

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

OR

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

FOR THE TRANSITION PERIOD FROM TO  
COMMISSION FILE NUMBER 0-19687



**Ascent Industries Co.**

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of incorporation or organization)*

**20 N. Martingale Rd, Suite 430  
Schaumburg, Illinois**

*(Address of principal executive offices)*

57-0426694

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

60173

*(Zip Code)*

(630) 884-9181

*(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</u>	<u>Name of exchange on which registered</u>
Common Stock, par value \$1.00 per share	ACNT	NASDAQ Global Market

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

Based on the closing price as of June 30, 2025, which was the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the common stock held by non-affiliates of the registrant was \$104.4 million.

The number of shares outstanding of the registrant's common stock as of February 27, 2026 was 9,469,820.

Documents Incorporated By Reference

Portions of the Proxy Statement for the 2026 annual shareholders' meeting are incorporated by reference into Part III of this Form 10-K.

**Ascent Industries Co.**  
**Form 10-K**  
**For Period Ended December 31, 2025**  
**Table of Contents**

	Page
<a href="#">Disclosure Regarding Forward Looking Statements</a>	<a href="#">2</a>
Part I	
Item 1 <a href="#">Business</a>	<a href="#">3</a>
Item 1A <a href="#">Risk Factors</a>	<a href="#">7</a>
Item 1B <a href="#">Unresolved Staff Comments</a>	<a href="#">13</a>
Item 1C <a href="#">Cybersecurity</a>	<a href="#">13</a>
Item 2 <a href="#">Properties</a>	<a href="#">14</a>
Item 3 <a href="#">Legal Proceedings</a>	<a href="#">15</a>
Item 4 <a href="#">Mine Safety Disclosures</a>	<a href="#">15</a>
Part II	
Item 5 <a href="#">Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a>	<a href="#">15</a>
Item 6 <a href="#">Reserved</a>	<a href="#">15</a>
Item 7 <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">15</a>
Item 7A <a href="#">Quantitative and Qualitative Disclosures about Market Risk</a>	<a href="#">24</a>
Item 8 <a href="#">Financial Statements and Supplementary Data</a>	<a href="#">25</a>
Item 9 <a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	<a href="#">55</a>
Item 9A <a href="#">Controls and Procedures</a>	<a href="#">55</a>
Item 9B <a href="#">Other Information</a>	<a href="#">57</a>
Item 9C <a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	<a href="#">57</a>
Part III	
Item 10 <a href="#">Directors, Executive Officers and Corporate Governance</a>	<a href="#">57</a>
Item 11 <a href="#">Executive Compensation</a>	<a href="#">58</a>
Item 12 <a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	<a href="#">58</a>
Item 13 <a href="#">Certain Relationships and Related Transactions, and Director Independence</a>	<a href="#">58</a>
Item 14 <a href="#">Principal Accounting Fees and Services</a>	<a href="#">58</a>
Part IV	
Item 15 <a href="#">Exhibits and Financial Statement Schedules</a>	<a href="#">59</a>
Item 16 <a href="#">Form 10-K Summary</a>	<a href="#">62</a>
<a href="#">Signatures</a>	<a href="#">63</a>

## Disclosure Regarding Forward-Looking Statements

This Annual Report on Form 10-K includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other applicable federal securities laws. All statements that are not historical facts are forward-looking statements. Forward looking statements can be identified through the use of words such as "estimate," "project," "intend," "expect," "believe," "should," "anticipate," "hope," "optimistic," "plan," "outlook," "should," "could," "may" and similar expressions. The forward-looking statements are subject to certain risks and uncertainties, including without limitation those identified below, which could cause actual results to differ materially from historical results or those anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements. The following factors could cause actual results to differ materially from historical results or those anticipated: adverse economic conditions, including risks relating to the impact and spread of and the government's response to pandemics; inability to weather an economic downturn; the impact of competitive products and pricing; product demand and acceptance risks; raw material and other increased costs; raw material availability; financial stability of the Company's customers; customer delays or difficulties in the production of products; loss of consumer or investor confidence; employee relations; ability to maintain workforce by hiring trained employees; labor efficiencies; risks associated with acquisitions; environmental issues; negative or unexpected results from tax law changes; inability to comply with covenants and ratios required by the Company's debt financing arrangements; and other risks detailed in [Item 1A](#), Risk Factors, in this Annual Report on Form 10-K and from time-to-time in Ascent Industries Co.'s Securities and Exchange Commission filings. Ascent Industries Co. assumes no obligation to update any forward-looking information included in this Annual Report on Form 10-K.



## PART I

### Item 1. Business

#### General Information

Ascent Industries Co. (“Ascent” or the “Company”) is a specialty chemicals platform delivering differentiated, performance-driven chemical solutions to a diverse set of end markets. The Company develops, manufactures, and supplies tailored formulations and intermediates that enhance product performance and optimize industrial processes.

Ascent operates three production facilities located in Cleveland, Tennessee; Fountain Inn, South Carolina; and Danville, Virginia. These facilities support customers across energy, household, industrial and institutional (“HII”), personal care, coatings, adhesives, sealants and elastomers (“CASE”), agriculture, water treatment, pulp and paper, construction, automotive, and other industrial markets.

The Company’s core product portfolio includes surfactants, defoamers, lubricating agents, flame retardants, and specialty intermediates, offered in both petroleum-based and bio-based formulations. Ascent’s products are used as critical ingredients and process aids in applications such as cleaning formulations, coatings systems, oilfield production chemicals, agrochemical formulations, metalworking fluids, water treatment solutions, and industrial textiles.

Beyond its product portfolio, Ascent provides comprehensive custom manufacturing services spanning product development, process optimization, scale-up, and commercial production. The Company operates both customer-dedicated assets and flexible multi-purpose manufacturing systems capable of blending, complex reaction chemistry, and multi-step processing. This flexible operating model enables customers to accelerate commercialization while avoiding the capital investment and operational complexity of building and maintaining their own manufacturing infrastructure. The Company has one reportable segment: Specialty Chemicals.

The Company was incorporated in 1958 as the successor to a chemical manufacturing business founded in 1945 known as Blackman Uhler Industries, Inc. The Company's common stock is listed on the NASDAQ Global Market - ticker symbol "ACNT".

For additional information about the Company’s performance and financial condition, see [Item 7](#), “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, of this Annual Report.

#### Our Strategy

In 2025, the Company introduced its Chemicals-as-a-Service (“CaaS”) strategy, focused on building a differentiated specialty chemicals platform that solves customer problems across the value chain. Rather than competing solely on products or manufacturing capacity, the Company offers an integrated suite of services that includes formulation development, reaction capabilities, blending and packaging, logistics, regulatory support, and delivery.

The CaaS strategy is designed to create value at critical points in the customer relationship—where performance, reliability, and execution matter most. Management believes these “moments that matter” are where long-term customer relationships are established through consistent delivery and problem-solving rather than price or availability alone.

The Company’s strategy is organized around four core pillars:

- **Discovery & Development:** Accelerating speed to solution through collaborative formulation, application, and process development
- **Commercial & Contracting:** Simplifying how customers engage with the Company through responsive and flexible commercial structures
- **Manufacturing and Fulfillment:** Delivering consistent, reliable, and efficient production and supply
- **Service & Lifecycle Support:** Providing technical, regulatory, and operational support throughout the product lifecycle

The Company operates an agile business model designed to serve customers in the manner they require, including when, where, and how products and services are developed, manufactured, and delivered. Management believes this flexibility enhances customer satisfaction, supports long-term relationships, and enables sustainable growth.

## **Sales, Marketing and Supply Chain**

The Company markets and sells its products primarily through a combination of inside and outside sales representatives supported by technical, operational, and commercial resources. Sales and marketing efforts are organized around markets and applications to align customer opportunities with the Company's specialized asset base and drive synergistic, capital-efficient growth.

Sales and business development teams work closely with marketing operations to develop and manage a pipeline of customer-specific selling projects. These projects are typically solution-oriented and driven by customer performance requirements, application needs, and the customer's ability to resource lab and field qualification activities. As a result, sales cycles are often extended and measured in months or quarters, reflecting the collaborative nature of customer engagement.

Sales, marketing, and research and development teams collaborate to integrate customer requirements with the Company's technical capabilities and manufacturing footprint, supporting new product introductions, expansion of existing customer relationships, and improved utilization of existing assets. Management believes this approach enables incremental revenue growth with limited incremental fixed cost, contributing to margin expansion and operating leverage over time.

The top five customers accounted for approximately 51% of revenues for 2025 and 35% of revenues for 2024. The Company actively manages customer concentration risk by pursuing growth across a diversified set of customers, applications, and end markets.

The Company sources the majority of its raw materials from numerous independent suppliers. Approximately 34% of total raw material purchases were sourced from the Company's top five suppliers in 2025. While certain raw materials are obtained from a limited number of suppliers, management believes its sourcing strategies and supplier relationships mitigate supply risk. Approximately 95% of sales in 2025 were supported by domestically supplied raw materials.

## **Research and Development**

Research and development ("R&D") is a core component of the Company's strategy and plays a critical role in supporting both organic growth and long-term customer relationships. The Company's R&D efforts are focused not only on the development of new products, but also on the integration and optimization of customer products and processes across the Company's diverse manufacturing asset base.

Over the past year, the Company has strengthened its R&D capabilities through targeted talent acquisition, adding technical expertise in product and application development. These investments have expanded the Company's ability to collaborate more deeply with customers and accelerate the development and commercialization of differentiated solutions.

The R&D function works closely with Sales and Business Development to engage directly with customers to understand their specific performance targets, processing conditions, and application needs. This collaborative approach enables the Company to develop customized formulations, deliver manufacturing process improvements, and align customer requirements with the Company's available assets and capabilities. As a result, the Company is able to support customers throughout the product lifecycle, from initial development and scale-up through ongoing optimization and supply.

The Company has found that successfully solving a customer's initial technical or performance challenge often leads to broader engagement, as customers increasingly view the Company as a trusted partner of choice for additional products, applications, and services. This approach supports deeper customer relationships, higher switching costs, and increased opportunities for cross-selling and long-term growth.

Management believes the strategic impact of the Company's R&D efforts are significant, as they enable differentiation, strengthen customer relationships, and support the Company's Chemicals-as-a-Service operating model.

## **Mergers, Acquisitions and Dispositions**

The Company is committed to a long-term strategy of reinvesting capital in our current business segment to foster organic growth and completing acquisitions that expand our manufacturing capabilities, product offerings and geographic footprint. The Company may, from time-to-time, divest or close businesses in an effort to better align capital investment within its core operations, increase operational efficiencies and improve profitability.

On March 12, 2025, the Company and its wholly-owned subsidiaries Synalloy Metals, Inc. ("Synalloy Metals") and Bristol Metals, LLC. ("BRISMET"), entered into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which they sold substantially all of the assets related to BRISMET to Bristol Pipe and Tube, Inc., a Delaware corporation and wholly-owned subsidiary of Ta Chen International, Inc. (the "Purchaser"). Ascent and Purchaser also entered into a Transition Services Agreement (the "TSA") dated March 12, 2025, pursuant to which Ascent has agreed to provide certain transition services to Purchaser immediately after the closing for certain agreed upon transition periods. On April 4, 2025, the Company and Purchaser completed the transaction contemplated by the Purchase Agreement. The consideration for the transaction was approximately \$45 million of cash proceeds, of which \$4.5 million was placed in an escrow account to be received in 18 months from the closing date.

On June 23, 2025, the Company and its wholly-owned subsidiary American Stainless Tubing, Inc. ("ASTI"), entered into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which they sold substantially all of the assets related to ASTI to First Tube, LLC., a Texas limited liability company and wholly-owned subsidiary of Triple-S Steel Holdings, Inc (the "Purchaser"). On June 30, 2025, the Company and Purchaser completed the transaction contemplated by the Purchase Agreement. The consideration for the transaction was approximately \$16 million of cash proceeds, of which \$0.8 million was placed in an escrow account to be received in 12 months from the closing date.

See [Note 2](#) to the consolidated financial statements, which are included in [Item 8](#) of this Form 10-K, for financial information about the Company's discontinued operations.

### **Environmental**

Environmental expenditures that relate to an existing condition caused by past operations and do not contribute to future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or cleanups are probable and the costs of these assessments and/or cleanups can be reasonably estimated. Changes to laws and environmental issues, including climate change, are made or proposed with some frequency and some of the proposals, if adopted, might directly or indirectly result in a material reduction in the operating results of one or more of our operating units. We are presently unable to quantify this risk.

### **Seasonality**

The Company does participate in agricultural end markets, which may experience increased demand during the second and third quarters; however, outside of these markets, management does not believe seasonality materially affects overall demand patterns. Variations in quarterly results are more often driven by customer ordering behavior, project timing, and the progression of customer-specific development and qualification activities rather than underlying end-market seasonality.

### **Backlogs**

The Company's backlog of open orders were \$8.4 million and \$4.6 million at the end of 2025 and 2024, respectively. Our backlog may not be indicative of actual sales and, therefore, should not be used as a direct measure of future revenue.

### **Human Capital**

The Company's workforce is critical to its success. As of December 31, 2025, the Company employed 198 individuals, of which 197 were full-time employees. Management considers relations with employees to be constructive and stable.

Approximately 54 employees, or 27% of the Company's workforce, are represented by local unions affiliated with the United Food and Commercial Workers (the "UFCW"). The current collective bargaining agreement was ratified in December 2024 and is in effect through 2027.

The Company's voluntary turnover rate in 2025 was approximately 27%. Management monitors turnover trends by location and across the Company and believes this metric reflects a combination of normal workforce movement and purposeful organizational changes to support the Company's strategic objectives. The Company's average employee tenure is approximately 9 years, which management believes reflects workforce stability and institutional experience.

The Company focuses on attracting, developing, and retaining employees with the skills and experience necessary to support safe operations, customer requirements, and execution of its strategy.

### *People and Culture*

The Company's culture emphasizes accountability, execution, and continuous improvement. Across the organization, employees are expected to take ownership of their work, collaborate across functions, and focus on delivering measurable outcomes that improve results for customers and the business. Performance is evaluated based on results achieved rather than activity or effort alone. Management believes this operating mindset supports disciplined decision-making, operational excellence, and long-term value creation.

The Company's results depend on its ability to attract, develop, and retain employees with the technical skills, experience, and judgment required to execute its strategy. The Company focuses on building teams capable of operating effectively in a complex manufacturing and customer-driven environment, while providing professional development opportunities aligned with performance, accountability, and contribution.

Factors that may affect the Company's ability to attract and retain employees include competition for qualified talent and the availability of individuals with specialized technical expertise. Management believes the Company's emphasis on clear expectations, outcome-based performance management, and ongoing development supports employee engagement and retention while enabling the Company to execute its strategy effectively.

### *Safety and Compliance*

Our safety, compliance, and operational reliability mandates are not at odds with our objectives to maintain the lowest cost and most efficient operations. We demand functional excellence across the entire organization, and our goal is to eliminate all injuries and incidents by providing comprehensive initial and ongoing safety training, and clear communication of safety policies and procedures.

Employees make a daily commitment to and take an active role in owning health and safety, ensuring safe working conditions for everyone. To support this, we provide employees with the necessary training and personal protective equipment to perform their job responsibilities safely and confidently.

### *Total Rewards*

The Company invests in its workforce through a total rewards program designed to attract, retain, and motivate employees while supporting consistent performance and operational execution. The program includes competitive compensation and a range of health, wellness, retirement, and educational benefits aligned with market practices and employee needs.

The Company also offers an Employee Assistance Program ("EAP") that provides employees and their families with access to confidential support resources, including counseling, legal, and financial services. Management believes these resources support employee well-being, reduce disruptions, and help employees remain focused and effective in their roles.

In 2024, the Company implemented an annual performance-based bonus program for employees within its Chemicals segment and Corporate functions. The program is designed to align employee incentives with Company performance and operational objectives. In 2025, the Company has also introduced targeted long-term incentive programs for select roles to support retention and alignment with long-term value creation.

### *Diversity, Equity and Inclusion*

From the boardroom to the frontline, we are dedicated to building incredible teams with diverse backgrounds, perspectives, and experiences to drive innovation, outperform the competition, and strengthen our ability to attract and retain top talent.

### **Available information**

The Company electronically files with the Securities and Exchange Commission ("SEC") its annual reports on Form 10-K, its quarterly reports on Form 10-Q, its periodic reports on Form 8-K, amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 (the "1934 Act"), and proxy materials pursuant to Section 14 of the 1934 Act. The SEC maintains a site on the internet at [www.sec.gov](http://www.sec.gov) which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The Company also makes its filings available, free of charge, through its website at [www.ascentco.com](http://www.ascentco.com) as soon as reasonably practical after the electronic filing of such material with the SEC. The information on the Company's website is not incorporated into this Annual Report on Form 10-K or any other filing the Company makes with the SEC.

## Item 1A. Risk Factors

There are inherent risks and uncertainties associated with our business that could adversely affect our operating performance and financial condition. Set forth below are descriptions of those risks and uncertainties that we believe to be material, but the risks and uncertainties described are not the only risks and uncertainties that could affect our business. Reference should be made to "Forward-Looking Statements" above, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in [Item 7](#) and our consolidated financial statements and related notes in [Item 8](#) below.

### **Industry and Segment Risks**

***Our industry is highly competitive, and demand for our products and our financial results may be negatively impacted by changes in industry capacity utilization, shifts in production geography, raw material dynamics, and competition from other specialty chemical providers.***

We operate in a highly competitive specialty chemicals marketplace. Our financial performance is sensitive to fluctuations in industry capacity utilization; pricing often declines when overall capacity exceeds demand, leading to underutilization and pressure on margins. Overcapacity in regions such as Asia, particularly when production is exported to other markets, can disrupt supply-demand balances globally and reduce demand for our products in key regions.

Our ability to compete effectively depends on maintaining advanced technical capabilities and continuously developing and commercializing innovative, high-value specialty chemical solutions for current and prospective customers. Growing competition from alternative products, especially those with enhanced environmental profiles or lower costs, or from substitutes that deliver similar performance could reduce demand for our offerings and adversely affect our market position, pricing power, and growth opportunities.

***Variations in our product, customer, and geographic sales mix make it difficult to predict future performance.***

Our net sales and gross margins fluctuate based on the specific mix of products, customers, and regions in any period, which can differ significantly from prior or expected periods. Gross margins are heavily influenced by this mix, as well as by competitive dynamics, product commoditization, rising input or logistics costs, inflation, regulatory changes, and other market factors. These variations have historically caused material period-to-period differences in results (particularly during economic downturns) and can complicate assessments of how external conditions or internal changes may impact our business. As a result, forecasting operating results remains challenging.

A substantial portion of our sales is dependent upon a limited number of customers with the top five customers accounting for approximately 51% of revenues for 2025 and 35% of revenues for 2024. An adverse change in, or termination of, the relationship with one or more of our top customers could materially and adversely affect our results of operations.

***Industry dynamics, technological changes, and customer trends may lead to volatility in our results.***

The specialty chemicals sector experiences rapid innovation, product obsolescence, pricing pressures, raw material volatility, and shifting supply-demand patterns. End markets such as oil & gas, coatings, personal care, and others are influenced by technological advances, regulatory shifts, consumer preferences for sustainable alternatives, and economic factors. Changes in customer formulations, processes, or specifications could render certain products less relevant or obsolete, while alternatives may emerge that reduce or eliminate the need for our solutions. These factors can cause significant fluctuations in sales, margins, and overall financial condition.

We must continue to enhance existing products, develop new ones, and accurately predict customer needs to remain competitive. Failure to do so effectively could materially and adversely affect our business.

### **Operations and Supply Chain Risks**

***Any interruption in our ability to procure raw materials, or significant volatility in the price of raw materials, could adversely affect our business and results of operations.***

Our business depends on the timely availability of raw materials, and any interruption in our ability to procure such materials, or significant volatility in their pricing, could adversely affect our business, financial condition and results of operations.

We actively manage our sourcing strategy to mitigate supply risk and cost volatility, including maintaining relationships with multiple approved suppliers where commercially practicable, monitoring supplier performance and financial condition, and managing inventory levels. However, these efforts may not fully protect us from supply interruptions, capacity constraints,

transportation disruptions, geopolitical developments, force majeure events, or other unforeseen circumstances affecting our suppliers.

While most of our raw materials are available from multiple sources, certain key inputs are obtained from a sole supplier or a limited number of qualified suppliers. The loss of, or significant reduction in supply from, any such supplier could require us to identify and qualify alternative sources, potentially resulting in increased costs, capital expenditures, or production delays. Any such disruption could adversely affect our ability to meet customer demand.

Raw material prices are subject to volatility due to changes in supply and demand, energy costs, global trade conditions, regulatory developments and other macroeconomic factors. Significant or sustained increases in raw material costs may adversely impact our margins if we are unable to timely pass such increases through to customers. Competitive market conditions, contractual arrangements, or customer purchasing behavior may limit our ability to fully recover cost increases or delay the timing of such recovery. In addition, volatility in raw material pricing may influence customer ordering patterns, which could affect our sales volumes and operating results.

Accordingly, any material disruption in our supply chain, inability to secure adequate raw material supply at acceptable prices and terms, or limitations in our ability to pass through cost increases could materially and adversely affect our business, financial condition and results of operations.

***The financial health of our customers or suppliers could impair demand, pricing, collections, or our supply chain.***

Our customers operate in competitive end markets and face pressures from their own competitors, shifting preferences, and economic conditions. These factors have historically led some customers to experience financial distress, including bankruptcy or receivership. Distressed customers may delay payments, seek concessions on pricing or terms, reduce volumes, or eliminate product lines, and prior payments may be subject to clawback in bankruptcy proceedings. Such developments could negatively affect our sales, margins, and cash flow.

Similarly, if key suppliers face insolvency or fail to meet obligations, we may need to secure replacement supplies at higher costs or on less favorable terms, with limited recovery options. Raw materials for our specialty chemicals are generally available from multiple sources, but some needs are met by sole or limited suppliers with terminable relationships. Interruptions, significant price volatility, or inability to pass through cost increases due to competition could adversely affect our business and results of operations.

***Our operating results are sensitive to the availability and cost of energy and freight, which are important in the manufacture and transport of our products.***

Our operating costs increase when energy or freight costs rise. During periods of increasing energy and freight costs, we might not be able to fully recover our operating cost increases through price increases without reducing demand for our products. In addition, we are dependent on third party freight carriers to transport many of our products, all of which are dependent on fuel to transport our products. The prices for and availability of electricity, natural gas, oil, diesel fuel and other energy resources are subject to volatile market conditions. These market conditions often are affected by political and economic factors beyond our control. Disruptions in the supply of energy resources could temporarily impair our ability to manufacture products for customers and may result in the decline of freight carrier capacity in our geographic markets, or make freight carriers unavailable or more expensive. Further, increases in energy or freight costs that cannot be passed on to customers, or adverse changes in our costs relative to energy and freight costs paid by competitors, has adversely affected, and may continue to adversely affect, our profitability.

***We are dependent upon the continued operation of our production facilities, which are subject to a number of hazards.***

Our manufacturing processes are dependent upon critical pieces of equipment. This equipment may, on occasion, be out of service as a result of unanticipated failures. We have experienced, and may in the future experience, material plant shutdowns or periods of reduced production as a result of such equipment failures. In addition, our production facilities are subject to hazards associated with the manufacture, handling, storage and transportation of materials and products, including leaks and ruptures, explosions, fires, inclement weather and natural disasters, unscheduled downtime and environmental hazards. As well, some of our production capabilities are highly specialized, which limits our ability to shift production to another facility. The occurrence of incidents in the future may result in production delays, failure to timely fulfill customer orders or otherwise have a material adverse effect on our business, financial condition or results of operations.

***Capital projects are complex and subject to delays, cost overruns, or underperformance.***

Our capital expenditures support maintenance, upgrades, and expansions of manufacturing facilities and equipment. These projects involve complexities such as construction timelines, equipment commissioning, customer quality certifications, and

demand forecasting. Delays, budget overruns, or failure to achieve expected returns are possible. Some projects rely on government incentives or funding, which could change or be unavailable. If we lack sufficient capital or face higher-than-anticipated needs due to technology shifts or competition, we may struggle to maintain or expand capabilities in key markets.

***Ascent relies on information technology systems that are vulnerable to disruption and cybersecurity threats.***

Our operations depend heavily on IT systems for efficient functioning and, in some cases, core business processes. We outsource significant portions of IT management, including infrastructure, networks, data centers, end-user support, backups, and security to third-party providers. Any prolonged failure or disruption of these systems, whether ours or a third party's, could cause substantial operational interruptions, damage our reputation, and harm our financial results.

Given the nature of our business and customer base, we are a potential target for evolving cybersecurity threats, including those from hackers, insiders, or advanced tools such as artificial intelligence. While we maintain controls, policies, and procedures to mitigate these threats, they may not always prevent breaches or detect issues promptly. A significant breach could result in loss or theft of proprietary information, intellectual property, customer/supplier data, or employee information, triggering legal notifications, litigation, regulatory penalties, remediation costs, and harm to customer relationships, brand reputation, and financial performance.

***If we fail to maintain an efficient cost structure, our profitability may suffer.***

Our competitiveness and profitability depend on controlling costs across manufacturing, operations, sales, and support functions. We pursue ongoing efficiency and cost-reduction initiatives, which may involve facility optimizations, workforce adjustments, or process changes. These efforts require significant management focus and carry risks, including employee relations issues or failure to achieve targeted savings. If we cannot sustain efficiencies amid market price pressures, our margins and financial performance could decline.

***Natural disasters, pandemics, or other catastrophic events could disrupt operations and materially affect our results.***

Events such as severe weather (hurricanes, floods, storms), earthquakes, pandemics, or other catastrophes at our facilities, those of suppliers, customers, or in key regions could interrupt production, supply chains, or demand. Past events, including hurricanes and global health crises such as COVID-19, have impacted volumes, costs, and operations. Future occurrences could similarly harm results, financial position, and cash flows, depending on severity, duration, and broader economic effects.

**Government Regulation Risks**

***Evolving ESG expectations and requirements could increase costs and create new risks.***

Heightened emphasis on environmental, social, and governance (ESG) factors require ongoing investment in tracking, reporting, and progress toward sustainability goals amid changing standards. Third-party ESG ratings influence investor decisions, and failure to meet expectations could harm our reputation. Disclosure rules, which are rapidly growing in complexity and number, demand resources and may necessitate revisions to methodologies, goals, or reported data. Compliance with emerging climate or environmental regulations could drive additional capital spending, operating expenses, or product changes, with potentially material costs.

***Our operations expose us to the risk of environmental, health and safety liabilities and obligations, which could have a material adverse effect on our financial condition or results of operations.***

We are subject to numerous federal, state and local environmental protection and health and safety laws governing, among other things:

- the generation, use, storage, treatment, transportation, disposal and management of hazardous substances and wastes;
- emissions or discharges of pollutants or other substances into the environment;
- investigation and remediation of, and damages resulting from, releases of hazardous substances; and
- the health and safety of our employees.

Under certain environmental laws, we can be held strictly liable for hazardous substance contamination of any real property we have ever owned, operated or used as a disposal site. We are also required to maintain various environmental permits and licenses, many of which require periodic modification and renewal. Our operations entail the risk of violations of those laws and regulations, and we may not have been in the past or will be at all times in the future, in compliance with all of these requirements. In addition, these requirements and their enforcement may become more stringent in the future.

We have incurred, and expect to continue to incur, additional capital expenditures (in addition to ordinary or other costs and capital expenditures) to comply with applicable environmental laws. Our failure to comply with applicable environmental laws and permit requirements could result in civil and/or criminal fines or penalties, enforcement actions, and regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, such as the installation of pollution control equipment, which could have a material adverse effect on our financial condition, results of operations or cash flows.

We are currently, and may in the future be, required to investigate, remediate or otherwise address contamination at our current or former facilities. Many of our current and former facilities have a history of industrial usage for which additional investigation, remediation or other obligations could arise in the future and that could materially adversely affect our business, financial condition, results of operations or cash flows. In addition, we are currently, and could in the future be, responsible for costs to address contamination identified at any real property we used as a disposal site.

Although we cannot predict the ultimate cost of compliance with any of the requirements described above, the costs could be material. Non-compliance could subject us to material liabilities, such as government fines, third-party lawsuits or the suspension of non-compliant operations. We also may be required to make significant site or operational modifications at substantial cost. Future developments also could restrict or eliminate the use of or require us to make modifications to our products, which could have a significant negative impact on our results of operations. At any given time, we are (or may be) involved in claims, litigation, administrative proceedings and investigations of various types involving potential environmental liabilities, including cleanup costs associated with hazardous waste disposal sites at our facilities. We cannot assure you that the resolution of these environmental matters will not have a material adverse effect on our results of operations. The occurrence and ultimate costs and timing of environmental liabilities are difficult to predict. Liability under environmental laws relating to contaminated sites can be imposed retroactively and on a joint and several basis. We could incur significant costs, including cleanup costs, civil or criminal fines and sanctions and third-party claims, as a result of past or future violations of, or liabilities under, environmental laws.

We could be subject to third party claims for property damage, personal injury, nuisance or otherwise as a result of violations of, or liabilities under, environmental, health or safety laws in connection with releases of hazardous or other materials at any current or former facility. We could also be subject to environmental indemnification claims in connection with assets and businesses that we have acquired or divested.

There can be no assurance that any future capital and operating expenditures to maintain compliance with environmental laws, as well as costs incurred to address contamination or environmental claims, will not exceed any current estimates or adversely affect our financial condition and results of operations. In addition, any unanticipated liabilities or obligations arising, for example, out of discovery of previously unknown conditions or changes in laws or regulations, could have an adverse effect on our business, financial condition or results of operations.

***We may be adversely affected by changes in tax laws or tax rates.***

Our business, which involves manufacturing operations, custom chemical production, and sales to industries such as coatings, adhesives, pulp & paper, textiles, automotive, water treatment, construction, heavy industrial, petrochemical, food processing, pharmaceutical, oil & gas, and others, may be impacted by factors outside our control. These include changes in tax laws or tax rates, as well as conditions in financial services and capital markets, including counterparty risk from suppliers or customers, rising interest rates that could increase borrowing costs for capital-intensive manufacturing, inflation affecting raw material and energy costs (e.g., petroleum-derived inputs), deflation impacting pricing, and fluctuations in currencies relevant to our international sales or sourcing.

Macroeconomic challenges, such as volatility in financial and capital markets, unemployment levels, and the U.S. and other governments' ability to manage rising debt, may persist and exert pressure on the broader economy. This could lead to shifts in tax policies or rates, reduced demand for our specialty chemicals, supply chain disruptions, higher input costs, or competitive pressures.

There can be no assurance that changes in tax laws or tax rates will not materially affect our future cash taxes, effective tax rate, deferred tax assets and liabilities, or overall profitability.

***Tariff and Trade Environment may significantly affect our industry and business, and economic decline can materially impact our financial results.***

The recently imposed U.S. tariffs did not materially impact our fiscal 2025 results, but their effects and the potential imposition of modified or additional tariffs may, among other things, create new trade barriers that disrupt supply chains, raise costs, weaken consumer confidence and impact consumer demand for our products, and impact our ability to export our

products, all of which could have an adverse effect on our business and financial results. The extent of the impact of tariffs on the Company's business is highly uncertain and difficult to predict. We are closely monitoring the rapidly evolving tariff landscape and are working diligently with key suppliers to mitigate risks. Deterioration in general economic conditions that in turn diminishes consumer confidence or discretionary income may reduce our sales, or we may decide to lower pricing for our products, which could adversely affect our financial results, including increasing the potential for future impairment charges. In addition, economic uncertainty may also increase certain costs of operation, such as financing costs, energy costs and insurance premiums, which in turn may impact our results of operations. We cannot predict the strength of global economies or the timing of economic recovery, either globally or in the specific markets in which we compete.

#### **Human Capital Risks**

***Certain of our employees are covered by collective bargaining agreements, and the failure to renew these agreements could result in labor disruptions and increased labor costs.***

As of December 31, 2025, we had 54 employees represented by unions which is approximately 27% of the aggregate number of Company employees. These employees are represented by local unions affiliated with the UFCW. Collective bargaining contracts for the UFCW locals are in effect through 2027. Although we believe that our present labor relations are strong, our failure to renew these agreements on reasonable terms as the current agreements expire could result in labor disruptions and increased labor costs, which could adversely affect our financial performance.

***Failure to attract and retain key personnel may adversely impact our strategy and execution and financial results.***

Our ability to operate effectively, execute our business strategy and achieve future growth depends significantly on our ability to identify, attract, recruit, develop and retain qualified employees. The loss of key personnel, or our failure to successfully identify, attract, recruit, develop and retain talent in a competitive labor market, could adversely affect our operations, customer relationships and financial performance.

Our future success also depends on maintaining a workforce with the technical expertise, operational experience and commercial knowledge necessary to support our manufacturing processes, product development efforts and customer engagement activities. Competition for skilled personnel, including experienced production employees, engineers, technical service professionals and commercial leadership, may increase labor costs and limit our ability to staff our facilities and support growth initiatives. If we are unable to maintain a stable and capable workforce, our competitiveness and ability to execute our strategic objectives could be materially adversely affected.

We also face risks associated with the actions taken in response to pandemics, including those associated with workforce reductions, and may experience difficulties with hiring additional employees or replacing employees following a pandemic, which may be exacerbated by the tight labor market. In addition, pandemics have, and may again result in quarantines of our personnel or an inability to access facilities, which could adversely affect our operations.

***Our operations present significant risk of injury and other liabilities.***

The industrial activities conducted at our facilities present significant risk of serious injury or even death to our employees or other visitors to our operations, notwithstanding our safety precautions, including our material compliance with federal, state and local employee health and safety regulations, and we may be unable to avoid material liabilities for any such incidents. We maintain various forms of insurance, including insurance covering claims related to our properties and risks associated with our operations, but there can be no assurance that the insurance coverage will be applicable and adequate, or will continue to be available on terms acceptable to us, or at all, which could result in material liability to us for any injuries or deaths.

#### **Financial and Strategic Risks**

***Our recent exit from the Tubular Products Segment may result in unexpected costs, liabilities, or disruptions that could adversely affect our financial condition and results of operations.***

In the past year, we have completely exited our Tubular Products Segment, which previously included our Welded Pipe & Tube operations. This exit involved the cessation of operations, divestiture of assets, and winding down of related activities across facilities in Tennessee and North Carolina. As a result of this strategic shift, we are now solely focused on our Specialty Chemicals Segment. While this exit was intended to streamline our operations and allocate resources to higher-growth areas, it exposes us to several risks. We may incur unanticipated costs related to the wind-down process. Additionally, we could face potential liabilities from discontinued operations, such as product liability claims, contractual disputes, or regulatory investigations arising from historical activities in industries like oil and gas, chemical, petrochemical, and water treatment, where our tubular products were used. Any such claims or obligations could require significant financial resources to resolve and may not be fully covered by insurance. Furthermore, the loss of revenue and diversification from the Tubular

Products Segment, which served diverse markets including automotive, power generation, and mining, increases our dependence on the Specialty Chemicals Segment. This concentration could amplify the impact of adverse events in the chemicals industry, such as raw material price volatility, supply chain disruptions, or shifts in demand from end markets like pulp and paper, coatings, and oil and gas. If we are unable to successfully mitigate these risks or if the benefits of the exit do not materialize as anticipated, our business, financial condition, results of operations, and cash flows could be materially adversely affected.

***The inability to successfully complete or integrate future acquisitions or strategic investments may harm our results.***

As part of our strategy to expand and strengthen our specialty chemicals platform, we may pursue acquisitions, joint ventures, or other investments. Success in these efforts requires identifying suitable opportunities, negotiating favorable terms, securing financing, completing transactions, and integrating operations effectively. There is no guarantee that we will achieve these objectives or realize the anticipated benefits, such as revenue growth, cost synergies, or enhanced capabilities.

Acquisitions and investments can expose us to unforeseen liabilities from the acquired entity or partner, including disputes over intellectual property, environmental or tax obligations, or other unknown issues that emerge post-transaction. Depending on deal structure, we may assume or become liable for such matters, which could materially harm our business, financial condition, or results of operations.

***We may repurchase or redeem our equity or debt securities, which could affect market dynamics for those securities and reduce our liquidity.***

From time to time, we may repurchase shares of our common stock or redeem debt instruments through open-market transactions, accelerated programs, private negotiations, tender offers, or other methods. The decision to pursue such actions, along with their timing and scale, depends on market conditions, our liquidity needs, contractual limitations, and other considerations. These activities could influence the trading market for our securities and potentially constrain our available liquidity.

***Growth and transformation initiatives may demand substantial resources and, if unsuccessful, could materially harm our business.***

We regularly assess opportunities to grow, optimize, or transform our operations, which may include acquisitions, partnerships, divestitures, restructurings, new facilities, or other changes. These efforts often require significant capital, potentially increasing debt levels, and introduce new risks. If initiatives do not deliver expected outcomes, we could face heightened financial strain, reduced liquidity, limited market access, or dilution of shareholder value.

Implementation challenges may include management distraction, strained relationships, higher costs, regulatory hurdles, or inexperience in new areas. We may also fall short of projected cost savings, revenue growth, or other benefits despite significant investment.

***Impairment in the carrying value of our fixed assets or intangible assets could adversely affect our financial condition and consolidated results of operations.***

We evaluate the useful lives of our fixed assets and intangible assets to determine if they are definite or indefinite-lived. Reaching a determination on useful life requires significant judgments and assumptions regarding the lease term, future effects of obsolescence, demand, competition, other economic factors (such as the stability of the industry, legislative action that results in an uncertain or changing regulatory environment, and expected changes in distribution channels), the level of required maintenance expenditures and the expected lives of other related groups of assets. We cannot accurately predict the amount and timing of any impairment of assets. Should the value of goodwill, fixed assets or intangible assets become impaired, there could be an adverse effect on our financial condition and consolidated results of operations.

***We have identified and may continue to discover material weaknesses in our internal controls over financial reporting, which may adversely affect investor confidence in the accuracy and completeness of our financial reports and consequently the market price of our securities.***

We have identified and may continue to discover material weaknesses in our internal controls over financial reporting, which may adversely affect investor confidence in the accuracy and completeness of our financial reports and consequently the market price of our securities. As a public company, we are required to design and maintain proper and effective internal controls over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act of 2002 requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and provide a management report on the internal controls over financial reporting, which must be attested to by our

independent registered public accounting firm. We have identified material weaknesses in our internal controls over financial reporting, and may not detect errors on a timely basis and our financial statements may be materially misstated.

The process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404 is challenging and costly. In the future, we may not be able to complete our evaluation, testing, and any required remediation in a timely fashion. If we continue to identify material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner, if we continue to be unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our securities could be negatively affected, and we could become subject to investigations by the Financial Industry Regulatory Authority, the SEC, or other regulatory authorities, which could require additional financial and management resources.

### **Intellectual Property Risks**

#### ***Protecting our intellectual property is critical to our success.***

We safeguard our intellectual property through patents, trade secrets, confidentiality agreements, and robust physical and cybersecurity measures. Enforcing or defending these rights can involve substantial costs. Intellectual property protections vary by jurisdiction, and in some countries where we operate, they may be weaker than in the United States. Failure to secure, maintain, or defend our rights, particularly amid evolving technologies such as artificial intelligence, or successful third-party infringement claims against us could materially affect our business, financial condition, and results.

### **General Risk Factors**

#### ***Our business is exposed to risks associated with the use of Artificial Intelligence (AI) tools.***

We leverage artificial intelligence (“AI”) tools across our business operations to accelerate foundational business case development for new products and new markets, evaluate strategic and operational scenarios, and enhance innovation and process improvement initiatives. While AI presents opportunities to improve efficiency, decision-making and competitive positioning, its adoption also introduces a range of risks that could adversely impact our business, financial condition and results of operations.

These risks include, but are not limited to, potential competitive disadvantages if peers more effectively leverage AI to accelerate innovation, product development or operational performance. The use of AI may also expose us to legal, regulatory and reputational risks, particularly in jurisdictions with evolving or inconsistent regulatory frameworks governing AI, data privacy and cybersecurity. Additionally, the deployment of AI tools, whether by us or by customers using AI-enabled solutions, may result in unintended consequences such as biased, inaccurate or incomplete outputs; loss, misuse or compromise of confidential information or intellectual property; and challenges in asserting, defending or protecting intellectual property rights.

These risks may be amplified by increasing regulatory scrutiny and potential compliance obligations, which could result in increased costs, operational constraints or limitations on our ability to deploy AI technologies effectively. There can be no assurance that our use of AI will yield the anticipated benefits or that we will be able to successfully manage or mitigate the associated risks.

#### **Item 1B. Unresolved Staff Comments**

None.

#### **Item 1C. Cybersecurity**

##### *Cybersecurity Governance*

The Company's Board of Directors (the "Board") recognizes the critical nature of managing risks associated with cybersecurity threats and is responsible for oversight of the Company's information security programs, including risk of cybersecurity threats. The Audit Committee, which supports the Board of Directors in the oversight of the Company's information security program, oversees managements design, implementation and enforcement of our cybersecurity risk management program. The Audit Committee is composed of Board members with diverse expertise, including technology, financial and risk management experience.

The Audit Committee and full Board receive periodic briefings from management on our cyber risk management programs. The Company also has an internal disclosure committee made up of members of management to assist in fulfilling its obligations to maintain disclosure controls and procedures and to coordinate and oversee the process of preparing our periodic securities filings with the SEC. The disclosure committee meets on a quarterly basis to ensure they are appropriately informed of any matters that should be considered in advance of applicable public filings, including cybersecurity and data privacy matters, and to address the proper handling and escalation of information to the Board and Audit Committee as needed.

#### *Cybersecurity Risk Management and Strategy*

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity and availability of our critical systems and infrastructure. This program includes the implementation of a set of system, network and application level controls to protect our data and systems. These controls are monitored for cybersecurity risks and incidents by internal staff and our third-party service provider and are updated as necessary to protect the Company.

Our overall cybersecurity program includes: security tools, technologies and processes and control reviews; cybersecurity awareness training exercises for our employees, including phishing simulations to raise internal awareness of manipulated electronic communications; and an annual review of System and Organization reports for critical third-party service providers.

We have not identified known risks, including as a result of prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations or financial condition. We face certain ongoing risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations or financial condition. See [Item 1A](#), Risk Factors, for discussion of the Company's information technology and cybersecurity risks, including those involving artificial intelligence.

## **Item 2. Properties**

The Company operates the major plants and facilities listed below, all of which are in adequate condition for their current usage and are able to accommodate our capacity needs for the immediate future. Substantially all of the value of the Company's leased plants and facilities relate to the Master Lease with Store Master Funding XII, LLC ("Store"), an affiliate of Store Capital Corporation ("Store Capital"), that was entered into in 2016 and since amended, with the latest amendment occurring in 2025; see [Note 7](#) to the consolidated financial statements included in [Item 8](#) of this Form 10-K for additional information on the Company's leases.

The following table sets forth certain information concerning our principal properties including which products are supported out of each location:

<b>Location</b>	<b>Principal Operations</b>	<b>Square Feet</b>	<b>Land Acres</b>	<b>Leased or Owned</b>
Fountain Inn, SC	Chemical manufacturing and warehousing	136,834	16.9	Leased
Danville, VA	Chemical manufacturing and warehousing	135,811	55.3	Owned
Cleveland, TN	Chemical manufacturing and warehousing	122,800	18.8	Leased

The following table sets forth certain information concerning other properties under the Master Lease in which the Company is the responsible party:

<b>Location</b>	<b>Principal Operations</b>	<b>Square Feet</b>	<b>Land Acres</b>	<b>Leased or Owned</b>
Andrews, TX <sup>1</sup>	Liquid storage solutions and separation equipment	122,662	19.6	Leased
Houston, TX <sup>1</sup>	Cutting facility and storage yard for heavy walled pipe	29,821	10.0	Leased
Mineral Ridge, OH <sup>1</sup>	Cutting facility and storage yard for heavy walled pipe	12,000	12.0	Leased

<sup>1</sup>Company currently subleases facility to a third party

In addition to the facilities listed above, the Company leases from a third party the Company's executive office located in Schaumburg, Illinois.

**Item 3. Legal Proceedings**

For a discussion of legal proceedings, see [Note 15](#) to the Consolidated Financial Statements included in [Item 8](#) of this Form 10-K.

**Item 4. Mine Safety Disclosures**

Not applicable.

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

The Company had 289 common shareholders of record at February 27, 2026. The Company's common stock trades on the NASDAQ Global Market under the trading symbol "ACNT". The Company's credit agreement restricts the payment of dividends indirectly through a minimum fixed charge coverage covenant. No dividends were declared or paid in 2025 or 2024.

**Stock Performance Graph**

The Company is a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and is not required to provide this information.

**Issuer Purchases of Equity Securities**

The following table sets forth information with respect to purchase of the Company's common stock made during the fourth quarter of 2025:

<b>Period</b>	<b>Total Number of Shares Purchased<sup>1</sup></b>	<b>Average Price Paid per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Programs<sup>2</sup></b>	<b>Number of Shares that May Yet Be Purchased under the Program<sup>2</sup></b>
October 1, 2025 - October 31, 2025	8,866	\$ 12.19	8,866	266,104
November 1, 2025 - November 30, 2025	4,546	12.49	4,546	261,558
December 1, 2025 - December 31, 2025	6,337	15.22	1,496	1,998,504
<b>As of December 31, 2025</b>	<b>19,749</b>	<b>\$ 13.23</b>	<b>14,908</b>	<b>1,998,504</b>

<sup>1</sup>The total number of shares repurchased includes shares withheld from employees to satisfy either the exercise price of stock options or the statutory withholding tax liability upon the vesting of share-based awards.

<sup>2</sup>On December 16, 2025, the Board of Directors authorized a new share repurchase program allowing for the repurchase of up to 2.0 million shares of the Company's outstanding common stock over 24 months. See [Note 9](#) for additional information.

**Item 6. Reserved**

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

This discussion and analysis summarizes the significant factors affecting our consolidated operating results, financial condition, liquidity, and capital resources during the fiscal years ended December 31, 2025 and 2024. Unless otherwise noted, all references herein for the years 2025 and 2024 represent the fiscal years ended December 31, 2025 and 2024, respectively. We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from year to year, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our financial statements. This discussion should be read in conjunction with our consolidated financial statements and notes to the consolidated financial statements included in this Annual Report that have been prepared in accordance with accounting principles generally accepted in the United States of America. This discussion and analysis is presented in five sections:

- Executive Overview
- Results of Operations and Non-GAAP Financial Measures
- Liquidity and Capital Resources
- Material Cash Requirements from Contractual and Other Obligations
- Critical Accounting Policies and Estimates

### Executive Overview

Ascent Industries Co. is a specialty chemicals platform focused on the development, production, and distribution of tailored, performance-driven chemical solutions with three production facilities located in Cleveland, Tennessee, Fountain Inn, South Carolina and Danville, Virginia. These facilities produce critical ingredients and process aids for the oil & gas, household, industrial and institutional ("HII"), personal care, coatings, adhesives, sealants and elastomers ("CASE"), pulp and paper, textile, automotive, agricultural, water treatment, construction and other industries. The Company produces specialty formulations and intermediates for use in a wide variety of applications and industries with primary product lines focusing on the production of surfactants, defoamers, lubricating agents, flame retardants and chemical intermediates while offering products that are petroleum derived, as well as bio-based alternatives. End users include companies that use our products as raw materials or process aids in the manufacturing of products such as cleaners, coatings, water treatment chemicals, metal working fluids, textiles, oilfield production chemicals, agrochemical formulations and other applications

The Company was incorporated in 1958 as the successor to a chemical manufacturing business founded in 1945 known as Blackman Uhler Industries, Inc. The Company's common stock is listed on the NASDAQ Global Market - ticker symbol "ACNT".

#### *Divestiture of Bristol Metals*

On March 12, 2025, the Company and its wholly-owned subsidiaries Synalloy Metals, Inc. ("Synalloy Metals") and Bristol Metals, LLC. ("BRISMET"), entered into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which they sold substantially all of the assets related to BRISMET to Bristol Pipe and Tube, Inc., a Delaware corporation and wholly-owned subsidiary of Ta Chen International, Inc. (the "Purchaser"). Ascent and Purchaser also entered into a Transition Services Agreement (the "TSA") dated March 12, 2025, pursuant to which Ascent has agreed to provide certain transition services to Purchaser immediately after the closing for certain agreed upon transition periods. On April 4, 2025, the Company and Purchaser completed the transaction contemplated by the Purchase Agreement. The consideration for the transaction was approximately \$45 million of cash proceeds, of which \$4.5 million was placed in an escrow account to be received in 18 months from the closing date.

#### *Divestiture of American Stainless Tubing*

On June 23, 2025, the Company and its wholly-owned subsidiary American Stainless Tubing, Inc. ("ASTI"), entered into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which they sold substantially all of the assets related to ASTI to First Tube, LLC., a Texas limited liability company and wholly-owned subsidiary of Triple-S Steel Holdings, Inc (the "Purchaser"). On June 30, 2025, the Company and Purchaser completed the transaction contemplated by the Purchase Agreement. The consideration for the transaction was approximately \$16 million of cash proceeds, of which \$0.8 million was placed in an escrow account to be received in 12 months from the closing date.



*Macroeconomic Events*

We continue to monitor macroeconomic trends and uncertainties such as key material inflation, the effects of recently implemented tariffs, and the potential imposition of modified or additional tariffs, which may have adverse effects on net sales and profitability. As a result of the recent tariffs announced by the U.S. presidential administration and potential tariff modifications or the imposition of tariffs or export controls by other countries, we have worked with our suppliers to mitigate supply chain challenges, cost volatility, and consumer and economic uncertainty due to rapid changes in global trade policies. Much of our raw material used in production is domestically sourced and while we do not expect these factors to result in a material negative effect on our net sales or profitability in the near future, we are continuing to evaluate these factors and their potential effects as well as our ability to potentially offset all or a portion of cost increases through pricing actions and additional cost savings efforts. Economic pressures on customers and consumers, including the challenges of high inflation and the effects of increased tariffs, may negatively affect our net sales and profitability in the future.

**Results of Operations**

The following table sets forth the percentage relationship to net sales of each line item of the consolidated statements of income (loss). This table should be read in conjunction with the following discussion and analysis and the consolidated financial statements, including the related notes to the consolidated financial statements.

	<b>Basis Point Increase/(Decrease) in Percentage of Net Sales</b>		
	<b>2025</b>	<b>2024</b>	<b>2025 vs. 2024</b>
Net sales	100.0 %	100.0 %	
Gross profit	23.0 %	13.2 %	980
Expenses:			
Selling, general and administrative expense	32.1 %	25.9 %	620
Operating loss	(9.4)%	(13.4)%	400
Income tax provision	— %	2.2 %	(220)
Net loss	(7.5)%	(15.6)%	810

**Comparison of 2025 to 2024 – Continuing Operations**

Net sales from continuing operations for the full-year 2025 decreased \$5.8 million, or 7.2%, over the full-year 2024 to \$74.9 million. The decrease in net sales was primarily driven by a 17.7% decrease in pounds shipped partially offset by a 10.9% increase in average selling prices .

Full-year 2025 gross profit from continuing operations increased 61.0% to \$17.2 million, or 23.0% of sales, compared to \$10.7 million, or 13.2% of sales, in the full-year 2024. The increase in dollars and percentage of sales for the full-year 2025 were primarily driven by improved strategic sourcing initiatives and product line management resulting in lower raw material costs as well as operational cost management and efficiencies.

Selling, general and administrative expense (SG&A) from continuing operations for the full-year 2025 increased \$3.2 million to \$24.1 million compared to \$20.9 million for the full-year 2024. SG&A as a percentage of sales was 32.1% of sales for 2025 and 25.9% of sales for 2024. The changes in SG&A expense were primarily driven by:

- strategic investments in salaries, wages and benefits resulting in higher headcount in the current year;
- increases in rent expense, specifically related to the reclass of remaining Munhall rent expense to SG&A from COGS in the current year; and,
- increases in other expenses primarily driven by increases in share-based compensation expense, incentive bonus, taxes and licenses and dues and subscription fees.

The full-year increases were partially offset by:

- decreases in professional fees driven by decreased legal, accounting and information technology professional fees in the current year;
- decreases in bad debt expense; and,

- decreases in repair and maintenance expense.

Operating loss from continuing operations for the full-year 2025 improved to \$7.0 million compared to an operating loss of \$10.8 million for the full-year 2024. The operating loss decrease for the full-year 2025 was primarily driven by aforementioned increase in gross profit and non-cash lease modification gains partially offset by increases in SG&A expense and asset impairment expense.

#### Comparison of 2025 to 2024 – Specialty Chemicals

The following table summarizes operating results for the two years indicated. Reference should be made to [Note 13](#) to the consolidated financial statements included in [Item 8](#) of this Form 10-K.

<i>(in thousands)</i>	2025		2024	
	Amount	%	Amount	%
Net sales	\$ 74,942	100.0 %	\$ 80,763	100.0 %
Cost of goods sold	57,730	77.0 %	69,574	86.1 %
Gross profit	17,212	23.0 %	11,189	13.9 %
Selling, general and administrative expense	13,369	17.8 %	9,546	11.8 %
Acquisition costs and other	92	0.1 %	477	0.6 %
Operating income	\$ 3,751	5.0 %	\$ 1,166	1.5 %

Net sales for the Specialty Chemicals segment decreased 7.2%, or \$5.8 million, to \$74.9 million for 2025 compared to \$80.8 million in 2024. The decrease in net sales was primarily driven by a 17.7% decrease in pounds shipped partially offset by a 10.9% decrease in average selling prices.

SG&A expense increased by \$3.8 million, or 40.0%, to \$13.4 million in 2025 compared to \$9.5 million in 2024. SG&A as a percentage of sales increased to 17.8% in 2025 from 11.8% in 2024. The changes in SG&A expense were primarily driven by increases in corporate allocation expense and incentive bonus expense, partially offset by decreases in salaries, wages and benefits, bad debt expense, professional fees and travel expense.

Operating income for the full-year 2025 totaled \$3.8 million compared to \$1.2 million for the full-year 2024. The increase in operating income was primarily driven by increases in gross profit as a result of improved strategic sourcing initiatives and product line management resulting in lower raw material costs as well as operational cost management and efficiencies and lower SG&A costs.

#### Comparison of 2025 to 2024 - Corporate

Corporate expenses decreased \$1.2 million to \$10.7 million, or 14.4% of sales, in 2025 down from \$11.9 million, or 14.8% of sales, in 2024. The full-year decrease results are primarily driven by increases in corporate allocation expense to operating locations and decreases in professional fees partially offset by increases in salaries, wages and benefits, stock compensation, incentive bonus, dues and subscriptions and rent expense.

Interest income was \$0.8 million for 2025 compared to interest expense of \$0.3 million in 2024. The change was driven by a higher interest-bearing cash balance in the current year compared to the prior year. The Company had no debt outstanding as of December 31, 2025.

The Company's effective tax rate for 2025 was less than the U.S. statutory rate of 21% primarily driven by state taxes, net of federal benefit, adjustments to the valuation allowance in the period and increases in stock-based compensation. The Company's effective tax rate for 2024 was less than the U.S. statutory rate of 21% primarily driven by discrete tax charges associated with recording a valuation allowance on cumulative US Federal and state deferred tax assets.

#### Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States ("GAAP"), we use the following non-GAAP financial measures: EBITDA and Adjusted EBITDA. Management believes that these non-GAAP measures are useful because they are key measures used by our management team to evaluate our operating performance, generate future operating plans and make strategic decisions as well as allow readers to compare the financial results between periods. Non-GAAP measures should not be considered as

an alternative to any measure of performance or financial condition as promulgated under GAAP, and investors should consider the Company's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the Company. Non-GAAP measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the Company's results or financial condition as reported under GAAP.

#### EBITDA and Adjusted EBITDA

We define "EBITDA" as earnings before interest, income taxes, depreciation and amortization. We define "Adjusted EBITDA" as EBITDA further adjusted for the impact of non-cash and other items we do not consider in our evaluation of ongoing performance. These items include: goodwill impairment, asset impairment, gain on lease modification, stock-based compensation, non-cash lease cost, acquisition costs and other fees, shelf registration costs, loss on extinguishment of debt, retention costs and restructuring and severance costs from net (loss) income. We caution investors that amounts presented in accordance with our definitions of EBITDA and Adjusted EBITDA may not be comparable to similar measures disclosed by other companies because not all companies calculate EBITDA and Adjusted EBITDA in the same manner. We present EBITDA and Adjusted EBITDA because we consider them to be important supplemental measures of our performance and investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for comparing our ongoing results of operations.

Consolidated EBITDA and Adjusted EBITDA from continuing operations are as follows:

<i>(\$ in thousands)</i>	<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Consolidated</b>		
Net loss from continuing operations	\$ (5,584)	\$ (12,577)
Adjustments:		
Interest (income) expense, net	(712)	417
Income taxes	22	1,806
Depreciation	3,576	3,884
Amortization	611	695
EBITDA	(2,087)	(5,775)
Acquisition costs and other	731	662
Asset impairments	1,622	—
Gain on lease modification	(2,278)	(67)
Stock-based compensation	1,070	193
Non-cash lease expense	128	112
Retention expense	—	3
Restructuring and severance costs	243	177
Adjusted EBITDA	\$ (571)	\$ (4,695)
% sales	(0.8)%	(5.8)%

Specialty Chemicals EBITDA and Adjusted EBITDA are as follows:

<i>(\$ in thousands)</i>	<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Specialty Chemicals</b>		
Net income	\$ 3,700	\$ 1,093
Adjustments:		
Interest expense	52	75
Depreciation	3,481	3,809
Amortization	611	695
EBITDA	<u>7,844</u>	<u>5,672</u>
Acquisition costs and other	93	477
Stock-based compensation	126	7
Non-cash lease expense	45	66
Restructuring and severance costs	14	110
Specialty Chemicals Adjusted EBITDA	<u>\$ 8,122</u>	<u>\$ 6,332</u>
% of segment sales	10.8 %	7.8 %

### Liquidity and Capital Resources

We closely manage our liquidity and capital resources. Our liquidity requirements depend on key variables, including level of investment required to support our business strategies, the performance of our business, capital expenditures, credit facilities and working capital management. Capital expenditures and share repurchases are a component of our cash flow and capital.

#### Sources of Liquidity

Funds generated by operating activities supplemented by our available cash and cash equivalents and our credit facilities are our most significant sources of liquidity. As of December 31, 2025, we held \$57.6 million of cash and cash equivalents, as well as \$11.4 million of remaining available capacity on our revolving line of credit. Our existing cash, cash equivalents, and credit facilities balances may fluctuate during 2026. Cash from operations could also be affected by various risks and uncertainties detailed in [Item 1A](#) - Risk Factors of this report. We believe our sources of liquidity will be sufficient to fund operations and anticipated capital expenditures as well as repay our debt obligations as they become due over the next 12 months and beyond.

#### Cash Flows

Cash flows from continuing operations were as follows:

<i>(in thousands)</i>	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Net cash (used in) provided by:		
Operating activities	(7,269)	977
Investing activities	(1,544)	(1,120)
Financing activities	(8,945)	(1,318)
Net decrease in cash and cash equivalents	<u>\$ (17,758)</u>	<u>\$ (1,461)</u>

#### Operating Activities

The increase in cash used in operating activities for the year ended December 31, 2025 compared to cash provided by operating activities in the year ended December 31, 2024 was primarily driven by changes in working capital. Changes in working capital can vary significantly depending on factors such as the timing of inventory production and purchases, customer payments of accounts receivable and payments to vendors in the regular course of business. Inventory decreased operating cash flows for the year ended December 31, 2025 by approximately \$3.0 million compared to an increase of approximately \$5.0 million for 2024, while accounts payable decreased operating cash flows by approximately \$1.6 million

for the year ended December 31, 2025 compared to a decrease of approximately \$3.2 million for the year ended December 31, 2024. The decrease in operating cash flows from inventory is primarily due to lower inventory turns year over year partially offset by lower average inventory while the decrease in accounts payable is primarily driven by lower average accounts payable partially offset by decreases in days payables outstanding. Accounts receivable and advances decreased operating cash flow by approximately \$2.6 million compared to an increase of \$2.8 million in 2024. The decrease is primarily driven by the \$5.3 million of escrow receivables from the BRISMET and ASTI divestitures in the current year partially offset by decreases in days sales outstanding.

#### *Investing Activities*

Net cash used in investing activities primarily consists of transactions related to capital expenditures. The increase in cash used in investing activities for the full-year 2025 compared to cash used in investing activities for the full-year 2024 was primarily driven by an increase in capital expenditures in the current year over the prior year.

#### *Financing Activities*

Net cash used in financing activities primarily consist of transactions related to our credit facilities and share repurchases. The increase in net cash used in financing activities for the full-year 2025 compared to the full-year 2024 was primarily due to increases in share repurchase activity in the current year over the prior year.

#### *Short-term Debt*

The Company has a note payable in the amount of \$1.1 million with an annual interest rate of 3.68% maturing April 1, 2026, associated with the financing of the Company's insurance premium in the current year. As of December 31, 2025, the outstanding balance was \$0.4 million.

#### *Credit Facilities*

On December 10, 2025, Ascent Industries Co. ("Ascent") entered into a Limited Waiver, Consent and Sixth Amendment to Credit Agreement and Omnibus Amendment to Loan Documents with BMO Bank N.A. and the other lenders under Ascent's credit facility (the "Sixth Credit Facility Amendment"). The maximum revolving loan commitment under the credit facility remains \$30 million with an interest rate between 1.85% and 2.35%, depending on average availability under the credit facility and the Company's consolidated fixed charge coverage ratio. The term of the credit facility remains through December 31, 2027.

The Facility contains covenants requiring the maintenance of a minimum consolidated fixed charge coverage ratio if excess availability falls below the greater of (i) \$4.5 million and (ii) 15% of the revolving credit facility. As of December 31, 2025, the Company was in compliance with all financial debt covenants.

As of December 31, 2025, the Company had no principal payments outstanding on long-term debt. As of December 31, 2025, the Company had \$11.4 million of remaining availability under its credit facility. See [Note 6](#) in the notes to the consolidated financial statements for additional information on the Company's line of credit.

#### *Stock Repurchases and Dividends*

We may repurchase common stock and pay dividends from time to time pursuant to programs approved by our Board of Directors. The payment of cash dividends is also subject to customary legal and contractual restrictions. Our capital allocation strategy is to first fund operations and investments in growth and then return excess cash over time to shareholders through share repurchases and dividends.

The Company's previous share repurchase program allowed for repurchase of up to 790,383 shares of the Company's outstanding common stock and expired on February 17, 2025. On February 17, 2025, the Board of Directors authorized a new share repurchase program allowing for repurchase of up to 1.0 million shares of the Company's outstanding common stock over 24 months. On December 19, 2025, the Board of Directors authorized a new share repurchase program allowing for repurchase of up to 2.0 million shares of the Company's outstanding common stock over 24 months. The shares will be purchased from time to time at prevailing market prices, through open market or privately negotiated transactions, depending on market conditions. Under the program, the purchases will be funded from available working capital, and the repurchased shares will be returned to the status of authorized, but unissued shares of common stock or held in treasury. There is no guarantee as to the exact number of shares that will be repurchased by the Company, and the Company may discontinue

purchases at any time that management determines additional purchases are not warranted. As of December 31, 2025, the Company had 1,998,504 shares of its previous share repurchase authorization remaining.

The Company may also withhold shares from employees to satisfy either the exercise price of stock options exercised or the statutory withholding tax liability resulting from the vesting of share-based awards.

Shares repurchased for the year ended December 31, 2025 and 2024 were as follows:

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Share repurchase program <sup>1</sup>	740,683	101,263
Shares withheld from employees	4,841	—
<b>Total shares repurchased</b>	<b>745,524</b>	<b>101,263</b>
Average price per share	\$ 12.26	\$ 10.21
<b>Total cost of shares repurchased<sup>2</sup></b>	<b>\$ 9,159,661</b>	<b>\$ 1,037,346</b>

<sup>1</sup>Includes 745 shares repurchased under previous share repurchase program which expired on February 17, 2025 and 743,283 shares repurchased under the repurchase program authorized on February 17, 2025

<sup>2</sup>Includes broker fees incurred as part of repurchase transactions

At the end of each fiscal year, the Board reviews the financial performance and capital needed to support future growth to determine the amount of cash dividend, if any, which is appropriate. In 2025 and 2024, no dividends were declared or paid by the Company.

#### Other Financial Measures

Below are additional financial measures that we believe are important in understanding the Company's liquidity position from year to year. The metrics are defined as:

##### Liquidity Measure:

- Current ratio = current asset divided by current liabilities. The current ratio will be determined by the Company using generally accepted accounting principles, consistently applied.

##### Profitability Ratio:

- Return on average equity ("ROAE") = net (loss) income divided by the trailing 12-month average of equity. The ROAE will be determined by the Company using generally accepted accounting principles, consistently applied.

Results of these additional financial measures are as follows:

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Current ratio	6.7	2.8
Return on average equity	(8.7)%	(25.5)%

#### Material Cash Requirements from Contractual and Other Obligations

As of December 31, 2025, our material cash requirements for our known contractual and other obligations were as follows:

- Operating and Finance Leases - The Company enters into various lease agreements for real estate and manufacturing equipment used in the normal course of business. Operating and finance lease obligations were \$13.3 million, with \$1.0 million payable within 12 months. See [Note 7](#) for further detail of our lease obligations and the timing of expected future payments.

The Company has no off-balance sheet arrangements that are reasonably likely to have a material current or future effect on the Company's financial position, revenues, results of operations, liquidity, or capital expenditures. We expect capital spending in fiscal 2026 to be as much as \$5.5 million.

## **Critical Accounting Policies and Estimates**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments based on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Our significant accounting policies are described in [Note 1](#) to the consolidated financial statements included herein. We believe the following accounting policies affect the most significant estimates and management judgments used in the preparation of the Company's consolidated financial statements.

### **Inventory**

#### *Description*

Inventory is stated at the lower of cost or net realizable value. Cost is determined by either specific identification or weighted average methods. At the end of each quarter, recent sales reports are reviewed to identify sales price trends that would indicate products or product lines that are being sold below our cost. This would indicate that an adjustment would be required.

We record an obsolete inventory reserve for identified aged inventory items with slow or no sales activity for finished goods or slow or no usage for raw materials for a certain period of time. For those inventory items, a reserve is established for a percentage of the inventory cost and is based on our current knowledge with respect to inventory levels, sales trends and historical experience. During 2025, our reserve decreased approximately \$0.1 million to \$1.0 million as of December 31, 2025.

We also record an inventory reserve for the estimated shrinkage (quantity losses) between physical inventories. This reserve is based upon the most recent physical inventory results. During 2025, the inventory shrink reserve had an insignificant increase in response to estimated shrinkage rates based on results from previous physical inventories. Our inventory reserve for estimated shrinkage was \$0.1 million as of December 31, 2025.

#### *Judgments and uncertainties involved in the estimate*

We do not believe that our inventories are subject to significant risk of obsolescence in the near term and we have the ability to adjust purchasing practices based on anticipated sales trends and general economic conditions. However, changes in demand, product life cycle, cost trends, product pricing or a deterioration in product quality could result in the need for additional reserves. Likewise, changes in the estimated shrink reserve may be necessary, based on the timing and results of physical inventories. We also apply judgment in the determination of levels of obsolete inventory and assumptions about net realizable value.

#### *Effect if actual results differ from assumptions*

We have not made any material changes in the methodology used to establish our reserves for obsolete inventory or inventory shrinkage during the past two fiscal years. However, it is possible that actual results could differ from recorded reserves. For instance, a 10% change in the amount of products considered obsolete would have decreased net earnings by \$0.1 million for 2025. A 10% change in the estimated shrinkage rate would not have had a material impact on net earnings for 2025.

### **Income Taxes**

#### *Description*

In determining income for financial statement purposes, we must make certain estimates and judgments in the calculation of tax expense, the resultant tax liabilities and the recoverability of deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense. 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. In addition, deferred tax assets are also recorded with respect to net operating losses and other tax attribute carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when realization of the benefit of deferred tax assets is not deemed to be more likely than not. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We recognize net tax benefits under the recognition and measurement criteria of FASB ASC Topic 740, Income Taxes, which prescribes requirements and other guidance for financial statement recognition and measurement of positions taken or expected to be taken on tax returns. We record interest and penalties, if any, related to uncertain tax positions as a component of income tax expense.

*Judgments and uncertainties involved in the estimate*

We assess on a tax jurisdictional basis the likelihood that our deferred tax assets can be recovered. If recovery is not expected to exceed a more likely than not (a likelihood of less than 50 percent) threshold, the provision for taxes must be increased by recording a reserve in the form of a valuation allowance for the deferred tax assets that are estimated not to ultimately be recoverable. In this process, certain relevant criteria are evaluated including: the amount of income or loss in prior years, the existence of deferred tax liabilities that can be used to absorb deferred tax assets, the taxable income in prior carryback years that can be used to absorb net operating losses and credit carry backs, future expected taxable income and prudent and feasible tax planning strategies. Changes in taxable income, market conditions, tax laws and other factors may change our judgment regarding whether we will be able to realize the deferred tax assets. These changes, if any, may require material adjustments to the net deferred tax assets and an accompanying reduction or increase in income tax expense which will result in a corresponding increase or decrease in net income in the period when such determinations are made. The utilization of certain deferred tax assets is dependent on the amount and timing of taxable income that we will ultimately generate in the future and other factors, such as changes in tax laws.

We also assess the likelihood that our tax reporting positions will ultimately be sustained. To the extent it is determined it is more likely than not (a likelihood of more than 50 percent) that some portion, or all, of a tax reporting position will ultimately not be recognized and sustained, a provision for unrecognized tax benefit is provided by either reducing the applicable deferred tax asset or accruing an income tax liability. Our judgment regarding the sustainability of our tax reporting positions may change in the future due to changes in tax laws and other factors. These changes, if any, may require material adjustments to the related deferred tax assets or accrued income tax liabilities and an accompanying reduction or increase in income tax expense which will result in a corresponding increase or decrease in net income in the period when such determinations are made.

We have provided valuation allowances as of December 31, 2025, aggregating to \$8.4 million, net of federal benefit, against our federal deferred tax assets as well as certain state and local net operating loss carryforwards and other deferred tax assets. As of December 31, 2025, the Company has no liability for unrecognized income tax benefits.

*Effect if actual results differ from assumptions*

Although management believes that the estimates and judgments discussed herein are reasonable, actual results could differ, which could result in income tax expense or benefits that could be material.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

The Company is a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and is not required to provide the information required by this Item.

**Item 8. Financial Statements and Supplementary Data**

**Index to Financial Statements**

	Page
<a href="#">Report of Independent Registered Public Accounting Firm (Baker Tilly US, LLP; Irvine, CA; PCAOB ID: 659)</a>	<a href="#">26</a>
<a href="#">Consolidated Balance Sheets as of December 31, 2025 and 2024</a>	<a href="#">28</a>
<a href="#">Consolidated Statements of Income (Loss) for the years ended December 31, 2025 and 2024</a>	<a href="#">29</a>
<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2025 and 2024</a>	<a href="#">30</a>
<a href="#">Consolidated Statements of Shareholders' Equity for the years ended December 31, 2025 and 2024</a>	<a href="#">31</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">32</a>
<a href="#">Note 1: Summary of Significant Accounting Policies</a>	<a href="#">32</a>
<a href="#">Note 2: Discontinued Operations</a>	<a href="#">37</a>
<a href="#">Note 3: Revenue Recognition</a>	<a href="#">38</a>
<a href="#">Note 4: Fair Value of Financial Instruments</a>	<a href="#">39</a>
<a href="#">Note 5: Property, Plant and Equipment</a>	<a href="#">40</a>
<a href="#">Note 6: Debt</a>	<a href="#">41</a>
<a href="#">Note 7: Leases</a>	<a href="#">42</a>
<a href="#">Note 8: Accrued Expenses &amp; Other Current Liabilities</a>	<a href="#">44</a>
<a href="#">Note 9: Shareholders' Equity</a>	<a href="#">45</a>
<a href="#">Note 10: Accounting for Share-Based Payments</a>	<a href="#">45</a>
<a href="#">Note 11: Income Taxes</a>	<a href="#">48</a>
<a href="#">Note 12: Earnings (Loss) Per Share</a>	<a href="#">48</a>
<a href="#">Note 13: Industry Segments</a>	<a href="#">51</a>
<a href="#">Note 14: Benefit Plans and Collective Bargaining Agreements</a>	<a href="#">53</a>
<a href="#">Note 15: Commitments and Contingencies</a>	<a href="#">54</a>
<a href="#">Note 16: Subsequent Events</a>	<a href="#">54</a>

## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of  
Ascent Industries Co.

### Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Ascent Industries Co. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income (loss), shareholders' equity, and cash flows for the years then ended, and the related notes and schedule (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the consolidated 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. Also in our opinion, because of the effect of the material weakness identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

#### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting included in Item 9A. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

- *Information Technology* - Management did not design and maintain effective information technology (IT) general controls in the areas of user access, change management, segregation of duties, and cyber-security for systems supporting many of the Company's key financial reporting processes. As a result, IT application controls and business process controls that are dependent on the ineffective IT general controls, or that rely on data produced

from systems impacted by the ineffective IT general controls, are also deemed ineffective, which affects substantially all financial statement account balances and disclosures within the Company.

- *Inventory* - Management did not design and maintain effective controls over inventory.
- *Period-end financial reporting, journal entries, reconciliations, and account analyses* - Management did not design and maintain effective controls to detect potential material misstatements to period-end financial statements through review of account reconciliations and account analyses on a timely basis. Additionally, management did not design and maintain effective controls over the review of journal entries.
- *Complex Accounting* - Management did not design and maintain management review controls at a sufficient level of precision around complex accounting areas such as income taxes.

We considered the material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the Company's consolidated financial statements as of and for the year ended December 31, 2025, and our opinion on such consolidated financial statements was not affected.

#### ***Definition and Limitations of Internal Control Over Financial Reporting***

A company's 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets 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.

#### ***Critical Audit Matter***

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Baker Tilly US, LLP

Irvine, California

March 3, 2026

We have served as the Company's auditor since 2023.



**Ascent Industries Co.**  
**Consolidated Balance Sheets**  
**As of December 31, 2025 and 2024**  
(in thousands, except par value and share data)

	2025	2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 57,606	\$ 16,098
Accounts receivable, net	10,040	12,232
Advances and other receivables	5,389	52
Inventories		
Raw materials	5,589	4,654
Finished goods	3,153	1,073
Total inventories	8,742	5,727
Prepaid expenses and other current assets	1,243	1,122
Current assets of discontinued operations	—	47,841
Total current assets	83,020	83,072
Property, plant and equipment, net	15,762	17,589
Right-of-use assets, operating leases, net	9,368	28,140
Intangible assets, net	2,833	3,445
Deferred charges, net	401	309
Other non-current assets	553	512
Long-term assets of discontinued operations	—	14,183
Total assets	\$ 111,937	\$ 147,250
<b>Liabilities and Shareholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 5,490	\$ 6,836
Accrued expenses and other current liabilities	5,389	3,598
Current portion of note payable	433	369
Current portion of operating lease liabilities	712	1,495
Current portion of finance lease liabilities	331	293
Current liabilities of discontinued operations	—	9,756
Total current liabilities	12,355	22,347
Long-term portion of operating lease liabilities	11,496	29,972
Long-term portion of finance lease liabilities	808	1,015
Deferred income taxes	241	320
Other long-term liabilities	45	51
Total liabilities	\$ 24,945	\$ 53,705
Commitments and contingencies – see Note 15		
Shareholders' equity:		
Common stock - \$1 par value: 24,000,000 shares authorized; 9,400,898 and 10,072,590 shares outstanding as of December 31, 2025 and 2024, respectively	\$ 11,085	\$ 11,085
Capital in excess of par value	48,276	47,339
Retained earnings	45,786	44,919
	105,147	103,343
Less cost of common stock in treasury - 1,684,205 and 1,012,513 shares, respectively	(18,155)	(9,798)
Total shareholders' equity	86,992	93,545
<b>Total liabilities and shareholders' equity</b>	<b>\$ 111,937</b>	<b>\$ 147,250</b>

See accompanying notes to consolidated financial statements.

**Ascent Industries Co.**  
**Consolidated Statements of Income (Loss)**  
**For the years ended December 31, 2025 and 2024**  
(in thousands, except per share data)

	2025	2024
Net sales	\$ 74,942	\$ 80,763
Cost of sales	57,730	70,071
Gross profit	17,212	10,692
Selling, general and administrative expense	24,093	20,899
Research and development	71	—
Acquisition costs and other	731	662
Asset impairments	1,622	—
Gain on lease modification	(2,278)	(67)
Operating loss from continuing operations	(7,027)	(10,802)
Other (income) and expense		
Interest (income) expense, net	(712)	417
Other, net	(753)	(448)
Loss from continuing operations before income taxes	(5,562)	(10,771)
Income tax provision	22	1,806
Loss from continuing operations	\$ (5,584)	\$ (12,577)
Income (loss) from discontinued operations, net of tax	6,451	(1,021)
Net income (loss)	\$ 867	\$ (13,598)
Net loss per common share from continuing operations		
Basic	\$ (0.58)	\$ (1.24)
Diluted	\$ (0.58)	\$ (1.24)
Net income (loss) per common share from discontinued operations		
Basic	\$ 0.67	\$ (0.11)
Diluted	\$ 0.67	\$ (0.11)
Net income (loss) per common share		
Basic	\$ 0.09	\$ (1.35)
Diluted	\$ 0.09	\$ (1.35)
Weighted average number of common shares outstanding:		
Basic	9,643	10,106
Diluted	9,643	10,106

See accompanying notes to consolidated financial statements.

**Ascent Industries Co.**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2025 and 2024**  
(in thousands)

	2025	2024
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 867	\$ (13,598)
Income (loss) from discontinued operations, net of tax	6,451	(1,021)
Net loss from continuing operations	(5,584)	(12,577)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation expense	3,574	3,884
Amortization expense	612	695
Amortization of debt issuance costs	258	105
Asset impairments	1,622	—
Deferred income taxes	22	1,806
(Reduction of) provision for losses on accounts receivable	(569)	51
Loss on disposal of property, plant and equipment	1	289
Non-cash lease expense	128	111
Gain on lease modification	(2,278)	(67)
Share-based compensation expense	1,302	760
Changes in operating assets and liabilities:		
Accounts receivable and advances	(2,576)	2,762
Inventories	(3,015)	5,039
Other assets and liabilities	(521)	(160)
Accounts payable	(1,565)	(3,246)
Accrued expenses	1,469	40
Accrued income taxes	(149)	1,485
Net cash (used in) provided by operating activities - continuing operations	(7,269)	977
Net cash provided by operating activities - discontinued operations	6,750	13,704
<b>Net cash (used in) provided by operating activities</b>	<b>(519)</b>	<b>14,681</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(1,544)	(1,120)
Net cash used in investing activities - continuing operations	(1,544)	(1,120)
Net cash provided by investing activities - discontinued operations	52,525	2,025
<b>Net cash provided by investing activities</b>	<b>50,981</b>	<b>905</b>
<b>Cash flows from financing activities:</b>		
Borrowings from credit facilities	137,075	197,898
Proceeds from note payable	1,085	914
Proceeds from exercise of stock options	415	—
Payments on credit facilities	(137,075)	(197,898)
Payments on note payable	(1,021)	(906)
Principal payments on finance lease obligations	(287)	(289)
Repurchase of common stock	(9,137)	(1,037)
Net cash used in financing activities - continuing operations	(8,945)	(1,318)
Net cash used in financing activities - discontinued operations	(19)	(11)
<b>Net cash used in financing activities</b>	<b>(8,964)</b>	<b>(1,329)</b>
Increase in cash and cash equivalents	41,498	14,257
Cash and cash equivalents of discontinued operations	—	10
<b>Cash and cash equivalents, beginning of period</b>	<b>16,108</b>	<b>1,841</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 57,606</b>	<b>\$ 16,108</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for:		
Interest	\$ 174	\$ 277
<b>Noncash Investing Activities:</b>		
Capital expenditures, not yet paid	\$ 204	\$ 267

See accompanying notes to consolidated financial statements.

**Ascent Industries Co.**  
**Consolidated Statements of Shareholders' Equity**  
**For the years ended December 31, 2025 and 2024**  
(in thousands, except share and per share data)

	Common Stock			Capital in Excess of Par Value	Retained Earnings	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
<b>Balance December 31, 2023</b>	<b>11,085</b>	<b>\$ 11,085</b>	<b>\$ 47,333</b>	<b>\$ 58,517</b>	<b>990</b>	<b>\$ (9,525)</b>	<b>\$ 107,410</b>	
Net loss	—	—	—	(13,598)	—	—	(13,598)	
Issuance of 79,032 shares of common stock from treasury	—	—	(761)	—	(79)	761	—	
Share-based compensation	—	—	767	—	—	—	767	
Repurchase of 101,263 shares of common stock	—	—	—	—	101	(1,034)	(1,034)	
<b>Balance December 31, 2024</b>	<b>11,085</b>	<b>\$ 11,085</b>	<b>\$ 47,339</b>	<b>\$ 44,919</b>	<b>1,012</b>	<b>\$ (9,798)</b>	<b>\$ 93,545</b>	
Net income	—	—	—	867	—	—	867	
Issuance of 41,832 shares of common stock from treasury	—	—	(436)	—	(42)	436	—	
Exercise of stock options for 32,000 shares, net	—	—	71	—	(32)	344	415	
Share-based compensation	—	—	1,302	—	—	—	1,302	
Repurchase of 745,524 shares of common stock	—	—	—	—	746	(9,137)	(9,137)	
<b>Balance December 31, 2025</b>	<b>11,085</b>	<b>\$ 11,085</b>	<b>\$ 48,276</b>	<b>\$ 45,786</b>	<b>1,684</b>	<b>\$ (18,155)</b>	<b>\$ 86,992</b>	

See accompanying notes to consolidated financial statements.



**Notes to Consolidated Financial Statements**

**Note 1: Summary of Significant Accounting Policies**

Ascent Industries Co. is a specialty chemicals platform focused on the development, production, and distribution of tailored, performance-driven chemical solutions. Ascent Industries Co. was incorporated in 1958 as the successor to a chemical manufacturing business founded in 1945 known as Blackman Uhler Industries, Inc. The Company's executive office is located at 20 N. Martingale Rd, Suite 430, Schaumburg, Illinois 60173. Unless indicated otherwise, the terms "Ascent", "Company," "we" "us," and "our" refer to Ascent Industries Co. and its consolidated subsidiaries.

The Company has one reportable segment: Specialty Chemicals. The segment produces critical ingredients and process aids for the oil & gas, household, industrial and institutional ("HII"), personal care, coatings, adhesives, sealants and elastomers ("CASE"), pulp and paper, textile, automotive, agricultural, water treatment, construction specialty formulations and intermediates for use in a wide variety of applications and industries with primary product lines focusing on the production of surfactants, defoamers, lubricating agents, flame retardants and chemical intermediates.

Below are those accounting policies considered by the Company to be significant.

**Principles of Consolidation** - The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. Intercompany transactions and balances have been eliminated.

**Use of Estimates** - The preparation of the Company's financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates that affect the reported amounts of assets, liabilities, sales and expenses, and related disclosures of contingent assets and liabilities. Significant items subject to such estimates and assumptions include the carrying value of property, plant and equipment; intangible assets; valuation allowances for receivables and deferred income tax assets and liabilities; liabilities for potential tax deficiencies; and, potential litigation claims and settlements. The Company bases these estimates on historical results and various other assumptions believed to be reasonable, all of which form the basis for making estimates concerning the carrying value of assets and liabilities that are readily available from other sources. Actual results may differ from these estimates.

**Reclassifications** - Certain prior period amounts have been reclassified to conform to current period presentation, including the Company's Tubular Products segment, which includes Bristol Metals ("BRISMET") and American Stainless Tubing ("ASTI"), to discontinued operations and provision for (reduction of) inventory losses to inventories on the consolidated statements of cash flows.

**Cash and Cash Equivalents** - The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company maintains cash levels in bank accounts that, at times, may exceed federally-insured limits.

**Accounts Receivable** - Accounts receivable from the sale of products are recorded at net realizable value and the Company generally grants credit to customers on an unsecured basis. Substantially all of the Company's accounts receivable are due from companies located throughout the United States. The Company provides an allowance for credit losses for expected uncollectible amounts. The allowance is based upon an analysis of accounts receivable balances with similar risk characteristics on a collective basis, considering factors such as the aging of receivables balances, historical loss experience, current information, and future expectations. Each reporting period, the Company reassesses whether any accounts receivable no longer share similar risk characteristics and should instead be evaluated as part of another pool or on an individual basis. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. Receivables are generally due within 30 to 90 days. Delinquent receivables are written off based on individual credit evaluations and specific circumstances of the customer.

The opening and closing balances of our accounts receivables from continuing operations are as follows (in thousands):

<i>(in thousands)</i>	<b>January 1, 2024</b>	<b>December 31, 2024</b>	<b>December 31, 2025</b>
Accounts receivables, net	\$ 15,097	\$ 12,232	\$ 10,040



Activity in the allowance for credit losses from continuing operations were as follows:

<i>(in thousands)</i>	2025	2024
Balance at beginning of period	\$ 202	\$ 151
Current period provision for expected credit losses	52	378
Deductions from allowance	(621)	(327)
Other <sup>1</sup>	1,371	—
Balance at end of period	<u>\$ 1,004</u>	<u>\$ 202</u>

<sup>1</sup>Remaining allowance for credit losses associated with the former Munhall facility. Receivables balance was fully reserved as of December 31, 2025 and 2024.

**Inventories** - Inventories are stated at the lower of cost or net realizable value ("LCNRV"). Cost is determined by either specific identification or weighted average methods.

At the end of each quarter, recent sales reports are reviewed to identify sales price trends that would indicate products or product lines that are being sold below our cost. This would indicate that an adjustment would be required. An LCNRV adjustment is recorded when the Company's inventory cost, based upon a historical price, is greater than the current selling price of that product. LCNRV adjustments of \$0.2 million and \$0.5 million were required during the years ended December 31, 2025 and 2024, respectively.

In addition, the Company establishes inventory reserves for:

- *Estimated obsolete or unmarketable inventory* - The Company identifies aged inventory items with slow or no sales activity for finished goods or slow or no usage for raw materials for a certain period of time. For those inventory items, a reserve is established for a percentage of the inventory cost and is based on our current knowledge with respect to inventory levels, sales trends and historical experience. The Company reserved \$1.0 million and \$1.1 million for continuing operations as of December 31, 2025 and 2024, respectively.
- *Estimated quantity losses* - The Company performs an annual physical count of inventory during the fourth quarter each year for all facilities. A reserve is established for the potential quantity losses that could occur subsequent to their physical inventory and is based upon the most recent physical inventory results. The Company had \$0.1 million reserved for physical inventory quantity losses for continuing operations as of December 31, 2025 and 2024.

**Property, Plant and Equipment** - Property, plant and equipment are stated at cost. Depreciation is determined based on the straight-line method over the estimated useful life of the assets. Substantially all depreciation is recorded within cost of goods sold on the consolidated statements of income (loss). Leasehold improvements are depreciated over the shorter of their useful lives or the remaining non-cancellable lease term, buildings are depreciated over a range of 10 years to 40 years, and machinery, fixtures and equipment are depreciated over a range of three years to 20 years. The costs of software licenses are amortized over five years using the straight-line method. The Company continually reviews the recoverability of the carrying value of long-lived assets. The Company also reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. When the future undiscounted cash flows of the operation to which the assets relate do not exceed the carrying value of the asset, the assets are written down to fair value.

**Business Combinations** - Business combinations are accounted for using the acquisition method of accounting. Under this method, the total consideration transferred to consummate the business combination is allocated to the identifiable tangible and intangible assets acquired and liabilities assumed based on their respective fair values as of the closing date of the transaction. The acquisition method of accounting requires extensive use of estimates and judgments to allocate the consideration transferred to the identifiable tangible and intangible assets acquired, if any, and liabilities assumed.

**Intangible Assets** - Intangible assets consists of customer relationships, trademarks and trade names, and represents the fair value of intellectual, non-physical assets resulting from business acquisitions and are amortized over their estimated useful lives using either an accelerated or straight-line method over a period of 15 years. Amortization expense is recorded in selling, general and administrative expense on the consolidated statements of income (loss).

The gross carrying amount and accumulated amortization of intangible assets from continuing operations consist of the following:

<i>(in thousands)</i>	2025		2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<b>Definite-lived intangible assets:</b>				
Customer related	\$ 5,100	\$ (2,779)	\$ 5,100	\$ (2,167)
Trademarks and trade names	150	(32)	150	(32)
Other	500	(106)	500	(106)
<b>Total definite-lived intangible assets</b>	<b>\$ 5,750</b>	<b>\$ (2,917)</b>	<b>\$ 5,750</b>	<b>\$ (2,305)</b>

The Company recorded amortization expense related to intangible assets from continuing operations of \$0.6 million and \$0.7 million for 2025 and 2024, respectively.

Estimated amortization expense for the next five fiscal years based on existing intangible assets is as follows:

<i>(in thousands)</i>	
2026	\$ 468
2027	375
2028	310
2029	278
2030	249
Thereafter	1,153
Total	\$ 2,833

**Deferred Charges** - Deferred charges represent debt issuance costs and are amortized over their estimated useful lives using the straight-line method over a period of four years and is recorded in interest expense on the consolidated statements of income (loss). In the year 2025, the Company capitalized \$0.5 million of debt issuance costs related to its Credit Facility Amendments with BMO Bank N.A. Debt issuance costs remaining related to the Company's previous credit agreements were expensed in 2025. See [Note 6](#) for additional information on the Company's credit facilities.

Deferred charges totaled \$0.4 million and \$0.3 million as of December 31, 2025 and 2024, respectively. Accumulated amortization of deferred charges as of December 31, 2025 and 2024 totaled \$0.1 million and less than \$0.1 million, respectively.

**Long-Lived Asset Impairment** - The carrying amounts of long-lived assets are reviewed whenever certain events or changes in circumstances indicate that the carrying amounts may not be recoverable. A potential impairment has occurred for long-lived assets held-for-use if projected future undiscounted cash flows expected to result from the use and eventual disposition of the assets are less than the carrying amounts of the assets. An impairment loss is recorded for long-lived assets held-for-use when the carrying amount of the asset is not recoverable and exceeds its fair value.

Long-lived assets that are expected to be sold within the next 12 months and meet the other relevant held-for-sale criteria are classified as long-lived assets held-for-sale. An impairment loss is recorded for long-lived assets held-for-sale when the carrying amount of the asset exceeds its fair value less cost to sell. A long-lived asset is not depreciated while its classified as held-for-sale.

For long-lived assets to be abandoned, the Company considers the asset to be disposed of when it ceases to be used. Until it ceases to be used, the Company continues to classify the asset as held-for-use and test for potential impairment accordingly. If the Company commits to a plan to abandon a long-lived asset before the end of its previously estimated useful life, its depreciable life is re-evaluated.

Gains and losses on the disposal of assets are recorded as the difference between the net proceeds received, if any, and net carrying values of the assets disposed and are included in loss on disposal of assets and adjustments to assets held for sale, net in the consolidated statements of income (loss).

Fair value measurements associated with long-lived asset impairments are included in [Note 4](#) of the notes to the consolidated financial statements.

**Discontinued Operations** - The Company accounts for and classifies a business as a discontinued operation when the following criteria are met: the disposal group is a component of an entity, the component of the entity meets the held for sale criteria in accordance with our policy described above and the component of the entity represents a strategic shift in the entity's operating and financial results. See [Note 2](#) for discussion on the Company's discontinued operations.

**Leases** - The Company determines whether an arrangement is a lease at contract inception. For leases in which the Company is the lessee, the Company recognizes a right-of-use asset and corresponding lease liability on the consolidated balance sheets equal to the present value of the fixed lease payments over the lease term. Lease liabilities represent an obligation to make lease payments arising from a lease while right-of-use assets represent a right to use an underlying asset during the lease term. The Company does not separate lease and non-lease components for its underlying assets. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets.

If readily determinable, the rate implicit in the lease is used to discount lease payments to present value; however, the Company's leases generally do not provide a readily determinable implicit rate. When the implicit rate is not determinable, the Company's estimated incremental borrowing rate is utilized, determined on a fully collateralized and fully amortizing basis, to discount lease payments based on information available at lease commencement. The Company determines the appropriate incremental borrowing rate by identifying a reference rate and making adjustments that take into consideration financing options and certain lease-specific circumstances. Lease costs are recognized on a straight-line basis over the lease term.

Right-of-use assets and operating lease liabilities are remeasured upon certain modifications to leases using the present value of the remaining lease payments and estimated incremental borrowing rate upon lease modification. The difference between the remeasured right-of-use asset and the operating lease liabilities are recognized as a gain or loss within operating expenses. The Company reviews any changes to its lease agreements for potential modifications and/or indicators of impairment of the respective right-of-use asset. Operating leases are included in right-of-use assets, current portion of operating lease liabilities and long-term portion of operating lease liabilities on the accompanying consolidated balance sheets. Finance leases are included in property, plant and equipment, current portion of finance lease liabilities and long-term portion of finance lease liabilities. See [Note 7](#) for additional information on the Company's leases.

The Company subleases portions of certain properties that are not used in its operations. Sublease income was \$0.6 million and \$0.4 million for 2025 and 2024, respectively.

**Revenue Recognition** - Revenues are recognized when control of the promised goods or services is transferred to our customers upon shipment, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. The Company's revenues are derived from contracts with customers where performance obligations are satisfied at a point-in-time or over-time. For certain contracts under which the Company produces product with no alternative use and for which the Company has an enforceable right to payment during the production cycle, product in which the material is customer owned or in which the customer simultaneously consumes the benefits throughout the production cycle, progress toward satisfying the performance obligation is measured using an output method of units produced. Certain customer arrangements consist of bill-and-hold characteristics under which transfer of control has been met (including the passing of title and significant risk and reward of ownership to the customers). Therefore, the customers can direct the use of the bill-and-hold inventory while we retain physical possession of the product until it is shipped to a customer at a point in time in the future.

Our contracts with customers may include multiple performance obligations. For such arrangements, revenue for each performance obligation is based on its standalone selling price and revenue is recognized as each performance obligation is satisfied. The Company generally determines standalone selling prices based on the prices charged to customers using the adjusted market assessment approach or expected cost plus margin. Deferred revenues are recorded when cash payments are received in advance of satisfying the performance obligation, including amounts which are refundable. See [Note 3](#) for additional information on the Company's revenue.

**Shipping Costs** - Shipping costs are treated as fulfillment activities at the time control and title of the promised good and services rendered are transferred to the customer. Shipping costs from continuing operations of approximately \$0.5 million and \$0.3 million in 2025 and 2024, respectively, are recorded in cost of goods sold on the consolidated statements of income (loss).

**Share-Based Compensation** - Share-based payments to employees, including grants of employee stock options, are recognized in the consolidated statements of income (loss) as compensation expense (based on their estimated fair values at grant date) generally over the vesting period of the awards using the straight-line method. Any forfeitures of share-based awards are recorded as they occur. See [Note 10](#) for additional information on the Company's accounting for share-based payments.

**Income Taxes** - Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing accounts and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized.

Additionally, the Company maintains reserves for uncertain tax provisions, if necessary. See [Note 11](#) for additional information on the Company's income taxes.

**Earnings Per Share** - Earnings per share of common stock are computed based on the weighted average number of basic and diluted shares outstanding during each period. See [Note 12](#) for additional information on the Company's earnings per share.

**Concentrations of Credit Risk** - Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash deposits and trade accounts receivable. The Company monitors the financial institutions where it invests its cash and cash equivalents as well as performs credit reviews of potential customers when extending credit to purchase and periodic reviews of existing customers to mitigate exposure and risk. The Company has five customers that accounted for approximately 51% of revenues for 2025 and 35% of revenues for 2024.

**Accounting Pronouncements Recently Adopted** - In December 2025, the Company adopted Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU requires consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. The amendments also require that all entities disclose more detailed information about income taxes paid, including by jurisdiction; pretax income (or loss) from continuing operations; and income tax expense (or benefit). The Company adopted this standard on a prospective basis and the adoption did not have a material effect on the consolidated financial statements or footnote disclosures.

In December 2024, the Company adopted Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. All disclosure requirements under ASU 2023-07 are also required for public entities with a single reportable segment. The adoption of this standard by the Company did not have a material effect on the consolidated financial statements or footnote disclosures.

**Accounting Pronouncements Not Yet Adopted** - In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures*. The ASU requires updated disclosures, in the notes to the financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity disclose the amounts of purchases of inventory, employee compensation, depreciation, intangible asset amortization and depreciation, depletion, and amortization recognized as part of oil and gas producing activities included in relevant expense captions. The amendments also require disclosure of qualitative descriptions of amounts remaining in relevant expense captions that are not separately disaggregated and to disclose the total amount of selling expenses as well as the entity's definition of selling expenses. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2027, and subsequent interim periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements and footnote disclosures.

Recent accounting pronouncements pending adoption not discussed in this Form 10-K are either not applicable to the Company or are not expected to have a material impact on the Company.

**Note 2: Discontinued Operations**

*Divestiture of Bristol Metals*

On March 12, 2025, the Company and its wholly-owned subsidiaries Synalloy Metals, Inc. ("Synalloy Metals") and Bristol Metals, LLC. ("BRISMET"), entered into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which they sold substantially all of the assets related to BRISMET to Bristol Pipe and Tube, Inc., a Delaware corporation and wholly-owned subsidiary of Ta Chen International, Inc. (the "Purchaser"). Ascent and Purchaser also entered into a Transition Services Agreement (the "TSA") dated March 12, 2025, pursuant to which Ascent has agreed to provide certain transition services to Purchaser immediately after the closing for certain agreed upon transition periods. On April 4, 2025, the Company and Purchaser completed the transaction contemplated by the Purchase Agreement. The consideration for the transaction was approximately \$45 million of cash proceeds, of which \$4.5 million was placed in an escrow account to be received in 18 months from the closing date. The escrow amount is presented within "Advances and other receivables" on the consolidated balance sheets. During the three months ended September 30, 2025, the Company and Purchaser completed the measurement period closing adjustments under the terms of the Purchase Agreement resulting in a pretax gain on sale of \$2.5 million. As a result of the sale, BRISMET results of operations are classified under discontinued operations for all periods presented. Prior to the divestiture, BRISMET was reported under the Company's former Tubular Products segment.

*Divestiture of American Stainless Tubing*

On June 23, 2025, the Company and its wholly-owned subsidiary American Stainless Tubing, Inc. ("ASTI"), entered into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which they sold substantially all of the assets related to ASTI to First Tube, LLC., a Texas limited liability company and wholly-owned subsidiary of Triple-S Steel Holdings, Inc (the "Purchaser"). On June 30, 2025, the Company and Purchaser completed the transaction contemplated by the Purchase Agreement. The consideration for the transaction was approximately \$16 million of cash proceeds, of which \$0.8 million was placed in an escrow account to be received in 12 months from the closing date. The escrow amount is presented within "Advances and other receivables" on the condensed consolidated balance sheets. The sale resulted in a pretax gain on sale of \$4.6 million. ASTI's results of operations are classified under discontinued operations for all periods presented. Prior to the divestiture, ASTI was reported under the Company's former Tubular Products segment.

The financial results of the Company's discontinued operations are presented as income from discontinued operations, net of tax on the consolidated statements of income (loss). The following table summarizes the results of the Company's discontinued operations:

(Unaudited)

<i>(in thousands)</i>	Three months ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net sales	\$ —	\$ 22,549	\$ 34,460	\$ 97,398
Cost of sales	—	19,227	29,770	88,210
Gross profit	—	3,322	4,690	9,188
Selling, general and administrative expense	—	1,543	1,887	5,658
Acquisition costs and other	—	242	3,421	395
Loss (gain) on sale of assets	—	228	(7,094)	(1,313)
Asset impairments	—	—	—	1,115
Income from discontinued operations before income taxes	—	1,309	6,476	3,333
Income tax provision	32	2,491	25	4,354
Net income (loss) from discontinued operations	\$ (32)	\$ (1,182)	\$ 6,451	\$ (1,021)

The following table presents the aggregate carrying amounts of the classes of assets and liabilities of the Company's discontinued operations:

<i>(in thousands)</i>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Carrying amounts of assets included as part of discontinued operations:</b>		
Cash and cash equivalents	\$ —	\$ 10
Accounts receivable, net	—	11,597
Inventories	—	35,236
Prepaid expenses and other current assets	—	998
Current assets classified as discontinued operations	—	47,841
Property, plant and equipment, net	—	7,873
Right-of-use assets, operating leases, net	—	85
Intangible assets, net	—	3,564
Other non-current assets, net	—	2,661
Long-term assets classified as discontinued operations	—	14,183
<b>Total assets classified as discontinued operations</b>	<b>\$ —</b>	<b>\$ 62,024</b>
<b>Carrying amounts of liabilities included as part of discontinued operations:</b>		
Accounts payable	—	6,252
Deferred revenue	—	1,360
Accrued expenses and other current liabilities	—	2,019
Current portion of operating lease liabilities	—	84
Current portion of finance lease liabilities	—	41
Current liabilities classified as discontinued operations	—	9,756
<b>Total liabilities classified as discontinued operations</b>	<b>\$ —</b>	<b>\$ 9,756</b>

**Note 3: Revenue Recognition**

Revenue is generated primarily from contracts to produce, ship and deliver specialty chemical products. Revenues are recognized when control of the promised goods or services is transferred to our customers upon shipment, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. The Company's revenues are derived from contracts with customers where performance obligations are satisfied at a point-in-time or over-time. For certain contracts under which the Company produces product with no alternative use and for which the Company has an enforceable right to payment during the production cycle, product in which the material is customer owned or in which the customer simultaneously consumes the benefits throughout the production cycle, progress toward satisfying the performance obligation is measured using an output method of units produced. Certain customer arrangements consist of bill-and-hold characteristics under which transfer of control has been met (including the passing of title and significant risk and reward of ownership to the customers). Therefore, the customers can direct the use of the bill-and-hold inventory while we retain physical possession of the product until it is shipped to a customer at a point in time in the future.

Sales tax and other taxes we collect with revenue-producing activities are excluded from revenue. Shipping costs charged to customers are treated as fulfillment activities and are recorded in both revenue and cost of sales at the time control is transferred to the customer. Costs related to obtaining sales contracts are incidental and are expensed when incurred. Because customers are invoiced at the time title transfers and the Company's right to consideration is unconditional at that time, the Company does not maintain contract asset balances. Additionally, the Company does not maintain material contract liability balances, as performance obligations for substantially all contracts are satisfied prior to customer payment for product. The Company offers industry standard payment terms.

The following table presents the Company's revenues, disaggregated by product group from continuing operations:

<i>(in thousands)</i>	<b>2025</b>		<b>2024</b>	
Custom Manufacturing <sup>1</sup>	\$	52,643	\$	58,920
Core Technology <sup>2</sup>		22,299		21,843
<b>Net sales</b>	<b>\$</b>	<b>74,942</b>	<b>\$</b>	<b>80,763</b>

<sup>1</sup>Custom Manufacturing includes tolling, dedicated manufacturing and other manufacturing in which the customer formulation or intellectual property is owned by the customer

<sup>2</sup>Core technology includes product groups in which Ascent owns the right to the formulation or the intellectual property used in the manufacturing process

The Company's revenues are derived from contracts with customers where performance obligations are satisfied at a point-in-time or over-time. Performance obligations are supported by contracts with customers, providing a framework for the nature of the distinct goods, services or bundle of goods and services. The timing of satisfying the performance obligation is typically indicated by the terms of the contract. The following table represents the Company's revenue recognized at a point- in-time and over-time.

<i>(in thousands)</i>	<b>2025</b>		<b>2024</b>	
Point-in-time	\$	54,256	\$	58,440
Over-time	\$	20,686	\$	22,323

#### **Note 4: Fair Value of Financial Instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. To measure fair value, we use a three-tier valuation hierarchy based upon observable and non-observable inputs:

*Level 1* - Unadjusted quoted prices that are available in active markets for identical assets or liabilities at the measurement date.

*Level 2* - Significant other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in non-active markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

*Level 3* - Significant unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using model-based techniques, including option pricing models, discounted cash flow models, probability weighted models, and Monte Carlo simulations.

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, notes payable and revolving line of credit.

#### **Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis**

For the fiscal year ended December 31, 2025 the Company's only significant measurements of assets and liabilities at fair value on a non-recurring basis subsequent to their initial recognition were certain right-of-use assets. For the fiscal year ended December 31, 2024, the Company's only significant measurements of assets and liabilities at fair value on a non-recurring basis subsequent to their initial recognition were certain long-lived assets and certain assets held for sale.

#### **Right-of-use assets**

During the second quarter of 2025, the Company incurred impairment charges of \$1.6 million related to the write down of the right-of-use asset for the Company's Master lease associated with the former Munhall facility. Fair value was estimated by using a discounted cash flow method. The discounted future cash flows were determined based on future sublease rental rates, future sublease market conditions and a discount rate based on the Company's incremental borrowing rate. In the fourth

quarter of 2025, the Company and its sale leaseback partner, Store, completed a lease assignment of the former Munhall facility to an unaffiliated third party and entered into Seventh Amended and Restated Master Lease agreement to reduce Ascent's rent with STORE. As a result of the assignment and associated lease modification, the Company recognized a gain on modification of \$1.7 million in the fourth quarter of 2025. See [Note 7](#) for additional information on the Company's leases.

*Long-lived assets*

The Company reviews the carrying amounts of long-lived assets whenever certain events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company assesses performance quarterly against historical patterns, projections of future profitability, and whether it is more likely than not that the assets will be disposed of significantly prior to the end of their estimated useful life for evidence of possible impairment. An impairment loss is recognized when the carrying amount of the asset (disposal) group is not recoverable and exceeds fair value. The Company estimates the fair values of assets subject to long-lived asset impairment based on the Company's own judgments about the assumptions market participants would use in pricing the assets and observable market data, when available.

During the second quarter of 2023, the Board of Directors of the Company made the decision to permanently cease operations at the Munhall facility. The Company ceased operations effective August 31, 2023. As a result of this decision, it was determined to be more likely than not that the assets of Munhall would be sold or otherwise disposed of significantly before the end of their previously estimated useful lives, and therefore, experienced a triggering event and were evaluated for recoverability. During the first quarter of 2024, the Company incurred asset impairment charges of \$1.1 million related to the write down of the remaining long-lived assets at the facility.

*Assets Held-for-Sale*

During the third quarter of 2024, the Company entered into a purchase agreement to sell the remaining assets at the Munhall facility for approximately \$2.8 million. The Company recognized a \$1.5 million gain on the sale in the third quarter of 2024.

**Fair Value of Financial Instruments**

The fair values of cash and cash equivalents, accounts receivable, accounts payable and the Company's note payable approximated their carrying value because of the short-term nature of these instruments. The Company's revolving line of credit, which is based on a variable interest rate, are also reflected in the financial statements at carrying value which approximates fair value as of December 31, 2025. The carrying amount of cash and cash equivalents are considered Level 1 measurements. The carrying amounts of accounts receivable, accounts payable, note payable and revolving line of credit are considered Level 2 measurements. See [Note 6](#) for further information on the Company's debt.

**Note 5: Property, Plant and Equipment**

Property, plant and equipment consist of the following:

<i>(in thousands)</i>	2025	2024
Land	\$ 518	\$ 665
Leasehold improvements	2,624	2,220
Buildings	1,830	1,475
Machinery, fixtures and equipment	40,120	39,038
Construction-in-progress	332	875
	45,424	44,273
Less accumulated depreciation and amortization	(29,662)	(26,684)
Property, plant and equipment, net	<u>\$ 15,762</u>	<u>\$ 17,589</u>

The following table sets forth depreciation expense related to property, plant and equipment:

<i>(in thousands)</i>	2025	2024
Cost of sales	\$ 3,312	\$ 3,643
Selling, general and administrative	262	241
Total depreciation	<u>\$ 3,574</u>	<u>\$ 3,884</u>

## **Note 6: Debt**

### **Short-term debt**

On June 21, 2025, the Company entered into a note payable in the amount of \$1.1 million with an interest rate of 3.68% maturing April 1, 2026. The agreement is associated with the financing of the Company's insurance premium in the current year. As of December 31, 2025, the outstanding balance was \$0.4 million.

### **Credit Facilities**

On April 4, 2025, Ascent entered into a Limited Consent, Fourth Amendment to Credit Agreement to Loan Documents with BMO Bank N.A. under Ascent's credit facility (the "Fourth Credit Facility Amendment") which released the lien on the assets of BRISMET and removed BRISMET as a loan party and reduced the maximum revolving loan commitment under the credit facility from \$60 million to \$30 million.

On June 30, 2025, Ascent entered into a Limited Consent, Fifth Amendment to Credit Agreement to Loan Documents with BMO Bank N.A. under Ascent's credit facility (the "Fifth Credit Facility Amendment") which released the lien on the assets of ASTI and removed ASTI as a loan party.

On December 10, 2025, Ascent Industries Co. ("Ascent") entered into a Limited Waiver, Consent and Sixth Amendment to Credit Agreement and Omnibus Amendment to Loan Documents with BMO Bank N.A. and the other lenders under Ascent's credit facility (the "Sixth Credit Facility Amendment"). The Sixth Credit Facility Amendment contained a consent for (a) Ascent entering into the assignment of the lease for Ascent's former Munhall facility to a new tenant, and (b) certain organizational changes relating to an internal restructuring of Ascent's chemical manufacturing businesses, including (i) updates to the names of Ascent's chemical manufacturing businesses designed to provide for more consistent branding across its manufacturing locations and (ii) the formation of a new holding company named Ascent Chemicals, LLC ("Ascent Chemicals") to own all of Ascent's chemical manufacturing businesses. The Sixth Credit Facility Amendment also added Ascent Chemicals as a loan party to the credit facility. In addition, the Credit Facility Amendment provided a limited waiver of an event of default that occurred under the credit facility due to Ascent's repurchase of shares in an aggregate amount that exceeded the threshold set forth in Section 8.06(c) of the credit facility. The lenders under the credit facility have not accelerated any obligations of Ascent as a result of such event of default and will no longer have any such acceleration rights as a result of the limited waiver. The maximum revolving loan commitment under the credit facility remains \$30 million with an interest rate between 1.85% and 2.35%, depending on average availability under the credit facility and the Company's consolidated fixed charge coverage ratio. The term of the credit facility remains through December 31, 2027.

We have pledged all of our accounts receivable, inventory, and certain machinery and equipment as collateral for the Credit Agreement. Availability under the Credit Agreement is subject to the amount of eligible collateral as determined by the lenders' borrowing base calculations. Amounts outstanding under the revolving line of credit currently bear interest at (a) the Base Rate (as defined in the Credit Agreement) plus 0.75%, or (b) SOFR plus 1.75%. The Credit Agreement also provides an unused commitment fee based on the daily used portion of the credit facility.

Pursuant to the Sixth Credit Facility Amendment, the Company was required to pledge all of its tangible and intangible properties, including the stock and membership interests of its subsidiaries. The Sixth Credit Facility Amendment contains covenants requiring the maintenance of a minimum consolidated fixed charge coverage ratio if excess availability falls below the greater of (i) \$4.5 million and (ii) 15% of the revolving credit facility. As of December 31, 2025, the Company was in compliance with all financial debt covenants.

The revolving line of credit interest rate was 0.35% as of December 31, 2025 and 2024, respectively. The interest rate in 2025 and 2024 consisted solely of the Company's unused commitment fee under the Credit Facility. The Company had no average borrowings under the revolving line of credit during 2025 or 2024.

The Company made interest payments on all credit facilities of \$0.2 million and \$0.3 million in 2025 and 2024, respectively.

The Company had no debt outstanding under its credit facilities as of December 31, 2025 and 2024.

As of December 31, 2025, the Company had \$11.4 million of remaining availability under its credit facility.

**Note 7: Leases**

The Company's portfolio of leases contains both finance and operating leases that relate to real estate and manufacturing equipment. Substantially all of the value of the Company's leased plants and facilities relate to the Master Lease with Store Master Funding XII, LLC ("Store"), an affiliate of Store Capital Corporation ("Store Capital"), that was entered into in 2016 and since amended, with the latest amendment occurring in 2025. During the third quarter of 2024, the Company and Store closed on a transaction pursuant to which Store sold to a third party approximately 20,200 square feet of warehouse space located at Ascent's facility in Cleveland, Tennessee. As a result of the sale, the Company and Store entered into a Fourth Amended and Restated Master Lease Agreement (the "Fourth Master Lease") to reduce the Company's rent at the Cleveland facility pursuant to the terms and conditions of the Third Amended and Restated Master Lease Agreement between the parties dated September 10, 2020. The Fourth Master Lease was determined to be a lease modification that qualified for a remeasurement of the existing lease and not a separate contract. Upon modification of the Fourth Master Lease, the right-of-use asset and operating lease liability were remeasured using an incremental borrowing rate determined on the date of modification. As such, the Company recognized an increase in the right-of-use asset and operating lease liability related to the Fourth Master Lease of \$1.3 million and recognized a gain on the modification of \$0.1 million, which is reported within operating expenses on the consolidated statements of income (loss).

On April 4, 2025, Ascent and Store entered into a Fifth Amended and Restated Master Lease Agreement (the "Fifth Master Lease") to remove the BRISMET facility and reduce the Company's rent pursuant to the Fourth Amended and Restated Master Lease Agreement between the parties dated August 28, 2024. The Fifth Master Lease was determined to be a lease modification that qualified for a remeasurement of the existing lease and not a separate contract. Upon modification of the Fifth Master Lease, the right-of-use asset and operating lease liability were remeasured using an incremental borrowing rate determined on the date of modification. As such, the Company recognized a decrease in the right-of-use asset and operating lease liability related to the Fifth Master Lease of \$6.5 million and \$7.0 million, respectively, and recognized a gain on the modification of \$0.5 million, which is reported within operating expenses on the consolidated statements of income (loss).

On June 30, 2025, Ascent and Store entered into a Sixth Amended and Restated Master Lease Agreement (the "Sixth Master Lease") to remove the ASTI facility and reduce the Company's rent pursuant to the Fifth Amended and Restated Master Lease Agreement between the parties dated April 4, 2025. The Sixth Master Lease was determined to be a lease modification that qualified for a remeasurement of the existing lease and not a separate contract. Upon modification of the Sixth Master Lease, the right-of-use asset and operating lease liability were remeasured using an incremental borrowing rate determined on the date of modification. As such, the Company recognized a decrease in the right-of-use asset and operating lease liability related to the Fifth Master Lease of \$4.0 million. See [Note 2](#) for additional information on the Company's divestitures of BRISMET and ASTI.

In the fourth quarter of 2025, the Company and Store completed a lease assignment of the former Munhall facility to a unaffiliated third party. As a result, on November 14, 2025, Ascent and Store entered into a Seventh Amended and Restated Master Lease Agreement (the "Seventh Master Lease") to remove the former Munhall facility and reduce the Company's rent pursuant to the Sixth Amended and Restated Master Lease Agreement between the parties dated June 30, 2025. The Seventh Master Lease was determined to be a lease modification that qualified for a remeasurement of the existing lease and not a separate contract. Upon modification of the Sixth Master Lease, the right-of-use asset and operating lease liability were remeasured using an incremental borrowing rate determined on the date of modification. As such, the Company recognized a decrease in the right-of-use asset and operating lease liability related to the Seventh Master Lease of \$5.5 million and \$7.2 million, respectively, resulting in a gain on modification of \$1.7 million in the fourth quarter of 2025.

As of December 31, 2025, operating lease liabilities related to the master lease agreement with Store Capital totaled \$11.7 million, or 88% of the total lease liabilities on the consolidated balance sheet.

During the year ended December 31, 2025, the Company entered into new finance lease agreements resulting in an additional \$0.3 million of finance lease assets and lease liabilities. The Company did not enter into any new operating lease agreements for the year ended December 31, 2025.

### Balance Sheet Presentation

Operating and finance lease amounts from continuing operations are as follows (in thousands):

Classification	Financial Statement Line Item	Year Ended December 31,	
		2025	2024
Operating lease assets	Right-of-use assets, operating leases	\$ 9,368	\$ 28,140
Finance lease assets	Property, plant and equipment, net	1,060	1,227
Current liabilities	Current portion of lease liabilities, operating leases	712	1,495
Current liabilities	Current portion of lease liabilities, finance leases	331	293
Non-current liabilities	Non-current portion of lease liabilities, operating leases	11,496	29,972
Non-current liabilities	Non-current portion of lease liabilities, finance leases	\$ 808	\$ 1,015

### Total Lease Cost

Individual components of the total lease cost incurred by the Company are as follows:

(in thousands)	Year Ended December 31,	
	2025	2024
Operating lease cost <sup>1</sup>	\$ 2,423	\$ 3,924
Finance lease cost:		
Reduction in carrying amount of right-of-use assets	226	311
Interest on finance lease liabilities	53	85
Sublease income	(552)	(419)
Total lease cost	\$ 2,150	\$ 3,901

<sup>1</sup>Includes short term leases, which are immaterial

Reduction in carrying amounts of right-of-use assets held under finance leases is included in depreciation expense. Minimum rental payments under operating leases are recognized on a straight-line method over the term of the lease including any periods of free rent and are included in selling, general, and administrative expense on the consolidated statements of income (loss).

### Maturity of Leases

The amounts of undiscounted future minimum lease payments under leases as of December 31, 2025 are as follows:

(in thousands)	Operating	Finance
2026	\$ 1,557	\$ 387
2027	1,589	387
2028	1,622	387
2029	1,655	86
2030	1,589	65
Thereafter	9,566	—
Total undiscounted minimum future lease payments	17,578	1,312
Imputed Interest	(5,370)	(174)
Total lease liabilities	\$ 12,208	\$ 1,138

**Lease Term and Discount Rate**

	Year Ended December 31,	
	2025	2024
Weighted-average discount rate		
Operating leases	7.18 %	7.15 %
Finance leases	5.94 %	5.75 %
Weighted-average remaining lease term		
Operating leases	10.50 years	11.59 years
Finance leases	3.23 years	4.03 years

**Subleases**

During the second quarter of 2024, the Company entered into a sublease agreement with a third party to sublease the former Specialty Pipe and Tube, Inc. facilities in Mineral Ridge, Ohio and Houston, Texas. The sublease agreement continues through the remaining term of the Master Lease Agreement and will expire on September 30, 2036, unless terminated in accordance with the sublease agreement. The sublease provides for an annual base rent of approximately \$0.1 million in the first year, which increases on an annual basis by 2.0%. The sublessee is responsible for taxes and all operating expenses related to the subleased space

The Company also currently subleases the former Palmer facility and records cash receipts related to the subleases in other expense (income) on the consolidated statements of income (loss). Sublease payments offset the amounts the Company incurs in the Master Lease related to sublet facilities.

Future expected cash receipts from the Company's subleases as of December 31, 2025 are as follows:

<i>(in thousands)</i>	Sublease Receipts	
2026	\$	594
2027		606
2028		618
2029		631
2030		643
Thereafter		3,954
Total sublease receipts	\$	<u>7,046</u>

**Note 8: Accrued Expenses & Other Current Liabilities**

Accrued expenses for continuing operations consist of the following:

<i>(in thousands)</i>	2025		2024	
Salaries, wages, and commissions	\$	2,934	\$	1,636
Income taxes		115		—
Taxes, other than income taxes		988		350
Insurance		384		964
Professional fees		127		303
Benefit plans		10		17
Waste disposal		355		—
Other accrued items		476		328
Total accrued expenses	\$	<u>5,389</u>	\$	<u>3,598</u>

**Note 9: Shareholders' Equity**

Authorized shares of common stock were \$24.0 million (\$1.00 par value) at December 31, 2025 and 2024.

**Share Repurchase Program**

The Company's previous share repurchase program allowed for repurchase of up to 790,383 shares of the Company's outstanding common stock and expired on February 17, 2025. On February 17, 2025, the Board of Directors authorized a new share repurchase program allowing for repurchase of up to 1.0 million shares of the Company's outstanding common stock over 24 months. On December 19, 2025, the Board of Directors authorized a new share repurchase program allowing for repurchase of up to 2.0 million shares of the Company's outstanding common stock over 24 months. The shares will be purchased from time to time at prevailing market prices, through open market or privately negotiated transactions, depending on market conditions. Under the program, the purchases will be funded from available working capital, and the repurchased shares will be returned to the status of authorized, but unissued shares of common stock or held in treasury. There is no guarantee as to the exact number of shares that will be repurchased by the Company, and the Company may discontinue purchases at any time that management determines additional purchases are not warranted. As of December 31, 2025, the Company had 1,998,504 shares of its share repurchase authorization remaining.

The Company may also withhold shares from employees to satisfy either the exercise price of stock options exercised or the statutory withholding tax liability resulting from the vesting of share-based awards.

Shares repurchased for the year ended December 31, 2025 and 2024 were as follows:

	<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Share repurchase program <sup>1</sup>	740,683	101,263
Shares withheld from employees	4,841	—
<b>Total shares repurchased</b>	<b>745,524</b>	<b>101,263</b>
<b>Average price per share</b>	<b>\$ 12.26</b>	<b>\$ 10.21</b>
<b>Total cost of shares repurchased<sup>2</sup></b>	<b>\$ 9,159,661</b>	<b>\$ 1,037,346</b>

<sup>1</sup>Includes 745 shares repurchased under previous share repurchase program which expired on February 17, 2025 and 743,283 shares repurchased under the repurchase program authorized on February 17, 2025

<sup>2</sup>Includes broker fees incurred as part of repurchase transactions

**Dividends**

At the end of each fiscal year the Board reviews the financial performance and capital needed to support future growth to determine the amount of cash dividend, if any, which is appropriate. In 2025 and 2024, no dividends were declared or paid by the Company.

**Note 10: Accounting for Share-Based Payments**

**Overview of Share-Based Payment Plans**

The Company has a number of active and inactive equity incentive plans (the "Incentive Plans") under which the Company has been authorized to grant share-based awards to key employees and non-employee directors. A total of 0.8 million shares have been authorized for grant to key employees and non-employee directors under the Company's currently active Incentive Plans. As of December 31, 2025, there were 0.4 million shares remaining available for grants under the currently active equity Incentive Plans.

The Company recognized share-based compensation expense within SG&A expense on the consolidated statements of income (loss) of \$1.3 million and \$0.8 million in 2025 and 2024, respectively.

Total unrecognized share-based payment expense for all share-based payment plans was \$1.0 million at December 31, 2025, of which \$0.6 million is expected to be recognized in 2026 and \$0.4 million thereafter. This results in these amounts being recognized over a weighted-average period of 2.34 years.

### Stock Options

Stock options have terms of 10 years and vest in 20% or 33% increments annually on a cumulative basis, beginning one year after the date of grant, and are assigned an exercise price equal to the average of the high and low common stock price on the day prior to the date of grant. Options are expensed on a straight-line basis over the grant vesting period, which is considered to be the requisite service period. There was no compensation expense charged against income for options in 2025 or 2024.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. When determining expected volatility, the Company considers the historical volatility of the Company's stock price. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant, based on the options' expected term. The Company granted no new options in 2025 or 2024.

Transactions related to stock options for the year ended December 31, 2025 are summarized as follows:

	Weighted Average Exercise Price	Options Outstanding	Weighted Average Contractual Term (in years)	Intrinsic Value of Options
Outstanding at December 31, 2024	\$ 13.56	98,088	4.2	\$ —
Exercised	13.00	(32,000)		
Canceled, forfeited, or expired	15.37	(23,421)		
Outstanding at December 31, 2025	\$ 13.00	42,667	4.1	\$ 136,321
Vested and expected to vest at December 31, 2025	\$ —	—	—	\$ —
Exercisable options	\$ 13.00	42,667	4.1	\$ 136,321

### Restricted Stock Awards

Restricted stock awards are valued based on the average of the high and low common stock price on the day prior to the date of grant. In general, these awards vest in 33% increments annually on a cumulative basis, beginning one year after the date of grant. In order for the awards to vest, the employee must be in the continuous employment of the Company since the date of the award. Except for death, disability, or qualifying retirement, any portion of an award that has not vested is forfeited upon termination of employment. An employee is not entitled to any voting rights with respect to any shares not yet vested, and the shares are not transferable.

All awards are expensed on a straight-line basis over the grant vesting period, which is considered to be the requisite service period. The weighted average period over which the restricted stock awards compensation expense is expected to be recognized is 2.53 years.

Transactions related to restricted stock awards for the year ended December 31, 2025 are summarized as follows:

	Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2024	29,865	\$ 9.49
Granted	69,448	12.72
Vested	(11,590)	9.98
Nonvested at December 31, 2025	87,723	\$ 10.68

### Performance Stock Units

The Company issues performance stock units classified as equity awards. In order for the awards to vest, the employee must be in the continuous employment of the Company since the date of the award. Except for death, disability, or qualifying retirement, any portion of an award that has not vested is forfeited upon termination of employment. An employee is not entitled to any voting rights with respect to any shares not yet vested, and the shares are not transferable.

The Company issues performance stock units which contain performance and service conditions that must be satisfied for an employee to earn the right to benefit from the award. Expense is recognized on a straight-line basis over the requisite service period, based on the probability of achieving the performance condition, with changes in expectations recognized as an adjustment to earnings in the period of the change. Compensation cost is not recognized for performance share units that do not vest because service or performance conditions are not satisfied, and any previously recognized compensation cost is reversed. The performance condition for these awards is based on the achievement of specified Adjusted EBITDA targets.

In general, 0% to 150% of the Company's performance share units vest at the end of a specified service period from the date of grant based upon achievement of the performance condition, with both the service period and performance condition specified in the performance share unit agreement.

Transactions related to performance share units which have a performance and service condition for the year ended December 31, 2025 are as follows:

	Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2024	—	\$ —
Granted	69,541	12.44
Nonvested at December 31, 2025	69,541	\$ 12.44

The weighted-average grant-date price per unit of performance stock units granted with a performance and service condition was \$12.44 in 2025. The Company did not grant performance stock units granted with a performance and service condition in 2024.

The Company also issues performance stock units which contain market conditions that must be satisfied for an employee to earn the right to benefit from the award. Performance stock units vest upon the achievement of specific thirty-day volume-weighted average price targets of a share of the Company's common stock over a period of three years.

The performance stock units are divided into tranches, each one vesting on the date the thirty-day volume-weighted average price of the Company's common stock meets or exceeds the price target are summarized in the table below:

	Shares	Volume Weighted Average Price Target
Tranche I	11,589	16.00
Tranche II	11,588	19.00

The fair value of the performance stock units granted with a market performance condition are determined using a Monte Carlo simulation considering historical performance of the Company's stock as well as the probability of attaining the market performance condition determined on the date of grant. Expense is recognized on a straight-line method over the requisite service period. Performance stock units do not have dividend rights. The weighted average period over which the performance stock units compensation expense is expected to be recognized is 2.27 years.

Transactions related to performance stock units which have a market condition for the year ended December 31, 2025 are as follows:

	Units	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2024	184,767	\$ 3.49
Vested	(11,590)	2.64
Forfeited	(150,000)	3.64
Outstanding at December 31, 2025	23,177	\$ 2.94

The Company did not grant performance stock units with a market condition in 2025. The weighted-average grant-date fair value per unit of performance stock units granted with a market condition was \$2.61 in 2024.

There were 11,590 shares of performance stock units with a market condition vested in 2025. There were no performance stock units with a market condition vested in 2024.

**Non-Employee Director Compensation Plan**

Non-employee directors are paid an annual retainer of \$115,000. Each non-employee director appointed to serve as a chairperson of a standing board committee receives the following annual retainer: Audit Committee: \$10,000; Compensation Committee: \$7,500; Nominating and Corporate Governance Committee: \$6,000. The committee chairperson retainer is in addition to the board retainer. Each director has the opportunity to elect to receive 100% of the retainer in restricted stock with a minimum of \$30,000 of the retainer in restricted stock. The amount of the retainer elected to be paid in restricted stock vests quarterly over a one year period. The number of restricted shares is determined by the average of the high and low sale price of the Company's stock on the day prior to the Annual Meeting of Shareholders. In 2025, the Company issued an aggregate of 13,498 shares of restricted stock to non-employee directors in lieu of \$0.2 million of their annual cash retainer fees. The weighted average period over which the non-employee director award compensation expense is expected to be recognized is 0.48 years.

**Note 11: Income Taxes**

As discussed in [Note 1](#), in December 2023, the FASB issued ASU 2023-09, which established new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. Under the new guidance, entities must consistently categorize and provide greater disaggregation of information in the rate reconciliation while also further disaggregating income taxes paid. In the fourth quarter of 2025, the company adopted ASU 2023-09.

On July 4, 2025, the legislation commonly referred to as the One Big Beautiful Bill Act ("OBBBA") was enacted in the United States. The OBBBA includes several significant changes in the U.S. tax law, including the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act and the restoration of favorable tax treatment for specific business provisions, including domestic research cost expensing and the business interest expense limitation. This legislation was enacted during the third quarter of 2025 and at this time, the Company does not expect the effects of this legislation to have a material impact on its financial results.

The Company's loss from continuing operations before income taxes is domestic-sourced only, and was as follows for the periods presented:

<i>(in thousands)</i>	<b>2025</b>	<b>2024</b>
Loss from continuing operations before income taxes	\$ (5,562)	\$ (10,771)

The Company's income tax expense from continuing operations consisted of the following:

<i>(in thousands)</i>	<b>2025</b>	<b>2024</b>
<b>Current income taxes:</b>		
Federal	\$ (26)	\$ (39)
State	134	(144)
Total current income taxes	108	(183)
<b>Deferred tax expense:</b>		
Federal	(98)	1,653
State	12	336
Total deferred income taxes	(86)	1,989
<b>Income tax expense</b>	<b>\$ 22</b>	<b>\$ 1,806</b>

**Ascent Industries Co.**  
Notes to Consolidated Financial Statements

The reconciliation of the statutory federal income tax rate to the effective tax rate for the current year in comparison of prior year in accordance with the adoption of ASU 2023-09 is as follows:

<i>(in thousands)</i>	2025		2024	
	Amount	%	Amount	%
Tax at U.S. statutory rates	\$ (1,168)	21.0 %	\$ (2,262)	21.0 %
State income taxes, net of federal tax benefit <sup>1</sup>	340	(6.1)%	(7)	0.1 %
State valuation allowance	(225)	4.0 %	158	(1.5)%
Federal valuation allowance	966	(17.3)%	4,095	(38.0)%
Stock option compensation	104	(1.9)%	37	(0.3)%
Other nondeductible expenses	5	(0.1)%	(12)	0.1 %
Other, net	—	— %	(203)	1.8 %
Total	\$ 22	(0.4)%	\$ 1,806	(16.8)%

<sup>1</sup>The state that contributes the majority (greater than 50%) of the tax effect in this category is South Carolina..

A summary of total income taxes paid (net of refunds), in accordance with the adoption of ASU 2023-09 for the year ended December 31, 2025 is as follows:

<i>(in thousands)</i>	<b>2025</b>
U.S. Federal	\$ (20)
U.S. State total	\$ (73)

Income taxes paid (net of refunds) exceeded five percent of total income taxes paid (net of refunds) in the following jurisdictions:

<i>(in thousands)</i>	<b>2025</b>
Georgia	\$ 77
South Carolina	12
Illinois	(143)
Virginia	(17)

**Ascent Industries Co.**  
Notes to Consolidated Financial Statements

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of the Company's deferred tax assets and liabilities from continuing operations are as follows at the respective year ends:

<i>(in thousands)</i>	<b>2025</b>	<b>2024</b>
<b>Deferred income tax assets:</b>		
Inventory valuation reserves	\$ 306	\$ 1,570
Inventory capitalization	96	550
Accrued bonus	483	318
State net operating loss carryforwards	1,911	2,055
Federal net operating loss carryforwards	5,813	4,075
Lease liabilities	3,037	7,484
Interest limitation carryforwards	1,302	1,488
Intangible asset basis differences	(671)	781
Other	752	1,444
<b>Total deferred income tax assets</b>	<b>13,029</b>	<b>19,765</b>
State valuation allowance	(1,757)	(2,026)
Federal valuation allowance	(6,681)	(7,040)
<b>Total net deferred income tax assets</b>	<b>4,591</b>	<b>10,699</b>
<b>Deferred income tax liabilities:</b>		
Fixed asset basis differences	2,163	4,010
Prepaid expenses	293	300
Lease assets	2,376	6,709
<b>Total deferred income tax liabilities</b>	<b>4,832</b>	<b>11,019</b>
<b>Deferred income taxes, net</b>	<b>\$ (241)</b>	<b>\$ (320)</b>

The Company's effective tax rate for 2025 was less than the U.S. statutory rate of 21% primarily driven by adjustments to the valuation allowance in the period and increases in stock compensation. The Company's effective tax rate for 2024 was less than the U.S. statutory rate of 21% primarily due to discrete tax charges associated with recording a valuation allowance on cumulative US Federal and state deferred tax assets.

The Company made no income tax payments in 2025 or 2024. The Company has \$27.7 million of U.S. Federal net operating loss carryforwards and \$6.2 million of interest limitation carryforwards at the end of 2025 compared to \$19.4 million of U.S. Federal net operating loss carryforwards and \$7.1 million of interest limitation carryforwards at the end of 2024. During the period, the Company determined that these carryforwards are unrealizable and not more likely than not to be utilized in future periods. The majority of these carryforwards are not subject to expiration.

In addition, on a gross basis the Company had state net operating loss carryforwards of \$41.8 million and \$46.2 million at the end of 2025 and 2024, respectively. As of the end of 2025, the Company had recognized a state valuation allowance of \$1.8 million, representing approximately a \$0.3 million decrease year-over-year primarily driven by net operating loss carryforward expiration in jurisdictions for which we believe it is not more likely than not to be utilized in future periods. The majority of these losses will expire between the years of 2026 and 2044, while certain losses are not subject to expiration.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state jurisdictions. The Company is no longer subject to U.S. federal examinations for years before 2020 or state examinations for years before 2019.

The Company had no uncertain tax position activity during 2025 or 2024. The Company's continuing practice is to recognize interest and/or penalties related to income tax matters in the provision for income taxes. The Company had no accruals for uncertain tax positions including interest and penalties at the end of 2025.

**Note 12: Earnings (Loss) Per Share**

The following table sets forth the computation of basic and diluted earnings (loss) per share:

<i>(in thousands, except per share data)</i>	2025	2024
<b>Numerator:</b>		
Net loss from continuing operations	\$ (5,584)	\$ (12,577)
Net income (loss) from discontinued operations	6,451	(1,021)
Net income (loss)	\$ 867	\$ (13,598)
<b>Denominator:</b>		
Weighted average common shares outstanding	9,643	10,106
Denominator for diluted earnings per share - weighted average shares	9,643	10,106
<b>Net loss per share from continuing operations:</b>		
Basic	\$ (0.58)	\$ (1.24)
Diluted	\$ (0.58)	\$ (1.24)
<b>Net income (loss) per share from discontinued operations:</b>		
Basic	\$ 0.67	\$ (0.11)
Diluted	\$ 0.67	\$ (0.11)
<b>Net income (loss) per share:</b>		
Basic	\$ 0.09	\$ (1.35)
Diluted	\$ 0.09	\$ (1.35)

The diluted earnings (loss) per share calculations exclude the effect of potentially dilutive shares when the inclusion of those shares in the calculation would have an anti-dilutive effect. The Company's dilutive securities have been excluded from the computation of diluted net loss share. Therefore, the weighted average number of common shares used to calculate the basic and diluted net loss per share is identical. The Company had 0.1 million shares of common stock that were anti-dilutive in 2025 and 2024.

**Note 13: Industry Segments**

Ascent Industries Co. has one reportable segment: Specialty Chemicals. The Specialty Chemicals segment includes the operating results of the Company's plants involved in the production of specialty chemicals and produces critical ingredients and process aids for the oil & gas, household, industrial and institutional ("HII"), personal care, coatings, adhesives, sealants and elastomers (CASE), pulp and paper, textile, automotive, agricultural, water treatment, construction and other industries.

The chief executive officer, who is also the chief operating decision maker (CODM), evaluates performance and determines resource allocations based on a number of factors, the primary measures being gross margin and segment net income (loss).

The accounting principles applied at the operating segment level are the same as those applied at the consolidated financial statement level. The significant expense categories and amounts below align with the segment-level information that is regularly provided to the CODM. Intersegment sales and transfers are eliminated at the corporate consolidation level.

**Ascent Industries Co.**  
Notes to Consolidated Financial Statements

The following tables summarize certain information regarding segments of the Company's continuing operations:

<i>(in thousands)</i>	Year Ended December 31, 2025		
	Specialty Chemicals	Corporate & Other <sup>1</sup>	Continuing Operations
Net sales	\$ 74,942	\$ —	\$ 74,942
Cost of goods sold - material	34,068	—	34,068
Cost of goods sold - other <sup>2</sup>	20,350	—	20,350
Depreciation	3,312	—	3,312
Gross profit	17,212	—	17,212
Research and development	—	71	71
Selling, general and administrative expense <sup>3</sup>	12,590	10,371	22,961
Depreciation & amortization	779	353	1,132
Acquisition costs and other	92	639	731
Asset impairments	—	1,622	1,622
Gain on lease modification	—	(2,278)	(2,278)
Interest (income) expense, net	52	(764)	(712)
Income taxes	—	22	22
Other (income) expense, net	(1)	(752)	(753)
Net income (loss)	\$ 3,700	\$ (9,284)	\$ (5,584)
Identifiable assets	\$ 37,303	\$ 74,634	\$ 111,937
Capital expenditures	\$ 1,385	\$ 159	\$ 1,544
Geographic sales <sup>4</sup>			
United States	\$ 70,495	\$ —	\$ 70,495
Mexico	1,186	—	1,186
Canada	785	—	785
Honduras	711	—	711
Colombia	627	—	627
The Netherlands	597	—	597
Costa Rica	266	—	266
Japan	90	—	90
Guatemala	53	—	53
Singapore	44	—	44
Bahamas	37	—	37
Taiwan	31	—	31
Thailand	\$ 20	\$ —	\$ 20

<sup>1</sup>Other includes corporate overhead expenses and ongoing expenses for properties under the Master Lease not assigned to a segment in which the Company is the responsible party.

<sup>2</sup>Cost of good sold - other includes manufacturing labor and overhead expenses, repair and maintenance expense, shipping expense, scrap and shrinkage expense, and other operational manufacturing overhead expenses.

<sup>3</sup>Selling, general and administrative expenses include sales and administrative salaries, wages and benefits and overhead expenses, professional fees, corporate overhead allocation expense and other administrative overhead expenses.

<sup>4</sup>Geographic sales are attributed to countries based on the location of the customer.

<i>(in thousands)</i>	Year Ended December 31, 2024		
	Specialty Chemicals	Corporate & Other <sup>1</sup>	Continuing Operations
Net sales	\$ 80,763	\$ —	\$ 80,763
Cost of goods sold - material	40,903	—	40,903
Cost of goods sold - other <sup>2</sup>	25,040	485	25,525
Depreciation	3,631	12	3,643
Gross profit	11,189	(497)	10,692
Selling, general and administrative expense <sup>3</sup>	8,672	11,185	19,857
Depreciation & amortization	874	168	1,042
Acquisition costs and other	476	186	662
Gain on lease modification	—	(67)	(67)
Interest expense, net	75	342	417
Income taxes	—	1,806	1,806
Other (income) expense, net	(1)	(447)	(448)
Net income (loss)	\$ 1,093	\$ (13,670)	\$ (12,577)
Identifiable assets	\$ 38,928	\$ 46,298	\$ 85,226
Capital expenditures	\$ 1,120	\$ —	\$ 1,120
Geographic sales			
United States	\$ 75,564	\$ —	\$ 75,564
Mexico	1,880	—	1,880
Canada	1,750	—	1,750
Honduras	1,212	—	1,212
Costa Rica	194	—	194
Argentina	47	—	47
Singapore	44	—	44
Taiwan	30	—	30
Guatemala	22	—	22
Brazil	11	—	11
Other	\$ 9	\$ —	\$ 9

<sup>1</sup> Other includes corporate overhead expenses and ongoing expenses for properties under the Master Lease not assigned to a segment in which the Company is the responsible party.

<sup>2</sup> Cost of good sold - other includes manufacturing labor and overhead expenses, repair and maintenance expense, shipping expense, scrap and shrinkage expense, and other operational manufacturing overhead expenses.

<sup>3</sup> Selling, general and administrative expenses include sales and administrative salaries, wages and benefits and overhead expenses, professional fees, corporate overhead allocation expense and other administrative overhead expenses.

<sup>4</sup> Geographic sales are attributed to countries based on the location of the customer.

#### **Note 14: Benefit Plans and Collective Bargaining Agreements**

The Company has a 401(k) Employee Stock Ownership Plan (the "401(k)/ESOP Plan") covering all non-union employees. Employees can contribute to the 401(k)/ESOP Plan up to 100% of their wages with a maximum of \$23,500 for 2025. Under the Economic Growth and Tax Relief Reconciliation Act, employees who are age 50 or older could contribute an additional \$7,500 per year for a maximum of 31,000 for 2025. Contributions by the employees are invested in one or more funds at the direction of the employee; however, employee contributions cannot be invested in Company stock. Contributions by the Company are made in accordance with the investment elections made by each participant for his or her deferral contributions. The Company contributes on behalf of each eligible participant a matching contribution equal to a percentage determined

each year by the Board of Directors. For 2025 and 2024 the maximum was 100% of employee contributions up to a maximum of 4% of their eligible compensation. The matching contribution is applied to the employee accounts after each payroll. Matching contributions of approximately \$0.6 million and \$1.0 million were made for 2025 and 2024, respectively. The Company may also make a discretionary contribution, which if made, would be distributed to all eligible participants regardless of whether they contribute to the 401(k)/ESOP Plan. No discretionary contributions were made to the 401(k)/ESOP Plan in 2025 or 2024.

The Company also maintains a Collective Bargaining Agreement (the "Virginia CBA") with the United Food and Commercial Workers, Local Union 400 (the "Virginia Union"), which represents employees at the Virginia facility and is required to make additional quarterly contributions for hourly employees who had a hire date prior to June 1, 2013. Additional quarterly matching contributions of approximately \$29,629 were made for 2025 and \$30,358 for 2024.

**Note 15: Commitments and Contingencies**

In August of 2023, the Company was named as a defendant in a lawsuit filed with the Court of Common Pleas for Delaware County, Ohio, asserting various claims for breach of contracts resulting in losses to the plaintiff and seeking damages in the amount of \$0.7 million plus prejudgment interest and attorney's fees. In December 2024, the Company entered into mediation with the plaintiff subject to negotiation of a mutually agreeable settlement. The Company had an estimated liability of \$0.4 million related to the lawsuit as of December 31, 2024. In January of 2025, the Company resolved the case through a settlement agreement and no longer has funds reserved for the matter.

In addition, from time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any other such litigation the outcome of which, we believe, if determined adversely to us, would individually, or taken together, have a material adverse effect on our business, operating results, cash flows, or financial condition. Defending such proceedings is costly and can impose a significant burden on management and employees. We may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained.

**Note 16: Subsequent Events**

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were available to be issued. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.



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

None.

### **Item 9A. Controls and Procedures**

#### ***a) Evaluation of Disclosure Controls and Procedures***

The Company conducted an evaluation, under the supervision and with the participation of its management, of the effectiveness of the design and operation of its disclosure controls and procedures. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (“Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, the Company's principal executive and principal financial officers concluded as of December 31, 2025 that, based upon the ongoing ineffectiveness of its IT general controls, its disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses in its internal control over financial reporting discussed below.

#### ***(b) Management's Report on Internal Control Over Financial Reporting.***

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed by, or under the supervision of, its CEO and CFO, or persons performing similar functions, and effected by its Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (GAAP). The Company's 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 disposition of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the 2013 *Internal Control-Integrated Framework*. Based on its evaluation, management has concluded that the Company's internal control over financial reporting was not effective at the reasonable assurance level as of December 31, 2025.

#### ***Material Weaknesses in Internal Control over Financial Reporting***

A material weakness, as defined in the standards established by the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management identified a material weakness in its internal control over financial reporting related to IT general controls, specifically pertaining to reliance on a third-party service organization that supports an in-scope system critical to the Company's financial reporting processes. We were notified by the third-party service organization that they would not be issuing a Service Organization Controls Report (SOC 1 report) attesting to the vendor's internal controls. Although we gained an understanding of the control environment and changes that were made to the system by the service organization, we were not able to execute this monitoring control at the level of precision required to validate the completeness and accuracy of information received from this service organization.

As disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024, we previously identified material weaknesses in our internal control over financial reporting, specifically in the areas of inventory, revenue recognition, period-end financial reporting, including journal entries, reconciliations, and account analyses and complex accounting, such as income taxes.

With respect to the revenue recognition material weakness, we implemented and operated additional controls supporting the completeness and accuracy of the data used to process revenue transactions, and we further enhanced the control attributes supporting the execution of existing management review controls. With this sustained effort, we were able to remediate this material weakness as of December 31, 2025.

With respect to the previously identified material weaknesses specifically in the areas of inventory, period-end financial reporting, including journal entries, reconciliations, and account analyses and complex accounting, such as income taxes, based upon the continued IT general control ineffectiveness, we have been unable to conclude that these areas are remediated as of December 31, 2025.

While there were no material misstatements in 2025, these material weaknesses, individually or in the aggregate, could result in misstatements of accounts or disclosures in the consolidated financial statements that would not be prevented or detected on a timely basis. Accordingly, management has concluded that these control deficiencies constitute material weaknesses.

#### *Remediation Efforts and Management's Plan to Remediate the Remaining Material Weakness*

The aforementioned material weaknesses were first identified in 2021 and 2022 and while the Company has significantly improved its internal control over financial reporting, certain material weaknesses remain un-remediated as of December 31, 2025 due to the continued IT general control ineffectiveness. During the year ended December 31, 2025, management, with oversight from the Company's Audit Committee, continued executing a detailed plan for remediation which includes:

- Actively working with the third-party service organization to issue a SOC 1 report in fiscal 2026 to obtain the necessary assurance. In addition, we are enhancing our monitoring controls and documentation to continue to strengthen our overall control environment.
- Maintaining corporate oversight over process-level controls and structures to ensure that there is appropriate assignment of authority, responsibility and accountability as well as maintaining a sufficient number of qualified resources in key personnel areas over the performance and maintenance of the Company's control environment.
- Continuing to engage an external advisor to assist with enhancing, designing, and implementing general information technology controls, including user access provisioning, cyber-security, and segregation of duties.
- Formalizing information technology policies and procedures to ensure that they are current and comprehensive and support the timely execution of information technology processes and control procedures.
- Maintaining review controls for inventory, financial close processes and complex accounting to ensure accurate reporting and timely disclosures and ensuring evidence is appropriately retained.
- Maintaining effective controls for communicating and sharing information between the operations, accounting, information technology, sales, finance and legal departments to ensure that the accounting department is consistently provided with complete and adequate support, documentation and information, and that matters are resolved in a timely and effective manner.

The Company's remediation efforts will continue throughout 2026. As the Company continues to evaluate the control deficiencies that gave rise to the material weaknesses, the Company may determine additional remediation measures are necessary. 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. A control system, no matter how well designed and operated can provide only reasonable, but not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their cost.

**c) Changes in Internal Control over Financial Reporting**

Other than the material weaknesses described above, there were no changes in the Company's internal controls over financial reporting during the fiscal quarter ended December 31, 2025 that materially affected, or are reasonably likely to have a materially affect, on our internal control over financial reporting.

Baker Tilly US, LLP, our independent registered public accounting firm, has issued their report on our internal control over financial reporting as of December 31, 2025, which is included in [Item 8](#) under the heading "Report of Independent Registered Public Accounting Firm."

**Item 9B. Other Information**

Our directors and officers (as defined in Section 16 of the Exchange Act ("Section 16")) may from time to time enter into plans for the purchase or sale of Ascent stock that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

Any 10b5-1 trading arrangements adopted are precleared in accordance with Ascent's Insider Trading Policy and actual purchase or sale transactions made pursuant to such trading arrangements will be publicly disclosed in future Section 16 filings with the SEC.

No director or officer adopted, modified and/or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as defined in Item 408 under Regulation S-K of the Exchange Act, during the last fiscal quarter.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance**

In accordance with General Instruction G(3), information called for by Part III, Item 10, is incorporated herein by reference from the information appearing under the caption "Proposal 1 - Election of Directors," "Executive Officers," and "Section 16(a) Beneficial Ownership Reporting Compliance" in the definitive Proxy Statement for the 2026 Annual Meeting of Shareholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A.

Code of Conduct. The Company's Board of Directors has formally adopted a Code of Conduct that applies to all of our employees, officers and directors. The Code of Conduct is available on the Company's website at [www.ascentco.com](http://www.ascentco.com). Any amendment to, or waiver from, this Code of Conduct will be posted on the Company's website.

Audit Committee. The Company has a separately designated standing Audit Committee of the Board of Directors established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the Audit Committee are Henry L. Guy, Aldo J. Mazzaferro, Jr. and John P. Schauerman.

Audit Committee Financial Expert. The Company's Board of Directors has determined that the Company has at least one "audit committee financial expert," as that term is defined by Item 407(d)(5) of Regulation S-K promulgated by the Securities and Exchange Commission, serving on its Audit Committee. Mr. John P. Schauerman meets the terms of the definition and is independent, as independence is defined for audit committee members in the rules of the NASDAQ Global Market. Pursuant to the terms of Item 407(d) of Regulation S-K, a person who is determined to be an "audit committee financial expert" will not be deemed an expert for any purpose as a result of being designated or identified as an "audit committee financial expert" pursuant to Item 407(d), and such designation or identification does not impose on such person any duties, obligations or liability that are greater than the duties, obligations or liability imposed on such person as a member of the Audit Committee and Board of Directors in the absence of such designation or identification. Further, the designation or identification of a person as an "audit committee financial expert" pursuant to Item 407(d) does not affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors.

Insider Trading Policy. The Company has adopted the Ascent Insider Trading Policy that sets forth terms, conditions, timing, limitations, and prohibitions with respect to trading in the Company's securities. The Ascent Insider Trading Policy is included with this Annual Report as Exhibit 19.1.



**Item 11. Executive Compensation**

In accordance with General Instruction G(3), information called for by Part III, Item 11, is incorporated herein by reference from the information appearing under the caption "Board of Directors and Committees - Compensation Committee Interlocks and Insider Participation," "Director Compensation," "Discussion of Executive Compensation" and "Compensation Committee Report" in the definitive Proxy Statement for the 2026 Annual Meeting of Stockholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A.

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

In accordance with General Instruction G(3), information called for by Part III, Item 12, is incorporated by reference from the information appearing under the caption "Beneficial Owners of More Than Five Percent of the Company's Common Stock" and "Security Ownership of Certain Beneficial Owners and Management" in the definitive Proxy Statement for the 2026 Annual Meeting of Shareholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A.

The following table sets forth aggregated information as of December 31, 2025 about all of the Company's equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>1</sup> (c)
Equity compensation plans approved by security holders	42,667	\$ 13.00	429,464
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>42,667</b>	<b>\$ 13.00</b>	<b>429,464</b>

<sup>1</sup> Represents shares remaining available for issuance under the 2022 Omnibus Equity Incentive Plan

Non-employee directors are paid an annual retainer of \$115,000. Each non-employee director appointed to serve as a chairperson of a standing board committee receives the following annual retainer in addition to the board retainer: Audit Committee: \$10,000; Compensation Committee: \$7,500; Nominating and Corporate Governance Committee: \$6,000. Each director has the opportunity to elect to receive 100% of the retainer in restricted stock with a minimum of \$30,000 of the retainer in restricted stock. The amount of the retainer elected to be paid in restricted stock vests quarterly over a one year period. The number of restricted shares is determined by the average of the high and low sale price of the Company's stock on the day prior to the Annual Meeting of Shareholders. In 2025, the Company issued an aggregate of 13,498 shares of restricted stock to non-employee directors in lieu of \$0.2 million of their annual cash retainer fees.

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

In accordance with General Instruction G(3), information called for by Part III, Item 13, is incorporated by reference from the information appearing under the caption "Board of Directors and Committees – Related Party Transactions" and "– Director Independence" in the definitive Proxy Statement for the 2026 Annual Meeting of Shareholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A.

**Item 14. Principal Accounting Fees and Services**

In accordance with General Instruction G(3), information called for by Part III, Item 14, is incorporated by reference from the information appearing under the caption "Independent Registered Public Accounting Firm - Fees Paid to Independent Registered Public Accounting Firm" and "– Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm" in the definitive Proxy Statement for the 2026 Annual Meeting of Shareholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A.

**2. Financial Statement Schedule****Schedule II Valuation and Qualifying Accounts**

<i>(in thousands)</i>	Balance at Beginning of Period	Charged to (Reduction of) Cost and Expenses	Deductions	Balance at End of Period
Year ended December 31, 2025				
Deducted from asset account:				
Inventory reserves	\$ 1,160	\$ (64)	\$ —	\$ 1,096
Year ended December 31, 2024				
Deducted from asset account:				
Inventory reserves	\$ 2,052	\$ (892)	\$ —	\$ 1,160

**PART IV****Item 15. Exhibits and Financial Statement Schedules**

(a) The following documents are filed as a part of this report:

1. Financial Statements: The following consolidated financial statements of Ascent Industries Co. are included in Part II, Item 8:

[Consolidated Balance Sheets as of December 31, 2025 and 2024](#)

[Consolidated Statements of Income \(Loss\) for the years ended December 31, 2025 and 2024](#)

[Consolidated Statements of Cash Flows for the years ended December 31, 2025 and 2024](#)

[Consolidated Statements of Shareholders' Equity for the years ended December 31, 2025 and 2024](#)

Notes to Consolidated Financial Statements

2. Financial Statements Schedule: The following consolidated financial statements schedule of Ascent Industries Co. is included in Item 15:

[Schedule II - Valuation and Qualifying Accounts](#)

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

3. Listing of Exhibits:  
See "Exhibit Index"

**3. Exhibits**

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
<a href="#">2.1</a>	<a href="#">Stock Purchase Agreement, dated as of October 22, 2021, by and between the Company and DanChem Holdings, LLC.†</a>	8-K	001-05200	2.1	October 25, 2021
<a href="#">2.2</a>	<a href="#">Asset Purchase Agreement by and among Specialty Pipe &amp; Tube Operations LLC, Specialty Pipe &amp; Tube, Inc., and Ascent Industries Co., as the sole shareholder of Specialty Pipe &amp; Tube, Inc. dated as of December 22, 2023</a>	8-K	001-05200	2.1	December 29, 2023
<a href="#">2.3</a>	<a href="#">Asset Purchase Agreement by and among Bristol Pipe and Tube, Inc., Bristol Metals, LLC, Synalloy Metals, Inc. as the sole shareholder of Bristol Metals, LLC. and Ascent Industries Co. dated as of March 12, 2025†</a>	8-K	001-05200	2.1	March 13, 2025
<a href="#">2.4</a>	<a href="#">Asset Purchase Agreement by and among First Tube, LLC, American Stainless Tubing, LLC., and Ascent Industries Co. dated as of June 23, 2025†</a>	8-K	001-05200	2.1	June 25, 2025
<a href="#">3.1</a>	<a href="#">Amended and Restated Certificate of Incorporation of Registrant</a>	8-K	001-05200	3.1	August 10, 2022
<a href="#">3.2</a>	<a href="#">Amended and Restated Bylaws of Registrant</a>	8-K	001-05200	3.1	April 8, 2025
<a href="#">4.1</a>	<a href="#">Description of Common Stock</a>	10-K	001-05200	4.2	March 29, 2022
<a href="#">10.1</a>	<a href="#">2011 Long-Term Incentive Stock Option Plan**</a>	DEF 14A	000-19687	A	March 25, 2011
<a href="#">10.2</a>	<a href="#">2022 Omnibus Equity Incentive Plan**</a>	DEF 14A	001-05200	A	April 27, 2022
<a href="#">10.3</a>	<a href="#">Credit Agreement, dated as of January 15, 2021, between Registrant and BMO Harris Bank N.A.</a>	8-K	001-05200	99.1	January 19, 2021
<a href="#">10.4</a>	<a href="#">Joinder Agreement, dated November 5, 2021, between Registrant and BMO Harris Bank N.A.</a>	10-Q	001-05200	10.1	November 9, 2021
<a href="#">10.5</a>	<a href="#">Limited Consent, Second Amendment to Credit Agreement and Omnibus Amendment to Loan Documents with BMO Bank N.A. and the other lenders party thereto dated as of December 22, 2023</a>	8-K	001-05200	2.1	December 29, 2023
<a href="#">10.6</a>	<a href="#">Limited Consent, Third Amendment to Credit Agreement with BMO Bank N.A. dated as of November 6, 2024</a>	8-K	001-05200	10.1	November 12, 2024
<a href="#">10.7</a>	<a href="#">Limited Consent, Fourth Amendment to Credit Agreement and Omnibus Amendment to Loan Documents with BMO Bank N.A. and the other lenders party thereto as of April 4, 2025†</a>	8-K	001-05200	10.2	April 8, 2025

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
<a href="#">10.8</a>	<a href="#">Limited Consent, Fifth Amendment to Credit Agreement and Omnibus Amendment to Loan Documents with BMO Bank N.A. and the other lenders party thereto as of June 30, 2025†</a>	8-K	001-05200	10.1	July 2, 2025
<a href="#">10.9</a>	<a href="#">Limited Waiver, Consent and Sixth Amendment to Credit Agreement and Omnibus Amendment to Loan Documents with BMO Bank N.A. and the other lenders party thereto as of December 10, 2025†</a>	8-K	001-05200	10.1	December 15, 2025
<a href="#">10.10</a>	<a href="#">Offer Letter from the Company to J. Bryan Kitchen dated February 10, 2024</a>	8-K	001-05200	10.1	February 15, 2024
<a href="#">10.11</a>	<a href="#">Offer Letter from the Company to Ryan Kavalauskas dated February 10, 2024</a>	8-K	001-05200	10.2	February 15, 2024
<a href="#">10.12</a>	<a href="#">Employment Agreement between Registrant and Christopher G. Hutter dated October 26, 2020</a>	8-K	001-05200	99.3	October 28, 2020
<a href="#">10.13</a>	<a href="#">Third Amended and Restated Master Lease Agreement, dated as of September 10, 2020, between Registrant and Store Master Funding XII, LLC</a>	10-Q	001-05200	10.1	November 9, 2020
<a href="#">10.14</a>	<a href="#">Fourth Amended and Restated Master Lease Agreement, dated August 28, 2024, between Registrant and Store Master Funding XII, LLC</a>	10-Q	001-05200	10.1	November 12, 2024
<a href="#">10.15</a>	<a href="#">Fifth Amended and Restated Master Lease Agreement dated April 4, 2025 between Registrant and Store Master Funding XII, LLC</a>	8-K	001-05200	10.3	April 8, 2025
<a href="#">10.16</a>	<a href="#">Sixth Amended and Restated Master Lease Agreement dated June 30, 2025 between Registrant and Store Master Funding XII, LLC</a>	8-K	001-05200	10.2	July 2, 2025
<a href="#">10.17</a>	<a href="#">Seventh Amended and Restated Master Lease Agreement dated November 14, 2025 between Registrant and Store Master Funding, XII, LLC</a>	8-K	001-05200	10.1	November 17, 2025
<a href="#">10.18</a>	<a href="#">Transition Services Agreement between Bristol Pipe and Tube, Inc. and Ascent Industries Co. dated as of March 12, 2025†</a>	8-K	001-05200	10.1	March 13, 2025
<a href="#">19.1</a>	<a href="#">Insider Trading Policy</a>				
<a href="#">21.1</a>	<a href="#">Subsidiaries of the Registrant</a>				
<a href="#">23.1</a>	<a href="#">Consent of Baker Tilly US, LLP, independent registered public accounting firm</a>				

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
<a href="#">31.1</a>	<a href="#">Rule 13a-14(a)/15d-14(a) Certifications of Chief Executive Officer</a>				
<a href="#">31.2</a>	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer</a>				
<a href="#">32.1</a>	<a href="#">Certifications Pursuant to 18 U.S.C. Section 1350</a>				
<a href="#">97.1</a>	<a href="#">Ascent Industries Co. Clawback Policy</a>				
101.INS*	XBRL Instance Document				
101.SCH*	XBRL Taxonomy Extension Schema				
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase				
101.LAB*	XBRL Taxonomy Extension Label Linkbase				
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase				
101.DEF*	XBRL Taxonomy Extension Definition Linkbase				
104	Cover Page Interactive Data File (formatted as Inline XBRL document and included in Exhibit 101*)				
	* In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Annual Report on Form 10-K shall be deemed "furnished" and not "filed."				
	** Constitutes management contract or compensatory plans				
	† Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.				

**Item 16. Form 10-K Summary**

None.



## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

### ASCENT INDUSTRIES CO.

By: /s/ J. Bryan Kitchen

J. Bryan Kitchen  
President and Chief Executive Officer  
(principal executive officer)

March 3, 2026  
Date

By: /s/ Ryan Kavalauskas

Ryan Kavalauskas  
Chief Financial Officer  
(principal accounting and financial officer)

March 3, 2026  
Date

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.

/s/ Benjamin Rosenzweig

Benjamin Rosenzweig  
Chairman of the Board

March 3, 2026  
Date

/s/ Christopher G. Hutter

Christopher G. Hutter  
Director

March 3, 2026  
Date

/s/ Henry L. Guy

Henry L. Guy  
Director

March 3, 2026  
Date

/s/ John P. Schauerman

John P. Schauerman  
Director

March 3, 2026  
Date

/s/ Aldo J. Mazzaferro, Jr.

Aldo J. Mazzaferro, Jr.  
Director

March 3, 2026  
Date





## **Ascent Industries Co. Insider Trading & Compliance Policy**

### **1. Introduction**

Congress and the Securities and Exchange Commission (the "SEC") are sensitive to the potential improprieties of corporate insiders and their affiliates trading in the securities of their companies. However, recognizing that it is not practical to prohibit trading by such persons, Congress and the SEC have created a framework of laws and rules, such as Section 16 and Section 10(b) and the rules thereunder, and Rule 144, which allow such trading, but only under rigid parameters. Ascent Industries Co.'s ("Ascent") executive officers, directors and their affiliates must always be mindful of these laws and rules when they contemplate trading in Ascent Securities.

This Insider Trading and Compliance Policy ("Policy") is being adopted by the Board of Directors to give executive officers and directors of Ascent and their affiliates a general idea of times when they could normally expect to be able to buy or sell Ascent Securities without running afoul of prohibitions on insider trading, and to remind them of their obligations under Section 16 and Rule 144.

As used in this Policy:

- "Ascent Securities" means Ascent common stock or any other debt or equity securities that Ascent may issue in the future.
- "Ascent Affiliates" means Ascent's executive officers, directors, their immediate family members, and entities controlled by Ascent's executive officers and directors.
- "Immediate Family Member" means such person's spouse, children, stepchildren, grandchildren, parents, stepparents, grandparents, siblings, mother-in-law, father-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law, and includes adoptive relationships.

### **2. Prohibition on Ascent Affiliates Trading in Ascent Securities While In Possession of Material Nonpublic Information**

It is unlawful for Ascent Affiliates to engage in any transactions in Ascent Securities on the basis of material nonpublic information about Ascent or its securities. A purchase or sale of Ascent Securities will generally be deemed to be "on the basis of" material nonpublic information about Ascent or Ascent Securities if the person making the purchase or sale was aware of the material nonpublic information when the person made the purchase or sale.

Accordingly, Ascent Affiliates must determine that they are not aware of material nonpublic information any time they engage in a transaction in Ascent Securities. There are certain periods of time before Ascent publicly releases information about its operations during which there would usually be a relatively high likelihood that material nonpublic information about Ascent is in existence. Under the circumstances, and subject to the limitations, outlined below, Ascent Affiliates may not engage in transactions in Ascent Securities during these periods of time.

### **3. Anti-Hedging and Anti-Pledging**

Ascent Affiliates are prohibited from engaging in any speculative or hedging transactions in Ascent Securities. Hedging transactions such as puts, calls, collars, swaps, forward sale contracts, and similar arrangements or instruments designed to hedge or offset decreases in the market value of Ascent Securities and pledging Ascent Securities as collateral for a loan are prohibited without the written permission of the Board of Directors.

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#### 4. Blackout Periods on Trading

##### *a. Dates of blackout periods*

Ascent Affiliates generally may not trade beginning on the day of quarter-end (i.e. March 31, June 30, September 30, and December 31) and ending two full business days after the release of annual or quarterly earnings.

If the Company does not make a public release of earnings for any year end or quarter prior to its filing of an Annual Report on Form 10-K for the year or a Quarterly Report on Form 10-Q for the quarter, the blackout period will not terminate until two business days after filing of the Form 10-K or Form 10-Q, as applicable, with the Securities and Exchange Commission.

##### *b. Notice of blackout periods*

Ascent expects all Affiliates to abide by this policy, regardless of whether it provides notice to all Affiliates of the date on which the blackout period will terminate. If any material nonpublic information develops within a blackout period, the Corporate Secretary or other executive designated by the CEO, shall immediately advise all Ascent Affiliates that a blackout remains in effect, or is again in effect, and no further trading may be undertaken until further notice. If any transaction in Ascent Securities is in process at the time of a notification that a blackout period has been instituted, the affected Ascent affiliate shall immediately notify the CEO, or other executive officer designated by him, and seek advice as to how to proceed.

It shall be the responsibility of each Ascent executive officer and director to notify each of his/her affiliates (whether natural persons, corporations, limited liability companies, unincorporated associations, partnerships or other entities) that own Ascent Securities of the opening and closing of the blackout periods.

##### *c. Notice by Ascent Affiliates to the CEO of proposed trade*

Any time an Ascent affiliate decides to buy or sell Ascent Securities, even during any period in which no blackout is in effect, he/she should notify the Corporate Secretary, or other executive officer designated by CEO, of his/her intention to do so and further notify the CEO, or other executive officer designated by him/her, when the transaction is complete.

##### *d. Application to affiliates of Ascent Affiliates*

This Policy also applies to immediate family members and close associates of directors and executive officers of Ascent because they are often perceived by the public to have access to important confidential information. The public often considers them to be affiliates as well. Even though this assumption may be unjustified in many cases, it is nonetheless important to be mindful of public perception.

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e. *Emergency Trading*

If an emergency arises and an Ascent affiliate needs to sell stock during a blackout period, such a sale may be permissible if there have been no material nonpublic developments since the Company's last public disclosures. In such case, the Ascent affiliate needs to contact the CEO, or other executive officer designated by him/her, and ask if a trade is permissible. Such transactions should, however, be kept to a minimum and only be permitted in true emergency situations in which the Ascent affiliate has no other viable source of funds.

f. *Rule 10b5-1 Plans*

Individual Ascent Affiliates are encouraged, but not required, to make use of trading plans or arrangements adopted under the Securities and Exchange Commission's Rule 10b5-1. Such plans should be submitted to the CEO, or other executive officer designated by him/her, for review in advance of their adoption.

g. *No comment policy*

If for any reason the CEO, or other executive officer designated by him/her, determines that it is not appropriate for a normally scheduled blackout period to terminate, or determines that an unscheduled blackout period needs to be instituted, Ascent Affiliates shall not make any comment on such fact, or speculate on the reasons therefor, to any person other than another director or the CEO.

h. *Other important considerations*

As stated above, the Board has adopted this Policy to accommodate Ascent Affiliates by giving them a general idea of times when they could normally expect to be able to buy or sell Ascent Securities without running afoul of prohibitions on insider trading. However, the exact timing for permitting trades cannot be reduced to a science. Ascent Affiliates must at all times be mindful of their fiduciary relationship to shareholders and must be guided by a sense of fairness to the investing public. If an Ascent affiliate is, or the Company is, in possession of material nonpublic information, then the Ascent affiliate must not trade in the Company's securities. There may be times when an Ascent affiliate is not in fact aware of any nonpublic information about the Company but others within the Company are in possession of such information. Accordingly, it is imperative that Ascent Affiliates contact the CEO, or other executive officer designated by him/her, every time they plan to make a trade.

## **5. Section 16 Reporting Requirements and Short Swing Trading Prohibition**

Ascent Affiliates who are subject to Section 16 reporting and short swing trading provisions must also make sure that they comply with the provisions of these sections whenever they engage in transactions in Ascent Securities. In particular, such persons must be sure that they have had no matchable opposite-way transactions in the past six months and that they file a Form 4 within two business days of the trade date (except where the filing period may be extended in connection with a Rule 10b5-1 Plan). The Corporate Secretary will assist with Section 16 filings but, in order to assure timely compliance, it is imperative that he/she be given advance notice (preferably at least a week) of anticipated transactions.

## **6. Rule 144 Requirements**

With certain limited exceptions, to avoid being deemed underwriters with respect to Ascent Securities, Ascent Affiliates are required to effect transactions in Ascent Securities pursuant to Rule 144.

Rule 144 requires:

- Current public information about Ascent must be available - in this case, Ascent must be current in its filings pursuant to the Securities Exchange Act of 1934;
  - If the securities are "restricted securities," i.e., not acquired in a public offering, they must have been held for a period of at least one year (shares issued upon exercise of options under Ascent's stock option plans are restricted securities because issuance of the shares has not been registered under the Securities Act of 1933);
  - The amount of securities that may be sold by a shareholder pursuant to Rule 144 in any three month period may not exceed the greater of: (a) one percent of the outstanding shares
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of Ascent; or (b) the average reported weekly trading volume of Ascent stock during the four calendar weeks immediately preceding the sale - since trading volume in Ascent stock is relatively low, the 1% limitation is most likely to apply;

- The securities must be sold in “broker’s transactions” or in transactions directly with a “market maker,” and the person selling the securities may not solicit or arrange for the solicitation of orders to buy the securities in anticipation of or in connection with such transaction, or make any payment in connection with the offer or sale of the securities to any person other than the broker who executes the order to sell the securities; and
- If more than 500 shares or \$10,000 worth of shares is sold in reliance on Rule 144 in any three month period, three copies of a notice of sale on Form 144 must be filed with the Securities and Exchange Commission concurrently with placing the order to sell or execution of the sale directly with a market maker.

#### **7. Transactions Between Ascent Affiliates**

If an emergency arises and an Ascent affiliate needs to sell stock during a blackout period, but there have been material nonpublic developments since the Company’s last public disclosures, it may be permissible for the Ascent affiliate to sell Ascent Securities in a private transaction to another Ascent affiliate who is also in possession of such information. Such transactions should, however, be limited to Ascent directors and executive officers or entities wholly-owned by such persons. Under certain circumstances, such a sale could be effected without complying with the requirements of Rule 144, though it would still be necessary to comply with the Section 16 reporting requirements and short swing trading prohibitions. If such a need arises, and it appears that the transaction could be effected between two Ascent Affiliates, the CEO, or other executive officer designated by him/her, and legal counsel should be contacted for advice on whether and how to proceed.

#### **8. Designation of Another Executive Officer to Perform Functions of CEO**

The CEO may designate another executive officer or officers to carry out the responsibilities of the CEO under this Policy. The CEO shall notify Ascent directors and executive officers of the designation of any such executive officer.

**Ascent Industries Co.**

**Exhibit 21.1 Subsidiaries of the Registrant**

All of the Company's subsidiaries are wholly owned. All subsidiaries are included in the Company's consolidated financial statements. The subsidiaries are as follows:

Synalloy Metals, Inc., a Tennessee corporation

Bristol Metals, LLC, a Tennessee limited liability corporation

Ascent Chemicals Cleveland, LLC, a Tennessee limited liability corporation (formerly Manufacturer's Soap & Chemical Co., Inc.)

Palmer of Texas Tanks, LLC., a Texas limited liability corporation (formerly Lee-Var, Inc.)

Ascent Chemicals Fountain Inn, LLC, a South Carolina limited liability corporation

American Stainless Tubing, LLC, a North Carolina limited liability corporation

Ascent Chemicals Danville, Inc., a Delaware corporation (formerly Danchem Technologies, Inc.)

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-268780) and Form S-8 (No. 333-268781) of Ascent Industries Co. (the "Company"), of our report dated March 3, 2026, relating to the consolidated financial statements and schedule of the Company and the effectiveness of internal control over financial reporting of the Company (which report expresses an unqualified opinion on the consolidated financial statements and an adverse opinion on the effectiveness of internal control over financial reporting due to material weaknesses), appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2025.

/s/ Baker Tilly US, LLP

Irvine, California  
March 3, 2026





**Certifications Pursuant to 18 U.S.C. Section 1350**

The undersigned, who are the chief executive officer, the chief financial officer and the principal accounting officer of Ascent Industries Co., each hereby certifies that, to the best of his knowledge, the accompanying Form 10-K of the issuer fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Date: March 3, 2026     /s/ J. Bryan Kitchen  
J. Bryan Kitchen  
Chief Executive Officer

March 3, 2026     /s/ Ryan Kavalauskas  
Ryan Kavalauskas  
Chief Financial Officer

**Clawback Recovery Policy  
of  
Ascent Industries Co.**

1. The Company will comply with this Policy for all Incentive-Based Compensation that is Received by Executive Officers on or after the Effective Date that results from attainment of a Financial Reporting Measure based on or derived from financial information for any fiscal period ending on or after the Effective Date.
  2. The Company will recover Reasonably Promptly the amount of erroneously awarded Incentive-Based Compensation in the event that the Company is required to prepare an Accounting Restatement.
  3. This Policy applies to all Incentive-Based Compensation received by a person:
    - (a) After beginning service as an Executive Officer;
    - (b) Who served as an Executive Officer at any time during the performance period for that Incentive-Based Compensation;
    - (c) While the Company has a class of securities listed on a national securities exchange or a national securities association; and
    - (d) During the three completed fiscal years immediately preceding the date that the Company is required to prepare an Accounting Restatement. In addition to these last three completed fiscal years, the Policy also applies to any transition period as described in the Nasdaq Rule. The Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when the restated financial statements are filed.
  4. For purposes of determining the relevant recovery period, the date that the Company is required to prepare an Accounting Restatement is the earlier to occur of:
    - (a) The date the board of directors, a committee of the board of directors, or the officer or officers of the Company authorized to take such action if board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or
    - (b) The date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.
  5. The amount of Incentive-Based Compensation that is subject to this Policy ("Erroneously Awarded Compensation") is the amount of Incentive-Based Compensation received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, and must be computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement:
    - (a) The amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and
    - (b) The Company will maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq.
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6. The Company must recover Erroneously Awarded Compensation in compliance with this Policy except to the extent that the following conditions in one of the following bullets are met, and the Company's Compensation Committee has made a determination that recovery would be impracticable:
  - The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to Nasdaq.
  - Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.
  - Any other condition specified in the Nasdaq Rule.
7. The Company is prohibited from indemnifying any Executive Officer or former Executive Officer against the loss of Erroneously Awarded Compensation.
8. The Company must file all disclosures with respect to this Policy in accordance with the requirements of the Federal securities laws, including the disclosures required by the SEC.
9. The Board of Directors of the Company may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed.
10. The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company. Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against a Covered Executive arising out of or resulting from any actions or omissions by the Covered Executive.

**Definitions**

11. "Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
  12. "Erroneously Awarded Compensation" is defined in Paragraph 5 above.
  13. "Executive Officer" is defined in Rule 10D-1(d).
  14. "Financial Reporting Measures" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A financial reporting measure need not be presented within the financial statements or included in a filing with the SEC.
  15. "Incentive-Based Compensation" is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measures.
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16. “Reasonably Promptly” means that the Company and its directors and officers must comply with the requirement to recover Erroneously Awarded Compensation in a manner that is consistent with the exercise of their fiduciary duty to safeguard the assets of the Company (including the time value of any potentially recoverable compensation). The obligation to recover erroneously awarded Incentive-Based Compensation reasonably promptly will be assessed on a holistic basis with respect to each such Accounting Restatement prepared by the Company. In evaluating whether the Company is recovering erroneously awarded Incentive-Based Compensation reasonably promptly, Nasdaq will consider whether the Company is pursuing an appropriate balance of cost and speed in determining the appropriate means to seek recovery, and whether the Company is securing recovery through means that are appropriate based on the particular facts and circumstances of each Executive Officer that owes a recoverable amount.
17. “Received” means an Incentive-Based Compensation Received in the Company’s fiscal period during which the financial reporting measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.