

The background of the cover is a photograph of a large industrial crane or gantry system, likely used in a manufacturing or construction setting. The image is overlaid with a semi-transparent red filter. The crane's structure is complex, with various beams, cables, and mechanical components visible. The red overlay is most prominent in the center and right side of the image, creating a strong visual contrast with the white text.

Mtron™

2025 Annual Report

M-tron Industries, Inc. – Since 1965

M-tron Industries, Inc. (“Mtron”) offers a wide range of precision frequency control and spectrum control solutions including: radio frequency (“RF”) microwave and millimeter wave filters; cavity, crystal, ceramic, lumped element and switched filters; high performance and high frequency oven-controlled crystal oscillators (“OCXO”); integrated phase-locked loops (“PLL”) OCXOs, temperature-compensated crystal oscillators (“TCXO”), voltage-controlled crystal oscillators (“VCXO”), low jitter and harsh environment oscillators; crystal resonators; Integrated Microwave Assemblies (“IMA”); and state-of-the-art solid state power amplifier products.

Vertically integrated with complete control of basic material science, design and manufacturing, Mtron provides solutions for high reliability, high performance communication and control, satellite communications, radar and electronic warfare, guided munitions, test and measurement, computers, servers and networks and energy management applications.

Mtron is based in Orlando, Florida, with design, sales and manufacturing facilities in North America, India, and Asia.

Mtron shares are traded on the NYSE American under the symbol “MPTI.”



Dear Mtron Stockholder:

In 2025, we continued to build momentum across our business, delivering robust revenue growth while advancing key strategic initiatives. Although the year presented challenges, most notably volatile tariffs on certain products that pressured our cost structure and margins, our team demonstrated resilience and disciplined execution. We achieved outstanding financial results, including record bookings, revenues, and gross profit. These accomplishments reflect solid underlying demand and the continued expansion of our operations, and they reinforce our confidence in our ability to drive sustainable long-term earnings growth and stockholder value.

2025 Highlights

Mtron achieved robust growth in 2025, marked by an 11.0% increase in revenue. The end markets for our products remain strong, with the aerospace and defense, avionics and industrials sectors driving the most growth in 2025. Bookings were at an all-time high in 2025, with backlog growing significantly to a record \$76.4 million as of December 31, 2025, a 62.0% increase from 2024.

In 2025, we delivered exceptional gross margins. Overall, gross profit exceeded 2024 and, while our margin decreased slightly from our record setting year in 2024, our performance improved significantly throughout the year, largely due to the impact of global tariffs and some product mix.

Furthermore, our new product development engine focused on market driven applications, with 30.0% of our total 2025 revenue coming from products launched within the previous 4 years. We continue to invest in expanding our engineering resources and capabilities and this is paying off in increased orders for new programs

We also delivered strong shareholder returns through December 31, 2025 with a 9.9% appreciation in our share price. Diluted earnings per share decreased slightly from \$2.65 per share in fiscal year 2024 to \$2.62 per share in fiscal year 2025, primarily due to the increased share count resulting from the warrant dividend program.

Delivering Value to Stockholders

During the past year, we made important progress generating operating cash flow, strengthening our balance sheet, and deepening the alignment between Mtron and our stockholders.

In January 2026, we successfully completed the exercise of our dividend of warrants distributed in April 2025. Participation was strong, with 80.8% of the warrants exercised through the basic subscription privilege, resulting in the issuance of 470,205 shares of common stock. Warrant holders also utilized the over-subscription privilege, through which the remaining 112,028 allocated shares were issued. In total, the warrant exercise generated approximately \$27.7 million in gross proceeds, strengthening our balance sheet and providing additional capital to support our strategic priorities.

Building on this momentum and the rapidly changing dynamics of our industry, we completed a rights offering in April 2026, which generated approximately \$42.1 million in gross proceeds and resulted in the issuance of 713,362 shares of common stock. We are grateful for the continued support from our stockholders who participated in these offerings, reflecting their confidence in our strategy and long-term outlook. This financing significantly strengthens Mtron's ability to execute and our competitive position as we bid for large, long-term contracts with substantial ramp rates to support U.S. and allied defense force requirements.

2026 and Beyond

In 2026, our highest priority remains sustainable growth of our earnings, which requires continued revenue growth coupled with a focus on improving efficiency. The year has begun well, with increased demand for key products and tailwinds developing in several end markets.

To complement our organic growth, we continue to evaluate opportunities to deploy our capital for the benefit of shareholders. The current aerospace and defense market is rich with opportunity and dynamic change. Mtron is pursuing a three-pronged approach to value creation, focused on the following strategies for deploying capital and making use of our stock: 1) accretive acquisitions of component, subsystem and solutions companies in the aerospace and defense space; 2) transformative opportunities primarily via corporate divestitures and spin-outs; and 3) strategic investments in both public and private entities. Central to this strategy is the use of our collective expertise and deep domain knowledge. By pursuing value-accretive transactions, we aim to further strengthen our capabilities by broadening our product portfolio, expanding into new markets, and increasing earnings.

LETTER TO STOCKHOLDERS

We are deeply grateful for the dedication and hard work of our Mtron colleagues around the world, as well as the continued guidance and support of our Board of Directors. We are pleased that our ability to deliver critical components and solutions continues to be recognized by our customers.

We remain fully committed to serving our communities and our employees, confident that successfully fulfilling these responsibilities will drive sustainable long-term value and strong returns for our shareholders.

As we enter our fourth full year as an independent publicly traded company, we are highly optimistic about the future, and we believe we are well positioned to continue to deliver long-term growth and value creation for our stockholders.

Sincerely,

Cameron Pforr

Cameron Pforr
Chief Executive Officer /
Chief Financial Officer

Bel Lazar

Bel Lazar
Co-Chairman

Marc Gabelli

Marc Gabelli
Co-Chairman

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2025

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 001-41391



M-tron Industries, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

46-0457944

(I.R.S. Employer Identification No.)

2525 Shader Road, Orlando, Florida
(Address of Principal Executive Offices)

32804
(Zip Code)

(407) 298-2000

Registrant's telephone number, including area code

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	MPTI	NYSE American

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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, a 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$122,804,010.

The number of outstanding shares of the registrant's common stock was 3,565,118 as of March 16, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Document of the Registrant

Portions of the registrant's definitive proxy statement for the 2026 Annual Meeting of Stockholders

Form 10-K Reference Locations

Part III, Items 10, 11, 12, 13, and 14

M-TRON INDUSTRIES, INC.
Form 10-K for the year ended December 31, 2025
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PART I

Cautionary Note Concerning Forward-Looking Statements

This annual report on Form 10-K (this "Report") and the Company's (as defined below) other communications and statements may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements about the Company's beliefs, plans, objectives, goals, expectations, estimates, projections and intentions. These statements are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond the Company's control. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "goal," and similar expressions are intended to identify forward-looking statements. All forward-looking statements, by their nature, are subject to risks and uncertainties. The Company's actual future results may differ materially from those set forth in the Company's forward-looking statements. For information concerning these factors and related matters, see "Risk Factors" in Part I, Item 1A in this Report, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 in this Report. However, other factors besides those referenced could adversely affect the Company's results, and you should not consider any such list of factors to be a complete set of all potential risks or uncertainties. Any forward-looking statements made by the Company herein speak as of the date of this Report. The Company does not undertake to update any forward-looking statement, except as required by law. As a result, you should not place undue reliance on these forward-looking statements.

Item 1. Business

In this Annual Report on Form 10-K, the terms "Mtron," the "Company," "we," "us," and "our" refer collectively to M-tron Industries, Inc. and its subsidiaries. Unless otherwise stated, all dollar amounts are in thousands.

General

Originally founded in 1965, M-tron Industries, Inc. is engaged in the designing, manufacturing and marketing of highly engineered, high reliability frequency and spectrum control products used to control the frequency or timing of signals in electronic circuits in various applications. Mtron's primary markets are aerospace and defense, avionics, industrials, and space.

Our component-level devices and integrated modules are used extensively in electronic systems for applications in aerospace and defense, avionics, satellites, global positioning systems, down-hole drilling, medical systems, instrumentation, and industrial devices. As an engineering-centric company, Mtron provides close support to the customer throughout its products' entire life cycles, including product design, prototyping, production and subsequent product upgrades and maintenance. This collaborative approach has resulted in the development and growth of long-standing business relationships with its customers.

The Company has manufacturing facilities in Orlando, Florida; Yankton, South Dakota; and Noida, India. The Company also has a sales office in Hong Kong. All of Mtron's production facilities are International Organization for Standardization ("ISO") 9001:2015 certified (the international standard for creating a quality management system) and Restriction of Hazardous Substances ("RoHS") compliant. In addition, the Company's U.S. production facilities in Orlando and Yankton are International Traffic in Arms Regulations ("ITAR") registered and International Aerospace Quality Group AS9100 Rev D certified and our Yankton, South Dakota production facility is Military Standard ("MIL-STD") 790 certified. Mtron's production facility in India operates under a Manufacturing License Agreement ("MLA") issued by the United States Department of State.

We maintain our executive offices at 2525 Shader Road, Orlando, Florida 32804. Our telephone number is (407) 298-2000.

Our common stock is traded on the NYSE American ("NYSE") under the symbol "MPTI."

Business Strategy

Our objective is to deliver long-term growth to our stockholders and maximize stockholder value. Mtron employs a market-based approach of designing and offering new products to its customers through both organic research and development, and through strategic partnerships, joint ventures, acquisitions, or mergers. We seek to leverage our core strength as an engineering leader to expand client access, add new capabilities and continue to diversify our product offerings. We believe that successful execution of this strategy will lead to a transformation of our product portfolio towards multi-component integrated offerings, longer product life cycles, better margins and an improved competitive position.

Business Segment

The Company conducts its business through one business segment: Electronic Components, which includes all products manufactured and sold by Mtron.

Products

Mtron's portfolio is divided into three product groupings: Frequency Control, Spectrum Control and Integrated Microwave Assemblies (Solutions), and has expanded from primarily crystal-based components to include higher levels of integration, advanced materials science, cavity-based products, and various types of compensation methods employing integrated circuits and other methods to create products geared for applications that require high reliability in harsh environments. These products are differentiated by their precise level of accuracy, stability over time and within harsh environments, and very low phase noise.

Frequency Control

Mtron's Frequency Control product group includes a broad portfolio of quartz crystal resonators, clock oscillators, voltage-controlled crystal oscillator ("VCXO"), temperature-compensated crystal oscillator ("TCXO"), oven-controlled crystal oscillator ("OCXO"), and temperature-compensated voltage-controlled crystal oscillator ("TCVCXO") devices which meet some of the tightest specifications, including Institute of Electrical and Electronics Engineers ("IEEE") 1588 standards. These devices may be based on quartz, quartz micro-electromechanical systems ("MEMS") or advanced materials designed to achieve higher performance levels beyond what is achieved with quartz. Mtron's products offer high reliability over a wide temperature range and are well-suited for harsh environments, including shock and vibration-resistant oscillators with low-g sensitivity. These products are designed for applications within aerospace and defense, avionics, and industrial markets.

Spectrum Control

Mtron's Spectrum Control product group includes a wide array of radio frequency ("RF"), microwave and millimeter wave filters and diplexers covering a frequency range from 1 MHz to 30 GHz, and solid-state power amplifiers covering a frequency range from 300 MHz to 26 GHz, with power output from 10 Watts to 10kW. Filter devices include crystal, ceramic, LC, planar, combline, cavity, interdigital and metal insert waveguide, as well as switched filter arrays and RF subsystems. Power amplifiers add active devices to Mtron's portfolio and include gallium nitride ("GaN"), gallium arsenide ("GaAs") field-effect transistors ("FET"), laterally-diffused metal-oxide semiconductors ("LDMOS") and chip and wire technologies in narrow or broadband, module or rack-mounted packages. These products are employed in applications within the commercial and military aerospace and defense, space, avionics, and industrial markets.

Radio Frequency Solutions

Mtron's RF Solutions products bring over 60 years of expert crystal, filter and oscillator design experience to our Custom Multi-Functional Modules ("MFM") and Integrated Microwave Assemblies ("IMA"). Spanning frequencies from 10MHz to 50GHz, components such as filters, low noise amplifiers, couplers, attenuators, switches, circulators, oscillators, multipliers, phase lock loops, mixers, digitally tuned oscillators, voltage-controlled oscillators, and phase shifters, all with associated control circuitry, are integrated into one exceptional Size, Weight and Power at a competitive Cost ("SWaP-C") assembly. Design, assembly, test and integration along with component design and manufacturing is done at Mtron's AS9100 D, ISO9001:2025 certified facilities. These products are designed for both extreme aerospace and defense and avionics requirements as well as industrial markets.

New Product Development

New product development continues to be a key focus for Mtron as we continue to push our roadmap to meet the needs of our served markets at an attractive price point. Within the Frequency Control product group, design efforts are focused on smaller packages, lower power, lower phase noise and use of new materials to provide compensation and harsh environment performance that surpasses customer requirements. The Spectrum Control product group seeks to develop higher power handling and higher frequency along with higher levels of integration and a range of integrated products within the RF subsystem. The RF Solutions product group designs and develops solutions using the same circuit, electromagnetic, mechanical, thermal, and stress analysis tools as our customers, which allows seamless integration of Mtron's solutions into the customer's systems in the early stages of development. This design collaboration essentially makes Mtron's design team an extension of the customer, so our customer's resources can focus on their areas of expertise, resulting in a shortened design cycle and a faster time to market. The RF Solutions group also reviews all build-to-print opportunities, utilizing all our in-house assembly and test capabilities to competitively support this service.

Major Markets

The following table provides a breakdown of revenues by end-market as a percent of consolidated revenues:

	2025	2024
Aerospace and Defense	65.2%	67.3%
Avionics	22.7%	21.7%
Industrial	8.1%	6.6%
Space	4.0%	4.4%
	100.0%	100.0%

Customers

We primarily work directly with original equipment manufacturers ("OEMs") to define the appropriate solutions for their unique applications, including the design of custom parts with unique part numbers. Actual sales of production parts may be directly to the OEM or through either its designated contract manufacturers or franchised distributors of our products. As a result, we have highly skilled sales engineers who work directly with the designers and program managers at their OEMs providing a high-level of engineering support at all points within the process.

The table below presents the concentration of revenue of the Company's customers for the years ended December 31, 2025 and 2024:

<i>(in thousands)</i>	Year Ended December 31,			
	2025		2024	
	\$	%	\$	%
Customer 1	\$ 19,586	36.0%	\$ 18,145	37.0%
Customer 2	8,129	14.9%	8,522	17.4%
Customer 3	3,163	5.8%	2,977	6.1%
Customer 4	2,295	4.2%	2,542	5.2%
Top 4 largest customers	33,173	61.0%	32,186	65.7%
All other (a)	21,244	39.0%	16,826	34.3%
Total revenues	\$ 54,417	100.0%	\$ 49,012	100.0%

(a) Comprised of approximately 96 and 113 customers for the years ended December 31, 2025 and 2024, respectively

The loss of any of these customers, or a decrease in their demand for our products, could have a material adverse effect on our results.

The table below presents the concentration of accounts receivable of the Company's customers as of December 31, 2025 and 2024:

<i>(in thousands)</i>	December 31,			
	2025		2024	
	\$	%	\$	%
Customer 1	\$ 2,778	40.5%	\$ 2,100	29.9%
Customer 2	1,333	19.4%	1,360	19.4%
Customer 3	510	7.4%	795	11.3%
Customer 4	277	4.0%	393	5.6%
Top 4 largest customers	4,898	71.4%	4,648	66.2%
All other (a)	1,962	28.6%	2,376	33.8%
Total accounts receivable, gross	\$ 6,860	100.0%	\$ 7,024	100.0%

(a) Comprised of approximately 37 and 54 customers as of December 31, 2025 and 2024, respectively

The insolvency of any of these customers could have a material adverse impact on our liquidity. The Company carefully evaluates the creditworthiness of its customers in deciding to extend credit and utilizes letters of credit to further limit credit risk for export sales. As a result of these policies, the Company has experienced very low historical bad debt expense and believes the related risk to be minimal.

Competition

We design, manufacture and market products for the generation, synchronization and control of time and frequency as well as spectrum control products. There are numerous domestic and international manufacturers who are capable of providing custom-designed products comparable in quality and performance to our products. Our competitive strategy begins with our focus on identifying long-term programs which require products and solutions that are highly differentiated with high performance and reliability.

Research and Development

Utilizing our understanding of market requirements, we employ a disciplined approach to capital allocation when selecting new product development projects. A cross-functional team comprised of engineering, marketing, operations, sales and finance reviews the merits of specific projects seeking to invest in products that will exceed a specific return on investment level and a payback expectation within one to two years. In addition, the team considers the inherent value of intellectual property that each project presents with consideration for technical roadmap objectives.

Research and development expense was \$3,161 and \$2,809 for the years ended December 31, 2025 and 2024, respectively, and will remain a significant part of the Company's efforts to continually enhance its intellectual property position.

Marketing and Sales

We have a highly skilled team of sales engineers who work in tandem with a worldwide network of independent external manufacturer representatives and franchised electronics distributors to market and sell our products. An important part of the sales process is gaining qualification of specific products from the OEM, confirming suitability for use in a specific system design, which is commonly referred to as a "design-win." Through direct contact with our clients and through our representative network, we are able to understand the needs of the marketplace and then guide our product development process to allocate resources to meet those requirements.

International Revenues

Our international revenues were \$12,635 in 2025, or 23.2% of total consolidated revenues, compared to \$11,029, or 22.5% of total consolidated revenues, in 2024. In both 2025 and 2024, these revenues were derived mainly from contract manufacturer customers in Asia, with significant sales in Malaysia. We avoid significant currency exchange risk by transacting and settling substantially all of our international sales in U.S. dollars.

Seasonality

Our business is not seasonal, although shipment schedules may be affected by the production schedules of our customers, or their contract manufacturers based on regional practices or customs.

Order Backlog

Our order backlog was \$76,425 and \$47,239 as of December 31, 2025 and 2024, respectively. The backlog of unfilled orders includes amounts based on signed contracts and purchase orders, including contracts that include multi-year orders. Although backlog represents only firm orders that are considered likely to be fulfilled primarily within the 12 to 24 months following receipt of the order, cancellations or scope adjustments may and do occur.

Order backlog is adjusted quarterly to reflect project cancellations, deferrals, revised project scope and cost. We expect to fill the vast majority of our order backlog as of December 31, 2025 during 2026 and 2027, but cannot provide assurances as to what portion of the order backlog will be fulfilled in any given year.

Raw Materials

Generally, most raw materials used in the production of our products are available in adequate supply from a number of sources though the prices of these raw materials have recently increased as a result of inflation and supply chain issues. Some raw materials, including printed circuit boards, IC's, quartz and certain metals including steel, aluminum, silver, gold, tantalum and palladium, are subject to greater supply fluctuations and price volatility, as experienced in recent years. In general, we have been able to include some cost increases in our pricing, but in some cases our margins were adversely impacted.

Changes in global economic and geopolitical conditions have disrupted supply chains and the ability to obtain components and raw materials around the world for most companies, including us. On occasion, one or more of the components used in our products have become unavailable resulting in unanticipated redesign and/or delays in shipments. Continued identification of alternative supply sources or other mitigations are important in minimizing disruption to our supply chain.

Intellectual Property

We have no patents, trademarks or licenses that are considered to be significant to our business or operations. Rather, we believe that our technological position depends primarily on the technical competence and creative ability of our engineering and technical staff in areas of product design and manufacturing processes, including our staff's ability to customize products to meet difficult specifications, as well as proprietary know-how and information.

Government Regulations

As a supplier to certain U.S. government defense contractors, we must comply with significant procurement regulations and other requirements. Maintaining registration under ITAR for all of our related production facilities is also required. One of those production facilities must comply with additional requirements for its production processes and for selected personnel in order to maintain the security of classified information. These requirements, although customary within these markets, increase our performance and compliance costs.

We are routinely audited and reviewed by the U.S. government and its agencies such as the Defense Contract Audit Agency and Defense Contract Management Agency. These agencies review our performance under our contracts, our cost structure and our compliance with applicable laws, regulations and standards, as well as the adequacy of our internal control systems and policies. Any cost found to be improperly allocated to a specific contract will not be reimbursed. If an audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions.

From time to time, we may also be subject to U.S. government investigations relating to our or our customers' operations and products and are expected to perform in compliance with a vast array of federal laws, including the Truth in Negotiations Act, the False Claims Act, the International Traffic in Arms Regulations promulgated under the Arms Export Control Act, the Foreign Corrupt Practices Act, and other federal statutes and regulations, including those established by the Office of Foreign Assets Control ("OFAC"). We or our customers may be subject to reductions of the value of contracts, contract modifications or termination, and the assessment of penalties and fines, which could negatively impact our results of operations and financial condition, or result in a diminution in revenue from our customers, if we or our customers are found to have violated the law or are indicted or convicted for violations of federal laws related to government security regulations, employment practices or protection of the environment, or are found not to have acted responsibly as defined by the law. Such convictions or actions could also result in suspension or debarment from serving as a supplier to government contractors for some period of time. Such convictions or actions could have a material adverse effect on us and our operating results. The costs of cooperating with or complying with such audits or investigations may also adversely impact our financial results.

Our manufacturing operations, products, and/or product packaging are subject to environmental laws and regulations governing air emissions, wastewater discharges, and the handling, disposal and remediation of hazardous substances, waste and other chemicals. In addition, more stringent environmental regulations may be enacted in the future, both within the United States and internationally, and we cannot presently determine the modifications, if any, in our operations that any future regulations might require, or the cost of compliance that would be associated with such regulations. To date, capital expenditures, earnings and competitive position of the Company have not been materially affected by compliance with current federal, state, and local laws and regulations (domestic and foreign) relating to the protection of the environment. However, we cannot predict the effect of future laws and regulations.

Human Capital Management

As of December 31, 2025, we employed 415 people, including 239 full-time and 20 part-time employees, along with 156 contractors.

The following table summarizes our employees by employment type and geographic location:

	Full-Time	Part-Time	Contractors	Total
United States:				
Orlando, Florida	196	15	3	214
Yankton, South Dakota	31	5	1	37
Total United States	227	20	4	251
International:				
Hong Kong	3	—	—	3
Noida, India	9	—	152	161
Total International	12	—	152	164
Total	239	20	156	415

None of the Company's employees are represented by a labor union and the Company considers its relationships with employees to be good.

As an engineered products and solutions company, a significant number of our workforce consists of degreed engineers providing expertise in product design and process development.

Available Information

The Company's internet address is www.mtron.com. Information on or accessible through our website is not deemed to be incorporated into this Report. Website references in this Report are merely textual references. The Company makes available, free of charge through its website, copies of the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports filed with or furnished to the Securities and Exchange Commission (the "SEC") pursuant to Section 13(a) of the Exchange Act, as soon as reasonably practicable after those reports are filed with or furnished to the SEC. The contents of our website are not incorporated by reference into this Report or in any other report or document we file with the SEC, and any references to our website are intended to be inactive textual references only.

Item 1A. Risk Factors

Investing in our securities involves risks. Before making an investment decision, you should carefully consider the risks described below. Any of these risks could result in a material adverse effect on our business, financial condition, results of operations, or prospects, and could cause the trading price of our securities to decline, resulting in a loss of all or part of your investment. The risks and uncertainties described below are not the only ones we face, but represent those risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also harm our business.

Unless otherwise stated, all dollar amounts are in thousands.

Summary Risk Factors

Risks Related to our Business and Industry

- Macroeconomic fluctuations may harm our business, results of operations and stock price
- Our variable rate indebtedness subjects us to interest rate risk and could cause our debt service obligations to increase significantly.
- We are dependent on a single line of business.
- Our operating results may vary significantly from period to period.
- A relatively small number of customers account for a significant portion of our revenues and accounts receivable, and the loss of any of these customers, a decrease in their demand for our products, or their insolvency could have a material effect on our results of operations or liquidity.
- Our order backlog may not be indicative of future revenues and may fluctuate from period to period.
- Our future rate of growth and profitability are highly dependent on the development and growth of the aerospace and defense, space, avionics, instrumentation and industrial markets, which can be cyclical.
- The market share of our customers in the aerospace and defense, space, avionics, instrumentation and industrial markets may change over time, reducing the potential value of our relationships with our existing customer base.
- A significant portion of our revenue is derived from customers in the aerospace and defense industry, and our business could be adversely affected by changes in government spending or procurement policies.
- We may make acquisitions that are not successful, or we may fail to integrate acquired business into our operations properly.
- If we are unable to introduce innovative products, demand for our products may decrease.
- Our markets are highly competitive, and we may lose business to larger and better-financed competitors.
- Our success depends on our ability to retain key management and technical personnel and attracting, retaining, and training new technical personnel.
- We purchase certain key components and raw materials from single or limited sources and could lose sales if these sources fail to fulfill our needs for any reason.
- As a supplier to U.S. government defense contractors, we are subject to a number of procurement regulations and other requirements and could be adversely affected by changes in regulations or any negative findings from a U.S. government audit or investigation.
- Our products are complex and may contain errors or design flaws, which could be costly to correct.
- Future changes in our environmental liability and compliance obligations may increase costs and decrease profitability.
- We have significant international operations and sales to customers outside of the United States that subject us to certain business, economic and political risks.
- Changes in the U.S. trade policies, including the imposition of tariffs and retaliatory tariffs, may adversely impact our business, financial condition, and results of operations.
- We rely on information technology systems to conduct our business, and disruption, failure or security breaches of these systems could adversely affect our business and results of operations.
- Cybersecurity risks and cybersecurity incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results
- If we fail to correct any material weakness that we identify in our internal control over financial reporting or otherwise fail to maintain effective internal control over financial reporting, we may not be able to report our financial results accurately and timely, in which case our business may be harmed, investors may lose confidence in the accuracy and completeness of our financial reports and the price of our common stock may decline.

Risks Related to Our Securities

- The price of our common stock has fluctuated considerably and is likely to remain volatile, in part due to the limited market for our common stock.
- Our officers and directors have significant voting power and may vote their shares in a manner that is not in the best interest of other stockholders.
- Provisions in our corporate charter documents and under Delaware law could make an acquisition of the Company more difficult, which acquisition may be beneficial to our stockholders.

Risks Related to the Separation

- As a result of the Separation, certain of our directors and officers may have actual or potential conflicts of interest because of their positions or relationships with The LGL Group, Inc.
- The LGL Group, Inc. continues to perform functions for us, and we continue to perform functions for The LGL Group, Inc., on a transitional basis, and as a result, we may experience operational disruptions and incur significant costs to perform these functions ourselves following the transition period or be subject to claims and liability.
- If the Separation does not qualify as tax-free United States federal income tax purposes as a result of a breach by us of any covenant or representation made by us in the Tax Agreement, we could be subject to significant liability.

Risks Related to Our Business and Industry

Macroeconomic fluctuations may harm our business, results of operations and stock price.

Our business, financial condition, operating results and cash flows may be adversely affected by changes in global economic conditions and geopolitical risks, including credit market conditions, trade policies, tariffs, levels of consumer and business confidence, commodity prices and availability, inflationary pressure, exchange rates, levels of government spending and deficits, social or political conditions, and other challenges that could affect the global economy including impacts associated with the continuing developments in the war against Ukraine and sanctions which have been announced by the United States and other countries against Russia, which have caused significant uncertainty, adding to continuing concerns about supply chain disruptions, inflation and increases in interest rates in the markets in which we operate. Similar geopolitical tensions and political and/or armed conflicts, including tensions between the U.S. and China, China and Taiwan, and the conflicts between the U.S. and Iran and Israel and Palestine could adversely impact our financial performance and global operations. Such conditions could have an adverse impact on our flexibility to react to changing economic and business conditions and on our ability to fund our operations. In addition, restrictions on credit availability could adversely affect the ability of our customers to make payments. Similarly, credit restrictions may adversely affect our supplier base and increase the potential for one or more of our suppliers to experience financial distress.

Our variable rate indebtedness subjects us to interest rate risk and could cause our debt service obligations to increase significantly.

Amounts outstanding under our Credit Agreement would bear interest at the Secured Overnight Financing Rate ("SOFR") plus a margin ranging from 2.00% to 3.00%, with a SOFR floor of 0.00%. Variable rate borrowings expose us to potential increased interest expense in a rising interest rate environment, if we utilize the line of credit. If interest rates were to increase, our debt service obligations on variable rate indebtedness would increase even though the amount borrowed remained the same, which could adversely affect our cash flows. As of December 31, 2025 and 2024, we had no outstanding balances under the Credit Agreement or the Previous Credit Agreement.

We are dependent on a single line of business.

We are engaged only in the design, manufacture and marketing of standard and custom-engineered electronic components that are used primarily for the control of frequency and spectrum of signals in electronic circuits. Virtually all of our 2025 and 2024 revenues came from sales of electronic components, which consist of packaged quartz crystals, oscillator modules, electronic filters and RF solutions.

Given our reliance on this single line of business, any decline in demand for this product line or failure to achieve continued market acceptance of existing and new versions of this product line may harm our business and our financial condition. Additionally, unfavorable market conditions affecting this line of business would likely have a disproportionate impact on us in comparison with certain competitors, who have more diversified operations and multiple lines of business. Should this line of business fail to generate sufficient sales to support ongoing operations, there can be no assurance that we will be able to develop alternate business lines.

Our operating results may vary significantly from period to period.

We experience fluctuations in our operating results. Some of the principal factors that contribute to these fluctuations include changes in demand for our products; our effectiveness in managing manufacturing processes, costs and inventory; our effectiveness in engineering and qualifying new product designs with our OEM customers and in managing the risks associated with offering those new products into production; changes in the cost and availability of raw materials, which often occur in the electronics manufacturing industry and which affect our margins and our ability to meet delivery schedules; macroeconomic and served industry conditions; and events that may affect our production capabilities, such as labor conditions and political instability. In addition, due to the prevailing economic climate and competitive differences between the various market segments which we serve, the mix of sales between our aerospace and defense, space, avionics, industrial and instrumentation market segments may affect our operating results from period to period.

Our revenues and operating results are highly dependent on the development and growth of demand for our products in the aerospace and defense, space, avionics, instrumentation and industrial markets, which are cyclical. We cannot be certain whether we will generate sufficient revenues or sufficiently manage expenses to sustain profitability.

A relatively small number of customers account for a significant portion of our revenues and accounts receivable, and the loss of any of these customers, a decrease in their demand for our products, or their insolvency could have a material adverse effect on our results of operations or liquidity.

For the year ended December 31, 2025, our largest and second largest customers accounted for 36.0% and 14.9% of the Company's total revenues, respectively. Additionally, as of December 31, 2025, four customers accounted for approximately 71.4% of our gross accounts receivable balance. The loss of any of these customers, a decrease in their demand for our products, or the insolvency of any of these customers could have a material adverse effect on our results of operations or liquidity.

Our order backlog may not be indicative of future revenues and may fluctuate from period to period.

Our order backlog is comprised of orders that are subject to specific production release, including orders under contracts, and purchase orders. Our customers may order products from multiple sources to ensure timely delivery when backlog is particularly long and may cancel or defer orders without significant penalty. They also may cancel orders when business is weak, and inventories are excessive. As a result, we cannot provide assurances as to the portion of backlog orders to be filled in any given year, and our order backlog as of any particular date may not be representative of actual revenues for any subsequent period.

Our future rate of growth and profitability are highly dependent on the development and growth of the aerospace and defense, space, avionics, instrumentation and industrial markets, which can be cyclical.

In 2025 and 2024, the majority of our revenues were derived from sales to manufacturers of equipment for the aerospace and defense, space, avionics, instrumentation and industrial markets for frequency and spectrum control devices, including indirect sales through distributors and contract manufacturers. During 2026, we expect a significant portion of our revenues to continue to be derived from sales to these manufacturers. Often OEMs and other service providers within these markets have experienced periods of capacity shortage and periods of excess capacity, as well as periods of either high or low demand for their products. In periods of excess capacity or low demand, purchases of capital equipment may be curtailed, including equipment that incorporates our products. A reduction in demand for the manufacture and purchase of equipment for these markets, whether due to cyclical, macroeconomic or other factors, or due to our reduced ability to compete based on cost or technical factors, could substantially reduce our net sales and operating results and adversely affect our financial condition. Moreover, if these markets fail to grow as expected, we may be unable to maintain or grow our revenues. The multiple variables which affect the aerospace and defense, space, avionics, instrumentation and industrial markets for our products, as well as the number of parties involved in the supply chain and manufacturing process, can impact inventory levels and lead to supply chain inefficiencies. As a result of these complexities, we may have limited visibility to forecast revenue projections accurately for the near and medium-term timeframes.

The market share of our customers in the aerospace and defense, space, avionics, instrumentation and industrial markets may change over time, reducing the potential value of our relationships with our existing customer base.

We have developed long-term relationships with our existing customers, including pricing contracts, custom designs and approved vendor status. If these customers lose market share to other equipment manufacturers in the aerospace and defense, space, avionics, instrumentation and industrial markets with whom we do not have similar relationships, our ability to maintain revenue, margin or operating performance may be adversely affected.

A significant portion of our revenue is derived from customers in the aerospace and defense industry, and our business could be adversely affected by changes in government spending or procurement policies.

We derive a significant portion of our revenue from sales to customers in the aerospace and defense markets. These customers in turn generally contract with government agencies. The funding of government programs is subject to Congressional appropriation and national budget deficit reduction initiatives. Future spending levels are difficult to predict, and the termination or curtailment of individual programs could adversely affect our business. Most governmental programs are subject to funding approval through congressional appropriations which can be modified or terminated without warning upon the determination of a legislative or administrative body. Appropriations can also be affected by legislation that addresses larger budgetary issues of the U.S. government which could reduce available funding for most federal agencies, including the United States Department of War. Government contracts are also subject to specific regulations, and failure to comply with applicable requirements could result in contract termination, suspension, or debarment from future government contracting. It is difficult to assess how this may impact our defense industry customers and the business we do with them in the future.

We may make acquisitions that are not successful, or we may fail to integrate acquired businesses into our operations properly.

We intend to continue exploring opportunities to buy other businesses or technologies that could complement, enhance, or expand our current business or product lines, or that might otherwise offer us growth opportunities. We may have difficulty finding such opportunities or, if such opportunities are identified, we may not be able to complete such transactions for reasons including a failure to secure necessary financing.

Any transactions that we are able to identify and complete may involve a number of risks, including:

- The diversion of our management's attention from the management of our existing business to the integration of the operations and personnel of the acquired or combined business or joint venture;
- Material business risks not identified in due diligence;
- Exposure to potential unknown liabilities of the acquired or combined business;
- Possible adverse effects on our operating results during the integration process;
- Substantial acquisition-related expenses, which would reduce our net income, if any, in future years;
- The occurrence of significant goodwill impairment charges;
- The loss of key employees and customers as a result of changes in management; and
- Our possible inability to achieve the intended objectives of the transaction.

In addition, we may not be able to integrate, operate, maintain or manage, successfully or profitably, our newly acquired operations or employees. We may not be able to maintain uniform standards, controls, policies and procedures, and this may lead to operational inefficiencies.

Any of these difficulties could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we are unable to introduce innovative products, demand for our products may decrease.

Our future operating results are dependent on our ability to continually develop, introduce and market innovative products, to modify existing products, to respond to technological change and to customize some of our products to meet customer requirements. There are numerous risks inherent in this process, including the risks that we will be unable to anticipate the direction of technological change or that we will be unable to develop and market new products and applications in a timely or cost-effective manner to satisfy customer demand.

Our markets are highly competitive, and we may lose business to larger and better-financed competitors.

Our markets are highly competitive worldwide, with low transportation costs and few import barriers. We compete principally on the basis of product quality and reliability, availability, customer service, technological innovation, timely delivery and price. Within the industries in which we compete, competition has become increasingly concentrated and global in recent years.

Many of our major competitors, some of which are larger than us, and potential competitors have substantially greater financial resources and more extensive engineering, manufacturing, marketing and customer support capabilities. If we are unable to successfully compete against current and future competitors, our operating results will be adversely affected.

Our success depends on our ability to retain key management and technical personnel and attracting, retaining, and training new technical personnel.

Our future growth and success will depend in large part upon our ability to recruit highly skilled technical personnel, including engineers, and to retain our existing management and technical personnel. In addition, the loss or retirement of key employees presents particular challenges to the extent the departing employee had particularly valuable knowledge or experiences. This requires us to identify and train existing or new employees to perform necessary functions, which we may be unable to do, or which could result in unexpected costs, reduced productivity, or difficulties with respect to internal processes and controls. If we fail to have succession plans in place or our succession plans do not operate effectively, we may not be able to maintain continuity and our business could be adversely affected. Further, there is a labor shortage in the markets in which we operate which are highly competitive, and some of our operations are not located in highly populated areas. As a result, we may not be able to recruit and retain key personnel. Our failure to hire, retain or adequately train key personnel could have a negative impact on our performance.

We purchase certain key components and raw materials from single or limited sources and could lose sales if these sources fail to fulfill our needs for any reason.

If single-source components or key raw materials were to become unavailable on satisfactory terms, and we could not obtain comparable replacement components or raw materials from other sources in a timely manner, our business, results of operations and financial condition could be harmed. On occasion, one or more of the components used in our products have become unavailable, resulting in unanticipated redesign and related delays in shipments. Changes in global economic and geopolitical conditions have disrupted supply chains and the ability to obtain components and raw materials around the world for all companies, including us. We cannot give assurance that we will be able to obtain the necessary components and raw materials necessary to conduct our business. In addition, our suppliers may be impacted by compliance with environmental regulations including Restriction of Hazardous Substances in Electrical and Electronic Equipment ("RoHS") and Waste Electrical and Electronic Equipment ("WEEE"), which could disrupt the supply of components or raw materials or cause additional costs for us to implement new components or raw materials into our manufacturing processes.

Our supply chain is also subject to increasing regulatory requirements, including rules aimed at extinguishing forced labor that require extensive efforts to map supply chains effectively and efficiently beyond tier 1 suppliers for any involvement in human rights abuses. Goods suspected of being manufactured with forced labor could be blocked from importation into the United States, which could impact our ability to obtain necessary components and materials and adversely affect our revenue. Additionally, foreign governments may restrict our access to supply; for example, if China were to further restrict export of rare earth minerals, our suppliers' ability to obtain such supply may be constrained and we may be unable to obtain sufficient quantities, or obtain supply in a timely manner, or at a commercially reasonable cost.

As a supplier to U.S. government defense contractors, we are subject to a number of procurement regulations and other requirements and could be adversely affected by changes in regulations or any negative findings from a U.S. government audit or investigation.

A number of our customers are U.S. government contractors. As one of their suppliers, we must comply with significant procurement regulations and other requirements. Under applicable federal regulations for defense contractors, we will be required to comply with the Cybersecurity Maturity Model Certification ("CMMC") program in the next several years and other similar cybersecurity requirements. We also maintain registration under ITAR for certain of our production facilities. One of those production facilities must comply with additional requirements and regulations for its production processes and for selected personnel in order to maintain the security of classified information. These requirements, although customary within these markets, increase our performance and compliance costs. Compliance with applicable regulatory requirements is subject to continual review and is rigorously monitored through periodic inspections and product field monitoring. If any inspection reveals noncompliance with these regulations, it could adversely affect our operations. Our international operations are, and will continue to be, subject to risks relating to changes in foreign legal and regulatory requirements. If any of these various requirements change, our costs of complying with them could increase and reduce our operating margins. To the extent that we are unable to comply with the CMMC or other requirements, our business with the Department of War or its prime customers could be at risk.

We operate in a highly regulated environment and are routinely audited and reviewed by the U.S. government and its agencies such as the Defense Contract Audit Agency and Defense Contract Management Agency. These agencies review our performance under our contracts, our cost structure and our compliance with applicable laws, regulations, and standards, as well as the adequacy of, and our compliance with, our internal control systems and policies. Systems that are subject to review include our purchasing systems, billing systems, property management and control systems, cost estimating systems, compensation systems and management information systems.

Any costs found to be improperly allocated to a specific contract will not be reimbursed or must be refunded if already reimbursed. If an audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or prohibition from doing business as a supplier to contractors who sell products and services to the U.S. government. In addition, our reputation could be adversely affected if allegations of impropriety were made against us.

From time to time, we may also be subject to U.S. government investigations relating to our or our customers' operations and products and are expected to perform in compliance with a vast array of federal laws, including the Truth in Negotiations Act, the False Claims Act, the International Traffic in Arms Regulations promulgated under the Arms Export Control Act, the Foreign Corrupt Practices Act, and other federal statutes and regulations, including those established by OFAC. We or our customers may be subject to reductions of the value of contracts, contract modifications or termination, and the assessment of penalties and fines, which could negatively impact our results of operations and financial condition, or result in a diminution in revenue from our customers, if we or our customers are found to have violated the law or are indicted or convicted for violations of federal laws related to government security regulations, employment practices or protection of the environment, or are found not to have acted responsibly as defined by the law. Such convictions or actions could also result in suspension or debarment from serving as a supplier to government contractors for some period of time. Such convictions or actions could have a material adverse effect on us and our operating results. The costs of cooperating or complying with such audits or investigations may also adversely impact our financial results.

Our products are complex and may contain errors or design flaws, which could be costly to correct.

When we release new products, or new versions of existing products, they may contain undetected or unresolved errors or defects. The majority of our products are custom designed for requirements of specific OEM systems. The expected business life of these products ranges from less than one year to more than 10 years depending on the application. Some of the customizations are modest changes to existing product designs while others are major product redesigns or new product platforms.

Despite testing, errors or defects may be found in new products or upgrades after the commencement of commercial shipments. Undetected errors and design flaws have occurred in the past and could occur in the future. These errors could result in delays, loss of market acceptance and sales, diversion of development resources, damage to the Company's reputation, product liability claims and legal action by its customers and third parties, failure to attract new customers and increased service costs.

Future changes in our environmental liability and compliance obligations may increase costs and decrease profitability.

Our present and past manufacturing operations, products, and/or product packaging are subject to environmental laws and regulations governing air emissions, wastewater discharges, and the handling, disposal and remediation of hazardous substances, wastes and other chemicals. In addition, more stringent environmental regulations may be enacted in the future, and we cannot presently determine the modifications, if any, in our operations that any future regulations might require, or the cost of compliance that would be associated with such regulations.

Environmental laws and regulations may cause us to change our manufacturing processes, redesign some of our products, and change components to eliminate some substances in our products in order to be able to continue to offer them for sale.

We have significant international operations and sales to customers outside of the United States that subject us to certain business, economic and political risks.

We have office and manufacturing space in Noida, India, and a sales office in Hong Kong. Additionally, foreign revenues for 2025 (primarily to Malaysia) accounted for 23.2% of our 2025 consolidated revenues. We anticipate that sales to customers located outside of the United States will continue to be a significant part of our revenues for the foreseeable future. Our international operations and sales to customers outside of the United States subject our operating results and financial condition to certain business, economic, political, health, regulatory and other risks, including but not limited to:

- Political and economic conflict, weakness, or instability in countries in which our products are manufactured and sold, as well as in neighboring countries;
- Business interruptions due to natural disasters, outbreak of disease, extreme weather, climate change and other events beyond our control;
- Expropriation or the imposition of government controls;
- Responsibility to comply with anti-bribery laws such as the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws in other jurisdictions;
- Sanctions, tariffs or restrictions on trade imposed or proposed by the U.S. government;
- Export license requirements;
- Local, regional or national laws or regulations, particularly those affecting our customers, suppliers, manufacturing facilities, and/or significant portions of our workforce;
- Currency controls or fluctuations in exchange rates;
- High levels of inflation or deflation;
- Difficulty in staffing and managing non-U.S. operations;
- Greater difficulty in collecting accounts receivable and longer payment cycles;
- Changes in labor conditions and difficulties in staffing and managing international operations; and
- Limitations on insurance coverage against geopolitical risks, natural disasters and business operations.

Additionally, to date, very few of our international revenue and cost obligations have been denominated in foreign currencies. As a result, changes in the value of the U.S. dollar relative to foreign currencies may affect our competitiveness in foreign markets. We do not currently engage in foreign currency hedging activities, but may do so in the future to the extent that we incur a significant amount of foreign-currency denominated liabilities.

Changes in U.S. trade policies, including the imposition of tariffs and retaliatory tariffs, may adversely impact our business, financial condition, and results of operations.

We are subject to the trade policies, export/import controls, and other rules and regulations, including tariffs, trade sanctions, and license requirements of the U.S. and other government authorities. During the first Trump Administration from 2017 to 2021, certain tariffs and retaliatory tariffs, as well as other trade restrictions, were imposed on various products and materials. In 2025, President Trump again imposed tariffs and retaliatory tariffs against U.S. trading partners, some countries responded with new or increased tariffs of their own, and the amount of the import tariff and the number of products subject to tariffs changed multiple times based on actions by the U.S. government. However, there is currently significant uncertainty about the future relationship between the United States and various other countries with respect to trade policies, treaties, tariffs and customs duties. On February 20, 2026, the U.S. Supreme Court issued a ruling striking down certain tariffs previously imposed under the International Emergency Economic Powers Act ("IEEPA"). Following the Supreme Court's decision, the Trump Administration announced its intention to invoke other laws to collect tariffs and announced new tariffs on imports from all countries, in addition to any existing non-IEEPA tariffs. There remains substantial uncertainty regarding the duration of existing and newly announced tariffs, potential changes or pauses to such tariffs, tariff levels, and whether further additional tariffs or other retaliatory actions may be imposed, modified, or suspended, and the impacts of such actions on our business.

Future tariffs and trade restrictions may cause the prices of our vendors' products to increase, which could reduce demand for such products, or reduce our vendors' margins, and adversely impact their revenues, financial results, and ability to service debt. This in turn could adversely affect our financial condition and results of operations. In addition, to the extent changes in the political environment have a negative impact on us or on the markets in which we operate our business, our results of operations and financial condition could be materially and adversely impacted in the future. Given our manufacturing operations in India and sales office in Hong Kong, any expansion of tariffs to additional countries or retaliatory measures by foreign governments could directly impact our cost structure and competitive position. At this time, the situation remains dynamic and it remains unclear what the U.S. government or foreign governments will or will not do with respect to additional tariffs that may be imposed or international trade agreements and policies.

We rely on information technology systems to conduct our business, and disruption, failure or security breaches of these systems could adversely affect our business and results of operations.

We rely on information technology ("IT") systems in order to achieve our business objectives. We also rely upon industry accepted security measures and technology to securely maintain confidential information maintained on our IT systems. However, our portfolio of hardware and software products, solutions and services and our enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond our control such as catastrophic events, power outages, natural disasters, computer system or network failures, computer viruses, cyber-attacks or other malicious software programs. The failure or disruption of our IT systems to perform as anticipated for any reason could disrupt our business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation and the loss of suppliers or customers. A significant disruption or failure could have a material adverse effect on our business operations, financial performance and financial condition.

We rely on third-party providers for cloud infrastructure, hosting, content delivery, telecommunications, and other critical services. Disruptions, outages, performance degradations, cybersecurity incidents, or other failures at these providers, or at their subcontractors and subprocessors, could impair our operations, internal processes, and ability to serve customers. Certain events, including prolonged cloud service disruptions, domain name system failures, payment processor outages, or the insolvency or other failure of a key vendor, may exceed the scope of our business continuity and disaster recovery assumptions and could result in material operational disruption, data loss, reputational harm, and increased costs.

Our reliance on a limited number of providers for certain services may increase the severity of these risks, including the potential impact of outages, security incidents, or adverse changes to service levels, terms of use, or pricing. In addition, cyber insurance may be unavailable on commercially reasonable terms, may not be sufficient to cover all losses, and may be subject to retentions, sublimits, exclusions, and other limitations that could reduce or eliminate coverage for certain costs, liabilities, or lost profits.

Our IT systems require sustained investment to maintain, protect, and enhance existing systems and to develop new systems to keep pace with evolving technologies and regulatory standards. We are also evaluating and may implement generative artificial intelligence ("AI") technologies in our operations, and our suppliers, customers, and vendors may do the same. While AI may create opportunities for innovation and efficiency, AI-enabled systems may not perform as intended and may introduce or exacerbate operational, privacy, cybersecurity, and intellectual property risks, including inaccurate or biased outputs, data leakage, misuse, and claims or regulatory scrutiny relating to training data, model operation, or generated content. We may also depend on third-party AI models and vendors, and their availability, reliability, performance, or terms of use may change, which could increase costs or negatively affect our operations.

Cybersecurity risks and cybersecurity incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results.

Our business could be negatively impacted by cybersecurity events and other disruptions. We face various cybersecurity threats, including attacks using malware, ransomware, distributed denial of service attacks, credential stuffing, supply-chain compromises of software updates, managed service providers, or widely used tools, or phishing incidents resulting in unauthorized access, theft, use, destruction, or other compromises of our systems, as well as threats to the physical security of our facilities and employees, and threats from terrorist acts. In addition, we face cybersecurity threats from entities and persons that may seek to target us through our customers, suppliers and other third parties with whom we do business. Many of these cybersecurity threats are increasingly sophisticated and constantly evolving, especially with the growing prevalence of artificial intelligence. Accordingly, we maintain information security staff, policies and procedures for managing risk to our information systems, and we review and update our policies, procedures and practices in light of evolving threats. We conduct employee training on cybersecurity to mitigate persistent and continuously evolving cybersecurity threats. However, there can be no assurance that any such actions, including the timeliness of our efforts to review, update or implement policies, procedures and practices in light of evolving threats, or the safeguards put in place by our customers, suppliers and other parties on which we rely, will be sufficient to detect, prevent and mitigate cybersecurity breaches or disruptions, or the unauthorized release of sensitive information or corruption of data.

Privacy, data protection, and AI laws at the local, state, federal, and international levels impose obligations on us to protect the confidentiality of personal information and create additional compliance and liability risks, including in connection with cybersecurity incidents. A growing patchwork of privacy and AI statutes and regulations imposes differing and evolving requirements relating to notices and disclosures, consumer rights and appeals, data minimization, restrictions on the collection and use of sensitive data, targeted advertising, and certain forms of profiling or automated decision-making. We may also be subject to laws and regulations governing children's and teen privacy, biometric identifiers and voiceprints, and marketing and telemarketing practices, including requirements for email, SMS, and call or text consent. Transfers of personal data across borders may require the use of specific transfer mechanisms and the implementation of additional safeguards. These obligations vary materially by jurisdiction and may increase compliance complexity and costs, limit our ability to develop or offer new products or services, and adversely affect consumer experience.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our investor relationships. As our reliance on technology increases, so will the risks posed to our information systems, both internal and those we outsource. There is no guarantee that any processes, procedures and internal controls we have implemented or will implement will prevent cyber intrusions, which could have a negative impact on our financial results, operations, business relationships or confidential information. We are also subject to evolving disclosure and governance requirements related to cybersecurity, and failure to timely assess and disclose material cybersecurity incidents or to maintain effective processes could result in regulatory scrutiny, litigation, and reputational harm.

Additionally, remote work has become more common among our employees and employees of our third-party service providers and has increased risks to our IT systems and our confidential, proprietary, and sensitive data and that of our third-party service providers as more of those employees utilize network connections, computers, and devices outside of the employer's premises or network, including working at home, while in transit, and in public locations. Those employees working remotely could expose us and other third-party service providers to additional cybersecurity risks and vulnerabilities as their systems could be negatively affected by vulnerabilities present in external systems and technologies outside of their control.

If we fail to correct any material weakness that we identify in our internal control over financial reporting or otherwise fail to maintain effective internal control over financial reporting, we may not be able to report our financial results accurately and timely, in which case our business may be harmed, investors may lose confidence in the accuracy and completeness of our financial reports and the price of our common stock may decline.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on our system of internal control. Our internal control over financial reporting is a process designed 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 in the United States ("U.S. GAAP"). We are required to comply with the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), and other rules that govern public companies.

If we identify material weaknesses in our internal control over financial reporting in the future, if we cannot comply with the requirements of the Sarbanes-Oxley Act in a timely manner or attest that our internal control over financial reporting is effective, or if our independent registered public accounting firm cannot express an opinion as to the effectiveness of our internal control over financial reporting when required, we may not be able to report our financial results accurately and timely. As a result, investors, counterparties and consumers may lose confidence in the accuracy and completeness of our financial reports. Accordingly, access to capital markets and perceptions of our creditworthiness could be adversely affected, and the market price of our common stock could decline. In addition, we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources. These events could have a material and adverse effect on our business, operating results, financial condition and prospects.

Risks Related to Our Securities

The price of our common stock has fluctuated considerably and is likely to remain volatile, in part due to the limited market for our common stock.

From January 1, 2025 through December 31, 2025, the high and low closing prices for our common stock were \$59.64 and \$35.00, respectively. There is a limited public market for our common stock, and we cannot provide assurances that a more active trading market will develop or be sustained. As a result of limited trading volume in our common stock, the purchase or sale of a relatively small number of shares could result in significant price fluctuations and it may be difficult for holders to sell their shares without depressing the market price for our common stock.

Additionally, the market price of our common stock may continue to fluctuate significantly in response to a number of factors, some of which are beyond our control, including the following:

- General economic conditions affecting the availability of long-term or short-term credit facilities, the purchasing and payment patterns of our customers, or the requirements imposed by our suppliers;
- Economic conditions in our industry and in the industries of our customers and suppliers;
- Changes in financial estimates or investment recommendations by securities analysts relating to our common stock;
- Market reaction to our reported financial results;
- Loss of a major customer;
- Announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments; and
- Changes in key personnel.

Our officers and directors have significant voting power and may vote their shares in a manner that is not in the best interest of other stockholders.

Our officers and directors control approximately 5.6% of the voting power represented by our outstanding shares of common stock as of March 16, 2026. If these stockholders act together, they may be able to exert significant control over our management and affairs requiring stockholder approval, including approval of significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing a change in control and might adversely affect the market price of our common stock. This concentration of ownership may not be in the best interests of all of our stockholders.

Provisions in our corporate charter documents and under Delaware law could make an acquisition of the Company more difficult, which acquisition may be beneficial to our stockholders.

Provisions in our certificate of incorporation and by-laws, as well as provisions of the General Corporation Law of the State of Delaware ("DGCL"), may discourage, delay or prevent a merger, acquisition or other change in control of the Company, even if such a change in control would be beneficial to our stockholders. These provisions include prohibiting our stockholders from fixing the number of directors and establishing advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors (the "Board").

Additionally, Section 203 of the DGCL prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. We have not opted out of the restrictions under Section 203, as permitted under DGCL.

Risks Related to the Separation

As a result of the Separation, certain of our directors and officers may have actual or potential conflicts of interest because of their positions or relationships with The LGL Group, Inc.

As a result of the Separation, Marc Gabelli serves as special advisor to our Chairman of the Board of Directors and also serves as Executive Chairman of the Board of Directors of The LGL Group, Inc. ("LGL Group"). Such dual roles could create, or appear to create, potential conflicts of interest when LGL Group and our officers and directors face decisions that could have different implications for the two companies.

In addition, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between LGL Group and us regarding the terms of the agreements governing the Separation and the relationship thereafter between the companies.

If the Separation does not qualify as tax-free for U.S. federal income tax purposes as a result of a breach by us of any covenant or representation made by us in the Tax Agreement, we could be subject to significant liability.

If the Separation fails to qualify for tax-free treatment due to a breach by us (or any of our subsidiaries) of any covenant or representation made by us in the Tax Agreement between us and LGL Group, we generally will be required to indemnify LGL Group for all tax-related losses suffered by it. In addition, we will not control the resolution of any tax contest relating to taxes suffered by LGL Group in connection with the Separation, and we may not control the resolution of tax contests relating to any other taxes for which we may ultimately have an indemnity obligation under the Tax Agreement. In the event that LGL Group suffers tax-related losses in connection with the Separation that must be indemnified by us under the Tax Agreement, the indemnification liability could have a material adverse effect on us.

If the Separation fails to qualify for tax-free treatment, for any reason, LGL Group and/or holders of LGL Group's common stock would be subject to substantial U.S. taxes as a result of the Separation, and we could incur significant liabilities under applicable law or as a result of the Tax Agreement.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity risk management is an integral part of our overall enterprise risk management efforts. Mtron achieved ISO 27001:2022 certification during 2024, demonstrating a robust information security management program. The Company has chosen the National Institute of Standards for its base framework for handling cybersecurity threats and incidents because it is compatible with certain risk management business functions required by customers and U.S. government oversight. Controls in the SP 800-53 (Security and Privacy Controls for Information Systems and Organizations) catalog have been tailored-in based on governance found in ISO 27001:2022, SP 800-171 (Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations), internally determined IT general controls and industry best practices. The selected controls create a balanced approach aimed at protecting confidentiality, integrity, and availability of the Company's IT systems.

The Board, which has primary responsibility for overseeing risk management, has delegated its primary responsibility for the oversight of cybersecurity and information technology risks, and the Company's preparedness for these risks, to the Audit Committee of the Board (the "Audit Committee"). The Audit Committee has delegated the Company's cybersecurity functions to senior management, including the Director of IT, and ensures there are sufficient budgetary resources for personnel and technology to support the necessary cybersecurity functions. The Company's cybersecurity incident response is overseen by our Director of IT, who reports directly to our President and is a member of the enterprise management team which includes our CEO. Our Director of IT is a Certified Information System Security Professional with more than 15 years of experience in information system management. As part of its oversight responsibilities, the Audit Committee receives updates at least annually, and as requested throughout the year, on our cybersecurity practices as well as cybersecurity and information technology risks from our Director of IT. Senior management are responsible for incident response efforts enterprise wide with the Director of IT and the broader internal IT team focusing on cybersecurity incidents.

The Company's internal IT team participates in several industry information sharing groups including the Defense Industrial Base Cybersecurity Program and The Society of Industrial Security Professionals and has also fostered local contacts with the FBI and local industry peers. The IT team monitors industry news daily and responds to threat feeds from multiple sources. To further its cybersecurity efforts, Mtron has partnered with several external entities including:

- A commercial threat feed integrated with our perimeter security devices in partnership with the Defense Cyber Crime Center.
- A commercial DNS security service integrated with perimeter security devices.
- A commercial email threat detection service including detonation chamber services.

Insider threats are monitored by an internal insider threat team. All users with email access are provided annual and quarterly cyber security training and participate in bi-weekly phishing tests to maintain continuous awareness of threats. Access to the Company's enterprise resource planning system is limited by a second layer of access approval and authorization through the corporate controller. Endpoint detection and response is centrally managed as is endpoint flaw detection and remediation.

In 2025, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident. For more information about these risks, please see "Risk Factors – Cybersecurity risks and cybersecurity incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results" in this Report.

Item 2. Properties

The Company's principal executive offices are located in Orlando, Florida within an Mtron operating facility. Mtron's operations are located in Orlando, Florida; Yankton, South Dakota; and Noida, India. We also have a sales office in Hong Kong.

Mtron owns a facility in Orlando, Florida, containing approximately 71,000 square feet on approximately five acres of land and owns a facility in Yankton, South Dakota, containing approximately 32,000 square feet on approximately 11 acres of land. Mtron also leases approximately 13,000 square feet of office and manufacturing space in Noida, India and approximately 700 square feet of office space in Hong Kong. It is our opinion that the facilities referred to above are in good operating condition, suitable, and adequate for present uses.

Item 3. Legal Proceedings

The information required for this Part I, Item 3 is incorporated by reference to the discussion under Note 13 – Contingencies to the Consolidated Financial Statements, included in Item 8. Financial Statements and Supplementary Data of this Report.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Unless otherwise stated, all dollar amounts are in thousands.

Market for Common Equity

Our common stock is listed on the NYSE American under the symbol "MPTI."

Holders of Common Stock

As of March 16, 2026, we had approximately 5,100 holders of record of our common stock. The actual number of holders of common stock is greater than this number of record holders, and includes holders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include holders whose shares may be held in trust by other entities.

Recent Sales of Unregistered Securities

The Company did not sell any equity securities during the three months and year ended December 31, 2025 that were not registered under the Securities Act.

Purchases of Equity Securities by the Issuer or Affiliated Purchaser

The Company did not repurchase any shares of its common stock during the three months ended December 31, 2025.

Cash Dividend Policy

Our Board intends to adhere to a practice of not paying cash dividends. This policy takes into account our long-term growth objectives, including our anticipated investments for organic growth, potential technology acquisitions or other strategic ventures and stockholders' desire for capital appreciation of their holdings. In addition, the covenants under Mtron's credit facility effectively place certain limitations on its ability to make certain payments, including but not limited to payments of dividends and other distributions, which effectively could limit the Company's ability to pay cash dividends to stockholders. No cash dividends are expected to be paid for the foreseeable future.

Warrants

On April 25, 2025, the Company issued 2,911,165 warrants (the "Warrants") to holders of record of outstanding shares of the Company's common stock as of March 10, 2025. Five (5) Warrants entitled their holder to purchase one (1) share of Mtron common stock par value \$0.01 per share (the "Common Stock") at an exercise price of \$47.50 per share. The Warrants were exercisable on the date that was the earlier of (i) thirty (30) days prior to April 25, 2028 and (ii) such date that the average volume weighted-average price ("VWAP") of the Common Stock was greater than or equal to \$52.00 per share for the prior thirty (30) consecutive trading day period (the "Trigger"); provided however, that should the Trigger occur, the Warrants must be exercised within thirty (30) days of the Company's notification pursuant to the Warrant Agreement that the Trigger occurred.

On October 23, 2025, the Company announced the average VWAP of the Common Stock exceeded the Trigger on October 20, 2025, which resulted in the Warrants becoming immediately exercisable through December 23, 2025.

As of December 31, 2025, Warrant holders exercised 2,351,025, or 80.8%, of the Warrants, in a net share settlement of 470,205 shares of Common Stock. The remaining 560,140 Warrants expired unexercised in accordance with their terms. However, on January 7, 2026, the Company distributed 112,028 unallocated shares of Common Stock to Warrant holders who elected to participate in the over-subscription privilege. The gross proceeds to the Company were \$27.7 million, of which \$22.3 million was receivable as of December 31, 2025. As of December 31, 2025, no Warrants remained outstanding.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis together with our audited consolidated financial statements and the accompanying notes. This discussion contains forward-looking statements, including statements regarding our expected financial position, business and financing plans. These statements involve risks and uncertainties. Our actual results could differ materially from the results described in or implied by these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Report, particularly under the headings "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors."

Unless otherwise stated, all dollar amounts are in thousands.

Overview

Mtron is engaged in the designing, manufacturing and marketing of highly-engineered, high reliability frequency and spectrum control products used to control the frequency or timing of signals in electronic circuits in various applications. Mtron's primary markets are aerospace and defense, space, and avionics.

The accompanying consolidated financial statements include the accounts of the Company and all of its majority-owned subsidiaries.

For a discussion of the year ended December 31, 2024 compared to the year ended December 31, 2023, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 27, 2025, which is available free of charge on the SEC's website at <https://www.sec.gov> and on our website at ir.mtron.com.

Trends and Uncertainties

We are not aware of any material trends or uncertainties, other than the global economic conditions affecting our industry generally, that may reasonably be expected to have a material impact, favorable or unfavorable, on our revenues or income other than those listed in Part I, Item 1A, Risk Factors, of this Annual Report on Form 10-K.

Results of Operations

The following table presents our Consolidated Statements of Operations for the periods indicated:

<i>(in thousands)</i>	Year Ended December 31,		\$ Change	% Change
	2025	2024		
Revenues	\$ 54,417	\$ 49,012	\$ 5,405	11.0%
Costs and expenses:				
Manufacturing cost of sales	30,269	26,372	3,897	14.8%
Engineering, selling and administrative	13,857	13,246	611	4.6%
Total costs and expenses	44,126	39,618	4,508	11.4%
Operating income	10,291	9,394	897	9.5%
Other income:				
Interest income, net	539	243	296	121.8%
Other income, net	124	138	(14)	-10.1%
Total other income, net	663	381	282	74.0%
Income before income taxes	10,954	9,775	1,179	12.1%
Income tax expense	2,507	2,139	368	17.2%
Net income	\$ 8,447	\$ 7,636	\$ 811	10.6%

2025 compared to 2024

Total Revenues

Total revenues increased \$5,405, or 11.0%, from \$49,012 in 2024 to \$54,417 in 2025 primarily due to strong defense program product and solution shipments, as well as an increase in shipments in the avionics and industrials sectors.

Total Costs and Expenses

Total costs and expenses increased \$4,508, or 11.4%, from \$39,618 in 2024 to \$44,126 in 2025 primarily due to:

- a \$3,897, or 14.8%, increase in Manufacturing cost of sales from \$26,372 in 2024 to \$30,269 in 2025 driven by the increase in production of several new products, which result in higher initial manufacturing costs, as well as the impact of tariffs; and
- a \$611, or 4.6%, increase in Engineering, selling and administrative from \$13,246 in 2024 to \$13,857 in 2025 driven by continued investment in research and development; higher sales commissions consistent with the growth in revenues; higher stock-based compensation; higher sales and marketing costs; and an increase in administrative and corporate expenses consistent with the overall growth in the business.

The Company's total costs and expenses for 2024 included bonus expense of approximately \$1.5 million, or 3.0% of revenues, which was not incurred in 2025.

Gross Margin

Gross margin (Revenues less Manufacturing cost of sales as a percentage of Revenues) decreased 180 basis points from 46.2% in 2024 to 44.4% in 2025 reflecting product mix and higher tariff-related costs.

Total Other Income, Net

Total other income, net increased \$282, or 74.0%, from \$381 in 2024 to \$663 in 2025 primarily due to a \$296 increase in Interest income, net from \$243 in 2024 to \$539 in 2025 driven by higher average balances invested in money market mutual funds.

Income Tax Expense

Income tax expense increased \$368, or 17.2%, from \$2,139 in 2024 to \$2,507 in 2025 primarily due to the increase in Income before income taxes discussed above.

Backlog

As of December 31, 2025, our order backlog was \$76,425, an increase of \$29,186, or 61.8%, from \$47,239 as of December 31, 2024. The increase in backlog from December 31, 2024 reflects the nature of a program centric business model, which can materially affect backlog based on the timing and size of these orders.

The backlog of unfilled orders includes amounts based on signed contracts and purchase orders, which are likely to be fulfilled substantially within the next 12 to 24 months. Order backlog is adjusted quarterly to reflect project cancellations, deferrals, revised project scope and cost. We expect to fill the vast majority of our order backlog as of December 31, 2025 during 2026 and 2027, but cannot provide assurances as to what portion of the order backlog will be fulfilled in any given year.

Non-GAAP Financial Measures

To supplement our Consolidated Financial Statements presented on a U.S. GAAP basis, the Company presents its financial condition and results of operations in the way it believes will be most meaningful and representative of its business results. Some of the measurements the Company uses are "Non-GAAP financial measures" under SEC rules and regulations. The non-GAAP financial measures the Company presents are listed below and may not be comparable to similarly-named measures reported by other companies. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net earnings or diluted earnings per share prepared in accordance with U.S. GAAP.

The Company uses the following operating performance measure because the Company believes it provides both management and investors with a more complete understanding of the underlying operational results and trends and our marketplace performance as well as a more accurate view of the Company's ability to generate profits:

Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") is derived by excluding the items set forth below from Income before income taxes. Excluded items include the following:

- Interest income
- Interest expense
- Depreciation
- Amortization
- Non-cash stock-based compensation
- Other discrete items that might have a significant impact on comparable GAAP measures and could distort the evaluation of our normal operating performance.

Reconciliation of GAAP Income Before Income Taxes to EBITDA and Non-GAAP Adjusted EBITDA

The following table presents a reconciliation of income before income taxes to Adjusted EBITDA, a non-GAAP measure:

<i>(in thousands, except share data)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Income before income taxes	\$ 4,082	\$ 2,758	\$ 10,954	\$ 9,775
Adjustments:				
Interest income, net	(161)	(104)	(539)	(243)
Depreciation	286	251	1,086	968
Amortization	—	—	—	5
Total adjustments	125	147	547	730
EBITDA	4,207	2,905	11,501	10,505
Non-cash stock compensation	278	151	1,081	636
Adjusted EBITDA	\$ 4,485	\$ 3,056	\$ 12,582	\$ 11,141

Three months ended December 31, 2025 compared to three months ended December 31, 2024

Adjusted EBITDA increased \$1,429 from \$3,056 for the three months ended December 31, 2024 to \$4,485 for the three months ended December 31, 2025. The increase was primarily due to higher revenues and lower engineering, selling and administrative expenses partially offset by lower gross margin discussed above.

Year ended 2025 compared to Year ended 2024

Adjusted EBITDA increased \$1,441 from \$11,141 in 2024 to \$12,582 in 2025. The increase was primarily due to higher revenues discussed above, continued operating leverage, and lower incentive compensation partially offset by lower gross margin discussed above. Adjusted EBITDA in 2024 included bonus expense of approximately 3.0% of revenues, which was not incurred in 2025.

Liquidity and Capital Resources

Overview

Liquidity refers to our ability to access sufficient sources of cash to meet the requirements of our operating, investing and financing activities.

Capital refers to our long-term financial resources available to support business operations and future growth.

Our ability to generate and maintain sufficient liquidity and capital depends on the profitability of the business, timing of cash flows, general economic conditions and access to the capital markets and the other sources of liquidity and capital described herein.

As of December 31, 2025 and 2024, Cash and cash equivalents were \$20,891 and \$12,641, respectively.

Cash Flow Activity

The following table presents the cash flow activity for the period indicated:

<i>(in thousands)</i>	As of December 31,	
	2025	2024
Cash and cash equivalents, beginning of year	\$ 12,641	\$ 3,913
Cash provided by operating activities	10,659	7,521
Cash used in investing activities	(2,551)	(1,898)
Cash provided by financing activities	142	3,105
Net change in cash and cash equivalents	8,250	8,728
Cash and cash equivalents, end of year	\$ 20,891	\$ 12,641

Operating Activities

Cash provided by operating activities was \$10,659 in 2025 compared to \$7,521 in 2024, an increase of \$3,138 primarily due to the following:

- Higher net income;
- Higher non-cash adjustments, including:
 - Stock-based compensation expense, which increased \$445 from \$636 in 2024 to \$1,081 in 2025;
 - Deferred income tax provision, which decreased \$1,268 from \$212 in 2024 to \$1,480 in 2025;
- Working capital movements, including:
 - Accounts receivable, which decreased \$186 in 2025 compared to an increase of \$2,040 in 2024, reflecting shorter customer payment cycles;
 - Inventories, net, which increased \$164 in 2025 compared to \$625 in 2024;
 - Prepaid expenses and other assets, which increased \$1,156 in 2025 compared to \$165 in 2024, primarily due to higher income taxes receivable; and
 - Accounts payable, accrued compensation and other expenses, and other liabilities, which increased \$328 in 2025 compared to \$889 in 2024, primarily due to the timing of goods received and services performed prior to period end and reflects normal fluctuations in operating activity.

Our working capital metrics were as follows:

<i>(in thousands)</i>	As of December 31,	
	2025	2024
Current assets	\$ 61,217	\$ 29,752
Less: Current liabilities	4,891	5,216
Working capital	\$ 56,326	\$ 24,536
Current ratio	12.5	5.7

Management continues to focus on efficiently managing working capital requirements to match operating activity levels and will seek to deploy the Company's working capital where it will generate the greatest returns.

Investing Activities

Cash used in investing activities was \$2,551 in 2025 compared to \$1,898 in 2024, an increase of \$653 primarily due to the purchase of equipment to support growth and next generation product development.

Financing Activities

Cash provided by financing activities was \$142 in 2025 compared to \$3,105 in 2024, a decrease of \$2,963 primarily due to lower exercises of stock options awarded in December 2023.

Capital Resources

We believe that existing cash and cash equivalents, marketable securities and cash generated from operations will provide sufficient liquidity to meet our ongoing working capital and capital expenditure requirements for the next 12 months from the date of this filing and for the foreseeable future. The Company's management continues to strive for profitability both internally and through acquisition.

Our Board has adhered to a practice of not paying cash dividends. This policy takes into account our long-term growth objectives, including our anticipated investments for organic growth, potential acquisitions or other strategic ventures and stockholders' desire for capital appreciation of their holdings. No cash dividends are expected to be paid for the foreseeable future.

Contractual Obligations

The following table summarizes contractual obligations, in total, and by remaining maturity:

<i>(in thousands)</i>	Total Payments	Payments due by Period				
		2026	2027	2028	2029	2030
Leases	\$ 256	\$ 74	\$ 74	\$ 48	\$ 48	\$ 12
Revolving credit facility	—	—	—	—	—	—
Delayed draw facility	—	—	—	—	—	—
Total	\$ 256	\$ 74	\$ 74	\$ 48	\$ 48	\$ 12

Leases

Leases represent the future minimum lease payments under our operating leases. We believe that we maintain adequate financial resources to meet the actual required payments under these obligations.

Revolving Credit Facility and Delayed Draw Facility

On December 31, 2025, we entered into an amended and restated credit agreement (the "Credit Agreement") with Fifth Third Bank, National Association ("Fifth Third Bank"), replacing our prior credit facility with Fifth Third Bank (the "Previous Credit Agreement"). The Credit Agreement provides for a \$10.0 million revolving credit facility (the "Revolving Facility") and a \$10.0 million delayed draw term loan facility (the "Delayed Draw Facility"). Borrowings under the Revolving Facility and the Delayed Draw Facility bear interest at a rate based on the Secured Overnight Financing Rate ("SOFR") plus a margin ranging from 2.00% to 3.00%, determined by the Company's leverage ratio, with a SOFR floor of 0.00%. The Company will pay a fee on the average unused daily amount of the facilities at a rate ranging from 0.20% and 0.30%, determined by the Company's leverage ratio. Amounts outstanding under the Revolving Facility are due at maturity on December 31, 2028, and advances under the Delayed Draw Facility are available for a period of 36 months from the date of the Credit Agreement, with each advance maturing 36 months after funding and subject to quarterly amortization requirements. The Credit Agreement contains various affirmative and negative covenants that are customary for transactions of this type, including limitations on the incurrence of debt and liabilities, as well as financial reporting requirements. The Credit Agreement also imposes certain financial covenants based on the following criteria: (a) Leverage Ratio and (b) Fixed Charge Coverage Ratio (each as defined in the Credit Agreement). All loans pursuant to the Credit Agreement are secured by a first-priority lien on substantially all of the personal property of the Company. See Note 7 – Revolving Credit Agreement to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data of this Report for details of the Credit Agreement.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Our significant accounting policies are more fully described in Note 2 – Summary of Significant Accounting Policies in the accompanying Notes to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data of this Report. Certain accounting policies require us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. On an ongoing basis, we evaluate our estimates and assumptions, and the effects of revisions are reflected in the financial statements in the period in which they are determined to be necessary. The accounting policies described below are those that most frequently require us to make estimates and judgments and, therefore, are critical to understanding our results of operations.

Income Taxes

We account for income taxes in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes* ("ASC 740"), which requires an asset and liability approach for the financial accounting and reporting of income taxes. Under this method, deferred income taxes are recognized for the expected future tax consequences of differences between the tax bases of assets and liabilities and their reported amounts in the financial statements. These balances are measured using the enacted tax rates expected to apply in the year(s) in which these temporary differences are expected to reverse. The effect of a change in tax rates on deferred income taxes is recognized in income in the period when the change is enacted.

Based on consideration of all available evidence regarding their utilization, we record net deferred tax assets to the extent that it is more likely than not that they will be realized. Where, based on the weight of all available evidence, it is more likely than not that some amount of a deferred tax asset will not be realized, we establish a valuation allowance for the amount that, in our judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized. In reaching such conclusions, we consider available positive and negative evidence including past operating results, projections of future taxable income, the feasibility of ongoing tax planning strategies and the realizability of tax loss carryforwards. Our projections of future taxable income include estimates and assumptions regarding our income and costs, as well as the timing and amount of reversals of taxable temporary differences.

The Company follows a two-step approach to recognize and measure uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and for which actual outcomes may differ from forecasted outcomes. The Company's policy is to include interest and penalties related to uncertain tax positions in income tax expense.

Inventories

We account for inventories at the lower of cost or net realizable value using the FIFO (first-in, first-out) method.

Inventory reserves are determined based on estimated losses that result from inventory that becomes obsolete or for which the Company has excess inventory levels. In determining these estimates, the Company performs an analysis on current demand and usage for each inventory item over historical time periods. Based on that analysis, the Company reserves a percentage of the inventory amount within each time period based on historical demand and usage patterns of specific items in inventory. Actual experience could differ from the amounts estimated requiring adjustments to inventory valuation in future periods.

Recently Issued Accounting Pronouncements

For additional information on recently issued account pronouncements, refer to Note 2 - Summary of Significant Accounting Policies in the accompanying Notes to the Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable as the Company is a smaller reporting company.

Item 8. Financial Statements and Supplementary Data

**M-tron Industries, Inc.
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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of M-tron Industries, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of M-tron Industries, Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (the "PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PKF O'Connor Davies, LLP

We have served as the Company's auditor since 2022.

New York, NY
March 25, 2026

PCAOB ID No. 127

M-tron Industries, Inc.
Consolidated Statements of Operations

<i>(in thousands, except share data)</i>	Years Ended December 31,	
	2025	2024
Revenues	\$ 54,417	\$ 49,012
Costs and expenses:		
Manufacturing cost of sales	30,269	26,372
Engineering, selling and administrative	13,857	13,246
Total costs and expenses	44,126	39,618
Operating income	10,291	9,394
Other income:		
Interest income, net	539	243
Other income, net	124	138
Total other income, net	663	381
Income before income taxes	10,954	9,775
Income tax provision	2,507	2,139
Net income	\$ 8,447	\$ 7,636
Income per common share:		
Basic	\$ 2.94	\$ 2.78
Diluted	\$ 2.62	\$ 2.65
Weighted average shares outstanding:		
Basic	2,873,256	2,748,186
Diluted	3,226,259	2,883,944

See Accompanying Notes to Consolidated Financial Statements.

M-tron Industries, Inc.
Consolidated Balance Sheets

<i>(in thousands, except share data)</i>	December 31, 2025	December 31, 2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 20,891	\$ 12,641
Accounts receivable, net of allowances of \$204 and \$182, respectively	6,656	6,842
Inventories, net	9,673	9,509
Prepaid expenses and other current assets	1,662	760
Warrant exercise receivable	22,335	—
Total current assets	61,217	29,752
Property, plant and equipment, net	6,514	5,061
Right-of-use lease asset	217	9
Intangible assets, net	40	40
Deferred income tax asset	272	1,695
Other assets	123	3
Total assets	\$ 68,383	\$ 36,560
Liabilities:		
Current liabilities:		
Accounts payable	\$ 1,792	\$ 1,423
Accrued compensation and commissions expense	1,404	3,235
Other accrued expenses	1,401	500
Income taxes payable	294	58
Total current liabilities	4,891	5,216
Long-term lease liability	148	—
Deferred income tax liability	129	72
Total liabilities	5,168	5,288
Contingencies (Note 13)		
Stockholders' equity:		
Preferred stock (\$0.01 par value; 5,000,000 shares authorized, none issued)	—	—
Common stock (\$0.01 par value; 25,000,000 shares authorized; 3,405,210 issued and outstanding as of 2025; 2,911,165 shares issued and outstanding as of 2024)	34	28
Additional paid-in capital	43,397	19,907
Retained earnings	19,784	11,337
Total stockholders' equity	63,215	31,272
Total liabilities and stockholders' equity	\$ 68,383	\$ 36,560

See Accompanying Notes to Consolidated Financial Statements.

M-tron Industries, Inc.
Consolidated Statements of Stockholders' Equity

<i>(in thousands, except share data)</i>	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Total Equity
Balance, December 31, 2023	\$ —	\$ 27	\$ 16,167	\$ 3,701	\$ 19,895
Net income	—	—	—	7,636	7,636
Stock-based compensation expense	—	—	636	—	636
Exercise of stock options	—	1	3,104	—	3,105
Exercise of warrants, net of costs	—	—	—	—	—
Balance, December 31, 2024	\$ —	\$ 28	\$ 19,907	\$ 11,337	\$ 31,272
Net income	—	—	—	8,447	8,447
Stock-based compensation expense	—	—	1,081	—	1,081
Exercise of stock options	—	1	531	—	532
Exercise of warrants, net of costs	—	5	21,878	—	21,883
Balance, December 31, 2025	\$ —	\$ 34	\$ 43,397	\$ 19,784	\$ 63,215

See Accompanying Notes to Consolidated Financial Statements.

M-tron Industries, Inc.
Consolidated Statements of Cash Flows

<i>(in thousands, except share data)</i>	Years Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 8,447	\$ 7,636
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncash revenues, expenses, gains and losses included in income:		
Depreciation	1,086	968
Amortization of finite-lived intangible assets	—	5
Stock-based compensation expense	1,081	636
Unrealized foreign currency loss	69	5
Gain on disposal of fixed assets	(42)	—
Deferred income tax provision	1,480	212
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable, net	186	(2,040)
Increase in inventories, net	(164)	(625)
Increase in prepaid expenses and other assets	(1,156)	(165)
(Decrease) Increase in accounts payable, accrued compensation, commissions, income taxes and other	(328)	889
Total adjustments	2,212	(115)
Net cash provided by operating activities	10,659	7,521
Cash flows from investing activities		
Capital expenditures	(2,551)	(1,898)
Net cash used in investing activities	(2,551)	(1,898)
Cash flows from financing activities		
Proceeds from exercise of stock options	532	3,105
Warrant-related costs	(318)	—
Debt issuance costs	(72)	—
Net cash provided by financing activities	142	3,105
Increase in cash and cash equivalents	8,250	8,728
Cash and cash equivalents at beginning of year	12,641	3,913
Cash and cash equivalents at end of year	\$ 20,891	\$ 12,641
Non-cash investing activity:		
Proceeds from disposal of fixed assets	\$ 54	\$ —
Non-cash financing activity:		
Proceeds from exercise of warrants receivable at period end, net of costs	\$ 22,201	\$ —
Supplemental disclosure:		
Cash paid for taxes	\$ 1,020	\$ 2,388
Cash paid for interest	\$ 9	\$ 8

See Accompanying Notes to Consolidated Financial Statements.

1. Background and Description of Business

M-tron Industries, Inc. was founded in 1965 and is engaged in the designing, manufacturing and marketing of highly engineered, high reliability frequency and spectrum control products used to control the frequency or timing of signals in electronic circuits in various applications. Unless the context indicates otherwise, the terms "Mtron," "we," "us," "our," or the "Company" mean M-tron Industries, Inc. and its subsidiaries.

The Company's operations include its two principal subsidiaries: Piezo Technology, Inc. ("PTI"), and M-tron Asia, LLC ("Mtron Asia"). The Company has operations in Orlando, Florida; Yankton, South Dakota; and Noida, India, and has a sales office in Hong Kong. The Company and its subsidiaries currently operate together as a single group under the Mtron brand.

The Company offers a wide range of precision frequency control and spectrum control solutions including radio frequency ("RF"), microwave and millimeter wave filters; cavity, crystal, ceramic, lumped element and switched filters; high performance and high frequency oven-controlled crystal oscillators ("OCXO"), integrated phase-locked loops ("PLL") OCXOs, temperature-compensated crystal oscillators ("TCXO"), voltage-controlled crystal oscillators ("VCXO"), and low jitter and harsh environment oscillators; crystal resonators; RF Solutions; and state-of-the-art solid state power amplifier products.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of M-tron Industries, Inc. and its majority owned subsidiaries.

The consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain prior period balances have been reclassified to conform to the current year presentation.

Uses of Estimates

The preparation of the Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with no maturity or with a maturity of less than three months when purchased.

Accounts Receivable

Accounts receivable consists principally of amounts due from both domestic and foreign customers. Credit is extended based on an evaluation of the customer's financial condition and collateral is not required. In relation to export sales, the Company requires letters of credit supporting a significant portion of the sales price prior to production to limit exposure to credit risk. Certain credit sales are made to industries that are subject to cyclical economic changes.

The Company maintains an allowance for credit losses for estimated uncollectible accounts receivable. Our reserves for estimated credit losses are based upon historical experience, specific customer collection issues, current conditions and reasonable and supportable forecasts that affect the collectability of the remaining cash flows over the contractual terms of our receivables and other financial assets. Accounts are written off against the allowance account when they are determined to no longer be collectible.

Inventories

Inventories are valued at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method.

The Company maintains a reserve for inventory based on estimated losses that result from inventory that becomes obsolete or for which the Company has excess inventory levels. In determining these estimates, the Company performs an analysis on current demand and usage for each inventory item over historical time periods. Based on that analysis, the Company reserves a percentage of the inventory amount within each time period based on historical demand and usage patterns of specific items in inventory.

Refer to Note 14 - Other Financial Statement Information for further information.

Property, Plant and Equipment, Net

Property, plant and equipment are recorded at cost less accumulated depreciation and include expenditures for major improvements. Maintenance and repairs are charged to operations as incurred. Depreciation is computed for financial reporting purposes using the straight-line method over the estimated useful lives of the assets, which range from 5 years to 35 years for buildings and improvements, and from 3 years to 10 years for other fixed assets. Property, plant and equipment are periodically reviewed for indicators of impairment. If any such indicators were noted, the Company would assess the appropriateness of the assets' carrying value and record any impairment at that time.

Refer to Note 14 - Other Financial Statement Information for further information.

Intangible Assets

Intangible assets are recorded at cost less accumulated amortization. Amortization is computed for financial reporting purposes using the straight-line method over the estimated useful lives of the assets, which range up to 10 years. The intangible assets consist of intellectual property and goodwill.

The amortizable intangible assets are fully amortized as of December 31, 2025.

Warranties

The Company offers a standard one-year warranty. The Company tests its products prior to shipment in order to ensure that they meet each customer's requirements based upon specifications received from each customer at the time its order is received and accepted. The Company's customers may request to return products for various reasons, including, but not limited to, the customers' belief that the products are not performing to specification. The Company's return policy states that it will accept product returns only with prior authorization and if the product does not meet customer specifications, in which case the product would be replaced or repaired. To accommodate the Company's customers, each request for return is reviewed; and if and when it is approved, a return materials authorization ("RMA") is issued to the customer.

Each month, the Company records a specific warranty reserve for approved RMAs covering products that have not yet been returned. The Company does not maintain a general warranty reserve because, historically, valid warranty returns resulting from a product not meeting specifications or being non-functional have been de minimis.

Revenue Recognition for Sales to Customers

The Company recognizes revenue from the sale of its products in accordance with the criteria in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), which are:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company meets these conditions upon the Company's satisfaction of the performance obligation, usually at the time of shipment to the customer, because control passes to the customer at that time. Our standard payment terms for customers are net due within 30 days, with a few exceptions, none regularly exceeding 60 days.

The Company provides disaggregated revenue details by geographic markets in Note 15 - Domestic and Foreign Revenues.

The Company offers a limited right of return and/or authorized price protection provisions in its agreements with certain electronic component distributors who resell the Company's products to original equipment manufacturers or electronic manufacturing services companies. As a result, the Company estimates and records a reserve for future returns and other charges against revenue at the time of shipment consistent with the terms of sale. The reserve is estimated based on historical experience with each respective distributor. These reserves and charges are immaterial as the Company does not have a history of significant price protection adjustments or returns. The Company provides a standard assurance warranty that does not create a performance obligation.

Practical Expedients

- The Company applies the practical expedient for shipping and handling as fulfillment costs.
- The Company expenses sales commissions as sales and marketing expenses in the period they are incurred.

Shipping Costs

Amounts billed to customers related to shipping and handling are classified as revenue, and the Company's shipping and handling costs, including tariffs, are included in manufacturing cost of sales.

Research and Development Costs

Research and development costs are charged to operations as incurred. For the years ended December 31, 2025 and 2024, research and development costs were \$3,161 and \$2,809, respectively. Such costs are included within Engineering, selling and administrative expenses on the Consolidated Statements of Operations.

Stock-Based Compensation

The Company measures the cost of employee services in exchange for an award of equity instruments based on the grant-date fair value of the award and recognizes the cost over the requisite service period, typically the vesting period.

The Company estimates the fair value of stock options on the grant date using the Black-Scholes-Merton option-pricing model. The Black-Scholes-Merton option-pricing model requires subjective assumptions, including future stock price volatility and expected time to exercise, which greatly affect the calculated values. There is no expected dividend rate. The basis for the expected volatility assumption includes historical Company volatility and that of its former parent blended with peer group volatility as the Company's historical volatility was limited as a recently public company, did not fully cover the life of the option, and that blending its historical volatility with peer data provides a reasonable indication of expected volatility in the future. The risk-free interest rate is based on the U.S. Treasury zero-coupon rates with a remaining term equal to the expected term of the option. The Company records any forfeitures in the period that the shares are forfeited.

Restricted stock awards are measured at the fair value of the Company's common stock on the date of the grant and recognized over the respective service period.

Refer to Note 8 - Stock-Based Compensation for further information.

Earnings Per Share

The Company computes earnings per share in accordance with ASC Topic 260, *Earnings Per Share* ("ASC 260"). Basic earnings per share is computed by dividing net earnings by the weighted average number of common shares outstanding during the period. Diluted earnings per share adjusts basic earnings per share for the effects of stock options and restricted stock using the treasury stock method, only in the periods in which the effects are dilutive. Under the treasury stock method, the Company utilizes the average market price to determine the amount of cash that would be available to repurchase shares if the common shares vested. The net incremental share count issued represents the potential dilutive and anti-dilutive securities.

Refer to Note 10 - Earnings Per Share for further information.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, taxes currently payable or refundable are accrued, and deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets are also recognized for realizable operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted income tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the Company's Consolidated Statement of Operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

In determining the Company's provision for income taxes, the Company considers permanent differences between book and tax income and statutory income tax rates.

Global Intangible Low-Taxed Income

The Global Intangible Low-Taxed Income ("GILTI") provisions of the Tax Cuts and Jobs Act of 2017, enacted on December 22, 2017 (the "Tax Cuts and Jobs Act"), require the Company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary's tangible assets. An accounting policy election is available to either account for the tax effects of GILTI in the period that is subject to such taxes or to provide deferred taxes for book and tax basis differences that upon reversal may be subject to such taxes. The Company has elected to account for the tax effects of these provisions in the period that is subject to such tax, and the impact was reflected in the Company's 2025 and 2024 provisions.

Research and Experimentation

Effective for tax years beginning after December 31, 2021, taxpayers are required to capitalize any expenses incurred that are considered incidental to research and experimentation ("R&E") activities under Section 174 of the Internal Revenue Code of 1986, as amended (the "IRC"). While taxpayers historically had the option of deducting these expenses under IRC Section 174, the Tax Cuts and Jobs Act mandates capitalization and amortization of R&E expenses for tax years beginning after December 31, 2021. Expenses incurred in connection with R&E activities in the US must be amortized over a 5-year period if incurred, and R&E expenses incurred outside the US must be amortized over a 15-year period. R&E activities are broader in scope than qualified research activities that are considered under IRC Section 41 (relating to the research tax credit).

Uncertain Tax Positions

The Company follows a two-step approach to recognize and measure uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and for which actual outcomes may differ from forecasted outcomes. The Company's policy is to include interest and penalties related to uncertain tax positions in income tax expense.

Tax Contingencies, Interest, and Penalties

The Company includes its tax contingencies accrual, including accrued penalties and interest, in Other long-term liabilities on the Consolidated Balance Sheets unless the liability is expected to be paid within one year. Changes to the tax contingencies accrual, including accrued penalties and interest, are included in Income tax expense on the Consolidated Statements of Operations.

Refer to Note 6 - Income Taxes for further information.

Impairments of Long-Lived Assets

Long-lived assets, including intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Long-lived assets are grouped with other assets to the lowest level to which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. Management assesses the recoverability of the carrying cost of the assets based on a review of projected undiscounted cash flows. If an asset is held for sale, management reviews its estimated fair value less cost to sell. Fair value is determined using pertinent market information, including appraisals or broker's estimates, and/or projected discounted cash flows. In the event an impairment loss is identified, it is recognized based on the amount by which the carrying value exceeds the estimated fair value of the long-lived asset.

The Company performed an assessment to determine if there were any indicators of impairment as a result of the operating conditions at the end of each 2025 fiscal quarter, including as of 2025. The Company concluded that, while there were events and circumstances in the macro-environment that did impact us, we did not experience any entity-specific indicators of asset impairment and no triggering events occurred.

Financial Instruments

Cash and cash equivalents, trade accounts receivable, trade accounts payable and accrued expenses are carried at cost which approximates fair value due to the short-term maturity of these instruments.

Concentration Risks

In 2025, the Company's largest and second largest customers accounted for \$19,586, or 36.0%, and \$8,129, or 14.9%, respectively, of the Company's total revenues. In 2024, the Company's largest and second largest customers accounted for \$18,145, or 37.0%, and \$8,522, or 17.4%, respectively, of the Company's total revenues.

A significant portion of the Company's accounts receivable is concentrated with a relatively small number of customers. As of December 31, 2025, four of the Company's customers accounted for approximately \$4,898, or 71.4%, of gross accounts receivable. As of December 31, 2024, four of the Company's customers accounted for approximately \$4,648, or 66.2%, of gross accounts receivable. The Company carefully evaluates the creditworthiness of its customers in deciding to extend credit and utilizes letters of credit to further limit credit risk for export sales. As a result of these policies, the Company has experienced very low historical bad debt expense and believes the related risk to be minimal.

At various times during the years ended and as of December 31, 2025 and 2024, some deposits held at financial institutions were in excess of federally insured limits. The Company has mitigated its risk through placing excess cash balances in a U.S. Treasury money market fund and has not experienced any losses related to these balances.

Segment Information

The Company reports segment information in accordance with ASC Topic 280, *Segment Information* ("ASC 280"). ASC 280 requires companies to report financial and descriptive information for each identified operating segment based on management's internal organizational decision-making structure. Management has identified the Company's only segment as Electronic Components, and has determined that it does not operate its businesses on a geographic basis which might otherwise require segment reporting.

Refer to Note 3 - Segment Information for further information.

Foreign Currency Translation

The assets and liabilities of international operations are remeasured at the exchange rates in effect at the balance sheet date for monetary assets and liabilities and at historical rates for nonmonetary assets and liabilities, with the related remeasurement gains or losses reported within the Consolidated Statements of Operations. The results of international operations are remeasured at the monthly average exchange rates. The Company's foreign subsidiaries and respective operations' functional currency is the U.S. dollar. The Company has determined this based upon the majority of transactions with customers as well as intercompany transactions and parental support being based in U.S. dollars. For the years ended December 31, 2025 and 2024, the Company recognized a remeasurement loss of \$69 and \$5, respectively, which is included within Other income, net on the Consolidated Statements of Operations.

Accounting Standards Adopted

Income Taxes

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures* ("ASU 2023-09"). The standard requires disaggregated information about a company's effective tax rate reconciliation as well as information on income taxes paid. The provisions of the standard are effective for public companies for fiscal years beginning after December 15, 2024, with early adoption permitted. This accounting standards update applies prospectively; however, retrospective application is permitted. The Company adopted ASU 2023-09 retrospectively during 2025. Refer to Note 6 - Income Taxes for further information.

Future Application of Accounting Standards

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"). The standard requires certain details for expenses presented on the face of the Consolidated Statements of Operations as well as selling expenses to be presented in the notes to the financial statements on an interim and annual basis. The provisions of the standard are effective for public companies for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 31, 2027. The amendment can be applied either prospectively or retrospectively, with early adoption permitted. The Company is currently assessing the impact of this standard.

3. Segment Information

Chief Operating Decision Maker

The Company's chief operating decision maker ("CODM") is the Chief Executive Officer.

Reportable Segments

We report our results of operations consistent with the manner in which the CODM reviews the business to assess performance and allocate resources. As such, we report our results in a single reporting segment: Electronic Components.

The Electronic Components segment derives revenues from sales to customers of wide range of precision frequency control and spectrum control solutions, including, but not limited to, the following:

- filters;
- oscillators;
- crystal resonators; and
- integrated microwave assemblies.

Measure of Segment Profit or Loss and Segment Assets

The accounting policies of the Electronic Components segment are the same as those described in Note 2 – Summary of Significant Accounting Policies.

The CODM assesses the performance of and decides how to allocate resources to the Electronic Components segment based on Segment gross profit (loss) as well as Net income, which is also reported on the Consolidated Statements of Operations as consolidated Net income. The CODM uses Segment gross profit to evaluate to evaluate the manufacturing costs of the Electronic Components segment's products and to ensure those products are priced appropriately. The CODM uses Segment net income to evaluate income generated from segment assets in deciding whether to reinvest profits into the Electronic Components segment or into other parts of the entity, such as for capital expenditures or acquisitions. Additionally, the CODM uses net income to monitor budget versus actual results as well as in competitive analysis to Mtron's peers. The budget versus actuals and competitive analysis are used in assessing the performance of the Electronic Components segment.

The measure of segment assets is reported on the Consolidated Balance Sheets as consolidated Total assets.

The following table presents Mtron's operations for the Electronic Components segment for the years ended December 31, 2025 and 2024:

	Year Ended December 31,	
	2025	2024
Revenues	\$ 54,417	\$ 49,012
Less:		
Cost of goods sold	24,079	21,673
Manufacturing expenses	6,190	4,699
Segment gross profit	<u>\$ 24,148</u>	<u>\$ 22,640</u>
Less:		
Research and development costs	3,161	2,809
Selling and commissions	4,046	3,486
General and administrative expenses	6,691	6,951
Income tax expense	2,507	2,139
Other segment items (a)	(704)	(381)
Segment net income	<u>\$ 8,447</u>	<u>\$ 7,636</u>
<i>Reconciliation of Segment gross profit to Consolidated net income</i>		
Segment operating expenses, net	(13,857)	(13,246)
Other income	663	381
Income tax expense	(2,507)	(2,139)
Consolidated net income	<u>\$ 8,447</u>	<u>\$ 7,636</u>
<i>Reconciliation of Segment net income to Consolidated net income</i>		
Adjustments and reconciling items	—	—
Consolidated net income	<u>\$ 8,447</u>	<u>\$ 7,636</u>

(a) Other segment items includes the following:

- Interest income
- Income received under the Amended and Restated Transitional Administrative and Management Services Agreement with The LGL Group, Inc.
- Foreign currency translation gains and losses
- Other gains and losses
- Other expense reimbursements paid to or received from The LGL Group, Inc.

Other Segment Disclosures

The following table presents other segment information for the Electronic Components segment as of and for the years ended December 31, 2025 and 2024:

	As of and For Year Ended December 31,	
	2025	2024
Interest income	\$ 551	\$ 259
Interest expense	(12)	(16)
Depreciation	1,086	968
Amortization	—	5
Other significant non-cash items		
Stock-based compensation	1,081	636
Total assets	68,383	36,560
Capital expenditures	2,551	1,898

4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value guidance identifies *three* primary valuation techniques: the market approach, the income approach and the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset.

Fair Value Hierarchy

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into *three* broad levels. The fair value hierarchy gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The maximization of observable inputs and the minimization of the use of unobservable inputs are required.

Classification within the fair value hierarchy is based upon the objectivity of the inputs that are significant to the valuation of an asset or liability as of the measurement date. The *three* levels within the fair value hierarchy are characterized as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Unobservable inputs for the asset or liability for which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the Company's own assumptions about what market participants would use to price the asset or liability. These inputs may include internally developed pricing models, discounted cash flow methodologies as well as instruments for which the fair value determination requires significant management judgment.

Valuation Methodologies of Financial Instruments Measured at Fair Value

Cash and cash equivalents - Money market instruments are measured at cost, which approximates fair values because of the relatively short time to maturity.

Equity Securities - Whenever available, we obtained quoted priced in active markets for identical assets as of the balance sheet date to measure equity securities. Market price data is generally obtained from exchange or dealer markets.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents information about assets measured at fair value on a recurring basis and indicates the level of the fair value measurement based on the observability of inputs used:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents (a)	\$ 19,564	\$ —	\$ —	\$ 19,564
Prepaid expenses and other current assets:				
Equity securities	56	—	—	56
Total prepaid expenses and other current assets	56	—	—	56
Total	\$ 19,620	\$ —	\$ —	\$ 19,620

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents (a)	\$ 10,415	\$ —	\$ —	\$ 10,415
Prepaid expenses and other current assets:				
Equity securities	21	—	—	21
Total prepaid expenses and other current assets	21	—	—	21
Total	\$ 10,436	\$ —	\$ —	\$ 10,436

(a) As of December 31, 2025 and 2024, included investments in money market mutual funds managed or advised by GAMCO Investors, Inc. or one of its subsidiaries.

There were no liabilities subject to fair value on a recurring basis as of December 31, 2025 and 2024.

Fair Value Measurements on a Non-Recurring Basis

The Company has other assets that *may* be subject to measurement at fair value on a non-recurring basis including goodwill and intangible assets and other long-lived assets. The Company reviews goodwill annually and the carrying value of long-lived assets whenever events and circumstances indicate that the carrying amounts of the assets *may not* be recoverable. If it is determined that the assets are impaired, the carrying value would be reduced to an estimated recoverable value. The Company's Common Stock Warrants (as defined below) were measured at fair value as disclosed in Note 9 - Stockholders' Equity.

As of December 31, 2025 and 2024, the Company did not write down any assets to fair value.

Fair Value Information about Financial Instruments Not Measured at Fair Value

As of December 31, 2025 and 2024, the Company did have any assets or liabilities classified as financial instruments that are *not* measured at fair value.

5. Related Party Transactions

In the normal course of business, the Company enters into various transactions with affiliated companies. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions.

The following table summarizes income and expenses from transactions with related parties for the years ended December 31, 2025 and 2024:

	Year Ended December 31,			
	2025		2024	
	Income	Expense	Income	Expense
GAMCO Investors, Inc.	\$ 549	\$ —	\$ 250	\$ —
The LGL Group, Inc.	48	(41)	48	105
Total	\$ 597	\$ (41)	\$ 298	\$ 105

The following table summarizes assets and liabilities with related parties as of December 31, 2025 and 2024:

	As of December 31,			
	2025		2024	
	Assets	Liabilities	Assets	Liabilities
GAMCO Investors, Inc.	\$ 19,564	\$ —	\$ 10,415	\$ —
The LGL Group, Inc.	227	—	59	—
Total	\$ 19,791	\$ —	\$ 10,474	\$ —

The material agreements whereby the Company generates revenues and expenses with affiliated entities are discussed below:

Investment Activity with GAMCO Investors, Inc

Certain balances are held and invested in U.S. Treasury funds managed or advised by GAMCO Investors, Inc. or one of its subsidiaries (collectively, "GAMCO" or the "Fund Manager"), which is related to the Company through certain of our shareholders. For the years ended December 31, 2025 and 2024, the Company paid the Fund Manager a fund management fee of approximately 8 basis points annually of the asset balances under management, which are not paid directly by the Company and are deducted prior to the fund striking its net asset value ("NAV").

As of December 31, 2025 and 2024, the balance with the Fund Manager was \$19,564 and \$10,415, respectively, all of which was classified within Cash and cash equivalents on the Consolidated Balance Sheets.

For the years ended December 31, 2025 and 2024, the Company earned income on its investments with the Fund Manager totaling \$549 and \$250, respectively, all of which was included in Interest income, net on the Consolidated Statements of Operations.

Transactions with The LGL Group, Inc.***Transitional Administrative and Management Services Agreement***

Mtron and The LGL Group, Inc. ("LGL Group") entered into an Amended and Restated Transitional Administrative and Management Services Agreement ("Mtron TSA"), which sets out the terms for services to be provided between the two companies post Separation. The current terms result in a net monthly payment of \$4 per month from LGL Group to Mtron.

For the years ended December 31, 2025 and 2024, LGL Group paid the Company \$48 under the terms of the Mtron TSA, which were recorded in Other income, net on the Consolidated Statements of Operations.

Tax Indemnity and Sharing Agreement

Mtron and LGL Group entered into a Tax Indemnity and Sharing Agreement ("Mtron Tax Agreement"), which sets out the terms for which party would be responsible for taxes imposed on LGL Group if the Distribution, together with certain related transactions, were to fail to qualify as a tax-free transaction under IRC Sections 355 and 368(a)(1)(D) if such failure were the result of actions taken after the Distribution by Mtron or LGL Group.

For the years ended December 31, 2025 and 2024, no taxes related to the Distribution have been recorded in the Consolidated Financial Statements.

Other Transactions

Mtron and LGL Group agreed to share the salaries and benefits related to certain employees incurred by Mtron and/or LGL Group. For the year ended December 31, 2025, LGL Group reimbursed the Company \$41 of the salaries and benefits of certain employees. For the year ended December 31, 2024, the Company reimbursed LGL Group \$105 of the salaries and benefits of certain employees. These reimbursements were recorded in Engineering, selling, and administrative on the Consolidated Statements of Operations.

6. Income Taxes*Effective Tax Rate*

The following table presents Income before income taxes by U.S. and foreign location in which such pre-tax income was earned or incurred:

	Year Ended December 31,	
	2025	2024
United States	\$ 10,502	\$ 9,411
Foreign	452	364
Total	\$ 10,954	\$ 9,775

Income tax expense for the years ended December 31, 2025 and 2024 is as follows:

	Year Ended December 31,	
	2025	2024
Current tax expense:		
Federal	\$ 427	\$ 1,416
State and local	477	349
Foreign	129	228
Total current tax expense	1,033	1,993
Deferred tax expense (benefit):		
Federal	1,331	101
State and local	4	38
Foreign	139	7
Total before change in valuation allowance	1,474	146
Change in valuation allowance	—	—
Net deferred tax expense	1,474	146
Total income tax expense	\$ 2,507	\$ 2,139

A reconciliation of the provision for income taxes and the amount computed by applying the statutory federal income tax rate to Income before income taxes is detailed below:

	Year Ended December 31,			
	2025		2024	
	Amount	%	Amount	%
Income before income taxes	\$ 10,954		\$ 9,775	
U.S federal statutory tax rate	2,300	21.0%	2,053	21.0%
State and local income taxes, net of federal benefit (a)	381	3.5%	306	3.1%
Foreign tax effects	96	0.9%	159	1.6%
Effect of changes in tax laws or rates enacted in the current period	—	0.0%	—	0.0%
Effect of cross-border tax laws				
Global intangible low-tax income	55	0.5%	26	0.3%
Tax credits				
Research and development tax credit	(173)	(1.6%)	(195)	(2.0%)
Foreign tax credits	(37)	(0.3%)	(32)	(0.3%)
Changes in valuation allowances	—	0.0%	—	0.0%
Nontaxable or nondeductible items				
Stock-based compensation	(126)	(1.2%)	(201)	(2.1%)
Other	(49)	(0.4%)	—	0.0%
Changes in unrecognized tax benefits	63	0.6%	62	0.6%
Other adjustments	(3)	0.0%	(39)	(0.4%)
Effective tax rate	\$ 2,507	23.0%	\$ 2,139	21.8%

(a) For the year ended December 31, 2025, Florida and Massachusetts made up the majority (greater than 50%) of the tax effect in this category. For the year ended December 31, 2024, Florida and Massachusetts made up the majority (greater than 50%) of the tax effect in this category.

Deferred Tax Assets

Deferred income taxes for 2025 and 2024 were provided for the temporary differences between the financial reporting basis and the income tax basis of the Company's assets and liabilities. Tax effects of temporary differences and carryforwards as of December 31, 2025 and 2024 were as follows:

	December 31,	
	2025	2024
Deferred tax assets:		
Inventory reserve	\$ 378	\$ 343
Other reserves and accruals	35	277
Capitalized Sec. 174 R&E	180	1,261
Intangible assets	27	35
Stock-based compensation	192	154
Tax credit carryforwards	—	—
Other	243	195
Total deferred tax assets	\$ 1,055	\$ 2,265
Deferred tax liabilities		
Fixed assets	859	640
Other	53	2
Total deferred tax liabilities	912	642
Net deferred tax assets before valuation allowance	143	1,623
Valuation allowance	—	—
Net deferred tax assets (a)	\$ 143	\$ 1,623

(a) Of the total \$143 net deferred tax assets as of December 31, 2025, \$272 was included in Deferred income tax asset and (\$129) was included in Deferred income tax liability on the Consolidated Balance Sheets. Of the total \$1,623 net deferred tax asset as of December 31, 2024, \$1,695 was included in Deferred income tax asset and (\$72) was included in Deferred income tax liability on the Consolidated Balance Sheets.

The evaluation of the recoverability of our deferred tax asset and the need for a valuation allowance requires us to weigh all positive and negative evidence to reach a conclusion that is more likely than not that all or some of the deferred tax asset will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. The more negative evidence that exists, the more positive evidence is necessary and the more difficult it is to support a conclusion that a valuation allowance is not needed. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become realizable.

As of December 31, 2025 and 2024, the Company did not record a valuation allowance against its deferred tax assets.

Income Taxes Paid

Income taxes paid for the years ended December 31, 2025 and 2024 are as follows:

	Year Ended December 31,	
	2025	2024
Federal		
United States	\$ 560	\$ 1,860
Total federal	560	1,860
State and local		
Massachusetts	194	—
Florida	158	167
New York	—	114
Other	5	120
Total state and local	357	401
Foreign		
India	81	87
Hong Kong	22	40
Total foreign	103	127
Income taxes paid	\$ 1,020	\$ 2,388

Uncertain Tax Benefits

Significant judgment is required in determining our provision for income taxes. In the ordinary course of business, there are many transactions for which the ultimate tax outcome is uncertain. We review our tax contingencies on a regular basis and make appropriate accruals as necessary.

As of December 31, 2025, our unrecognized tax benefits totaled \$236, and are included within Accrued expenses on the Consolidated Balance Sheets. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year Ended December 31,	
	2025	2024
Balance, beginning of year	\$ 173	\$ 111
Additions for tax positions related to prior years	20	13
Additions for tax positions related to the current year	43	49
Balance, end of year	\$ 236	\$ 173

The Company will recognize any interest and penalties related to unrecognized tax positions in Income tax expense on the Consolidated Statements of Operations. Our total accrued interest and penalties associated with uncertain tax positions were immaterial as of December 31, 2025. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is \$236. We do not expect a significant change to the amount of unrecognized tax benefits over the next 12 months. The Company believes that the taxes accrued in our Consolidated Balance Sheets fairly represent the amount of income taxes to be settled or realized in the future.

Tax Regulatory Matters

The Company files a consolidated U.S. federal income tax return with our eligible subsidiaries. The Company also files income tax returns in various state and local and non-U.S. jurisdictions.

The Company filed its initial consolidated U.S. federal income tax return in October 2023 and has made timely filings of required tax returns since. The statute of limitations for assessment by the Internal Revenue Service ("IRS") and state tax authorities is open for tax returns for years ended December 31, 2022, 2023, and 2024; although carryforward attributes that were generated prior to tax year 2022, including NOL carryforwards and tax credits, may still be adjusted upon examination by the IRS or state tax authorities, if they either have been or will be used in a future period.

One Big Beautiful Bill Act

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted. This legislation introduced significant and wide-ranging changes to the U.S. federal tax system. Significant components include restoration of 100% accelerated tax depreciation on qualifying property including expansion to cover qualified production property. Another major aspect includes the return to immediate expensing of domestic research and experimental expenditures ("R&E") which in some cases may include retroactive application back to 2021 for businesses with gross receipts of less than \$31 million or accelerated tax deductions of R&E that was previously capitalized for larger businesses. The legislation also reinstates EBITDA-based interest deductions for tax purposes and makes several business tax incentives permanent. Less favorable business provisions include limitations on tax deductions for charitable contributions.

OBBBA modified the U.S. International Tax provisions for Global Intangible Low-Taxed Income ("GILTI"), Foreign-Derived Intangible Income ("FDII"), and the Base-erosion Anti-abuse Tax ("BEAT") effective for tax years starting after December 31, 2025. The tax rate on GILTI, renamed Net CFC Tested Income ("NCTI"), is now 12.6%. The FDII rules, renamed Foreign Derived Deduction Eligible Income ("FDDEI"), now carry a 14% tax rate on FDDEI eligible income. OBBBA increases the BEAT rate from 10% to 10.5%

7. Credit Agreement

On December 31, 2025, Mtron entered into an amended and restated credit agreement (the "Credit Agreement") with Fifth Third Bank, National Association ("Fifth Third Bank"), replacing its prior credit facility with Fifth Third Bank (the "Previous Credit Agreement"). The Credit Agreements provides for a \$10.0 million revolving credit facility (the "Revolving Facility") and a \$10.0 million delayed draw term loan facility (the "Delayed Draw Facility"). Borrowings under the Revolving Facility and the Delayed Draw Facility bear interest at a rate based on the Secured Overnight Financing Rate ("SOFR") plus a margin ranging from 2.00% to 3.00%, determined by the Company's leverage ratio, with a SOFR floor of 0.00%. The Company will pay a fee on the average unused daily amount of the facilities at a rate ranging from 0.20% and 0.30%, determined by the Company's leverage ratio. Amounts outstanding under the Revolving Facility are due at maturity on December 31, 2028, and advances under the Delayed Draw Facility are available for a period of 36 months from the date of the Credit Agreement, with each advance maturing 36 months after funding and subject to quarterly amortization requirements. The Credit Agreement contains various affirmative and negative covenants that are customary for transactions of this type, including limitations on the incurrence of debt and liabilities, as well as financial reporting requirements. The Credit Agreement also imposes certain financial covenants based on the following criteria: (a) Leverage Ratio and (b) Fixed Charge Coverage Ratio (each as defined in the Credit Agreement). All loans pursuant to the Credit Agreement are secured by a first-priority lien on substantially all of the personal property of the Company.

As of December 31, 2025 and 2024, there were no outstanding borrowings under the Credit Agreement or Previous Credit Agreement with Fifth Third Bank.

8. Stock-Based Compensation

In connection with the Separation, the Company's board of directors (the "Board") approved the Amended and Restated 2022 Incentive Plan (the "2022 Plan"), including the authority to issue 500,000 shares of common stock pursuant to the 2022 Plan. The 2022 Plan is the only long-term plan under which equity compensation may be awarded to employees, advisors and members of the Board aligning their interest with those of stockholders. As of December 31, 2025, 234,190 shares remained available for future issuance under the 2022 Plan.

The following table summarizes stock-based compensation expense, which includes expenses related to awards granted under the Plan for the period indicated:

	Year Ended December 31,	
	2025	2024
<i>(in thousands, except share data)</i>		
Restricted stock awards	\$ 790	\$ 636
Stock options	291	—
Total	\$ 1,081	\$ 636

Restricted Stock Awards

Restricted stock awards are measured at a value equal to the market price of the Company's common stock on the date of grant which is recognized over the service period of the award.

A summary of the Company's restricted stock awards for the year ended December 31, 2025 follows:

<i>(in thousands, except share data)</i>	Number of Shares	Weighted Average Grant	Aggregate Grant Date
		Date Fair Value	Fair value
Balance as of December 31, 2024	70,124	\$ 22.90	\$ 1,606
Granted	13,814	39.72	549
Vested	(28,114)	(23.57)	(663)
Forfeited	(4,724)	(13.14)	(62)
Balance as of December 31, 2025	51,100	\$ 27.98	\$ 1,430

As of December 31, 2025, there was \$1,068 of total unrecognized compensation cost related to nonvested shares granted. The cost is expected to be recognized over a weighted-average period of 1.3 years.

Stock Options

The Company estimates the fair value of stock options on the grant date using the Black-Scholes-Merton option-pricing model. The Black-Scholes-Merton option-pricing model requires subjective assumptions, including future stock price volatility and expected time to exercise. Option awards are generally granted with an exercise price equal to the market price of the Company's stock on the grant date.

The following table presents the weighted-average assumptions for stock options granted:

	Year Ended December 31,	
	2025	2024
Expected volatility (a)	74.5%	—
Expected annual dividend yield (b)	0.0%	—
Risk-free interest rate (c)	3.8%	—
Expected term, in years (d)	4.0	—

(a) Because there is insufficient historical stock price data from the Company over the expected term of the options granted, the expected volatility is based on the implied volatility of the Company's historical stock price data (from date of IPO to grant date) appended with the implied volatility of LGL Group's historical stock price data (pre-IPO stock price through the IPO date) blended with the implied volatility of the Company's peers' stock price data (over the entire expected term).

(b) The dividend yield is 0.0% as the Company is not expected to pay a dividend.

(c) The risk-free rate is based on the average U.S. Treasury zero-coupon rate over the four days prior to the grant date. We chose the risk-free rate that is commensurate with the length of the expected term as of the grant date and interpolated between the yields of the three-year and five-year rates to determine the yield.

(d) The expected term is the simple average of the vesting period (3 years) and the contractual term (5 years).

The following table provides a rollforward of stock option activity:

<i>(in thousands, except share data)</i>	Number of Options	Weighted Average	Weighted Average	Weighted Average	Aggregate
	Outstanding	Exercise Price	Grant Date Fair Value	Remaining Term (in years)	Intrinsic Value
Outstanding and exercisable as of December 31, 2024	98,014	\$ 36.06	\$ 10.98	2.0	\$ 1,212
Granted	47,500	40.32	24.48		
Exercised	(14,750)	(36.06)	(10.98)		
Forfeited	(850)	(36.06)	(10.98)		
Outstanding as of December 31, 2025	129,914	\$ 37.62	\$ 15.91	2.2	\$ 2,027
Exercisable as of December 31, 2025	82,414	\$ 36.06	\$ 10.98	1.0	\$ 1,414

9. Stockholders' Equity

Shares Authorized and Outstanding

The following table presents a rollforward of outstanding shares:

	Year Ended December 31,					
	2025			2024		
	Common Stock Issued	Held in Treasury	Common Stock Outstanding	Common Stock Issued	Held in Treasury	Common Stock Outstanding
Shares, beginning of year	2,911,165	—	2,911,165	2,786,321	—	2,786,321
Stock-based compensation	13,814	—	13,814	32,548	—	32,548
Exercise of stock options	14,750	—	14,750	92,296	—	92,296
Shares issued from settlement of warrants	470,205	—	470,205	—	—	—
Restricted shares forfeited	(4,724)	—	(4,724)	—	—	—
Shares, end of year	3,405,210	—	3,405,210	2,911,165	—	2,911,165

Warrants to Purchase Common Stock

On April 25, 2025, the Company issued 2,911,165 warrants (the "Warrants") to holders of record of outstanding shares of the Company's common stock as of March 10, 2025. Five (5) Warrants entitled their holder to purchase one (1) share of Mtron common stock par value \$0.01 per share (the "Common Stock") at an exercise price of \$47.50 per share. The Warrants were exercisable on the date that was the earlier of (i) thirty (30) days prior to April 25, 2028 and (ii) such date that the average volume weighted-average price ("VWAP") of the Common Stock was greater than or equal to \$52.00 per share for the prior thirty (30) consecutive trading day period (the "Trigger"); provided however, that should the Trigger occur, the Warrants must be exercised within thirty (30) days of the Company's notification pursuant to the Warrant Agreement that the Trigger occurred.

On October 23, 2025, the Company announced the average VWAP of the Common Stock exceeded the Trigger on October 20, 2025, which resulted in the Warrants becoming immediately exercisable through December 23, 2025.

As of December 31, 2025, Warrant holders exercised 2,351,025, or 80.8%, of the Warrants, in a net share settlement of 470,205 shares of Common Stock. The remaining 560,140 Warrants expired unexercised in accordance with their terms. On January 7, 2026, the Company distributed 112,028 shares of Common Stock to Warrant holders who elected to participate in the over-subscription privilege. The gross proceeds to the Company were \$27.7 million, of which \$22.3 million was receivable as of December 31, 2025. As of December 31, 2025, no Warrants remained outstanding.

10. Earnings Per Share

The following table presents a reconciliation of Net income and shares used in calculating basic and diluted net income per common share for the periods indicated:

	Year Ended December 31,	
	2025	2024
Numerator for EPS:		
Net income	\$ 8,447	\$ 7,636
Denominator for EPS:		
Weighted average shares outstanding - basic	2,873,256	2,748,186
Dilutive effects:		
Stock options	31,953	79,001
Restricted stock	41,589	56,757
Warrants	279,461	—
Weighted average shares outstanding - diluted	3,226,259	2,883,944
Income per common share:		
Basic	\$ 2.94	\$ 2.78
Diluted	\$ 2.62	\$ 2.65

11. Leases

The Company leases certain manufacturing and office space and equipment. We determine if an arrangement is a lease at inception. A contract is or contains a lease if the contract conveys the right to control the use of identified property, plant or equipment (an identified asset) for a period of time in exchange for consideration. Amounts associated with operating leases, which are not short-term, are included in right-of-use lease assets. Current lease liabilities are included in other accrued expenses and long-term lease liabilities are included in other liabilities in our Consolidated Balance Sheets. Right-of-use lease assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Right-of-use lease assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Company uses its incremental borrowing rate at the lease commencement date in determining the present value of lease payments. Short-term leases, leases with an initial term of 12 months or less, are not recorded in the Consolidated Balance Sheets; we recognize lease expense for these short-term leases on a straight-line basis over the lease term.

The Company leases certain property and equipment under operating leases with terms that range from one to five years. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Total operating lease costs amounted to \$372 and \$76 for the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, our total lease obligation was \$217 and \$9, respectively, of which the current portion of \$69 and \$9, respectively, was included in Other accrued expenses on the Consolidated Balance Sheets.

The measurement of lease liabilities requires significant assumptions and judgements, including the determination of the lease term and discount rate. The weighted-average remaining lease term and discount rate were as follows as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
Weighted-average:		
Remaining lease term (in years)	3.8	0.2
Discount rate	5.8%	6.7%

Future minimum lease payment obligations under operating leases are as follows:

2026	\$ 74
2027	74
2028	48
2029	48
2030	12
Total lease payments	256
Less: interest	(39)
Present value of lease liabilities	\$ 217

12. Employee Benefit Plan

The Company offers a defined contribution plan for eligible employees that includes discretionary matching contributions up to 50% of the first 6% of eligible compensation contributed by participants, which became effective in January 2023. LGL Group previously offered a defined contribution plan for eligible Company employees with similar terms and discretionary matching contributions. Participants vest in employer contributions starting in their second year of service at 20% increments, vesting 100% in year six. For the years ended December 31, 2025 and 2024, the Company made \$244 and \$187 in discretionary contributions, respectively.

13. Contingencies

In the normal course of business, the Company and its subsidiaries may become defendants in certain product liability, patent infringement, worker claims and other litigation. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. The Company is not involved in any legal proceedings other than routine litigation arising in the normal course of business, none of which the Company believes will have a material adverse effect on the Company's business, financial condition or results of operations.

14. Other Financial Statement Information***Inventories, Net***

Inventories are valued at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method. The Company reduces the value of its investments to net realizable value when the net realizable value is believed to be less than the cost of the item.

The components of inventory as of December 31, 2025 and 2024 are summarized below:

	December 31,	
	2025	2024
Raw materials	\$ 4,267	\$ 4,349
Work in process	5,181	4,876
Finished goods	1,773	1,720
Total gross inventory	11,221	10,945
Reserve for excess and obsolete inventory	(1,548)	(1,436)
Inventories, net	\$ 9,673	\$ 9,509

Property, Plant and Equipment, Net

The components of property, plant and equipment as of December 31, 2025 and 2024 are summarized below:

	December 31,	
	2025	2024
Land	\$ 536	\$ 536
Buildings and improvements	5,736	5,496
Machinery and equipment	23,952	21,664
Property, plant and equipment, gross	30,224	27,696
Less: Accumulated depreciation	(23,710)	(22,635)
Property, plant and equipment, net	\$ 6,514	\$ 5,061

15. Domestic and Foreign Revenues

Significant foreign revenues from operations (10% or more of foreign sales) were as follows:

	Year Ended December 31,	
	2025	2024
Malaysia	\$ 6,078	\$ 4,676
Australia	2,841	2,406
Greece	537	1,196
All other foreign countries	3,179	2,751
Total foreign revenues	\$ 12,635	\$ 11,029
Total domestic revenues	\$ 41,782	\$ 37,983

The Company allocates its foreign revenue based on the customer's ship-to location.

16. Quarterly Financial Data (Unaudited)

The following table provides summarized quarterly financial data for the year ended December 31, 2025:

	Three months ended			
	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Revenues	\$ 12,732	\$ 13,282	\$ 14,170	\$ 14,233
Costs and expenses:				
Manufacturing cost of sales	7,326	7,490	7,891	7,562
Engineering, selling and administrative	3,393	3,948	3,729	2,787
Total costs and expenses	10,719	11,438	11,620	10,349
Operating income	2,013	1,844	2,550	3,884
Other income (expense):				
Interest income, net	111	124	143	161
Other (expense) income, net	(10)	27	70	37
Total other income, net	101	151	213	198
Income before income taxes	2,114	1,995	2,763	4,082
Income tax provision	484	435	931	657
Net income	\$ 1,630	\$ 1,560	\$ 1,832	\$ 3,425
Income per common share:				
Basic (a)	\$ 0.57	\$ 0.55	\$ 0.64	\$ 1.16
Diluted (a)	\$ 0.56	\$ 0.53	\$ 0.63	\$ 0.99
Weighted average shares outstanding:				
Basic	2,841,357	2,853,383	2,860,353	2,942,010
Diluted	2,906,144	2,934,594	2,916,207	3,444,788

(a) Basic and diluted earnings per share are calculated using actual, unrounded amounts. Therefore, the quarterly earnings per share may not sum to the earnings per share on the Consolidated Statements of Operations.

The following table provides summarized quarterly financial data for the year ended December 31, 2024:

	Three months ended			
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Revenues	\$ 11,185	\$ 11,808	\$ 13,214	\$ 12,805
Costs and expenses:				
Manufacturing cost of sales	6,406	6,307	6,904	6,755
Engineering, selling and administrative	2,990	3,394	3,389	3,473
Total costs and expenses	9,396	9,701	10,293	10,228
Operating income	1,789	2,107	2,921	2,577
Other income:				
Interest income, net	32	44	63	104
Other income (expense), net	42	(5)	24	77
Total other income, net	74	39	87	181
Income before income taxes	1,863	2,146	3,008	2,758
Income tax provision	377	402	741	619
Net income	\$ 1,486	\$ 1,744	\$ 2,267	\$ 2,139
Income per common share:				
Basic (a)	\$ 0.55	\$ 0.64	\$ 0.82	\$ 0.76
Diluted (a)	\$ 0.53	\$ 0.63	\$ 0.81	\$ 0.73
Weighted average shares outstanding:				
Basic	2,716,202	2,728,599	2,751,924	2,811,502
Diluted	2,784,960	2,779,802	2,800,820	2,925,348

(a) Basic and diluted earnings per share are calculated using actual, unrounded amounts. Therefore, the quarterly earnings per share may not sum to the earnings per share on the Consolidated Statements of Operations.

17. Subsequent Events

The Company has evaluated events and transactions that occurred after the balance sheet date through the date that the consolidated financial statements were issued. Based upon this review, the Company did not identify any subsequent events, except as noted below, that would have required adjustment or disclosure in the Consolidated Financial Statements.

Rights Offering

On March 17, 2026, the Board of Directors of the Company approved the commencement of a subscription rights offering to stockholders of record as of March 27, 2026. The rights have not yet been issued.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, an evaluation was conducted under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2025. Based on this evaluation, Mtron's Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of December 31, 2025, were effective.

Management's Annual Report on Internal Controls Over Financial Reporting

Mtron management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Mtron's internal control over financial reporting is a process, under the supervision of the Chief Executive Officer and Chief Financial Officer, and with the participation of our management designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of Mtron's financial statements for external purposes in accordance with U.S. GAAP. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets of the Company that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on the results of our evaluation, our management has concluded that our internal controls over financial reporting were effective as of December 31, 2025.

This Report does not include an attestation report of our independent registered public accounting firm as we are a smaller reporting company as of December 31, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2025 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2025, none of the Company's directors or executive officers, as defined in Section 16 of the Exchange Act, adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K of the Exchange Act.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated herein by reference to our definitive proxy statement to be filed within 120 days of December 31, 2025 and delivered to stockholders in connection with our 2026 Annual Meeting of Stockholders.

Item 11. Executive Compensation

The information required by this Item is incorporated herein by reference to our definitive proxy statement to be filed within 120 days of December 31, 2025 and delivered to stockholders in connection with our 2026 Annual Meeting of Stockholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated herein by reference to our definitive proxy statement to be filed within 120 days of December 31, 2025 and delivered to stockholders in connection with our 2026 Annual Meeting of Stockholders.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated herein by reference to our definitive proxy statement to be filed within 120 days of December 31, 2025 and delivered to stockholders in connection with our 2026 Annual Meeting of Stockholders.

Item 14. Principal Accountant Fees and Services

The information required by this Item is incorporated herein by reference to our definitive proxy statement to be filed within 120 days of December 31, 2025 and delivered to stockholders in connection with our 2026 Annual Meeting of Stockholders.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) List of documents filed as part of this report:

1. Financial Statements

	<u>Page</u>
Report of Independent Registered Public Accounting Firm (PCAOB ID: 127)	23
Consolidated Statements of Operations: Years ended December 31, 2025 and 2024	24
Consolidated Balance Sheets: December 31, 2025 and 2024	25
Consolidated Statements of Stockholders' Equity: Years ended December 31, 2025 and 2024	26
Consolidated Statements of Cash Flows: Years ended December 31, 2025 and 2024	27
Notes to the Consolidated Financial Statements	28

2. Financial Statement Schedules:

None.

3. Exhibits

The following is a list of exhibits filed as part of this Form 10-K:

<u>Exhibit No.</u>	<u>Description</u>	<u>Incorporated by Reference</u>				<u>Filed Herewith</u>
		<u>Form</u>	<u>File No.</u>	<u>Exhibit</u>	<u>Filing Date</u>	
2.	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession.					
2.1	Amended and Restated Separation and Distribution Agreement by and between The LGL Group, Inc. and M-tron Industries, Inc., dated August 19, 2022.	10	001-41391	2.1	August 19, 2022	
3.	Articles of Incorporation and Bylaws.					
3.1	Amended and Restated Certificate of Incorporation of M-tron Industries, Inc.	10	001-41391	3.1	August 3, 2022	
3.2	Amended and Restated Bylaws of M-tron Industries, Inc.	10	001-41391	3.2	August 3, 2022	
4.	Instruments Defining the Rights of Security Holders.					
4.1	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.	10-K	001-41391	4.2	March 30, 2023	
4.2	Form of Indemnification Agreement by and between M-tron Industries, Inc. and its executive officers and directors. +	10-K	001-41391	4.2	March 27, 2025	
10.	Material Contracts.					
10.1	Amended and Restated Transitional Administrative and Management Services Agreement by and between The LGL Group, Inc. and M-tron Industries, Inc., dated August 19, 2022.	10	001-41391	10.1	August 19, 2022	
10.2	Amended and Restated Tax Indemnity and Sharing Agreement by and between The LGL Group, Inc. and M-tron Industries, Inc., dated August 19, 2022.	10	001-41391	10.2	August 19, 2022	
10.3	Amended and Restated Credit Agreement, dated as of December 31, 2025, by and among M-tron Industries, Inc., Piezo Technology, Inc. and Fifth Third Bank, National Association.	8-K	001-41391	10.1	January 7, 2026	

Exhibit No.	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.4	Amended and Restated Security Agreement by and among M-tron Industries, Inc. and Fifth Third Bank, National Association, dated December 31, 2025.					X
10.5	Amended and Restated Security Agreement by and among Piezo Technology, Inc. and Fifth Third Bank, National Association, dated December 31, 2025.					X
10.6	Amended and Restated 2022 Incentive Plan of M-tron Industries, Inc. +	10	001-41391	4.1	August 19, 2022	
10.6a	Form of Stock Option Agreement under Amended and Restated 2022 Incentive Plan of M-tron Industries, Inc. +	10-K	001-41391	10.7a	March 27, 2025	
10.6b	Form of Restricted Stock Agreement under Amended and Restated 2022 Incentive Plan of M-tron Industries, Inc. +	10-K	001-41391	10.7b	March 27, 2025	
10.7	Separation Agreement and General Release, by and between M-tron Industries, Inc. and Michael J. Ferrantino, Jr., dated February 17, 2025.	10-K	001-41391	10.9	March 27, 2025	
19.1	M-tron Industries, Inc. Insider Trading Policy.	10-K	001-41391	19.1	March 27, 2025	
21.1	Subsidiaries of M-tron Industries, Inc.					X
23.1	Consent of Independent Registered Public Accounting Firm.					X
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *					X
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *					X
97.1	Recovery of Erroneously Awarded Compensation Policy	10-K	001-41391	97.1	March 25, 2024	
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					X

* Furnished herewith. In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

+ Indicates management or compensatory plan.

(c) Financial Statement Schedules:

None.

Item 16. Form 10-K Summary

None.

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.

M-TRON INDUSTRIES, INC.

(Registrant)

March 25, 2026

By: /s/ Cameron Pforr
Cameron Pforr
Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

<u>SIGNATURE</u>	<u>CAPACITY</u>	<u>DATE</u>
<u>/s/ Cameron Pforr</u> CAMERON PFORR	Chief Executive Officer and Chief Financial Officer (Principal Executive Officer and Principal Financial Officer)	March 25, 2026
<u>/s/ Linda M. Biles</u> LINDA M. BILES	Executive Vice President - Finance (Principal Accounting Officer)	March 25, 2026
<u>/s/ Bel Lazar</u> BEL LAZAR	Chairman and Director	March 25, 2026
<u>/s/ Marc Gabelli</u> MARC GABELLI	Special Advisor to the Chairman and Director	March 25, 2026
<u>/s/ Ivan Arteaga</u> IVAN ARTEAGA	Director	March 25, 2026
<u>/s/ David M. Goldman</u> DAVID M. GOLDMAN	Director	March 25, 2026
<u>/s/ Robert V. LaPenta, Jr.</u> ROBERT V. LAPENTA, JR.	Director	March 25, 2026
<u>/s/ John S. Mega</u> JOHN S. MEGA	Director	March 25, 2026
<u>/s/ Hendi Susanto</u> HENDI SUSANTO	Director	March 25, 2026

M-tron Industries, Inc. Subsidiaries

Subsidiary Name	State or Country of Organization	M-tron Industries, Inc. Investment
Piezo Technology, Inc.	Florida	100.0%
Piezo Technology India Private Ltd.	India	99.9
M-tron Asia, LLC	Delaware	100.0
M-tron Industries, Ltd.	Hong Kong	100.0

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement (No. 333-284635) on Form S-3 of M-tron Industries, Inc. of our report dated March 25, 2026 relating to the consolidated financial statements of M-tron Industries, Inc. appearing in this Annual Report on Form 10-K of M-tron Industries, Inc. for the year ended December 31, 2025.

/s/ PKF O'Connor Davies, LLP

New York, New York
March 25, 2026

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Cameron Pforr, certify that:

- 1 I have reviewed this annual report on Form 10-K of M-tron Industries, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such 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;
 - (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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 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.

March 25, 2026

/s/ Cameron Pforr

Name: Cameron Pforr
Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Cameron Pforr, certify that:

- 1 I have reviewed this annual report on Form 10-K of M-tron Industries, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such 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;
 - (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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 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.

March 25, 2026

/s/ Cameron Pforr

Name: Cameron Pforr
Title: Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of M-tron Industries, Inc. (the "Company") on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cameron Pforr, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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.

March 25, 2026

/s/ Cameron Pforr

Name: Cameron Pforr
Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of M-tron Industries, Inc. (the "Company") on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cameron Pforr, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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.

March 25, 2026

/s/ Cameron Pforr

Name: Cameron Pforr
Title: Chief Financial Officer
(Principal Financial Officer)

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Cautionary Note Concerning Forward-Looking Statements

This Annual Report and other publicly available documents may include, and members of M-tron Industries, Inc. ("Mtron" or the "Company") management may from time to time make and discuss, statements which, to the extent they are not statements of historical or present fact, may constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are intended to provide management's current expectations or plans for Mtron's future operating and financial performance, based on assumptions currently believed to be valid and accurate. Forward-looking statements are often preceded by, followed by or include words such as "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "goal" and other expressions of similar meaning in connection with a discussion of future operating or financial performance.

All forward-looking statements, by their nature, are subject to risks and uncertainties. The Company's actual future results may differ materially from those set forth in the Company's forward-looking statements. For information concerning these factors and related matters, see "Risk Factors" in Part I, Item 1A in this Report, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 in this Report. However, other factors besides those referenced could adversely affect the Company's results, and you should not consider any such list of factors to be a complete set of all potential risks or uncertainties. Any forward-looking statements made by the Company herein speak as of the date of this Report. The Company does not undertake to revise or update any forward-looking statement to reflect subsequent events or circumstances, except as required by applicable law. As a result, you should not place undue reliance on these forward-looking statements.

M-tron Industries, Inc.

2525 Shader Road
Orlando, Florida 32804
(407) 298-2000
ir.mtron.com

Board of Directors

Bel Lazar

Co-Chairman

Ivan Arteaga

Marc Gabelli

Co-Chairman

David M. Goldman

Robert (Rob) V. LaPenta, Jr.

John S. Mega

Hendi Susanto

Executive Officers

Cameron Pforr ¹

Chief Executive Officer and Chief
Financial Officer

William A. Drafts

President

Linda M. Biles

Executive Vice President – Finance

Auditor

PKF O'Connor Davies, LLP
New York, New York

Transfer Agent and Registrar

Computershare Trust Company, N.A.

Regular delivery:

P.O. Box 43078
Providence, RI 02940-3078

Overnight:

150 Royall Street, Suite 101
Canton, MA 02021

Toll free number: (877) 868-8027
TDD Hearing Impaired: (800) 952-9245
Foreign Stockholders: (201) 680-6578
TDD Foreign Stockholders: (781) 575-4592
www.computershare.com/investor

Trading Information

NYSE American LLC
Common Stock: **MPTI**

Investor Relations

ir@mtron.com

2026 Annual Meeting

Our 2026 Annual Meeting of
Stockholders will be held on June 16,
2025 at 10:00 a.m. ET.

¹ Mr. Pforr was appointed permanent Chief Executive Officer on November 6, 2025.

