performance based on the segment profit before general and administrative expenses. Summarized below are the revenue and segment operating profit for each reporting segment:

(In thousands)	Three Months Ended				Six Months Ended			
	Revenue		Segment Operating Profit (Loss)		Revenue		Segment Operating Profit (Loss)	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Product ID	\$ 24,754	\$ 27,165	\$ 1,916	\$ 2,348	\$ 51,043	\$ 50,350	\$ 4,707	\$ 5,340
Aerospace	11,348	13,374	2,410	3,834	22,767	23,150	5,176	5,555
Total	<u>\$ 36,102</u>	<u>\$ 40,539</u>	<u>4,326</u>	<u>6,182</u>	<u>\$ 73,810</u>	<u>\$ 73,500</u>	<u>9,883</u>	<u>10,895</u>
Corporate Expenses			5,034	5,121			10,018	8,488
Operating Income			(708)	1,061			(135)	2,407
Interest Expense			(885)	(938)			(1,782)	(1,419)
Other Income/(Expense), net			(104)	(173)			(80)	(292)
Income (Loss) Before Income Taxes			(1,697)	(50)			(1,997)	696
Income Tax Provision (Benefit)			(454)	261			(378)	(173)
Net Income (Loss)			<u>\$ (1,243)</u>	<u>\$ (311)</u>			<u>\$ (1,619)</u>	<u>\$ 869</u>

Product ID

During the second quarter of fiscal 2025 we acquired MTEX, a Portugal-based manufacturer of digital printing equipment that brought us new technology, a low-cost manufacturing facility and a larger addressable market. Since the closing of that transaction on May 6, 2024, MTEX has been reported as a part of our Product ID segment. Although we remain excited about the opportunities created by MTEX's complementary product portfolio and anticipate improved overall business and enhanced customer service as we integrate MTEX's advanced technology across other areas of our product portfolio, the integration of MTEX has been more time-consuming and resource-intensive than we originally anticipated. Additionally, in the course of integrating MTEX into our operations, we have discovered certain facts that we believe may constitute breaches of the representations and warranties included in the definitive agreements governing our acquisition of MTEX. We are continuing to investigate these matters and are seeking remedies from the seller under those agreements.

We define the primary markets we serve through our Product ID segment as follows:

- Desktop Label Printers:
 - o Target Customers: Brand owners requiring label printing in-house (typically short to medium runs)
 - o Representative Printers: QuickLabel desktop printers, QL120/125, QL300, QL900
- Mail and Sheet /Flat Pack Printers:
 - o Target Customers: OEMs and channels active in direct mail and transactional print
 - o Representative Printers: AJ-180, AJ-500P, AJ-SP2
- Professional Label Printers: Expanded market with MTEX acquisition:
 - o Target Customers: Higher volume brand owners and professional printing houses (label converters) looking to provide digitally printed labels
 - o Representative Printers: T2C printers and the new Next-Generation QL 425, and QL-435
- Direct to Package Printers: Expanded market with MTEX acquisition:
 - o Target Customers: Corrugated box, wood box and paper bag makers (packaging converters or resellers) looking for high-mix medium to high volume post-printing
 - o Representative Printers: T3-OPX printers and the new Next-Generation AJ-800 wide format and AJ-1300 ultra-wide format
- Flexible Packaging Printers: New market with MTEX acquisition:

- o Target Customers: Paper and film packaging converters and co-packers looking for high volume digital pre-printing solutions for flexible packaging materials
- o Representative Printers: new next-generation AJ-800R, AJ-1200R dye and pigment models

The table below provides Product ID revenue by the markets in which products and services are sold for the three and six months ended July 31, 2025 and August 3, 2024:

(In thousands)	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Desktop Label Printers	\$ 15,190	\$ 16,349	\$ 30,668	\$ 30,570
Mail & Sheet/Flat Pack Printers	3,740	3,471	7,790	7,401
Professional Label Printers	3,506	4,231	6,753	7,477
Direct to Package/Overprint Printers	2,230	2,925	5,625	4,711
Flexible Packaging Printers	69	—	100	—
Other	19	189	107	191
TOTAL	\$ 24,754	\$ 27,165	\$ 51,043	\$ 50,350

Revenue from the Product ID segment decreased \$2.4 million or 8.9%, in the second quarter of the current year, with revenue of \$24.8 million compared to \$27.2 million in the same period of the prior year. The current quarter decrease is primarily attributable to a decline in sales of desktop label printers which decreased \$1.2 million or 7.1% from the same period in the prior year. The decrease in current quarter revenue was also impacted by the decline in sales of professional label printers which decreased \$0.7 million or 17.1% from second quarter of the prior year as well as a decline in direct to package/overprinters sales which decreased \$0.7 million or 23.8% from the same period in the prior year. The Product ID segment recognized current quarter segment operating income of \$1.9 million, reflecting a profit margin of 7.7%. This compares to the prior year's second quarter segment profit of \$2.3 million and related margin of 8.6%. The decrease in the current year second quarter Product ID segment operating profit and margin is primarily due to lower sales, product mix and higher costs in the current period, in part associated with the restructuring costs.

Revenue from the Product ID segment increased \$0.7 million or 1.4%, in the first six months of the current year, with revenue of \$51.0 million compared to \$50.4 million in the same period of the prior year. The increase is primarily attributable to an increase in sales of direct to package/overprinters which increased \$0.9 million or 19.4% from the same period in the prior year. The increase in revenue for the six months ended July 31, 2025, was also impacted by the increase in mail& sheet/flat pack printer sales which increased \$0.4 million or 5.3% from the first six months of the prior year. The overall increase in Product ID sales in the first six months of the current year is partially offset by professional label printer sales which declined \$0.7 million or 9.7%. The Product ID segment recognized current year operating income of \$4.7 million, reflecting a profit margin of 9.2%. This compares to segment profit of \$5.3 million and related margin of 10.6% for the first six months of the prior year. The decrease in Product ID segment operating profit and margin in the current period is primarily due to higher manufacturing costs, in part associated with restructuring activities, along with unfavorable product mix and higher operating costs.

Aerospace

We define the primary markets we serve through our Aerospace segment as follows:

- Aftermarket - Includes - parts, paper and repairs for the hardware we provide to the commercial, defense, regional and business jet markets
- Commercial Aircraft - Customers include manufacturers and operators of commercial transport aircraft
- Defense - Customers include manufacturers and operators of military transport aircraft (flight deck printers and networking systems); test and launch facilities related to rockets and missiles and specialty munitions (data acquisition products)
- Regional and Business Jet Aircraft - Customers include manufacturers and operators of regional transport aircraft and business jets

Certain amounts previously reported for the three months ended April 30, 2025, have been reclassified between market categories to correct a presentation error. The correction reclassified certain sales amounts between the Defense and Commercial Aircraft categories and, to a lesser extent, other market categories. The reclassification had no impact on total net sales, gross profit, operating income, net income, earnings per share, cash flows, or any other amounts presented in the condensed consolidated financial statements for the period ended April 30, 2025.

The table below presents the originally reported and corrected sales by market for the three months ended April 30, 2025:

(In thousands)	As Reported	Corrected	Change
	April 30, 2025	April 30, 2025	April 30, 2025
Aftermarket	\$ 4,869	\$ 4,911	\$ 42
Commercial Aircraft	3,444	4,953	\$ 1,509
Defense	2,502	811	\$ (1,691)
Regional and Business Jet Aircraft	251	396	\$ 145
Other	353	348	\$ (5)
TOTAL	\$ 11,419	\$ 11,419	\$ —

The corrected amounts as presented in the table above are reflected in the comparative prior-period data throughout this Item 2, “Management’s Discussion and Analysis of Financial Condition and results of Operations”.

The table below provides Aerospace revenue by the markets in which products and services are sold for the three and six months ended July 31, 2025 and August 3, 2024:

(In thousands)	Three Months Ended		Six Months Ended	
	July 31, 2025	August 3, 2024	July 31, 2025	August 3, 2024
Aftermarket	\$ 4,953	\$ 5,326	\$ 9,864	\$ 10,020
Commercial Aircraft	4,714	6,299	9,667	10,112
Defense	1,047	608	1,858	937
Regional and Business Jet Aircraft	431	604	827	1,301
Other	203	537	551	780
TOTAL	\$ 11,348	\$ 13,374	\$ 22,767	\$ 23,150

Revenue from the Aerospace segment was \$11.3 million for the second quarter of the current fiscal year, representing a \$2.0 million or 15.1% decrease compared to revenue of \$13.4 million for the same period in the prior year. The decrease in revenue for the current quarter is primarily attributable to a \$1.6 million or 25.2% decrease sales in our in commercial aircraft market from the same period in the prior year. Also contributing to the current quarter decrease in revenue was a \$0.3 million or 7.0% decline in aftermarket sales compared to the prior year’s second quarter. The current quarter decrease was partially offset by an increase in defense market sales of \$0.4 million or 72.2% from the prior year second quarter as a result of a renewed defense contract. Aerospace’s second quarter segment operating profit was \$2.4 million, reflecting a profit margin of 21.2%, compared to the prior year second quarter segment operating profit of \$3.8 million and operating profit margin of 28.7%. The decrease in Aerospace’s current year second quarter segment operating profit and margin is due to lower revenue and product mix.

Revenue from the Aerospace segment was \$22.8 million for the first six months of the current fiscal year, representing a \$0.4 million or 1.7% decrease compared to revenue of \$23.5 million for the same period as the prior year. The decrease in revenue for the first six months of the current fiscal year is primarily attributable to a decline in sales in our commercial aircraft, regional and business jet aircraft, aftermarket and other markets totaling \$1.3 million compared to the same period in the prior year. The decrease in Aerospace revenue in the first six months of the current fiscal year was partially offset by a \$0.9 million or 98.3% increase in defense market sales. Aerospace’s second quarter segment operating profit was \$5.2 million, reflecting a profit margin of 22.7%, compared to the first six months of the prior fiscal year’s segment operating profit of \$5.6 million and operating profit margin of 24.0%. The decrease in Aerospace’s current year segment operating profit and related margin is due to a decrease in revenue, and product mix.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity have been cash generated from operating activities and borrowings under our revolving credit facility. These sources have also usually funded the majority of our capital expenditures and contractual contingent consideration obligations. We have funded acquisitions by borrowing under bank term loan and revolving credit facilities.

We believe cash flow generation from operations and available unused credit capacity under our revolving credit facility will support our anticipated needs. Additionally, as discussed below, we amended our credit agreement with Bank of America to finance our acquisition of MTEX and subsequently amended our credit agreement to modify various of its terms. However, for the three- and six-months ended July 31, 2025, we reported net losses of \$1.2 million and \$1.6 million, respectively.

As of July 31, 2025, we failed to satisfy certain financial covenants under our Further Amended Credit Agreement. While the Lender granted a waiver of the events of default that occurred thereunder as a result of these failures, if it had not done so, it would have been entitled to accelerate repayment of the loans and to terminate its revolving credit commitment under the Further Amended Credit Agreement. If, in the future, we were to violate the terms of our credit agreement and are unable to renegotiate its terms at that time or secure alternative financing, it could have a material adverse impact on our available liquidity.

In connection with our purchase of MTEX, on May 6, 2024, we entered into a Third Amendment to Amended and Restated Credit Agreement (the “Third Amendment”) with Bank of America, N.A., as lender (the “Lender”). The Third Amendment amended the Amended and Restated Credit Agreement dated as of July 30, 2020, as amended by the First Amendment to Amended and Restated Credit Agreement, dated as of March 24, 2021, the LIBOR Transition Amendment, dated as of December 14, 2021, the Second Amendment to Amended and Restated Credit Agreement dated as of August 4, 2022, and the Joinder Agreement relating to our subsidiary Astro Machine Corporation (“Astro Machine”) dated as of August 26, 2022 (as so amended, the “Credit Agreement”; the Credit Agreement as amended by the Amendment, the “Amended Credit Agreement”), between AstroNova, Inc. as the borrower, Astro Machine as a guarantor, and the Lender.

The Amended Credit Agreement provides for (i) a new term loan to AstroNova, Inc. in the principal amount of EUR 14.0 million (the “Term A-2 Loan”), which term loan is in addition to the existing term loan (the “Term Loan”) outstanding under the Credit Agreement in the principal amount of approximately \$12.3 million as of the effective date of the Third Amendment, and (ii) an increase in the aggregate principal amount of the revolving credit facility available to AstroNova, Inc. from \$25.0 million to \$30.0 million until January 31, 2025, upon and after which the aggregate principal amount of the revolving credit facility reduced to \$25.0 million. At the closing of the Third Amendment, we borrowed the entire EUR 14.0 million Term A-2 Loan, EUR 3.0 million under the revolving credit facility and a US dollar amount under the revolving credit facility that was converted to Euros to satisfy the entire purchase price payable on the closing date pursuant to the Purchase Agreement. The revolving credit facility may otherwise be used for general corporate purposes.

On March 20, 2025, we entered into a Fourth Amendment to Amended and Restated Credit Agreement (the “Fourth Amendment”) with the Lender, which further amended the Amended Credit Agreement (as so amended, the “Further Amended Credit Agreement”).

At July 31, 2025, our cash and cash equivalents were \$3.9 million. We have borrowed \$19.1 million on our revolving line of credit with Bank of America and have \$5.9 million available for borrowing under that facility as of July 31, 2025. Additionally, MTEX has a EUR 0.5 million (\$0.6 million) available line of credit with Caixa Central de Crédito Agrícola Mutuo. This credit line was established in December 2023 and is renewable every six months. There is nothing outstanding on this line of credit as of July 31, 2025.

Indebtedness

Term Loans and Revolving Credit Loans

The Further Amended Credit Agreement modified the remaining quarterly installments in which the outstanding balance of the Term Loan must be paid; the outstanding principal balance of the Term Loan as of the effective date of the Fourth Amendment was \$9.5 million. Under the Further Amended Credit Agreement, such remaining quarterly installments must be paid on the last day of each of our fiscal quarters through April 30, 2027 in the principal amount of (i) in the case of the installments for the fiscal quarters ending April 30, 2025 through January 31, 2026, \$325,000 each, (ii) in the case of the installments for the fiscal quarters ending April 30, 2026 through January 31, 2027, \$725,000 each, and (iii) in the case of the installment for the fiscal quarter ending April 30, 2027, \$950,000; the entire then-outstanding principal balance of the Term Loan is required to be paid on August 4, 2027. We continue to have the right to voluntarily prepay the Term Loan, in whole or in part, from time to time without premium or penalty (other than customary breakage costs, if applicable).

The remaining repayment installments of the Term A-2 Loan were not modified by the Fourth Amendment; the outstanding principal balance of the Term A-2 Loan as of the effective date of the Fourth Amendment was EUR 12,250,000. The Further Amended Credit Agreement requires that the Term A-2 Loan be paid in quarterly installments on the last day of each of our fiscal quarters through April 30, 2027 in the principal amount of EUR 583,333 each, and the entire then-remaining principal balance of the Term A-2 Loan is required to be paid on August 4, 2027. We continue to have the right to voluntarily prepay the Term A-2 Loan, in whole or in part, from time to time without premium or penalty (other than customary breakage costs, if applicable).

The amount and availability and repayment terms of the \$25.0 million revolving credit facility available to the Company under the Further Amended Credit Agreement were not modified by the Fourth Amendment; the outstanding principal balance under the revolving credit facility as of the effective date of the Fourth Amendment was \$21.7 million. We may repay borrowings under the revolving credit facility at any time without premium or penalty (other than customary breakage costs, if applicable), but in any event no later than August 4, 2027, and any outstanding revolving loans thereunder will be due and payable in full, and the revolving credit facility will terminate, on such date. We may reduce or terminate the revolving credit facility at any time, subject to certain thresholds and conditions, without premium or penalty.

The loans under the Further Amended Credit Agreement are subject to certain mandatory prepayments, subject to various exceptions, from net cash proceeds from certain dispositions of property, certain issuances of equity, certain issuances of additional debt and certain extraordinary receipts.

Amounts repaid under the revolving credit facility may be reborrowed, subject to our continued compliance with the Further Amended Credit Agreement. No amount of the Term Loan or the Term A-2 Loan that is repaid may be reborrowed.

The Further Amended Credit Agreement modified the applicable interest rate margins payable with respect to the Term Loan, the Term A-2 Loan and the revolving credit facility loans and modified the commitment fee payable with respect to the undrawn portion of the revolving credit facility. Under the Further Amended Credit Agreement, the Term Loan and revolving credit facility loans bear interest at a rate per annum equal to, at the Company's option, either (a) the Term SOFR rate as defined in the Further Amended Credit Agreement (or, in the case of revolving credit loans denominated in Euros or another currency other than U.S. Dollars, the applicable quoted rate), plus a margin that varies within a range of 1.60% to 2.85% based on our consolidated leverage ratio, or (b) a fluctuating reference rate equal to the highest of (i) the federal fund rate plus 0.50%, (ii) Bank of America's publicly announced prime rate (iii) the Term SOFR Rate plus 1.00%, or (iv) 0.50%, plus a margin that varies within a range of 0.60% to 1.85% based on our consolidated leverage ratio. Under the Further Amended Credit Agreement, the Term A-2 Loan bears interest at a rate per annum equal to the EURIBOR rate as defined in the Further Amended Credit Agreement, plus a margin that varies within a range of 1.60% to 2.85% based on our consolidated leverage ratio. Under the Further Amended Credit Agreement, the commitment fee that we are required to pay on the undrawn portion of the revolving credit facility under the Further Amended Credit Agreement varies within a range of 0.15% and 0.40% based on our consolidated leverage ratio.

We must comply with various customary financial and non-financial covenants under the Further Amended Credit Agreement, certain provisions of which covenants were modified by the Fourth Amendment. The financial covenants under the Further Amended Credit Agreement consist of a maximum consolidated leverage ratio, a minimum consolidated fixed charge coverage ratio that is tested commencing with the measurement period ending with the fiscal quarter ending January 31, 2026, and a minimum interim consolidated fixed charge coverage ratio that is tested for certain measurement periods ending April 30, 2025, July 31, 2025 and October 31, 2025; the interim minimum consolidated fixed charge coverage ratio was added by the Fourth Amendment, and certain provisions of the existing financial covenants were modified by the Fourth Amendment.

The Fourth Amendment also provided a waiver of the events of default that had occurred under the Amended Credit Agreement as a result of our failure to comply with the maximum consolidated leverage ratio and the minimum consolidated fixed charge coverage ratio in effect thereunder for our fiscal measurement period ended January 31, 2025 as described above.

The Lender is entitled to accelerate repayment of the loans and to terminate its revolving credit commitment under the Further Amended Credit Agreement upon the occurrence of any of various customary events of default, which include, among other events, the following (which are subject, in some cases, to certain grace periods): failure to pay when due any principal, interest or other amounts in respect of the loans, breach of any of our covenants or representations under the loan documents, default under any other of our or our subsidiaries' significant indebtedness agreements, a bankruptcy, insolvency or similar event with respect to us or any of our subsidiaries, a significant unsatisfied judgment against us or any of our subsidiaries, or a change of control.

As of July 31, 2025, we were not in compliance with the Further Amended Credit Agreement, as a result of our failure to comply with the minimum consolidated fixed charge coverage ratio in effect for our fiscal measurement period ended July 31, 2025. On September 8, 2025, we and the Lender entered into a Fifth Amendment to Amended and Restated Credit Agreement and Waiver Agreement relating to the Further Amended Credit Agreement (the "Fifth Amendment"), pursuant to which, among other things, (i) the Lender waived the event of default that had occurred under the Further Amended Credit Agreement as a result of our failure to comply with such ratios for such fiscal measurement period, (ii) we agreed to provide to the Lender a mortgage of our owned real property in Elk Grove Village, Illinois to secure our obligations under the Further Amended Credit Agreement and (iii) we agreed to obtain and provide to the Lender a phase II environmental site assessment with respect to our owned real property in West Warwick,

Rhode Island and to complete or conduct any required compliance, removal or remedial action with respect to any hazardous materials as set forth in the assessment.

Our obligations under the Further Amended Credit Agreement continue to be secured by substantially all of our personal property assets (including a pledge of the equity interests we hold in ANI Scandinavia ApS, AstroNova GmbH, AstroNova SAS and the Purchaser), subject to certain exceptions, and by a mortgage on our owned real property in West Warwick, Rhode Island, and are guaranteed by, and secured by substantially all of the personal property assets of Astro Machine. Such obligations will also be secured by the mortgage to be provided on our owned real property in Elk Grove Village, Illinois upon its execution as provided in the Fifth Amendment.

Equipment Loan

In January 2024, we entered into a secured equipment loan facility agreement with Banc of America Leasing & Capital, LLC and borrowed the principal amount of \$0.8 million thereunder for the financing of our purchase of production equipment. The loan matures on January 23, 2029, and bears interest at a fixed rate of 7.06%.

Assumed Financing Obligations of MTEX

In connection with the purchase of MTEX, we assumed certain existing financing obligations of MTEX that remain outstanding as of July 31, 2025. The long-term debt obligations of MTEX that remain outstanding include a term loan (the “MTEX Term Loan”) pursuant to the agreement dated December 22, 2023 (the “MTEX Term Loan Agreement”) between MTEX and Caixa Central de Crédito Agrícola Mutuo. The remaining balance for the MTEX Term Loan is EUR 1.5 million (\$1.6 million) at July 31, 2025. The MTEX Term Loan requires monthly principal and interest payments totaling EUR 17,402 (\$18,795) continuing through maturity on December 21, 2033, and bears interest at a fixed rate of 6.022% per annum.

MTEX has also received government assistance in the form of interest-free loans from government agencies located in Portugal (the “MTEX Government Grant Term Loans”). The MTEX Government Grant Term Loans are to be repaid to the applicable government agencies and are classified as long-term debt. The current balance of the MTEX Government Grants Term Loans as of July 31, 2025 is EUR 0.5 million (\$0.6 million). The MTEX Government Grant Term Loans provide interest-free financing so long as monthly principal payments are made. In the event that MTEX and the applicable government agency renegotiate the payment dates, interest will be calculated according to a rate determined by the government agency as of the date of renegotiation and added to the outstanding principal payments. The MTEX Government Grant Term Loans outstanding as of July 31, 2025 mature at different dates through January 2027.

Additionally, we assumed short-term financing obligations of MTEX that remain outstanding as of July 31, 2025, including letters of credit, maturing term loans, and financing arrangements for working capital classified as debt.

Cash Flow

Our statements of cash flows for the six months ended July 31, 2025 and August 3, 2024, are included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Net cash provided by operating activities was \$4.6 million for the first six months of fiscal 2026 compared to \$7.1 million for the same period of the previous year. The decrease in net cash provided by operations for the first six months of the current year is primarily due to the shift from a net income to a net loss position and a decrease in cash provided by working capital. The combination of changes in accounts receivable, inventory, income taxes payable, accounts payable, accrued expenses and deferred revenue increased cash by \$2.3 million for the first six months of fiscal 2026, compared to an increase of \$4.3 million for the same period in fiscal 2025.

Our accounts receivable balance decreased to \$18.5 million at the end of the second quarter of fiscal 2026 compared to \$21.2 million at year end. Days sales outstanding for the second quarter of the current year decreased to 47 days compared to 51 days at year end. Our inventory balance increased to \$48.4 million at the end of the second quarter of fiscal 2026, compared to \$47.9 million at year end. Maintaining inventory to satisfy ink supply obligations for our customers was the primary reason for the increase in inventory. Inventory days on hand increased to 178 days at the end of the current quarter from 175 days at year end.

Our cash position at July 31, 2025, was \$3.9 million compared to \$5.1 million at year end. The decrease in cash during the current quarter was primarily a result of the current period net loss, as discussed above, as well as cash outflows during the current year, which included principal payments on our long-term debt and revolving credit facility of \$5.1 million, payment of our guaranteed royalty obligation of \$0.7 million, and cash used for capital expenditures of \$0.1 million.

Contractual Obligations, Commitments and Contingencies

There have been no material changes to our contractual obligations as disclosed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025, other than those occurring in the ordinary course of business.

Critical Accounting Policies, Estimates and Certain Other Matters

The preparation of our condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of commitments and contingencies at the date of the condensed consolidated financial statements and reported amounts of revenue and expenses during the reporting period. We base these estimates and judgments on factors we believe to be relevant, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

The process of determining significant estimates is fact-specific and takes into account factors such as historical experience, current and expected economic conditions, product mix, and in some cases, actuarial and appraisal techniques. We constantly re-evaluate these significant factors and make adjustments where facts and circumstances dictate.

While we believe that the factors considered provide a meaningful basis for the accounting policies applied in the preparation of the condensed consolidated financial statements, we cannot guarantee that our estimates and assumptions will be accurate. As the determination of these estimates requires the exercise of judgment, actual results may differ from those estimates, and such differences may be material to our condensed consolidated financial statements. There have been no material changes to the application of critical accounting policies as disclosed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but rather reflect our current expectations concerning future events and results. We generally use the words “believes,” “expects,” “intends,” “plans,” “anticipates,” “likely,” “continues,” “may,” “will,” and similar expressions to identify forward-looking statements. Such forward-looking statements, including those concerning our expectations, involve risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors which could cause actual results to differ materially from those anticipated include, but are not limited to (a) general economic, financial, industry and business conditions; (b) declining demand in the test and measurement markets, especially defense and aerospace; (c) our ability to develop and introduce new products and achieve market acceptance of these products; (d) our dependence on contract manufacturers and/or single or limited source suppliers; (e) competition in the specialty printer or data acquisition industries; (f) our ability to control our cost structure; (g) our ability to adequately enforce and protect our intellectual property, defend against assertions of infringement or loss of certain licenses; (h) the risk of incurring liabilities as a result of installed product failures due to design or manufacturing defects; (i) the risk of a material security breach of our information technology system or cybersecurity attack impacting our business and our relationship with customers; (j) our ability to attract, develop and retain key employees and manage human capital resources; (k) we may be required to record additional charges to future earnings if our goodwill or intangible assets become further impaired; (l) changes to United States tariff and import/export regulations and potential countermeasures; (m) economic, political and other risks associated with international sales and operations and the impact of changes in foreign currency exchange rates on the results of operations; (n) changes in tax rates or exposure to additional income tax liabilities; (o) our ability to comply with our current credit agreement or secure alternative financing and to otherwise manage our indebtedness; (p) our substantial indebtedness may limit the cash flow available for our operations and exposes us to risks; (q) our ability to successfully integrate and realize the expected benefits from MTEX, Astro Machine and other acquisitions and realize benefits from divestitures; (r) our ability to maintain adequate self-insurance accruals or insurance coverage for employee health care benefits; (s) our compliance with customer or regulators certifications and our compliance with certain governmental laws and regulations; (t) our ability to achieve and maintain effective internal controls and procedures over financial reporting; (u) the risk that we may not successfully execute or achieve the expected benefits of our restructuring plan for our Product Identification segment; and (v) all other risks included under “Item 1A-Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025. We assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our primary financial market risks consist of foreign currency exchange rates risk and the impact of changes in interest rates that fluctuate with the market on our variable rate credit borrowings under our existing credit agreement.

Foreign Currency Exchange Risk

The functional currencies of our foreign subsidiaries and branches are the local currencies—the British Pound in the U.K., the Canadian Dollar in Canada, the Danish Kroner in Denmark, the Chinese Yuan in China, and the Euro in France, Germany and Portugal. We are exposed to foreign currency exchange risk as the functional currency financial statements of foreign subsidiaries are translated to U.S. dollars. The assets and liabilities of our foreign subsidiaries having a functional currency other than the U.S. dollar are translated into U.S. dollars at the exchange rate prevailing at the balance sheet date, and at an average exchange rate for the reporting period for revenue and expense accounts. The cumulative foreign currency translation adjustment is recorded as a component of accumulated other comprehensive income (loss) in shareholders' equity. The reported results of our foreign subsidiaries will be influenced by their translation into U.S. dollars by currency movements against the U.S. dollar. Our primary currency translation exposure is related to our subsidiaries that have functional currencies denominated in Danish Kroner and the Euro. A hypothetical 10% change in the rates used to translate the results of our foreign subsidiaries would result in an increase or decrease in our consolidated net income of less than \$0.1 million for the quarter ended July 31, 2025.

Transactional exposure arises where transactions occur in currencies other than the functional currency. Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. The resulting monetary assets and liabilities are translated into the appropriate functional currency at exchange rates prevailing at the balance sheet date and the resulting gains and losses are reported as foreign exchange gain (loss) in the consolidated statements of income. Foreign exchange losses resulting from transactional exposure were less than \$0.1 million for the six months ended July 31, 2025.

During the six months ended July 31, 2025, there were no material changes to our interest rate risk disclosures as set forth in Part II, Item 7A "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended January 31, 2025.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended ("Exchange Act"). Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fiscal quarter ended July 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On March 11, 2025, Effort Premier Solutions LDA ("Effort") and Elói Serafim Alves Ferreira initiated arbitration proceedings against us and our subsidiary AstroNova Portugal, Unipessoal, Lda. in the Arbitration Center located in Oporto, Portugal (Centro de Arbitragem do Instituto de Arbitragem Comercial), alleging, among other things, breaches of the MTEX acquisition agreement and damage to Mr. Ferreira's professional reputation. On March 31, 2025, we made a preliminary reply rejecting Effort's and Mr. Ferreira's claims and formally notified the Arbitration Center of our intention to file counterclaims against Effort and Mr. Ferreira, on the grounds of, among other things, breaches of the MTEX acquisition agreement. As of September 9, 2025, neither party has

formally presented their allegations or demands for relief to the Court of Arbitration. However, the process of selecting the Arbitration Court's composition has been successfully completed, with each party appointing an arbitrator. Subsequently, the appointed arbitrators have nominated the chairman of the court to serve as the arbitrator president. The first official meeting between the parties and the Court took place on May 28, 2025 to discuss and agree on certain procedural rules not addressed or requiring adjustment under the applicable arbitration rules. At this meeting, the court established deadlines for each party to submit their formal allegations and has set dates for the court hearings. The evidentiary process and hearings are planned over the next six months and any ruling is not expected until the first half of 2026.

Other than the above, there are no other pending or threatened legal proceedings against us that we believe to be material to our financial position or results of operations.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, one should carefully consider the factors discussed in Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025, which could materially affect our business, financial condition or future operating results. The risks described in our Annual Report on Form 10-K are not the only risks that could affect our business, as additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results as well as adversely affect the value of our common stock.

If we are unable to comply with our credit agreement with Bank of America or secure alternative financing, our business and financial condition could be materially adversely affected.

Our credit agreement with Bank of America, N.A. requires us, among other things, to satisfy certain financial ratios on an ongoing basis, consisting of a maximum consolidated leverage ratio and certain minimum consolidated fixed charge coverage ratios. We are also required to comply with other covenants and conditions, set forth in our Further Amended Credit Agreement, including, among others, limitations on our and our subsidiaries' ability to incur future indebtedness, to place liens on assets, to pay dividends or distributions on their capital stock, to repurchase or acquire their capital stock, to conduct mergers or acquisitions, to sell assets, to alter their capital structure, to make investments and loans, to change the nature of their business, and to prepay subordinated indebtedness, in each case subject to certain exceptions and thresholds as set forth in the credit agreement. At July 31, 2025, we were not in compliance with the Further Amended Credit Agreement, which governs our outstanding term loans and revolving line of credit, due to our failure to comply with the minimum consolidated fixed charge coverage ratio in effect for the fiscal measurement period ended on such date. While we were subsequently able to obtain waivers of the associated events of default from Bank of America, there can be no assurance that we would be able to renegotiate the terms of our credit agreement in the event of further covenant violations under our credit agreement. If, in the future, we were to violate the terms of our credit agreement and we were unable to renegotiate its terms at that time or secure alternative financing, it could have a material adverse impact on us.

There have been no other material updates to the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

During the second quarter of fiscal 2026, we made the following repurchases of our common stock:

	Total Number of Shares Repurchased	Weighted Average Price paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Be Purchased Under the Plans or Programs
May 1- May 31	—	\$ —	—	—
June 1 - June 30	2,739 (a)	\$ 9.01 (a)	—	—
July 1 - July 31	—	\$ —	—	—

- (a) Employees of the Company delivered 2,739 shares of our common stock toward the satisfaction of taxes due in connection with the vesting of restricted shares. The shares delivered were valued at an average market value of \$9.01 per share and are included with treasury stock in our condensed consolidated balance sheet as of July 31, 2025.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

During the three months ended July 31, 2025, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-rule 10b5-1 trading arrangement,” as each term is defined in item 408(a) of Regulation S-K.

We are providing the following information under this Item 5 in lieu of reporting the information under Item 1.01, “Entry into a Material Definitive Agreement” of a Current Report on Form 8-K with a due date on or after the date hereof:

On September 8, 2025, the Company and its wholly owned subsidiary Astro Machine Corporation entered into a Fifth Amendment to Amended and Restated Credit Agreement and Waiver Agreement (the “Fifth Amendment”) with Bank of America, N.A., as lender, pursuant to which, among other things, (i) the Lender waived the event of default that had occurred under the Further Amended Credit Agreement as a result of the Company’s failure to comply with the minimum consolidated fixed charge coverage ratio in effect under that agreement for the fiscal measurement period ended July 31, 2025, (ii) the Company agreed to provide to the Lender a mortgage of its owned real property in Elk Grove Village, Illinois to secure its obligations under the Further Amended Credit Agreement and (iii) the Company agreed to obtain and provide to the Lender a phase II environmental site assessment with respect to the Company’s owned real property in West Warwick, Rhode Island and to complete or conduct any required compliance, removal or remedial action with respect to any hazardous materials as set forth in the assessment.

The foregoing description of the terms of the Fifth Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed as Exhibit 10.4 to this Quarterly Report on Form 10-Q.

Item 6. Exhibits

- 3A [Restated Articles of Incorporation of the Company and all amendments thereto, filed as Exhibit 3A to the Company's Quarterly Report on Form 10-Q for the quarter ended July 30, 2016 and incorporated by reference herein.](#)
- 3B [By-laws of the Company as amended to date, filed as Exhibit 3B to the Company's Annual Report on Form 10-K/A for the fiscal year ended January 31, 2008 \(File no. 000-13200\) and incorporated by reference herein.](#)
- 10.1 [Form of Stock-Settled Performance Award Agreement, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, event date June 12, 2025, filed with the SEC on June 12, 2025 and incorporated by reference herein.](#)
- 10.2 [Separation Agreement dated July 16, 2025 between the Company and Gregory A. Woods, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, event date July 16, 2025, filed with the SEC on July 21, 2025 and incorporated by reference herein.](#)
- 10.3 [Letter Agreement dated July 23, 2025 between the Company and Darius G. Nevin, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, event date July 23, 2025, filed with the SEC on July 29, 2025 and incorporated by reference herein.](#)
- 10.4 [Fifth Amendment to Amended and Restated Credit Agreement and Waiver Agreement dated as of September 8, 2025 among AstroNova, Inc., Astro Machine Corporation and Bank of America, N.A.](#)
- 31.1 [Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2 [Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

ASTRONOVA, INC.
(Registrant)

Date: September 9, 2025

By /s/ Jorik E. Ittmann

Jorik E. Ittmann,
President and Chief Executive Officer
(Principal Executive Officer)

By /s/ Thomas D. DeByle

Thomas D. DeByle,
Vice President, Chief Financial Officer and Treasurer
(Principal Accounting Officer and Principal Financial Officer)

EXECUTION VERSION**FIFTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT AND
WAIVER AGREEMENT**

This FIFTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT AND WAIVER AGREEMENT (this “Agreement”), dated as of September 8, 2025 (the “Effective Date”), is among AstroNova, Inc., a Rhode Island corporation (the “Borrower”), the Guarantor party hereto, and Bank of America, N.A. (the “Lender”). Capitalized terms used but not defined in this Agreement shall have the meanings assigned to such terms in the Credit Agreement (as defined below).

RECITALS:

WHEREAS, reference is hereby made to the Amended and Restated Credit Agreement, dated as of July 30, 2020 (as amended, restated, amended and restated, extended, supplemented, or otherwise modified from time to time prior to the date hereof, the “Existing Credit Agreement”), by and among the Borrower, the Guarantors party thereto and the Lender;

WHEREAS, the Borrower has requested that the Lender (a) make certain amendments and modifications to the Existing Credit Agreement and (b) waive the Event of Default that has occurred and is continuing under Section 8.01(b) of the Credit Agreement as a result of the Borrower’s failure to comply with the minimum Consolidated Interim Fixed Charge Coverage Ratio set forth in Section 7.11 of the Credit Agreement for the Interim Measurement Period ended July 31, 2025 (the “Specified Event of Default”);

WHEREAS, the Borrower and the Lender wish to (a) amend the Existing Credit Agreement and (b) waive the Specified Event of Default, in each case, as set forth herein;

NOW, THEREFORE, in consideration of the premises, agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Credit Agreement.

Section 2. Amendments. The Existing Credit Agreement is hereby amended as follows (the Existing Credit Agreement, as so amended or otherwise modified by this Agreement, the “Credit Agreement”):

(a) The following definitions are hereby added in Section 1.01 of the Existing Credit Agreement in appropriate alphabetical order:

“Fifth Amendment” means the Fifth Amendment to Amended and Restated Credit Agreement and Waiver Agreement, dated as of the Fifth Amendment Effective Date, between the Loan Parties and the Lender.

“Fifth Amendment Effective Date” means September 8, 2025.

(b) The definition of “Excluded Property” in Section 1.01 of the Existing Credit Agreement is hereby amended in its entirety to read as follows:

“Excluded Property” means, with respect to any Loan Party, (a) (i) any owned real property (other than Material Real Property) and (ii) any leased real property; (b) unless requested by the Lender, any Intellectual Property for which a perfected Lien thereon is not effected either by filing of a Uniform Commercial Code financing statement or by appropriate evidence of such Lien being

filed in either the United States Copyright Office or the United States Patent and Trademark Office; (c) unless requested by Lender, any personal property (other than personal property described in clause (b) above) for which the attachment or perfection of a Lien thereon is not governed by the Uniform Commercial Code; (d) unless requested by Lender if an Event of Default has occurred and is continuing, the Equity Interests of any Immaterial Subsidiary, (e) any Escrow Account.

(c)Section 6.14(b) of the Existing Credit Agreement is hereby amended in its entirety to read as follows:

(b) Real Property. If any Loan Party intends to acquire a fee ownership interest in any real property ("Real Estate") after the Closing Date and such Real Estate has a fair market value in excess of \$500,000 ("Material Real Property"), it shall provide to the Lender within sixty (60) days, or, with respect to the Real Estate located at 630 Lively Boulevard, Elk Grove Village, Illinois 60077, as soon as reasonably practicable and in any event by October 31, 2025 (in each case, or such extended period of time as agreed to by the Lender in writing; provided, that, if, as of October 31, 2025, such Loan Party has not provided such Mortgage and such Mortgaged Property Support Documents for the Real Estate located at 630 Lively Boulevard, Elk Grove Village, Illinois 60077 but is actively working in good faith to provide such Mortgage and such Mortgaged Property Support Documents, such deadline shall be extended to November 30, 2025), a Mortgage and such Mortgaged Property Support Documents as the Lender may request to cause such Real Estate to be subject at all times to a first priority, perfected Lien (subject in each case to Permitted Liens) in favor of the Lender for the benefit of the Secured Parties to secure the Secured Obligations pursuant to the terms and conditions of the Collateral Documents.

(d)Section 6.18 of the Existing Credit Agreement is hereby amended to add a new paragraph at the end of such Section to read as follows:

Without limiting anything in the foregoing paragraph of this Section 6.18, the Borrower shall (i) by October 31, 2025 (or such extended period of time as agreed to by the Lender in writing; provided, that, if, as of October 31, 2025, the Borrower has not provided the following "Phase II" Environmental Site Assessment but is actively working in good faith to provide such "Phase II" Environmental Site Assessment, such deadline shall be extended to November 30, 2025), at the expense of the Borrower, provide to the Lender a "Phase II" Environmental Site Assessment with respect to the Real Estate at 600 East Greenwich Ave., West Warwick, RI 02893 and (ii) as soon as reasonably practicable thereafter (in light of the relevant action to be taken), complete or conduct (as applicable) any compliance, removal or remedial action in connection with any Hazardous Materials on such Real Estate as set forth in such "Phase II" Environmental Site Assessment as reasonably required by the Lender in light of any relevant requirements under applicable law and the Lender's internal standards and policies.

Section 3.Waiver.

(a)Subject to the satisfaction of all of the terms and conditions set forth in this Agreement, the Lender hereby waives the Specified Event of Default and agrees that the Specified Event of Default is no longer continuing for purposes of the Credit Agreement and the other Loan Documents. Except for the specific waiver expressly set forth in this Section 3(a), nothing contained herein shall be construed to constitute a waiver of (i) any rights or remedies the Lender may have under the Credit Agreement or any other Loan Document or under applicable Law or (ii) any Loan Party's obligation to comply fully with, or the Lender's right to strictly enforce, all duties, terms, conditions, obligations and covenants of the Loan Parties contained in the Credit Agreement and the other Loan Documents. The waiver set forth in this Section 3(a) is a one-time waiver, is effective only with respect to the Specified Event of Default, and does

not obligate the Lender to waive any other Default, now existing or hereafter arising, or consent to any departure from any of the terms of the Loan Documents. The waiver, provisions, and agreements set forth in this Agreement shall not establish a custom or course of dealing or conduct between the Lender, on one hand, and the Loan Parties, on the other hand.

(b) In consideration of the Lender's willingness to enter into this Agreement, each of the Loan Parties hereby releases and forever discharges the Lender and each of its Related Parties affiliates from any and all claims, counterclaims, demands, damages, debts, suits, liabilities, actions and causes of action of any nature whatsoever, in each case, to the extent arising in connection with the Loan Documents or the Obligations or any of the negotiations, activities, events or circumstances arising out of or in any way related to the Loan Documents or the Obligations and existing on the Effective Date, whether arising at law or in equity, whether known or unknown, whether liability be direct or indirect, liquidated or unliquidated, whether absolute or contingent, foreseen or unforeseen, and whether or not heretofore asserted, which any of the Loan Parties may have or claim to have against any of the Lender or any of its Related Parties.

Section 4. Conditions to Effectiveness. This Agreement shall become effective on the Effective Date upon satisfaction of the following conditions:

(a) The Lender's receipt of this properly executed Agreement, duly executed by the Borrower, the Guarantor party hereto, and the Lender.

(b) The Borrower shall have paid in full (i) all fees owing to the Lender pursuant to any fee letter entered into in connection with this Agreement and (ii) all reasonable out-of-pocket costs and expenses (including the reasonable fees, charges and expenses of counsel to the Lender) incurred by the Lender in connection with the preparation, execution and delivery of this Agreement.

Section 5. Representations and Warranties. Each Loan Party represents and warrants as follows:

(a) It has taken all necessary action (including all necessary action of its board of directors and all necessary action, if any, of its shareholder(s)) to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Loan Party of this Agreement, other than (i) any of the foregoing that has already been obtained or made, (ii) filings to perfect or otherwise evidence security interests, mortgages or other Liens in the Collateral and (iii) filings with the SEC in connection with the Loan Parties' disclosure obligations under securities laws.

(d) Each of the representations and warranties set forth in Article V of the Credit Agreement and in the other Loan Documents are true and correct in all material respects on and as of the date of this Agreement (after giving effect hereto), except that the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01 of the Credit

Agreement; provided that (i) to the extent that such representations and warranties specifically refer to an earlier date, they were true and correct in all material respects as of such earlier date and (ii) any representation or warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language is true and correct (after giving effect to any qualification therein) without duplication of such materiality qualifiers as of such date or such earlier date, as applicable.

(e) Other than the Specified Event of Default, no event has occurred and is continuing which constitutes a Default.

(f) The Collateral Documents continue to create a valid security interest in, and Lien upon, the Collateral, in favor of the Lender, which security interests and Liens are perfected in accordance with the terms of the Collateral Documents and prior to all Liens other than Permitted Liens.

Section 6. Acknowledgments and Affirmations of the Loan Parties. Each Loan Party hereby ratifies the Credit Agreement and expressly acknowledges the terms of this Agreement and confirms and reaffirms, as of the date hereof, (i) the covenants and agreements contained in each Loan Document to which it is a party as in effect immediately after giving effect to this Agreement and the transactions contemplated hereby and thereby, and agrees it is bound by all terms of the Credit Agreement applicable to it and agrees to observe and fully perform its respective Obligations, (ii) its respective guarantee, if any, pursuant to Article IX of the Credit Agreement and (iii) its grant of Liens on the Collateral to secure its Secured Obligations pursuant to the Collateral Documents.

Section 7. Other. This Agreement, the Credit Agreement and the other Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties hereto with respect to the subject matter hereof. Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of any party under, the Credit Agreement, nor alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect. It is understood and agreed (a) that each reference in each Loan Document to the Original Credit Agreement or the Existing Credit Agreement, whether direct or indirect, shall hereafter be deemed to be a reference to the Credit Agreement and (b) that this Agreement is a Loan Document.

Section 8. Governing Law; Submission to Jurisdiction; Venue; Waiver of Jury Trial. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. THE JURISDICTION, SERVICE OF PROCESS AND WAIVER OF JURY TRIAL PROVISIONS SET FORTH IN SECTIONS 10.13 AND 10.14 OF THE CREDIT AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE INTO THIS AGREEMENT AND SHALL APPLY MUTATIS MUTANDIS HERETO.

Section 9. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Section 10. Electronic Execution; Counterparts. Subject to Section 10.17 of the Credit Agreement, this Agreement may be in the form of an Electronic Record and may be executed using

Electronic Signatures (including facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. This Agreement may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Agreement. The authorization under this Section 10 may include use or acceptance by the Lender of a manually signed paper copy of this Agreement which has been converted into electronic form (such as scanned into .pdf format), or an electronically signed copy of this Agreement converted into another format, for transmission, delivery and/or retention.

Section 11.Further Assurances. Each Loan Party agrees to promptly take such action, upon the request of the Lender, as is necessary to carry out the intent of this Agreement.

Section 12.No Actions, Claims, etc. As of the date hereof, each Loan Party hereby acknowledges and confirms that it has no knowledge of any actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, against the Lender or the Lender's respective officers, employees, representatives, agents, counsel or directors arising from any action by such Persons, or failure of such Persons to act under the Existing Credit Agreement on or prior to the date hereof.

[Signature pages follow]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed under seal on the date first above written.

BORROWER: ASTRONOVA, INC.,
a Rhode Island corporation

By: /s/ Thomas D. DeByle
Name: Thomas D. DeByle
Title: CFO

GUARANTOR: ASTRO MACHINE CORPORATION,
a Delaware corporation

By: /s/ Thomas D. DeByle
Name: Thomas D. DeByle
Title: CFO

Signature Page to Fifth Amendment and Waiver Agreement

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LENDER: BANK OF AMERICA, N.A.,
as the Lender

By: /s/ Timothy J. Waltman
Name: Timothy J. Waltman
Title: Senior Vice President

Signature Page to Fifth Amendment and Waiver Agreement
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CERTIFICATION**Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jorik E. Ittmann certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AstroNova, Inc.;
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(s) 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 disclosure 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; and
5. The registrant's other certifying officer(s) 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: September 9, 2025

/s/ Jorik E. Ittmann

Jorik E. Ittmann,
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION**Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Thomas D. DeByle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AstroNova, Inc.;
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(s) 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 disclosure 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; and
5. The registrant's other certifying officer(s) 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: September 9, 2025

/s/ Thomas D. DeByle

Thomas D. DeByle,
Vice President, Chief Financial Officer and Treasurer
(Principal Accounting Officer and Principal Financial
Officer)

**ASTRONOVA, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AstroNova, Inc. (the "Company") on Form 10-Q for the period ended July 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jorik E. Ittmann, President and Chief Executive Officer of the Company, certify, pursuant to Rule 13a-14(b) and 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 9, 2025

/s/ Jorik E. Ittmann

Jorik E. Ittmann,
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to AstroNova, Inc. and will be retained by AstroNova, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

ASTRONOVA, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of AstroNova, Inc. (the "Company") on Form 10-Q for the period ended July 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas D. DeByle, Vice President, Chief Financial Officer and Treasurer of the Company, certify, pursuant to Rule 13a-14(b) and 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 9, 2025

/s/ Thomas D. DeByle

Thomas D. DeByle,
Vice President, Chief Financial Officer and Treasurer
(Principal Accounting Officer and Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to AstroNova, Inc. and will be retained by AstroNova, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
