

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 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 001-36117

InTest Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of incorporation or organization)

22-2370659

(I.R.S. Employer Identification Number)

804 East Gate Drive, Suite 200

Mt. Laurel, New Jersey 08054

(Address of principal executive offices, including zip code)

(856) 505-8800

(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 Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	INTT	NYSE American

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Number of shares of Common Stock, \$0.01 par value, outstanding as of the close of business on August 1, 2025: 12,477,676

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

InTest CORPORATION CONSOLIDATED BALANCE SHEETS

	June 30, 2025	December 31, 2024
<i>(In thousands, except share and per share data)</i>	<i>(Unaudited)</i>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,248	\$ 19,830
Trade accounts receivable, net of allowance for credit losses of \$464 and \$423, respectively	23,349	29,495
Inventories	27,610	26,837
Prepaid expenses and other current assets	4,640	2,650
Total current assets	74,847	78,812
Property and equipment, net of accumulated depreciation of \$9,513 and \$8,830, respectively	4,677	4,457
Right-of-use assets, net	10,071	10,767
Goodwill	32,437	30,744
Intangible assets, net	26,647	26,376
Deferred tax assets	—	67
Other assets	974	1,065
Total assets	\$ 149,653	\$ 152,288
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 6,426	\$ 7,494
Current portion of operating lease liabilities	2,100	1,989
Accounts payable	6,981	7,991
Customer deposits and deferred revenue	5,598	4,989
Accrued expenses and other current liabilities	9,853	9,485
Total current liabilities	30,958	31,948
Operating lease liabilities, net of current portion	8,316	9,021
Long-term debt, net of current portion	3,667	7,538
Contingent consideration, net of current portion	441	825
Deferred revenue, net of current portion	1,367	1,432
Deferred tax liabilities	525	—
Other liabilities	1,787	1,734
Total liabilities	47,061	52,498
Commitments and Contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value; 5,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock, \$0.01 par value; 20,000,000.00 shares authorized; 12,559,753 and 12,457,658 shares issued, respectively; 12,477,676 and 12,378,276 shares outstanding, respectively	125	124
Additional paid-in capital	58,604	57,658
Retained earnings	42,255	45,087
Accumulated other comprehensive earnings (loss)	2,567	(2,137)
Treasury stock, at cost; 82,077 and 79,382 shares, respectively	(959)	(942)
Total stockholders' equity	102,592	99,790
Total liabilities and stockholders' equity	\$ 149,653	\$ 152,288

See accompanying Notes to Consolidated Financial Statements.

InTest CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<i>(In thousands, except share and per share data)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Revenue	\$ 28,130	\$ 33,991	\$ 54,767	\$ 63,815
Cost of revenue	16,157	20,194	31,738	36,942
Gross profit	11,973	13,797	23,029	26,873
Operating expenses:				
Selling expense	3,829	4,105	8,376	8,695
Engineering and product development expense	2,245	2,218	4,693	4,200
General and administrative expense	5,760	6,241	11,576	11,658
Amortization of acquired intangible assets	850	897	1,663	1,492
Restructuring costs	216	—	529	—
Total operating expenses	12,900	13,461	26,837	26,045
Operating (loss) income	(927)	336	(3,808)	828
Interest expense	(119)	(253)	(271)	(393)
Other income	463	213	707	648
(Loss) earnings before income tax (benefit) expense	(583)	296	(3,372)	1,083
Income tax (benefit) expense	(80)	66	(540)	191
Net (loss) earnings	\$ (503)	\$ 230	\$ (2,832)	\$ 892
(Loss) earnings per common share:				
Basic	\$ (0.04)	\$ 0.02	\$ (0.23)	\$ 0.07
Diluted	\$ (0.04)	\$ 0.02	\$ (0.23)	\$ 0.07
Weighted average common shares outstanding:				
Basic	12,215,258	12,234,599	12,197,338	12,130,480
Diluted	12,215,258	12,330,280	12,197,338	12,244,289

See accompanying Notes to Consolidated Financial Statements.

InTest CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
<i>(In thousands)</i>				
Net (loss) earnings	\$ (503)	\$ 230	\$ (2,832)	\$ 892
Unrealized loss on interest rate swap agreement	(24)	(44)	(59)	(58)
Foreign currency translation adjustments	3,266	(697)	4,763	(786)
Total other comprehensive earnings (loss)	3,242	(741)	4,704	(844)
Comprehensive earnings (loss)	<u>\$ 2,739</u>	<u>\$ (511)</u>	<u>\$ 1,872</u>	<u>\$ 48</u>

See accompanying Notes to Consolidated Financial Statements.

InTest CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

<i>(In thousands, except share data)</i>	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, January 1, 2025	12,457,658	\$ 124	79,382	\$ (942)	\$ 57,658	\$ 45,087	\$ (2,137)	\$ 99,790
Net loss	—	—	—	—	—	(2,329)	—	(2,329)
Other comprehensive earnings	—	—	—	—	—	—	1,462	1,462
Amortization of deferred compensation related to stock-based awards	—	—	—	—	423	—	—	423
Issuance of unvested shares of restricted stock	134,196	1	—	—	(1)	—	—	—
Forfeiture of unvested shares of restricted stock	(27,365)	—	—	—	—	—	—	—
Stock options exercised	4,925	—	—	—	18	—	—	18
Shares issued under Employee Stock Purchase Plan	5,374	—	—	—	36	—	—	36
Shares surrendered by employees to satisfy tax liability at vesting of stock-based awards	—	—	646	(5)	—	—	—	(5)
Balance, March 31, 2025	12,574,788	\$ 125	80,028	\$ (947)	\$ 58,134	\$ 42,758	\$ (675)	\$ 99,395
Net loss	—	—	—	—	—	(503)	—	(503)
Other comprehensive earnings	—	—	—	—	—	—	3,242	3,242
Amortization of deferred compensation related to stock-based awards	—	—	—	—	435	—	—	435
Forfeiture of unvested shares of restricted stock	(19,627)	—	—	—	—	—	—	—
Shares issued under Employee Stock Purchase Plan	4,592	—	—	—	35	—	—	35
Shares surrendered by employees to satisfy tax liability at vesting of stock-based awards	—	—	2,049	(12)	—	—	—	(12)
Balance, June 30, 2025	12,559,753	\$ 125	82,077	\$ (959)	\$ 58,604	\$ 42,255	\$ 2,567	\$ 102,592

See accompanying Notes to Consolidated Financial Statements.

inTEST CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Continued)
(Unaudited)

<i>(In thousands, except share data)</i>	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, January 1, 2024	12,241,925	\$ 122	75,758	\$ (901)	\$ 54,450	\$ 42,196	\$ 414	\$ 96,281
Net earnings	—	—	—	—	—	662	—	662
Other comprehensive loss	—	—	—	—	—	—	(103)	(103)
Amortization of deferred compensation related to stock-based awards	—	—	—	—	349	—	—	349
Issuance of shares in connection with acquisition of Alfamation	187,432	2	—	—	2,084	—	—	2,086
Issuance of unvested shares of restricted stock	138,838	1	—	—	(1)	—	—	—
Forfeitures of unvested shares of restricted stock	(11,200)	—	—	—	—	—	—	—
Stock options exercised	4,925	—	—	—	18	—	—	18
Shares issued under Employee Stock Purchase Plan	4,104	—	—	—	54	—	—	54
Shares surrendered by employees to satisfy tax liability at vesting of stock-based awards	—	—	2,757	(30)	—	—	—	(30)
Balance, March 31, 2024	12,566,024	\$ 125	78,515	\$ (931)	\$ 56,954	\$ 42,858	\$ 311	\$ 99,317
Net earnings	—	—	—	—	—	230	—	230
Other comprehensive loss	—	—	—	—	—	—	(741)	(741)
Amortization of deferred compensation related to stock-based awards	—	—	—	—	564	—	—	564
Stock options exercised	21,155	1	—	—	97	—	—	98
Shares issued under Employee Stock Purchase Plan	4,483	—	—	—	45	—	—	45
Shares surrendered by employees to satisfy tax liability at vesting of stock-based awards	—	—	867	(11)	—	—	—	(11)
Balance, June 30, 2024	12,591,662	\$ 126	79,382	\$ (942)	\$ 57,660	\$ 43,088	\$ (430)	\$ 99,502

See accompanying Notes to Consolidated Financial Statements.

InTest CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(In thousands)</i>	Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) earnings	\$ (2,832)	\$ 892
Adjustments to reconcile net (loss) earnings to net cash provided (used in) by operating activities:		
Depreciation and amortization	3,306	2,806
Provision for excess and obsolete inventory	304	306
Amortization of deferred compensation related to stock-based awards	858	913
Deferred income tax expense	205	347
Other non-cash reconciling items	(383)	47
Changes in assets and liabilities:		
Trade accounts receivable	6,865	(5,693)
Inventories	203	1,966
Prepaid expenses and other current assets	(438)	1,296
Other assets	(36)	(118)
Operating lease liabilities	(966)	(765)
Accounts payable	(898)	(1,899)
Customer deposits and deferred revenue	272	(861)
Domestic and foreign income taxes payable	(883)	(851)
Deferred revenue, net of current portion	(65)	(75)
Accrued expenses and other liabilities	(665)	(1,326)
Net cash provided by (used in) operating activities	4,847	(3,015)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of business, net of cash acquired	—	(18,727)
Purchases of property and equipment	(691)	(656)
Net cash used in investing activities	(691)	(19,383)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of short-term borrowings, net of proceeds) proceeds from short-term borrowings	(3,613)	1,120
Repayments of long-term debt	(2,050)	(3,129)
Proceeds from stock options exercised	18	116
Proceeds from shares sold under Employee Stock Purchase Plan	60	84
Settlement of employee tax liabilities in connection with treasury stock transaction	(17)	(41)
Net cash used in financing activities	(5,602)	(1,850)
Effects of exchange rates on cash	864	(642)
Net cash used in all activities	(582)	(24,890)
Cash, cash equivalents and restricted cash at beginning of period	19,830	45,260
Cash and cash equivalents at end of period	\$ 19,248	\$ 20,370
Cash payments for:		
Domestic and foreign income taxes	\$ 145	\$ 1,153
Interest	266	406
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Equity issued in conjunction with acquisition of business	\$ —	\$ 2,086
Issuance of unvested shares of restricted stock awards	1,039	1,580
Forfeiture of shares of unvested restricted stock awards	(557)	(138)

See accompanying Notes to Consolidated Financial Statements.

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) NATURE OF OPERATIONS

InTest Corporation (“**InTest**,” “**we**,” “**our**,” “**us**” and the “**Company**”), a Delaware corporation headquartered in Mount Laurel, New Jersey, is a global supplier of innovative test and process technology solutions for use in manufacturing and testing across a wide range of markets including semiconductors (“**semi**”), auto/EV, defense/aerospace, industrial, life sciences, safety/security and other. We have three operating segments which are also our reportable segments and reporting units: Electronic Test, Environmental Technologies and Process Technologies.

The consolidated entity is comprised of InTest Corporation and our wholly-owned subsidiaries. We manufacture our products in the U.S., Canada, Italy and the Netherlands. Marketing and support activities are conducted worldwide from our facilities in the U.S., Canada, Italy, Germany, Singapore, Malaysia, the Netherlands and the U.K. We operate our business worldwide and sell our products both domestically and internationally.

Founded in 1981, we completed our initial public offering in June 1997 and currently trade on the NYSE American exchange under the symbol “**INTT**.”

All of our operating segments have multiple products that we design, manufacture and market to our customers. Due to a number of factors, our products have varying levels of gross margin. The mix of products we sell in any period is ultimately determined by our customers’ needs. Therefore, the mix of products sold in any given period can change significantly from the prior period. In addition, we sell our products to a variety of different types of customers with varying levels of discounts and commission expense. As a result of changes in both the mix of products sold as well as customer mix in any given period, our consolidated gross margin can vary significantly from period to period.

The semi market, which includes both the broader semi market, as well as the more specialized automated test equipment (“**ATE**”) and wafer production sectors within the broader semi market, has historically been the largest single market in which we operate. The semi market is characterized by rapid technological change, competitive pricing pressures and cyclical as well as seasonal market patterns. The semi market is also subject to periods of significant expansion or contraction in demand. In addition to the semi market, we sell into a variety of other markets. Our intention is to continue diversifying our markets, our product offerings within the markets we serve and our customer base across all of our markets with the goal of reducing our dependence on any one market, product or customer. In particular, we are seeking to reduce the impact of volatility in the semi market on our results of operations.

Our Electronic Test segment sells its products to semiconductor manufacturers and third-party test and assembly houses (end user sales) and to ATE manufacturers (original equipment manufacturer (“**OEM**”) sales), who ultimately resell our equipment with theirs to both semiconductor manufacturers and third-party test and assembly houses. These sales all fall within the ATE sector of the semi market. With the December 2021 acquisition of Acculogic Inc. and its affiliates (“**Acculogic**”) and the March 2024 acquisition of Alfamation S.p.A (“**Alfamation**™”), our Electronic Test segment also sells its products to customers in markets outside the semi market including the auto/EV, defense/aerospace, industrial and life sciences markets. Our Environmental Technologies segment sells its products to end users and OEMs within the ATE sector of the semi market. It also sells its products to customers in a variety of other markets other than the semi market, including the auto/EV, defense/aerospace, industrial and life sciences markets. Our Process Technologies segment sells its products to customers in the wafer production sector within the semi market. It also sells its products to customers in a variety of other markets other than the semi market, including the auto/EV, defense/aerospace, industrial, life sciences and safety/security markets.

Our financial results are affected by a wide variety of factors, including, but not limited to, general economic conditions worldwide and in the markets in which we operate, economic conditions specific to the semi market and the other markets we serve, downward pricing pressures from customers, our reliance on a relatively few number of customers for a significant portion of our sales and our ability to safeguard patented technology and intellectual property in a rapidly evolving market. In addition, we are exposed to the risk of obsolescence of our inventory depending on the mix of future business and technological changes within the markets that we serve. Part of our strategy for growth includes potential acquisitions that may cause us to incur substantial expense in reviewing and evaluating potential transactions. We may or may not be successful in locating suitable businesses to acquire and in closing acquisitions of businesses we pursue. In addition, we may not be able to successfully integrate any business we do acquire with our existing business, and we may not be able to operate the acquired business profitably. As a result of these or other factors, we may experience significant period-to-period fluctuations in future operating results.

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements include our accounts and those of our wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("**U.S. GAAP**") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Certain of our accounts, including inventories, long-lived assets, goodwill, identifiable intangibles, contingent consideration liabilities and deferred tax assets and liabilities including related valuation allowances, are particularly impacted by estimates.

In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial position, results of operations, and changes in cash flows for the interim periods presented. Certain footnote information has been condensed or omitted from these consolidated financial statements. Therefore, these consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying footnotes included in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "**2024 Form 10-K**") filed on March 13, 2025, with the Securities and Exchange Commission ("**SEC**").

(b) Reclassifications

Certain prior period presentation and amounts have been reclassified to conform with the current period's presentation. These consist of:

- aggregating the components of property and equipment on the face of the consolidated balance sheets and disclosing the details in the footnotes
- aggregating accrued wages and benefits, accrued professional fees, accrued sales commissions and other current liabilities into accrued expenses and other current liabilities on the face of the consolidated balance sheets and disclosing the details in the footnotes
- aggregating our restricted certificates of deposit into other assets on the face of the consolidated balance sheets and disclosing the details in the footnotes
- disaggregating amortization of acquired intangible assets from general and administrative expenses on the face of our consolidated statements of operations
- aggregating foreign exchange (gain) loss, discount on shares sold under Employee Stock Purchase Plan, proceeds from sales of demonstration equipment, net of gain, into other non-cash reconciling items within adjustments to reconcile net (loss) earnings to cash provided by operating activities on the consolidated statements of cash flows
- aggregating accrued wages and benefits, accrued professional fees, accrued sales commissions, other current liabilities and other liabilities into accrued and other liabilities within changes in assets and liabilities for cash flows from operating activities on the consolidated statements of cash flows.

(c) Business Combinations

Acquired businesses are accounted for using the purchase method of accounting, which requires that the purchase price be allocated to the net assets acquired at their respective fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Fair values of intangible assets are estimated by valuation models prepared by our management and third-party advisors. The assets purchased and liabilities assumed have been reflected in our consolidated balance sheets, and the operating results are included in the consolidated statements of operations and consolidated statements of cash flows from the date of acquisition. Any change in the fair value of acquisition-related contingent consideration subsequent to the acquisition date, including changes from events after the acquisition date, will be recognized in the consolidated statements of operations in the period of the estimated

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

fair value change. Acquisition-related transaction costs, including legal and accounting fees and other external costs directly related to the acquisition, are recognized separately from the acquisition and expensed as incurred in general and administrative expense in the consolidated statements of operations.

See “**Note (3) Acquisition**” for further disclosures related to our March 12, 2024, purchase of Alfamation™.

(d) Cash & Cash Equivalents

Short-term investments that have maturities of three months or less when purchased are considered to be cash equivalents and are carried at cost, which approximates fair value. Our cash balances, which are deposited with highly reputable financial institutions, at times may exceed the federally insured limits. We have not experienced any losses related to these cash balances and believe the credit risk to be minimal.

Periodically we have restricted cash which represents amounts deposited at our banks to support bank guarantees which certain of our customers require as a condition of paying large deposits on orders they place with us. Typically, the amount of the deposit and related guarantee declines as shipments are made against the order. At June 30, 2025 and December 31, 2024, we had no amounts classified as restricted cash.

(e) Trade Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. We grant credit to customers and generally require no collateral. To minimize our risk, we perform ongoing credit evaluations of our customers' financial condition. We follow the guidance in Accounting Standards Codification (“**ASC**”) Topic 326 - *Financial Instruments – Credit Losses* (“**ASC 326**”) in developing our estimate of the allowance for credit losses related to our accounts receivable. The allowance for credit losses is our best estimate of the amount of expected credit losses in our existing accounts receivable. In establishing the amount of allowance for credit losses, we consider all information available as of the reporting date including information related to past events, such as historical loss rates and actual incurred losses, as well as current conditions that may indicate future risk of loss and any other factors of which we are aware, that we believe could impact the ultimate collectability of the related receivables in future periods.

Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. We do not have any significant off-balance sheet credit exposure related to our customers. Cash flows from accounts receivable are recorded in operating cash flows.

(f) Inventories

Inventories are generally valued at cost on a first-in, first-out basis, not in excess of net realizable value, except inventory acquired in a business combination, which is recorded at fair value. Cash flows from the sale of inventories are recorded in operating cash flows. On a quarterly basis, we review our inventories and record excess and obsolete inventory charges based upon our established objective excess and obsolete inventory criteria. Our criteria identify excess material as the quantity of material on hand that is greater than the average annual usage of that material over the prior three years. Our criteria identify obsolete material as material that has not been used in a work order during the prior twenty-four months. In certain cases, additional excess and obsolete inventory charges are recorded based upon current market conditions, anticipated product life cycles, new product introductions and expected future use of the inventory. The excess and obsolete inventory charges we record establish a new cost basis for the related inventories.

(g) Property and Equipment

Our property and equipment caption includes machinery, equipment and leasehold improvements which are stated at cost, except for machinery and equipment acquired in a business combination, which are stated at fair value at the time of acquisition. As disclosed in “**(h) Goodwill, Intangible and Long-Lived Assets**,” machinery and equipment that has been determined to be impaired is written down to its fair value at the time of the impairment. Depreciation for machinery and equipment is based upon the estimated useful life of the assets using the straight-line method. The estimated useful lives range from one to ten years. Leasehold improvements are recorded at cost and amortized over the shorter of the lease term or the estimated useful life of the asset.

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

(h) Goodwill, Intangible and Long-Lived Assets

We have three reportable segments which are also our reporting units: Electronic Test, Environmental Technologies and Process Technologies.

We account for goodwill and intangible assets in accordance with ASC Topic 350 - *Intangibles - Goodwill and Other* ("**ASC 350**"). Finite-lived intangible assets are amortized over their estimated useful economic life and are carried at cost less accumulated amortization. We generally amortize our finite-lived intangible assets over their estimated useful lives based on the pattern in which the economic benefits of the intangible assets are expected to be consumed, or on a straight-line basis, if an alternate amortization method cannot be reliably determined. Any such alternate amortization method would be based on the pattern in which the economic benefits of the intangible asset are expected to be consumed. None of our intangible assets have any residual value.

Goodwill is assessed for impairment annually at the beginning of the fourth quarter on a reporting unit basis, or more frequently when events and circumstances occur indicating that the recorded goodwill may be impaired. Goodwill is considered to be impaired if the fair value of a reporting unit is less than its carrying amount. As a part of the goodwill impairment assessment, we have the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. If, as a result of our qualitative assessment, we determine that it is more-likely-than-not that the fair value of the reporting unit is greater than its carrying amount, a quantitative goodwill impairment test is not required. However, if, as a result of our qualitative assessment, we determine it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, or, if we choose not to perform a qualitative assessment, we are required to perform a quantitative goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized.

The quantitative goodwill impairment test compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. The goodwill impairment assessment is based upon the income approach, which estimates the fair value of our reporting units based upon a discounted cash flow approach. This fair value is then reconciled to our market capitalization at year end with an appropriate control premium. The determination of the fair value of our reporting units requires management to make significant estimates and assumptions including the selection of control premiums, discount rates, terminal growth rates, forecasts of revenue and expense growth rates, income tax rates, changes in working capital, depreciation, amortization and capital expenditures. Changes in assumptions concerning future financial results or other underlying assumptions could have a significant impact on either the fair value of the reporting unit or the amount of the goodwill impairment charge.

Indefinite-lived intangible assets are assessed for impairment annually at the beginning of the fourth quarter, or more frequently if events or changes in circumstances indicate that the asset might be impaired. As a part of the impairment assessment, we have the option to perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired. If, as a result of our qualitative assessment, we determine that it is more-likely-than-not that the fair value of the indefinite-lived intangible asset is less than its carrying amount, the quantitative impairment test is required; otherwise, no further testing is required. The quantitative impairment test consists of a comparison of the fair value of the intangible asset with its carrying amount. If the carrying amount of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

Long-lived assets, which consist of finite-lived intangible assets, property and equipment and right-of-use ("**ROU**") assets, are assessed for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate. Each impairment test is based on a comparison of the estimated undiscounted cash flows to the recorded value of the asset group. If impairment is indicated, the asset group is written down to its estimated fair value. The cash flow estimates used to determine the impairment, if any, contain management's best estimates using appropriate assumptions and projections at that time.

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(i) Fair Value of Financial Instruments

ASC Topic 820 - *Fair Value Measurement* (“**ASC 820**”) establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and our own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of us. Unobservable inputs are inputs that reflect our assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances.

ASC 820 identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier fair value hierarchy that distinguishes among the following:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access.

Level 2: Valuations based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and models for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by us in determining fair value is greatest for instruments categorized in Level 3. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Our financial instruments include cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, our credit facility, interest rate swaps and our liabilities for contingent consideration. Our cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at cost which approximates fair value, due to the short-term nature of those items. Our credit facility and our interest rate swap are discussed further below and in “**Note (10) Debt**.” Our contingent consideration liabilities are measured at fair value on a recurring basis using Level 3 inputs which are inputs that are unobservable and significant to the overall fair value measurement. These unobservable inputs reflect our assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. See “**Note (7) Fair Value Measurements**” for further disclosures related to the fair value of our liabilities for contingent consideration.

(j) State and Local Grant Funds Received

In connection with leasing a facility in Rochester, New York, which our subsidiary, Ambrell Corporation (“**Ambrell**®”), occupied in May 2018, we entered into agreements with the city of Rochester and the state of New York under which we received grants totaling \$0.6 million to help offset a portion of the cost of the leasehold improvements we made to this facility. In exchange for the funds we received under these agreements, we were required to create and maintain specified levels of employment in this location through various dates ending in 2024. As of December 31, 2024, we met those employment targets as specified in the grant agreement with the city of Rochester. The remaining proceeds which were no longer subject to repayment were reclassified to deferred grant proceeds and will be amortized to income on a straight-line basis over the current remaining lease term for the Rochester facility. Deferred grant proceeds are included in other current liabilities and other liabilities on our balance sheets and totaled \$0.3 million at June 30, 2025.

(k) Leases

We account for leases in accordance with ASC Topic 842 - *Leases* (“**ASC 842**”). We determine if an arrangement is a lease at inception. A lease contract is within scope if the contract has an identified asset (property, plant or equipment) and grants the lessee the right to control the use of the asset during the lease term. The identified asset may be either explicitly or implicitly specified in the contract. In addition, the supplier must not have any practical ability to substitute a different asset and would not economically benefit from doing so for the lease contract to be in scope. The lessee’s right to control the use of the asset during the term of the lease must include the ability to obtain substantially all of the

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economic benefits from the use of the asset as well as decision-making authority over how the asset will be used. Leases are classified as either operating leases or finance leases based on the guidance in ASC 842. Operating leases are included in operating lease ROU assets and operating lease liabilities in our consolidated balance sheets. Finance leases are included in property and equipment and financing lease liabilities. We do not currently have any financing leases.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. None of our leases provide an implicit rate; therefore, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease. We include these options in the determination of the amount of the ROU asset and lease liability when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Certain of our operating leases contain predetermined fixed escalations of minimum rentals and rent holidays during the original lease terms. Rent holidays are periods during which we have control of the leased facility but are not obligated to pay rent. For these leases, our ROU asset and lease liability are calculated including any rent holiday in the determination of the life of the lease.

We have lease agreements which contain both lease and non-lease components, which are generally accounted for separately. In addition to the monthly rental payments due, most of our leases for our offices and warehouse facilities include non-lease components representing our portion of the common area maintenance, property taxes and insurance charges incurred by the landlord for the facilities which we occupy. These amounts are not included in the calculation of the ROU assets and lease liabilities as they are based on actual charges incurred in the periods to which they apply.

Operating lease payments are included in cash outflows from operating activities on our consolidated statements of cash flows. Amortization of ROU assets is presented separately from the change in operating lease liabilities and is included in Depreciation and Amortization on our consolidated statements of cash flows.

We have made an accounting policy election not to apply the recognition requirements of ASC 842 to short-term leases (leases with a term of one year or less at the commencement date of the lease). Lease expense for short-term lease payments is recognized on a straight-line basis over the lease term.

See **"Note (9) Leases"** for further disclosures regarding our leases.

(l) Interest Rate Swap Agreement

We are exposed to interest rate risk on our floating-rate debt. We have entered into an interest rate swap agreement to effectively convert our floating-rate debt to a fixed-rate basis for a portion of our floating rate debt, as discussed further in **"Note (7) Fair Value Measurements"** and **"Note (10) Debt."** The principal objective of this agreement is to eliminate the variability of the cash flows for interest payments associated with a portion of our floating-rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. We have elected to apply the hedge accounting rules in accordance with ASC Topic 815 - *Derivatives and Hedging*. Further, we have determined that this agreement qualifies for the shortcut method of hedge accounting. Our interest rate swap is recorded at fair value as a component of other assets in our balance sheets. Changes in the fair value of interest rate swap agreements designated as cash flow hedges are recorded as a component of accumulated other comprehensive income (loss) within stockholders' equity and are amortized to interest expense over the term of the related debt. We recognize the change in the fair value of the interest rate swap as a component of the change in other assets in our statements of cash flows.

(m) Revenue Recognition

We recognize revenue in accordance with the guidance in ASC Topic 606 - *Revenue from Contracts with Customers*. We recognize revenue for the sale of products or services at the amount of consideration we expect to receive for those goods or services when our performance obligations under the terms of a contract with a customer are satisfied and control of the product or service has been transferred to the customer. Generally, this occurs when we ship a product or perform a service. In certain cases, recognition of revenue is deferred until the product is received by the customer or at some other point in the future when we have determined that we have satisfied our performance obligations under the contract. Our contracts with customers may include a combination of products and services, which are generally capable

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of being distinct and accounted for as separate performance obligations. In addition to the sale of products and services, we also lease certain of our equipment to customers under short-term lease agreements. We recognize revenue from equipment leases on a straight-line basis over the lease term.

We do not have any material variable consideration arrangements, or any material payment terms with our customers other than standard payment terms which generally range from net 30 to net 90 days. We generally do not provide a right of return to our customers. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. Shipping and handling fees billed to customers are included in revenue, while shipping and handling costs are included in cost of revenue.

Nature of Products and Services

We are a global supplier of innovative test and process technology solutions for use in manufacturing and testing in targeted markets including semi, industrial, auto/EV, life sciences, defense/aerospace and safety/security. We sell semiconductor ATE interface solutions which include manipulators, docking hardware and electrical interface products. As a result of the acquisition of Acculogic, we sell robotics-based electronic production test equipment. We sell semiconductor ATE interface solutions and certain thermal management products to the semi market. We sell thermal management products including ThermoStream[®], ThermoChambers, process chillers, refrigerators and freezers, which we sell under our Temptronic[®], Sigma, Thermonics[®] and North Sciences product lines, and Ambrell[®]'s precision induction heating systems, including EKOHEAT[®] and EASYHEAT[™] products. As a result of the acquisition of Videology[®], we sell industrial-grade circuit board mounted video digital cameras and related devices, systems and software. We also sell many of our products to various other markets including the industrial, auto/EV, life sciences, defense/aerospace and safety/security markets. We provide post-warranty service and support for the equipment we sell.

We lease certain of our equipment under short-term leasing agreements with original lease terms of six months or less. Our lease agreements do not contain purchase options. Occasionally we procure and sell materials/components on behalf of and to our customers.

Types of Contracts with Customers

Our contracts with customers are generally structured as individual purchase orders which specify the exact products or services being sold or equipment being leased along with the selling price, service fee or monthly lease amount for each individual item on the purchase order. Payment terms and any other customer-specific acceptance criteria are also specified on the purchase order. We generally do not have any customer-specific acceptance criteria, other than that the product performs within the agreed-upon specifications. We test substantially all products manufactured as part of our quality assurance process to determine that they comply with specifications prior to shipment to a customer.

Contract Balances

We record accounts receivable at the time of invoicing. Accounts receivable, net of the allowance for credit losses, is included in current assets on our consolidated balance sheets. In certain instances, we also receive customer deposits in advance of invoicing and recording of accounts receivable. Customer deposits are included in current liabilities on our consolidated balance sheets. To the extent that we do not recognize revenue at the same time as we invoice, we record a liability for deferred revenue. Deferred revenue estimated to be recognized within the next twelve months is included in current liabilities. Deferred revenue that we estimate will be recognized beyond twelve months is recorded in deferred revenue, net of current portion, on our consolidated balance sheets. Any non-inventoriable costs associated with deferred revenue are also deferred and recorded in prepaid expenses and other current assets or other assets on our consolidated balance sheets, depending on when the related deferred revenue is expected to be recognized.

As discussed above, we follow the guidance in ASC 326 in developing our estimate of the allowance for credit losses related to our accounts receivable. The allowance for credit losses is our best estimate of the amount of expected credit losses in our existing accounts receivable. We monitor the collectability of accounts receivable on an ongoing basis and record charges for bad debt expense in the period when we determine that a loss is expected to occur based on our assessment.

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Costs to Obtain a Contract with a Customer

The only costs we incur associated with obtaining contracts with customers are sales commissions that we pay to our internal sales personnel or third-party sales representatives. These costs are calculated based on set percentages of the selling price of each product or service sold. Commissions are considered earned by our internal sales personnel at the time we recognize revenue for a particular transaction. Commissions are considered earned by third-party sales representatives at the time that revenue is recognized for a particular transaction. We record commission expense in our consolidated statements of operations at the time the commission is earned. Commissions earned but not yet paid are included in current liabilities on our balance sheets.

Product Warranties

In connection with the sale of our products, we generally provide standard one- or two-year product warranties which are detailed in our terms and conditions and communicated to our customers. Our standard warranties are not offered for sale separately from our products; therefore, there is not a separate performance obligation related to our standard warranties. We record estimated warranty expense for our standard warranties at the time of sale based upon historical claims experience. We offer customers an option to separately purchase an extended warranty on certain products. In the case of extended warranties, we recognize revenue in the amount of the sale price for the extended warranty on a straight-line basis over the extended warranty period. We record costs incurred to provide service under an extended warranty at the time the service is provided. Warranty expense is included in selling expense in our consolidated statements of operations.

See “**Note (11) Revenue From Contracts With Customers**” and “**Note (18) Segment Information**” for further information about our revenue from contracts with customers.

(n) Earnings (Loss) Per Common Share

Earnings (loss) per common share - basic is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding during each period. Earnings (loss) per common share - diluted is computed by dividing earnings (loss) by the weighted average number of common shares and common share equivalents outstanding during each period. Common share equivalents represent unvested shares of restricted stock, performance-based restricted stock, restricted stock units and stock options and are calculated using the treasury stock method. Common share equivalents are excluded from the calculation if their effect is anti-dilutive.

(o) Stock-Based Compensation

We account for stock-based compensation in accordance with ASC Topic 718 - *Compensation—Stock Compensation* which requires that employee share-based equity awards be accounted for under the fair value method and requires the use of an option pricing model for estimating fair value of stock options, which is then amortized to expense over the service periods. We generally grant awards in the first quarter of the year and recognize forfeitures of awards as they occur, recapturing any expense recorded for unvested awards.

The fair value of our stock options on the date of grant is determined using the Black-Scholes option pricing model, which requires the use of certain assumptions, including the expected volatility of our stock price, the expected term of the option, the risk-free rate and the expected dividend yield. No option may be granted with an exercise period in excess of ten years from the date of grant. Generally, stock options will be granted with an exercise price equal to the fair market value of our stock on the date of grant and will vest over four years.

We record compensation expense for restricted stock awards based on the quoted market price of our stock at the grant date and amortize the expense over the vesting period. Restricted stock awards generally vest over four years for employees. Prior to 2025, restricted stock awards granted to our independent directors vested 25% at each of March 31, June 30, September 30, and December 31 of the year in which they were granted. Beginning in 2025, restricted stock awards granted to our independent directors vest on the one-year anniversary of the grant date.

We also grant performance-based restricted stock awards where the ultimate number of shares that vest can vary and is based on the achievement of specific performance metrics. The grant date fair value of these awards is based on the quoted market price of our stock on the date of grant. Vesting for performance-based awards is generally cliff vesting at the end of the period over which the performance metrics are measured. Compensation expense for performance-based

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awards is recorded on a straight-line basis over the vesting period and is based on the expected final vesting percentage, which is re-assessed at the end of each reporting period and adjusted with a catch-up adjusted as needed. Our initial assumption at the grant date of these performance-based awards is that the award will vest at 100%.

From time to time, as restricted stock awards vest, certain employees surrender their vested shares to satisfy their tax liability on vesting. The fair value of those shares on the vesting date are then used by us to pay those employees' tax obligations. The shares surrendered are reported as treasury stock in our statements of stockholders' equity.

See further disclosures related to our stock-based compensation plans in "**Note (14) Stock-Based Compensation Plan.**"

(p) Foreign Currency

For our foreign subsidiaries whose functional currencies are not the U.S. dollar, assets and liabilities are translated using the exchange rate in effect at the balance sheet date. The results of operations are translated using an average exchange rate for the period. The effects of rate fluctuations in translating assets and liabilities of these international operations into U.S. dollars are included in accumulated other comprehensive earnings in stockholders' equity. Transaction gains or losses are included in net earnings. For the six months ended June 30, 2025 and 2024, our net foreign currency transaction gains were immaterial.

(q) Income Taxes

We account for income taxes using the asset and liability method, as described in ASC Topic 740 – *Income Taxes*. Under this method, deferred tax assets and liabilities are recognized for operating loss and tax credit carryforwards and for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

Recognition and measurement of uncertain tax positions in our financial statements involves a determination of whether it is more likely than not that a tax position will be sustained upon examination with the presumption that the tax position will be examined by the appropriate taxing authority having full knowledge of all relevant information. Our policy is to record interest and penalties associated with unrecognized tax benefits as additional income taxes in the statements of operations.

(r) Restructuring and Other Charges

In accordance with the guidance in ASC Topic 420 - *Exit or Disposal Cost Obligations*, we recognize a liability for restructuring costs at fair value only when the liability is incurred. Workforce-related charges are accrued when it is determined that a liability has been incurred, which is generally after individuals have been notified of their termination dates and expected severance benefits. Depending on the timing of the termination dates, these charges may be recognized upon notification or ratably over the remaining required service period of the employees. Plans to consolidate excess facilities may result in lease termination fees and impairment charges related to our ROU assets that are associated with the leases for these facilities. Other long-lived assets that may be impaired as a result of restructuring consist of property and equipment, goodwill and intangible assets. Asset impairment charges included in restructuring and other charges are based on an estimate of the amounts and timing of future cash flows related to the expected future remaining use and ultimate sale or disposal of the asset, and, in the case of our ROU assets, would include expected future sublease rental income, if applicable. These estimates are derived using the guidance in ASC 842, ASC 350 and ASC Topic 360 - *Property, Plant and Equipment*.

(s) Effect of Recently Adopted Amendments to Authoritative Accounting Guidance

In November 2023, the Financial Accounting Standards Board ("**FASB**") issued Accounting Standards Update ("**ASU**") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("**ASU 2023-07**")* which amends the guidance for disclosures for reportable segments. ASU 2023-07 introduced new requirements to disclose significant segment expenses regularly provided to the chief operating decision maker ("**CODM**"), extends certain annual disclosures to interim periods, clarifies that single reportable segment entities must apply ASC 280 – *Segment Reporting*

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in its entirety, permits more than one measure of segment profit or loss to be reported under certain conditions, and requires disclosure of the title and position of the CODM. Our adoption of ASU 2023-07 had no impact on our consolidated financial statements. We have retrospectively applied the amendments to our interim footnote disclosures beginning January 1, 2025, as permitted.

(t) Effect of Recently Issued Amendments to Authoritative Accounting Guidance Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”)* that requires additional disclosure of certain costs and expenses, including amounts of inventory purchases, employee compensation, and depreciation and amortization included in each income statement line item. ASU 2024-03 also requires disclosure of the total amount of selling expenses and our definition of selling expenses. This update is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, and may be adopted on a prospective basis at the effective date or retrospectively applied to all periods presented. We do not believe there will be any impact on our financial statements and are evaluating the impact of the amendments on footnote disclosures to our consolidated financial statements.

In March 2024, the SEC issued a new final rule in Release 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which requires the inclusion of climate-related information in registration statements and annual reports. Among other things, the new rule requires disclosure of material climate-related risks, activities related to adapting to or mitigating such risks, related oversight activities, and information on climate-related targets or goals. Information is also required of certain greenhouse gas emissions. Disclosure requirements were to begin phasing in for fiscal years beginning on or after January 1, 2025, however on April 4, 2024, the SEC issued a voluntary stay (SEC Release 33-11280) in response to pending litigation. Therefore, the implementation dates are currently on hold. We are monitoring SEC developments and evaluating the impact of the new rule on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”)*. The amendments require entities to annually disclose the income tax rate reconciliation using both amounts and percentages, considering several categories of reconciling items, including state and local income taxes, foreign tax effects, tax credits and nontaxable or nondeductible items, among others. Disclosure of the reconciling items is subject to a quantitative threshold and disaggregation by nature and jurisdiction. The amendments also require entities to disclose net income taxes paid or received to federal, state and foreign jurisdictions, as well as by individual jurisdiction, subject to a five percent quantitative threshold. The amendments may be adopted on a prospective or retrospective basis and are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. We do not believe there will be any impact on our financial statements and are evaluating the impact of the amendments on footnote disclosures to our consolidated financial statements.

(u) Subsequent Events

We have made an assessment of our operations and with the exception of the debt amendment noted in “**Note (10) Debt**,” determined that there were no other material subsequent events requiring adjustment to, or disclosure in, our consolidated financial statements for the six months ended June 30, 2025.

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (“**OBBBA**”), enacting a broad range of tax reform provisions, including extending and modifying certain domestic and international Tax Cut & Jobs Act provisions and expanding certain Inflation Reduction Act incentives while accelerating the phase-out of others. Only certain provisions will have current-year financial reporting implications due to varying effective dates and discretionary elections. We are currently analyzing the OBBBA but do not anticipate a material impact to our consolidated financial statements.

(3) ACQUISITION

On March 12, 2024, we completed the acquisition of Alfamation S.p.A., an Italian joint-stock company. Alfamation™ is a leading global provider of state-of-the-art test and measurement solutions for the auto/EV, life sciences and specialty consumer electronics markets. Alfamation™ is included in our Electronic Test operating segment. The acquisition of Alfamation™ deepens our presence in the auto/EV and life science markets, expands our exposure in consumer electronics, extends our geographic reach with a sizable footprint in Europe, and widens our portfolio of products and solutions. Additionally, we believe Alfamation™ brings engineering talent and a management team that culturally aligns

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with our mission to provide innovative, engineered solutions that address the high-value challenges of our customers. The aggregate purchase price was approximately €20.0 million comprised of: (i) €18.0 million, or \$19.7 million, in cash; and (ii) 187,432 shares of our common stock, valued at \$2.1 million based on the closing price of our stock on the date of acquisition. The cash portion of the purchase price was subject to customary working capital adjustments. These adjustments were finalized in June 2024 and resulted in recording an additional €0.1 million, or \$0.1 million, in purchase price for assets delivered at closing in excess of agreed upon thresholds. The liabilities assumed in connection with the acquisition included debt of approximately €10.3 million, or \$11.3 million. The debt assumed is discussed further in “**Note (10) Debt.**” Total acquisition costs incurred to complete this transaction were \$1.2 million. Acquisition costs were expensed as incurred and included in general and administrative expense.

The acquisition of Alfamation™ has been accounted for as a business combination using purchase accounting, and, accordingly, the results of Alfamation™ have been included in our consolidated results of operations from the date of acquisition. During the fourth quarter of 2024 we completed our allocation of the estimated fair values as of March 12, 2024, with final adjustments made primarily to inventories, identifiable intangible assets and goodwill. The “inventory step-up” of approximately \$1.6 million was the most significant adjustment. Partially offsetting the decrease in customer backlog were increases to acquired technology and customer relationships. Other less significant changes affected property and equipment, other current assets, accrued expenses and deferred tax liability. The excess of the purchase price over the identifiable intangible and net tangible assets was allocated to goodwill and is not deductible for tax purposes. Goodwill is attributed to synergies that are expected to result from the operations of the combined businesses.

The total purchase price of \$21.9 million has been allocated as follows:

<i>(in thousands)</i>	March 12, 2024
Goodwill	\$ 9,883
Identifiable intangible assets	13,332
Tangible assets acquired and liabilities assumed:	
Cash	1,088
Trade accounts receivable	6,061
Inventories	13,117
Other current assets	1,468
Property and equipment	1,739
Other assets	1,755
Accounts payable	(4,669)
Accrued expenses and other current liabilities	(5,221)
Deferred tax liability	(2,326)
Debt (current and long-term)	(11,274)
Other non-current liabilities	(3,052)
Total purchase price	<u>\$ 21,901</u>

We estimated the fair value of identifiable intangible assets acquired using the income approach. Identifiable intangible assets acquired include customer relationships, customer backlog, technology and a trade name. We are amortizing the finite-lived intangible assets acquired over their estimated useful lives based on the pattern in which the economic benefits of the intangible asset are expected to be consumed.

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The following table summarizes the estimated fair value of Alfamation™'s identifiable intangible assets and their estimated useful lives as of the acquisition date:

<i>(in thousands except lives)</i>	Fair Value	Weighted Average Estimated Useful Life
		(in years)
Finite-lived intangible assets:		
Customer relationships	\$ 8,196	20.0
Technology	3,169	10.0
Total finite-lived intangible assets	11,365	
Indefinite-lived intangible assets:		
Trade name	1,967	
Total intangible assets	\$ 13,332	

The following unaudited pro forma information gives effect to the acquisition of Alfamation™ as if the acquisition occurred on January 1, 2024. These proforma summaries do not reflect any operating efficiencies or costs savings that may be achieved by the combined businesses. These proforma summaries are presented for informational purposes only and are not necessarily indicative of what the actual results of operations would have been had the acquisition taken place as of that date, nor are they indicative of future consolidated results of operations:

<i>(in thousands except per share data)</i>	Six Months Ended June 30,	
	2025	2024
Revenue	\$ 54,767	\$ 68,743
Net (loss) earnings	\$ (2,832)	\$ 710
Diluted (loss) earnings per share	\$ (0.23)	\$ 0.06

The pro forma results shown above do not reflect the impact on general and administrative expense of investment advisory costs, legal costs and other costs of \$1.2 million incurred by us as a direct result of the transaction.

In connection with the acquisition, we have entered into a lease agreement (the "**Alfamation Lease Agreement**") with the former owner of Alfamation™ who will continue to serve as the managing director of Alfamation™ under our ownership. The Alfamation Lease Agreement commenced on March 12, 2024, and will last for six years. It will be automatically renewed for the same period of time unless terminated by either party. Under the terms of the Alfamation Lease Agreement, Alfamation™ will lease warehouse and office space totaling about 52 thousand square feet. Alfamation™ will pay a yearly lease payment of €0.3 million broken up into two equal payments. At the date of the signing of the Alfamation Lease Agreement, the yearly lease payment equated to approximately \$0.3 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
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(4) INVENTORIES

Inventories held at June 30, 2025, and December 31, 2024, were comprised of the following:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Raw materials	\$ 16,932	\$ 16,109
Work in process	5,108	5,940
Inventory consigned to others	256	288
Finished goods	5,314	4,500
Total inventories	\$ 27,610	\$ 26,837

Total charges incurred for excess and obsolete inventory for the three and six months ended June 30, 2025 and 2024, were as follows:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Excess and obsolete inventory charges	\$ 97	\$ 130	\$ 304	\$ 306

(5) PROPERTY AND EQUIPMENT

Property and equipment included the following:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Machinery and equipment	\$ 9,688	\$ 9,162
Leasehold improvements	4,502	4,125
Gross property and equipment	14,190	13,287
Less: accumulated depreciation	(9,513)	(8,830)
Net property and equipment	\$ 4,677	\$ 4,457

Depreciation expense related to property and equipment was as follows:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Depreciation	\$ 314	\$ 356	\$ 630	\$ 629

(6) GOODWILL AND INTANGIBLE ASSETS

We have three operating segments which are also our reporting units: Electronic Test, Environmental Technologies and Process Technologies. Goodwill and intangible assets on our balance sheets are the result of our acquisitions.

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Goodwill

Changes in the amount of the carrying value of goodwill for the six months ended June 30, 2025, are as follows:

<i>(in thousands)</i>	
Balance - January 1, 2025	\$ 30,744
Impact of foreign currency translation adjustments	1,693
Balance – June 30, 2025	<u>\$ 32,437</u>

Goodwill was comprised of the following at June 30, 2025, and December 31, 2024:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Electronic Test	\$ 14,018	\$ 12,567
Environmental Technologies	1,817	1,817
Process Technologies	16,602	16,360
Total goodwill	<u>\$ 32,437</u>	<u>\$ 30,744</u>

Intangible Assets

Changes in the amount of the carrying value of our intangible assets for the six months ended June 30, 2025 were as follows:

<i>(in thousands)</i>	Finite-Lived	Indefinite-Lived
Balance - January 1, 2025	\$ 16,201	\$ 10,175
Impact of foreign currency translation adjustments	1,590	344
Amortization	(1,663)	—
Balance – June 30, 2025	<u>\$ 16,128</u>	<u>\$ 10,519</u>

The following tables provide further detail about our intangible assets as of June 30, 2025, and December 31, 2024:

<i>(in thousands)</i>	June 30, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:			
Customer relationships	\$ 25,247	\$ 12,756	\$ 12,491
Technology	6,302	2,665	3,637
Patents	590	590	—
Backlog	—	—	—
Software	270	270	—
Trade name	140	140	—
Total finite-lived intangible assets	<u>32,549</u>	<u>16,421</u>	<u>16,128</u>
Indefinite-lived intangible assets:			
Trademarks	10,519	—	10,519
Total intangible assets	<u>\$ 43,068</u>	<u>\$ 16,421</u>	<u>\$ 26,647</u>

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

<i>(in thousands)</i>	December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:			
Customer relationships	\$ 23,912	\$ 11,496	\$ 12,416
Technology	5,786	2,001	3,785
Patents	590	590	—
Backlog	481	481	—
Software	270	270	—
Trade name	140	140	—
Total finite-lived intangible assets	31,179	14,978	16,201
Indefinite-lived intangible assets:			
Trademarks	10,175	—	10,175
Total intangible assets	\$ 41,354	\$ 14,978	\$ 26,376

The following table sets forth the estimated annual amortization expense for each of the next five years:

<i>(in thousands)</i>	
Remaining 2025	\$ 1,699
2026	2,608
2027	2,057
2028	1,699
2029	1,364
Thereafter	6,701
Total estimated amortization of finite-lived intangible assets	\$ 16,128

(7) FAIR VALUE MEASUREMENTS

Recurring Fair Value Measurements

The interest rate swap agreement we entered into in connection with our Term Note, as disclosed in “**Note (2) Summary of Significant Accounting Policies; (I) Interest Rate Swap Agreement**” and “**Note (10) Debt**,” is measured at fair value on a recurring basis using Level 2 inputs. The contingent consideration liability on our balance sheet is measured at fair value on a recurring basis using Level 3 inputs.

Our contingent consideration liability is a result of our acquisition of Acculogic on December 21, 2021, and represents the estimated fair value of the additional cash consideration payable that is contingent upon sales to Electric Vehicle (“**EV**”) or battery customers. We may pay the seller up to an additional CAD \$5.0 million in the five-year period from 2022 through 2026. The additional payments will be based on a percent of net invoices for which payments have been received on systems sold to EV or battery customers in excess of CAD \$2.5 million per year in each of the five years. The maximum payment is capped at CAD \$5.0 million, which equates to approximately \$3.7 million at June 30, 2025. There were no payments due to the seller for the years ended December 31, 2022 or 2023. We paid the contractually due amount for 2024 during the first quarter of 2025. To estimate the fair value of the contingent consideration at the acquisition date, an option-based income approach using a Monte Carlo simulation model was utilized due to the non-linear payout structure. As of the acquisition date, this resulted in an estimated fair value of \$1.4 million. This amount was recorded as a contingent consideration liability and included in the purchase price as of the acquisition date. We reassess the estimated fair value of this liability annually using this same approach, or more frequently, if we determine that there have been material changes to the assumptions used in the calculation of the probable payout. Changes in the amount of the estimated fair value of the earn-outs since the acquisition date are recorded as operating expenses in our consolidated statement of operations in the quarter in which they occur. The current portion of our contingent consideration liability is

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
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included as a component of accrued expenses and other current liabilities, while the non-current portion is included in Other Liabilities on our consolidated balance sheets.

The following fair value hierarchy table presents information about assets and (liabilities) measured at fair value on a recurring basis:

		June 30, 2025			
		Fair Value Measurement Using			
<i>(in thousands)</i>	Total	Level 1	Level 2	Level 3	
Interest rate swap	\$ 58	\$ —	\$ 58	\$ —	
Contingent consideration - current	(431)	—	—	(431)	
Contingent consideration - long term	(441)	—	—	(441)	

		December 31, 2024			
		Fair Value Measurement Using			
<i>(in thousands)</i>	Total	Level 1	Level 2	Level 3	
Interest rate swap	\$ 117	\$ —	\$ 117	\$ —	
Contingent consideration - current	(62)	—	—	(62)	
Contingent consideration - long term	(825)	—	—	(825)	

Changes in the fair value of our Level 3 contingent consideration liabilities for the three and six months ended June 30, 2025 and 2024, were as follows:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Balance at beginning of period	\$ 824	\$ 1,069	\$ 887	\$ 1,093
Cash payments	—	—	(34)	—
Change in estimated fair value	—	(50)	(28)	(50)
Impact of foreign currency translation adjustments	48	(11)	47	(35)
Balance at end of period	\$ 872	\$ 1,008	\$ 872	\$ 1,008

(8) ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities included the following:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Accrued wages and benefits	\$ 4,609	\$ 5,420
Accrued professional fees	1,360	1,294
Accrued sales commissions	837	1,039
Accrued warranty	978	802
Other current liabilities	2,069	930
Total accrued expenses and other current liabilities	\$ 9,853	\$ 9,485

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(9) LEASES

As disclosed in “**Note (2) Summary of Significant Accounting Policies; (k) Leases**,” we account for our leases in accordance with the guidance in ASC 842. We lease our offices, warehouse facilities and certain equipment under non-cancellable operating leases that expire at various dates through 2032. Total operating lease and short-term lease costs for the three and six months ended June 30, 2025 and 2024, respectively, were as follows:

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Operating lease cost	\$ 641	\$ 509	\$ 1,294	\$ 960
Short-term lease cost	2	4	6	7

The following is additional information about our leases as of June 30, 2025:

Range of remaining lease terms (in years)	0.3	to	6.7
Weighted average remaining lease term (in years)	5.4		
Weighted average discount rate	6.7%		

Maturities of lease liabilities as of June 30, 2025, were as follows:

<i>(in thousands)</i>	
2025 (remainder)	\$ 1,410
2026	2,529
2027	2,334
2028	1,696
2029	1,583
Thereafter	2,624
Total lease payments	\$ 12,176
Less imputed interest	(1,760)
Total	\$ 10,416

Cash Flow Information

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Amortization of ROU assets	\$ 428	\$ 282	\$ 1,066	\$ 685
ROU assets obtained in exchange for operating lease obligations	1	5,517	86	5,623

As disclosed in “**Note (3) Acquisition**,” on March 12, 2024, we acquired the stock of Alfamation™, and as such, we assumed several leases. In addition, we also entered into the Alfamation Lease Agreement for the seller-owned facility where Alfamation™ has its principal operations. The leased premises include warehouse and office space totaling approximately 52 thousand square feet. The semi-annual lease payments are €0.1 million. The impact of the assumption and execution of these leases was a non-cash increase in our ROU assets and operating lease liabilities of approximately \$1.7 million at the date of the acquisition.

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(10) DEBT

Letters of Credit

We have issued letters of credit as the security deposits for certain of our domestic leases. These letters of credit are secured by pledged certificates of deposit which are classified as other assets on our balance sheets. The terms of our leases require us to renew these letters of credit at least 30 days prior to their expiration dates for successive terms of not less than one year until lease expiration. Our outstanding letters of credit at June 30, 2025, and December 31, 2024, consisted of the following:

<i>(in thousands)</i>	Original L/C Issue Date	L/C Expiration Date	Lease Expiration Date	Letters of Credit Amount Outstanding	
				Jun. 30, 2025	Dec. 31, 2024
Mt. Laurel, NJ	3/29/10	4/30/26	4/30/31	\$ 50	\$ 50
Mansfield, MA	10/27/10	12/31/25	2/29/32	50	50
				<u>\$ 100</u>	<u>\$ 100</u>

Credit Facility

On October 15, 2021 (the “**Closing Date**”), we entered into an Amended and Restated Loan and Security Agreement with M&T Bank (“**M&T**”) which, was subsequently amended on October 28, 2021, December 30, 2021, September 20, 2022, May 2, 2024, and December 18, 2024 (together as amended, the “**Loan Agreement**”). The Loan Agreement includes a \$50.5 million non-revolving delayed draw term note (the “**Term Note**”) and a \$10.0 million revolving credit facility (the “**Revolving Facility**”) and together with the Term Note, the “**Credit Facility**”). The available funding at June 30, 2025, under the Term Note was \$30 million and we have not borrowed any amounts under the \$10.0 million Revolving Facility. The Credit Facility has a five-year contract period that began on October 15, 2021, and, as amended, expires on May 2, 2031, and draws under the Term Note, as amended, are permissible until May 2, 2026.

The principal balance of the Revolving Facility and the principal balance of any amount drawn under the Term Note accrues interest based on the secured overnight financing rate for U.S. government securities (“**SOFR**”) or a bank-defined base rate plus an applicable margin, depending on leverage. Each draw under the Term Note will have an option for us of either (i) up to a five-year amortizing term loan with a balloon due at maturity, or (ii) up to a five-year term with up to seven years amortization with a balloon due at maturity. Any amortization greater than five years will be subject to an excess cash flow recapture. The Loan Agreement also allows us to enter into hedging contracts with M&T, including interest rate swap agreements, interest rate cap agreements, interest rate collar agreements, or any other agreements or that are designed to protect us against fluctuations in interest rates or currency exchange rates.

The Loan Agreement contains customary default provisions, including but not limited to the failure by us to repay obligations when due, violation of provisions or representations provided in the Loan Agreement, bankruptcy by us, suspension of our business or any of our subsidiaries and certain material judgments. After expiration of the contract period or if a continued event of default occurs, interest will accrue on the principal balance at a rate of 2% in excess of the then applicable nondefault interest rate. The Loan Agreement includes customary affirmative, negative and financial covenants, including a maximum ratio of consolidated funded debt to consolidated EBITDA of not more than 3.0 to 1.0 and a fixed charge coverage ratio of not less than 1.25 to 1.0. Our obligations under the Loan Agreement are secured by liens on substantially all of our tangible and intangible assets that are owned as of the Closing Date or acquired thereafter. At June 30, 2025, we were in compliance with all of the covenants included in the Loan Agreement, except for the fixed charge coverage ratio financial covenant which was 0.80 to 1.0 for the quarter ended June 30, 2025.

On August 5, 2025, we executed the Sixth Amendment to the Loan Agreement, which formally waives the fixed charge coverage ratio financial covenant for periods ending June 30, 2025 through and including March 31, 2026. During the period of this waiver we are required to request consent from M&T if we wish to utilize our Revolving Facility and we formally pledged a portion of our cash holdings equal to our total open debt with M&T. At June 30, 2025 we were holding \$5.9 million of total debt with M&T.

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On October 28, 2021, we drew \$12.0 million under the Term Note to finance the acquisition of Videology®. We also entered into an interest rate swap agreement with M&T as of this date which is designed to protect us against fluctuations in interest rates during the five-year repayment and amortization period. As a result, the annual interest rate we pay for this draw under the Term Note is fixed at approximately 3.2% based on current leverage.

On December 29, 2021, we drew \$8.5 million under the Term Note to finance the acquisition of Acculogic. We did not enter into an interest rate swap agreement with M&T related to this draw. The annual interest rate for this draw under the Term Note is variable. At June 30, 2025, it was approximately 6.6% based on current leverage.

The following table sets forth the annual maturities for the balance of the Term Note:

<i>(in thousands)</i>	
2025 (remainder)	\$ 2,050
2026	3,842
Total remaining maturities of our Term Note	<u>\$ 5,892</u>

Alfamation™ Debt

In connection with the acquisition of Alfamation™ (see “**Note (3) Acquisition**”), we assumed debt which totaled \$11.3 million as of the acquisition date. At June 30, 2025, Alfamation™’s total debt amounted to \$4.2 million. This debt is comprised of both fixed and variable rate bank issued term loans as well as \$0.7 million of short-term variable rate financing backed by Alfamation™’s accounts receivable. This debt is spread across several different institutions with monthly, quarterly or semi-annual repayment schedules. The short-term variable financing rate at June 30, 2025, was 3.1%. At June 30, 2025, the weighted average interest rate payable on the bank issued term loans was 1.1% for fixed rate debt and 3.7% for variable rate debt and the overall weighted average interest rate for the bank issued term loans was 3.2%.

The following table sets forth the maturities of this debt for each of the next four years:

<i>(in thousands)</i>	
2025 (remainder)	\$ 1,597
2026	1,484
2027	858
2028	262
Total remaining maturities of our Alfamation™ Debt	<u>\$ 4,201</u>

(11) REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

The following tables provide additional information about our revenue from contracts with customers, including revenue by customer and product type and revenue by market. See “**Note (18) Segment Information**” for information about revenue by operating segment and geographic region.

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue by customer type:				
End user	\$ 23,192	\$ 27,496	\$ 45,628	\$ 48,926
OEM/Integrator	4,938	6,495	9,139	14,889
	<u>\$ 28,130</u>	<u>\$ 33,991</u>	<u>\$ 54,767</u>	<u>\$ 63,815</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
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<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Revenue by product type:				
Thermal test	\$ 4,839	\$ 4,228	\$ 9,232	\$ 7,927
Thermal process	5,547	9,843	10,828	20,798
Semiconductor test	5,926	4,014	10,660	10,296
Video imaging	2,289	1,685	4,346	3,804
Flying probe and in-circuit testers	1,204	1,031	3,060	3,775
Alfamation™ products	4,629	9,719	8,778	11,098
Service/other	3,696	3,471	7,863	6,117
	\$ 28,130	\$ 33,991	\$ 54,767	\$ 63,815

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Revenue by market:				
Semi	\$ 10,192	\$ 10,124	\$ 19,187	\$ 25,091
Auto/EV	5,862	10,735	11,821	14,693
Defense/Aerospace	3,578	3,682	6,406	6,921
Industrial	3,786	3,415	6,807	7,602
Life Sciences	1,386	2,194	3,074	2,847
Safety/Security	898	792	1,462	1,333
Other	2,428	3,049	6,010	5,328
	\$ 28,130	\$ 33,991	\$ 54,767	\$ 63,815

Major Customers

During the three and six months ended June 30, 2025, one customer (Customer "A") accounted for 11% and 12%, respectively, of our consolidated revenue. During the three months ended June 30, 2024, one customer (Customer "B") accounted for 17% of our consolidated revenue, while during the six months ended June 30, 2024, Customer "A" accounted for 11% of our consolidated revenue. These revenues in the periods presented were generated by our Electronic Test segment.

Contract Liabilities

As of June 30, 2025, and December 31, 2024, we had total contract liabilities of \$7.0 million and \$6.4 million, respectively. Our contract liabilities consist of our customer deposits and deferred revenue as well as deferred revenue net of current portion on our consolidated balance sheets. For the three months ended June 30, 2025, the amount recognized as revenue from the contract liabilities balance as of March 31, 2025, was \$2.4 million, while for the three months ended June 30, 2024, the amount recognized as revenue from the contract liabilities balance as of March 31, 2024, was \$1.5 million. For the six months ended June 30, 2025, the amount recognized as revenue from the contract liabilities balance as of December 31, 2024, was \$3.1 million, while for the six months ended June 30, 2024, the amount recognized as revenue from the contract liabilities balance as of December 31, 2023, was \$3.1 million.

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Allowance for Credit Losses

Activity related to our allowance for credit losses was as follows:

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Beginning balance	\$ 411	\$ 426	\$ 423	\$ 474
Credit loss expense, net of release of unused allowance	60	1	46	1
Write-offs	(12)	—	(12)	(48)
Foreign currency translation impact	5	(11)	7	(11)
Ending balance	\$ 464	\$ 416	\$ 464	\$ 416

(12) EARNINGS (LOSS) PER SHARE

The table below sets forth, for the periods indicated, a reconciliation of weighted average common shares outstanding - basic to weighted average common shares and common share equivalents outstanding - diluted and the average number of potentially dilutive securities that were excluded from the calculation of diluted earnings (loss) per share because their effect was anti-dilutive:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Weighted average common shares outstanding - basic	12,215,258	12,234,599	12,197,338	12,130,480
Potentially dilutive securities:				
Invested shares of restricted stock and employee stock options	—	95,681	—	113,809
Weighted average common shares and common share equivalents outstanding - diluted	12,215,258	12,330,280	12,197,338	12,244,289
Average number of potentially dilutive securities excluded from calculation because their effect was anti-dilutive during the period	662,167	599,276	769,896	516,930

(13) EQUITY

On March 5, 2025, our Board of Directors authorized the renewal of our previously expired share repurchase plan (the "**Repurchase Plan**"), whereby we may repurchase shares of our common stock on the open market with a total aggregate repurchase amount of up to \$10.0 million. As of the renewal date, we had approximately \$9.0 million available for repurchases under the Repurchase Plan. We are not obligated to purchase any common stock under the Repurchase Plan. Further, the Repurchase Plan may be suspended or discontinued at any time without prior notice.

(14) STOCK-BASED COMPENSATION PLAN

As of June 30, 2025, we had unvested stock options, restricted stock awards, performance-based restricted stock awards and restricted stock units granted under our stock-based compensation plans. On June 21, 2023, our stockholders approved the InTest Corporation 2023 Stock Incentive Plan (the "**2023 Plan**") which replaced the Fourth Amended and Restated 2014 Stock Plan (the "**2014 Plan**"). No further awards can be granted under the 2014 Plan. The maximum number of shares of common stock available for grant and issuance under the 2023 Plan is (a) 350,000, plus (b) the number of shares of common stock available for issuance under the 2014 Plan on the date the 2023 Plan was approved by stockholders, plus (c) any shares of common stock that are subject to awards granted under the 2014 Plan that expire, are forfeited or canceled or terminate for any other reason on or after the date the 2023 Plan was approved by stockholders, without the issuance of shares. The number of shares available to be issued under the 2023 Plan as of the

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date of its approval was 1,117,942. Consistent with prior years' performance-based awards, we reserve additional shares in the event that the performance achieves maximum levels. As a result of current year's activity with regard to performance-based restricted stock awards (grants and forfeitures), we have 50,113 shares reserved in aggregate for performance in excess of target as of June 30, 2025. As of June 30, 2025, the remaining authorization for issue under the 2023 Plan was 436,980.

The following table summarizes the compensation expense we recorded during the three and six months ended June 30, 2025 and 2024, related to unvested restricted stock, performance-based restricted stock awards, restricted stock units and stock options:

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Cost of revenues	\$ 45	\$ 37	\$ 83	\$ 68
Selling expense	19	14	32	25
Engineering and product development expense	10	8	(1)	12
General and administrative expense	361	505	744	808
	<u>\$ 435</u>	<u>\$ 564</u>	<u>\$ 858</u>	<u>\$ 913</u>

As of June 30, 2025, total compensation expense to be recognized in future periods was \$4.6 million. The weighted average period over which this expense is expected to be recognized was 2.8 years. There was no compensation expense capitalized in the three and six months ended June 30, 2025 or 2024.

Stock Options

The fair value for stock options granted during the six months ended June 30, 2025 and 2024 was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Six Months Ended	
	June 30,	
	2025	2024
Risk-free interest rate	4.28 %	3.98 %
Dividend yield	0.00 %	0.00 %
Expected common stock market price volatility factor	.59	.57
Weighted average expected life of stock options (years)	6.25	6.25

The following table summarizes the activity related to stock options for the six months ended June 30, 2025:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (yrs)	Aggregate Intrinsic Value (in thousands)
Options outstanding, January 1, 2025	602,593	\$ 10.92		
Granted	310,086	7.74		
Exercised	(4,925)	3.69		
Forfeited	(23,188)	10.78		
Options outstanding, June 30, 2025	<u>884,566</u>	\$ 9.85	7.8	\$ 112
Exercisable	<u>399,536</u>	\$ 10.55	6.3	\$ 112
Expected to vest	<u>485,030</u>	\$ 9.27	9.1	\$ —

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The table below summarizes certain additional information with respect to our options:

<i>(in thousands, except per option amounts)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Weighted average grant date fair value per option	\$ —	\$ —	\$ 4.61	\$ 6.55
Aggregate intrinsic value of options exercised	\$ —	\$ —	\$ 22	\$ 40

Restricted Stock Awards

The following table summarizes the activity related to unvested restricted stock awards for the six months ended June 30, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested shares outstanding, January 1, 2025	119,833	\$ 11.92
Granted	85,098	7.74
Vested	(46,474)	11.76
Forfeited	(9,169)	10.69
Unvested shares outstanding, June 30, 2025	<u>149,288</u>	<u>\$ 9.67</u>

Additional information about our restricted stock awards is summarized as follows:

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Aggregate market value of RSA's vested	\$ 94	\$ 89	\$ 344	\$ 435

Performance-Based Restricted Stock Awards

On January 16, 2024, the newly appointed president of our Process Technologies segment received performance-based restricted stock awards totaling 8,231 shares valued at \$0.1 million as of the date of grant. These shares vest on the third anniversary of the grant date at a vesting percentage that could range from 0% to 150% of the number of shares of restricted stock awarded on January 16, 2024. The final vesting percentage will be based on the achievement of certain performance metrics including revenue and income from operations for specified time periods. As of June 30, 2025, we have estimated that these shares will vest at 100% of the original amount.

On March 6, 2024, our CEO, CFO and the Division Presidents of our three operating segments received restricted stock awards totaling 33,539 shares valued at \$0.4 million as of the date of grant. These shares vest on the third anniversary of the grant date at a vesting percentage that could range from 0% to 150% of the number of shares awarded on March 6, 2024. The final vesting percentage will be based on the achievement of certain performance metrics related to adjusted EBITDA for the year ended December 31, 2026, as determined by the Compensation Committee of our Board of Directors. At June 30, 2025, we have estimated that these shares will vest at 100% of the original amount based on our assessment of the probable achievement against the relevant performance metrics.

On March 17, 2025, our CEO, CFO and the Division Presidents of our three operating segments received restricted stock awards totaling 49,098 shares valued at \$0.4 million as of the date of grant. These shares vest on the third anniversary of the grant date at a vesting percentage that could range from 0% to 150% of the number of shares awarded on March 17, 2025. The final vesting percentage will be based on the achievement of certain performance metrics related to the percentage of revenue received by us generated by recurring revenue streams for the year ended December 31, 2027, as determined by the Compensation Committee of our Board of Directors. At June 30, 2025, we have estimated that these

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

shares will vest at 100% of the original amount based on our assessment of the probable achievement against the relevant performance metrics.

On October 1, 2021, we granted 5,000 shares of performance-based stock awards to a member of senior management with a vesting date of January 1, 2025. The performance criteria was based on the achievement of certain financial metrics. The probability of achievement was 0% as of December 31, 2024, and on January 1, 2025, none of the performance criteria were achieved, therefore, these performance-based stock awards were forfeited.

On March 9, 2022, our CEO and CFO were granted performance-based stock awards totaling 20,493 shares. The performance criteria was based on the achievement of certain performance metrics including compound annual revenue growth rate. The probability of achievement was 0% as of December 31, 2024, and on March 9, 2025, none of the performance criteria were achieved, therefore, these performance-based stock awards were forfeited.

On March 8, 2023, our CEO, CFO and certain other members of our senior management received performance-based restricted stock awards, of which 16,605 remained as of June 30, 2025. These shares vest on the third anniversary of the grant date at a vesting percentage that could range from 0% to 150% of the number of shares of restricted stock awarded on March 8, 2023. The final vesting percentage will be based on the achievement of certain performance metrics related to consolidated revenue for specified time periods as determined by the Compensation Committee of our Board of Directors. During the second quarter of 2025, we reduced this estimate from 50% to 0% based on our current projections for the performance metrics for the relevant measurement period. The adjustment for this award was insignificant and recorded in general and administrative expense in our statements of operations.

On June 11, 2025, the president of our Environmental Technologies segment terminated employment with us. He had performance-based stock awards of 5,081 shares granted on May 8, 2023, 2,942 shares granted on March 6, 2024 and 4,307 shares granted on March 17, 2025. The probability of achievement of the May 8, 2023 award was 50% as of March 31, 2025, while the March 6, 2024 and March 17, 2025 awards remained at 100% as of March 31, 2025. Due to the termination, none of the performance criteria were achieved and therefore, 12,330 performance-based stock awards were forfeited.

The following table summarizes the activity related to unvested performance-based restricted stock awards for the six months ended June 30, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested shares outstanding, January 1, 2025	88,949	\$ 12.53
Granted	49,098	7.74
Vested	—	—
Forfeited	(37,823)	11.48
Unvested shares outstanding, June 30, 2025	<u>100,224</u>	<u>\$ 10.58</u>

Additional information about our performance-based restricted stock awards is summarized as follows:

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Aggregate market value of PSA's vested	\$ —	\$ —	\$ —	\$ 117

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

Restricted Stock Units

We began issuing restricted stock units to certain employees in 2025. The following table summarizes the activity related to unvested restricted stock awards for the six months ended June 30, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested shares outstanding, January 1, 2025	—	\$ —
Granted	61,091	7.98
Vested	—	—
Forfeited	—	—
Unvested shares outstanding, June 30, 2025	<u>61,091</u>	<u>\$ 7.98</u>

No RSUs vested during the six months ended June 30, 2025.

(15) EMPLOYEE STOCK PURCHASE PLAN

The InTest Corporation Employee Stock Purchase Plan (the “**ESPP**”) was adopted by the Board in April 2021 subject to approval by our stockholders, which occurred on June 23, 2021, at our Annual Meeting of Stockholders and became effective on October 1, 2021.

The ESPP provides our eligible employees with an opportunity to purchase common stock through accumulated payroll deductions at a 15% discount from the closing market price on the purchase date. The discount is recorded as a component of compensation expense in our consolidated statements of operations. The ESPP provides that an aggregate of up to 250,000 shares of our common stock will be available for issuance under the ESPP. The shares of our common stock purchasable under the ESPP will be shares of authorized but unissued or reacquired shares, including shares repurchased by us on the open market.

The activity in our ESPP was as follows:

<i>(in thousands except shares)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Shares purchased	4,592	4,483	9,966	8,587
Total cost of shares	\$ 28	\$ 38	\$ 60	\$ 84
Total discount (compensation expense)	\$ 5	\$ 7	\$ 11	\$ 15

The per share prices related to the ESPP purchases were as follows:

	Closing Market Price	Purchase Price
June 30, 2025	\$ 7.28	\$ 6.19
March 31, 2025	6.99	5.94
June 30, 2024	9.88	8.40
March 31, 2024	13.25	11.26

(16) RESTRUCTURING

On February 25, 2025, we notified employees of our wholly-owned subsidiary, Videology Imaging Corporation, of our intention to consolidate all operations in the Netherlands into our facility located in Mansfield, Massachusetts (the

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

“**Videology Consolidation**”). Videology® is included in our Process Technologies segment. This plan would result in the closure of the Netherlands facility and the termination of certain employees at that location. The Videology Consolidation of the Netherlands operations is being undertaken to increase efficiencies and lower operating costs associated with the current operation of Videology® and is expected to be substantially completed by the end of 2025 at which point we intend to fully vacate the Netherlands facility.

On June 11, 2025, we transitioned leadership of our Environmental Technologies segment (the “**Environmental Transition**”), appointing a new President. We incurred severance and payroll related costs for the outgoing President related to the Environmental Transition.

As a result of these two actions, we expect to incur cash charges for severance and other one-time termination benefits of \$425 thousand. In addition, we expect to incur cash charges for other costs related to the facility consolidation, including moving costs, costs associated with the termination of the Netherlands facility lease and other consolidation costs, ranging from \$200 thousand to \$300 thousand.

We have recognized restructuring expenses related to these actions as follows:

<i>(in thousands)</i>	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
<u>Videology Consolidation:</u>		
Severance	\$ —	\$ 237
Retention	60	79
Payroll taxes and payroll related	12	63
Other	12	18
Total Process Technologies restructuring charges	84	397
Corporate portion of action charges	52	52
Total Videology Consolidation restructuring charges	\$ 136	\$ 449
<u>Environmental Transition:</u>		
Severance	\$ 70	\$ 70
Payroll taxes and payroll related	6	6
Total Environmental Technologies restructuring charges	76	76
Corporate portion of action charges	4	4
Total Environmental Transition restructuring charges	\$ 80	\$ 80
Total consolidated restructuring charges	\$ 216	\$ 529

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

Our restructuring accrual is included as a component of accrued expenses and other current liabilities:

<i>(in thousands)</i>	Six Months Ended June 30, 2025
Beginning balance	\$ —
Charges	529
Cash payments	(36)
Impact of foreign currency translation adjustments	30
Ending balance	\$ 523

(17) EMPLOYEE BENEFIT PLANS

The InTest Corporation Incentive Savings Plan is a defined contribution 401(k) plan for our employees who work in the U.S. (the “**InTest Savings Plan**”). As of June 30, 2025, all permanent employees of Acculogic Ltd, Ambrell®, InTest Corporation, InTest EMS LLC, Tempronic Corporation and Videology®, who are at least 18 years of age, are eligible to participate in the InTest Savings Plan. We match employee contributions dollar for dollar up to 10% of the employee’s annual compensation, with a maximum limit of \$5 thousand. Employer contributions vest ratably over four years. Matching contributions are discretionary.

We recorded expense for matching contributions as follows:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	Discretionary employer matching contributions	\$ 205	\$ 219	\$ 564

Employees of Alfamation™ in Italy are entitled to Trattamento di Fine Rapporto (“**TFR**”), commonly referred to as an employee leaving indemnity, which represents deferred compensation for employees. Under Italian law, an entity is obligated to accrue for TFR on an individual employee basis payable to each individual upon termination of employment (including both voluntary and involuntary dismissal). The expense is recognized in personnel costs in our consolidated statements of operations and the required accrual is included in Other Liabilities on our consolidated balance sheets. At June 30, 2025, the amount recorded in other liabilities for TFR was \$1.6 million.

(18) SEGMENT INFORMATION

We have three operating segments which are also our reportable segments and reporting units: Electronic Test (which includes our semiconductor test equipment, flying probe and in-circuit testers and the operations of Alfamation™ which we acquired on March 12, 2024 - see “**Note (3) Acquisition**”), Environmental Technologies (which includes our induction heating and video imaging products) and Process Technologies (which includes our induction heating and video imaging products). We operate our business worldwide and sell our products both domestically and internationally. All of our segments sell to semiconductor manufacturers, third-party test and assembly houses and ATE manufacturers and to a variety of markets outside of the semi market, including the auto/EV, defense/aerospace, industrial, life sciences, safety/security and other markets.

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

Our management team, including our CEO who is also our Chief Operating Decision Maker as defined under U.S. GAAP, evaluates the performance of our operating segments primarily on income from divisional operations which represents earnings before income tax expense and excludes interest expense, other income (expense), corporate expenses, restructuring costs and acquired intangible amortization.

	Three Months Ended June 30, 2025				
<i>(in thousands)</i>	Electronic Test	Environmental Technologies	Process Technologies	Corporate & Other	Consolidated
Revenue	\$ 13,733	\$ 7,215	\$ 7,182	\$ —	\$ 28,130
Cost of revenue	7,418	4,534	4,205	—	16,157
Other divisional costs	4,755	2,070	2,578	—	9,403
Division operating income (loss)	1,560	611	399	—	2,570
Acquired intangible amortization				850	850
Restructuring costs				216	216
Corporate expenses				2,431	2,431
Operating (loss) income	1,560	611	399	(3,497)	(927)
Interest expense				(119)	(119)
Other income				463	463
(Loss) earnings before income tax (benefit) expense	\$ 1,560	\$ 611	\$ 399	\$ (3,153)	\$ (583)

Supplemental Disclosures:

Depreciation	\$ 152	\$ 62	\$ 61	\$ 39	\$ 314
Stock-based compensation	86	81	68	200	435
Capital expenditures	63	24	9	366	462
Total assets	\$ 76,259	\$ 21,944	\$ 49,975	\$ 1,475	\$ 149,653

	Three Months Ended June 30, 2024				
<i>(in thousands)</i>	Electronic Test	Environmental Technologies	Process Technologies	Corporate & Other	Consolidated
Revenue	\$ 16,159	\$ 8,273	\$ 9,559	\$ —	\$ 33,991
Cost of revenue	9,462	5,016	5,716	—	20,194
Other divisional costs	4,954	2,264	2,873	—	10,091
Division operating income (loss)	1,743	993	970	—	3,706
Acquired intangible amortization				897	897
Corporate expenses				2,473	2,473
Operating income (loss)	1,743	993	970	(3,370)	336
Interest expense				(253)	(253)
Other income				213	213
Earnings (loss) before income tax expense (benefit)	\$ 1,743	\$ 993	\$ 970	\$ (3,410)	\$ 296

Supplemental Disclosures:

Depreciation	\$ 154	\$ 80	\$ 100	\$ 22	\$ 356
Stock-based compensation	53	48	52	411	564
Capital expenditures	106	122	17	71	316
Total assets	\$ 81,668	\$ 21,827	\$ 55,460	\$ 1,599	\$ 160,554

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

Six Months Ended June 30, 2025					
(\$ in thousands)	Electronic Test	Environmental Technologies	Process Technologies	Corporate & Other	Consolidated
Revenue	\$ 26,992	\$ 13,483	\$ 14,292	\$ —	\$ 54,767
Cost of revenue	14,731	8,697	8,310	—	31,738
Other divisional costs	10,020	4,430	5,376	—	19,826
Division operating income (loss)	2,241	356	606	—	3,203
Acquired intangible amortization				1,663	1,663
Restructuring costs				529	529
Corporate expenses				4,819	4,819
Operating (loss) income	2,241	356	606	(7,011)	(3,808)
Interest expense				(271)	(271)
Other income				707	707
(Loss) earnings before income tax expense	\$ 2,241	\$ 356	\$ 606	\$ (6,575)	\$ (3,372)
Supplemental Disclosures:					
Depreciation	\$ 306	\$ 127	\$ 123	\$ 74	\$ 630
Stock-based compensation	140	49	120	549	858
Capital expenditures	197	106	15	373	691
Total assets	\$ 76,259	\$ 21,944	\$ 49,975	\$ 1,475	\$ 149,653

Six Months Ended June 30, 2024					
(\$ in thousands)	Electronic Test	Environmental Technologies	Process Technologies	Corporate & Other	Consolidated
Revenue	\$ 27,275	\$ 15,101	\$ 21,439	\$ —	\$ 63,815
Cost of revenue	15,008	9,549	12,385	—	36,942
Other divisional costs	8,711	4,544	6,123	—	19,378
Division operating income	3,556	1,008	2,931	—	7,495
Acquired intangible amortization				1,492	1,492
Corporate expenses				5,175	5,175
Operating income (loss)	3,556	1,008	2,931	(6,667)	828
Interest expense				(393)	(393)
Other income				648	648
Earnings (loss) before income tax expense	\$ 3,556	\$ 1,008	\$ 2,931	\$ (6,412)	\$ 1,083
Supplemental Disclosures:					
Depreciation	\$ 242	\$ 144	\$ 200	\$ 43	\$ 629
Stock-based compensation	106	86	34	687	913
Capital expenditures	142	351	87	76	656
Total assets	\$ 81,668	\$ 21,827	\$ 55,460	\$ 1,599	\$ 160,554

InTest CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

The following table provides information about our geographic areas of operation. Revenue is based on the location to which the goods are shipped.

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Revenue:				
U.S.	\$ 12,372	\$ 14,423	\$ 25,038	\$ 24,900
Foreign	15,758	19,568	29,729	38,915
	<u>\$ 28,130</u>	<u>\$ 33,991</u>	<u>\$ 54,767</u>	<u>\$ 63,815</u>

<i>(in thousands)</i>	June 30,	December 31,
	2025	2024
Property and equipment:		
U.S.	\$ 2,113	\$ 2,280
Foreign	2,564	2,177
	<u>\$ 4,677</u>	<u>\$ 4,457</u>

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

Risk Factors and Forward-Looking Statements

In addition to historical information, this Quarterly Report on Form 10-Q for the period ended June 30, 2025 (this "**Report**"), including this management's discussion and analysis ("**MD&A**"), contains statements that are considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements do not convey historical information, but relate to predicted or potential future events, such as statements of our plans, strategies and intentions, or our future performance or goals, projections of revenue, taxable earnings (loss), net earnings (loss), net earnings (loss) per share, capital expenditures and other financial items, that are based on management's current expectations and estimates. Our forward-looking statements can often be identified by the use of forward-looking terminology such as "believe," "expect," "may," "could," "will," "plans," "depending," "seeking," "anticipates," "goal," "objective," "target," "estimates," "future," "strategy," or variations of such words or similar terminology. Investors and prospective investors are cautioned that such forward-looking statements are only projections based on current expectations and estimates. These statements involve risks and uncertainties and are based upon various assumptions. Such risks and uncertainties include, but are not limited to:

- our ability to execute on our VISION 2030 Strategy;
- our ability to grow our presence in the automotive/electric vehicle ("**EV**"), defense/aerospace, industrial, life sciences, safety/security and international markets;
- the possibility of future acquisitions or dispositions and the successful integration of any acquired operations;
- the success of our strategy to diversify our business by entering markets outside the semiconductor automated test equipment ("**ATE**") market;
- indications of a change in the market cycles in the semiconductor ("**semi**") market, or other markets we serve;
- developments and trends in the semi market, including changes in the demand for semiconductors;
- our ability to convert backlog to sales and to ship product in a timely manner;
- the loss of any one or more of our largest customers, or a reduction in orders by a major customer;
- the availability of materials used to manufacture our products;
- the impact of interruptions in our supply chain caused by external factors;
- the sufficiency of cash balances, lines of credit and net cash from operations;
- stock price fluctuations;
- the ability to borrow funds or raise capital to finance potential acquisitions or for working capital;
- changes in the rate of, and timing of, capital expenditures by our customers;
- effects of exchange rate fluctuations;
- progress of product development programs;
- the anticipated market for our products;
- our failure to maintain a proper and effective system of disclosure controls and internal control over financial reporting;
- the availability of and retention of key personnel or our ability to hire personnel at anticipated costs;
- changes in U.S. and/or foreign trade policy and/or general economic conditions both domestically and globally; and
- other risk factors included in "**Part II; Item 1A. Risk Factors**" in this Report and in "**Part I; Item 1A. Risk Factors**" in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "**2024 Form 10-K**").

These risks and uncertainties, among others, could cause our actual future results to differ materially from those described in our forward-looking statements or from our prior results. Any forward-looking statement made by us in this Report is based only on information currently available to us and speaks to circumstances only as of the date on which it is made. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Report to conform these statements to actual results or to changes in our expectations, except as required by law.

Overview

This MD&A should be read in conjunction with the accompanying consolidated financial statements. In addition, please refer to the discussion of our business and markets contained in "**Part I; Item 1. Business**," of our 2024 Form 10-K.

We are a global supplier of innovative test and process technology solutions for use in manufacturing and testing across a wide range of markets including semi, auto/EV, defense/aerospace, industrial, life sciences, safety/security and other. We have three reportable segments which are also our reporting units: Electronic Test, (which includes our semiconductor test

equipment, flying probe and in-circuit testers), Environmental Technologies (which includes our thermal test, process and storage products) and Process Technologies (which includes our induction heating and video imaging products).

All of our operating segments have multiple products that we design, manufacture and market to our customers. Due to a number of factors, our products have varying levels of gross margin. These factors include, for example, the amount of engineering time required to develop the product, the market or customer to which we sell the product and the level of competing products available from other suppliers. The needs of our customers ultimately determine the products that we sell in a given time period. Therefore, the mix of products sold in a given period can change significantly when compared against the prior period. As a result, our consolidated gross margin may be significantly impacted by a change in the mix of products sold in a particular period.

Markets

As discussed further in “**Part I; Item 1. Business; Markets**” of our 2024 Form 10-K, we are focused on specific target markets which include auto/EV, defense/aerospace, industrial, life sciences, safety/security as well as both the front-end and back-end of the semiconductor manufacturing industry. The semi market, which includes both the broader semiconductor market, as well as the more specialized ATE and wafer production sectors within the broader semiconductor market, has historically been the largest single market in which we operate. The semi market is characterized by rapid technological change, competitive pricing pressures and cyclical market patterns and is subject to periods of significant expansion or contraction in demand. Our intention is to continue diversifying our markets, our product offerings within the markets we serve and our customer base across all of our markets with the goal of reducing our dependence on any one market, product or customer. In particular, we are seeking to reduce the impact of volatility in the semi market on our results of operations.

The portion of our business that is derived from the semi market is substantially dependent upon the demand for ATE by semiconductor manufacturers and companies that specialize in the testing of integrated circuits (“**ICs**”) and, for our induction heating products, the demand for wafer production equipment. Demand for ATE or wafer production equipment is primarily driven by semiconductor manufacturers that are opening new, or expanding existing, semiconductor fabrication facilities or upgrading equipment, which in turn is dependent upon the current and anticipated market demand for ICs and products incorporating ICs. Such market demand can be the result of market expansion, development of new technologies or redesigned products to incorporate new features, or the replacement of aging equipment.

The semi market is highly cyclical with recurring periods of oversupply, which often severely impact the semi market's demand for the products we manufacture and sell into the market. This cyclical nature can cause wide fluctuations in both our orders and revenue and, depending on our ability to react quickly to these shifts in demand, can significantly impact our results of operations. Market cycles are difficult to predict and, because they are generally characterized by sequential periods of growth or declines in orders and revenue during each cycle, year-over-year comparisons of operating results may not always be as meaningful as comparisons of periods at similar points in either up or down cycles. These periods of heightened or reduced demand can shift depending on various factors impacting both our customers and the markets that they serve. In addition, during both downward and upward cycles in the semi market, in any given quarter, the trend in both our orders and revenue can be erratic. This can occur, for example, when orders are canceled or currently scheduled delivery dates are accelerated or postponed by a significant customer or when customer forecasts and general business conditions fluctuate during a quarter.

While a significant portion of our orders and revenue are derived from the semi market, and our operating results generally follow the overall trend in the semi market, in any given period we may experience anomalies that cause the trend in our revenue from the semi market to deviate from the overall trend in the market. We believe that these anomalies may be driven by a variety of factors within the semi market, including, for example, changing product requirements, longer periods between new product offerings by OEMs and changes in customer buying patterns. In addition, in recent periods, we have seen instances when demand within the semi market is not consistent for each of our operating segments or for any given product within a particular operating segment. This inconsistency in demand can be driven by a number of factors but, in most cases, we have found that the primary reason is unique customer-specific changes in demand for certain products driven by the needs of their customers or markets served. Recently this has become more pronounced for our sales into the wafer production sector within the broader semiconductor market due to the limited market penetration we have into this sector and the variability of orders we have experienced from the few customers we support. These shifts in market practices and customer-specific needs have had, and may continue to have, varying levels of impact on our operating results and are difficult to quantify or predict from period to period.

Management has taken, and will continue to take, such actions it deems appropriate to adjust our strategies, products and operations to counter such shifts in market practices as they become evident.

As discussed further in “**Part I; Item 1. Business; Strategy**” of our 2024 Form 10-K, although the semi market remains our largest market, as part of our strategy to grow our business, we are focused on several other key target markets where we believe our products address test and process requirements and where we believe there is significant potential for growth. These key target markets include the auto/EV, defense/aerospace, industrial, life sciences and safety/security markets. We believe that these markets are usually less cyclical than the semi market. While market share statistics exist for some of these markets, due to the nature of our highly specialized product offerings in these markets, we do not expect broad market penetration in many of these markets and, therefore, do not anticipate developing meaningful market shares in most of these markets.

In addition, because of our limited market share, our orders and revenue in any given period in these markets do not necessarily reflect the overall trends in these markets. Consequently, we are continuing to evaluate buying patterns and opportunities for growth in these, and other, markets that may affect our performance. The level of our orders and revenue in all of the markets we serve has varied in the past, and we expect will vary significantly in the future, as we work to build our presence in our current markets and establish new markets for our products.

Known Trends

Debt Covenants

As noted in “**Part I; Item 1; Financial Statements; Notes to Consolidated Financial Statements; Note (10) Debt**,” our Loan Agreement with M&T Bank (“**M&T**”) contains financial covenants, including a fixed charge coverage ratio of not less than 1.25 to 1.0. At June 30, 2025, we were in compliance with all of the covenants included in the Loan Agreement except for the fixed charge coverage ratio, which was 0.80 to 1.0.

The fixed charge coverage ratio is calculated over the trailing twelve months, so the net loss reported in the first and second quarters will impact our ability to meet this covenant in future periods notwithstanding our strong cash position. On August 5, 2025, we executed the Sixth Amendment to the Loan Agreement, which formally waives the fixed charge coverage ratio financial covenant for periods ending June 30, 2025 through and including March 31, 2026. During the period of this waiver we are required to request consent from M&T if we wish to utilize our Revolving Facility and we formally pledged a portion of our cash holdings equal to our total open debt with M&T. At June 30, 2025 we were holding \$5.9 million of total debt with M&T.

Tariffs

We continue to monitor recent macroeconomic factors, including but not limited to changes in global trade policy, tariffs and related reciprocal or retaliatory trade actions announced by the U.S., China and other countries. The degree to which changes in global trade policy, tariffs and other related actions will impact our business, financial condition and results of operations depends on future developments, which are uncertain. Changes in global trade policies, tariffs and other related actions may negatively impact demand, pricing and cost for our products and technologies, contribute to the inherent uncertainties in estimating future customer demand and increase our material costs, any of which could negatively impacting our results of operations and cash flows.

Global Supply Chain Constraints

In early October 2023, Hamas attacked Israel and Israel formally declared war in response to the attack. The conflict with Hamas and others in the region is ongoing, and it is unclear when it might end. Ambrell® has a sole source supplier of capacitors used in certain of our induction heating products that is located in Israel. This supplier is the sole source supplier of capacitors for numerous induction companies, and currently there are no viable alternatives available. We have been in frequent contact with our supplier since the conflict with Hamas began. We maintain a two-to-three month safety stock on these items. Our supplier has indicated that they have large stock available at more than one facility in Israel, so they believe they have redundancies in place that will help ensure that the supply chain to their customers is uninterrupted. We continue to monitor the situation closely and are staying in close contact with our supplier. However, there can be no assurance that the situation will not worsen which could impact our ability to ship certain of our induction heating products which could have a material impact on our future results of operations.

Acculogic Inc. ("**Acculogic**") has historically purchased certain parts from a key sole-source supplier in Belarus, which is bordered by Russia to the east and northeast and Ukraine to the south. As a result of the ongoing war between Russia and Ukraine, in August 2024, the United States, Canada and the European Union added additional sanctions on Belarus, which included adding this supplier to a list of prohibited entities. We have not received materials from this supplier since the issuance of Executive Order 14038. During the first half of 2025, the majority of our remaining supply of these materials was depleted.

We have qualified a new supplier for these materials and have a new supply of these materials on hand. Our first system incorporating these new materials shipped to one of our customers at the end of the second quarter 2025.

Additionally, we have applied to the Office of Foreign Asset Control ("**OFAC**") to obtain permission for additional purchases from the Belarus supplier through December 31, 2025, but have not yet received the Office's response and are uncertain of when that response may be received. We also applied to Global Affairs Canada for similar permission, now that this supplier has been placed on a restricted parties list in Canada, as well. A significant portion of the additional purchases from the Belarus supplier are intended to support spare parts used for repairs and warranty claims for the existing units already in service with our customers. Those specific parts from the new supplier are not compatible with those existing units. There can be no assurance that we will be granted a license by OFAC or Global Affairs Canada in a timely manner or at all, or that if granted a license by OFAC or Global Affairs Canada that such supplier in Belarus will be willing or able to provide these parts on reasonable commercial terms or at all.

In addition, while the supply chain and logistics challenges that we encountered throughout 2022 have eased, uncertainty in the global trade environment remains. As a result, we expect that we may continue to experience increased prices, lack of availability and logistics delays from time to time for the foreseeable future. The actions we have taken and are continuing to take to mitigate these risks include qualifying new vendors as alternate sources in our supply chain, increasing our inventory of raw materials and ordering further in advance of when we expect to need materials than has been our practice in the past. We have also increased the prices that we charge our customers, where appropriate, and continue to work with our customers to find alternate options for the shipment of products where they control aspects of the logistics process. However, the environment in which we operate is dynamic and shifts rapidly at times, and the success of our efforts to mitigate and address the impacts on our business may not be successful. As a result, we could see increases in our costs or reduced revenues which would impact the level of our earnings in future periods.

Please refer to "**Part I; Item 1A. Risk Factors**" of our 2024 Form 10-K for further discussion of the risks associated with our business operations, including risks associated with foreign operations.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("**U.S. GAAP**") requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to inventories, long-lived assets, goodwill, identifiable intangibles, contingent consideration liabilities and deferred income tax valuation allowances. We base our estimates on historical experience and on appropriate and customary assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Some of these accounting estimates and assumptions are particularly sensitive because of their significance to our consolidated financial statements and because of the possibility that future events affecting them may differ markedly from what had been assumed when the financial statements were prepared. As of June 30, 2025, there have been no significant changes to the accounting estimates that we have deemed critical. Our critical accounting estimates are more fully described in "**Part I; Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations; Critical Accounting Estimates**" in our 2024 Form 10-K.

Results of Operations

The results of operations for our three operating segments are generally affected by the same factors described in the Overview section above. Separate discussions and analyses for each segment would be repetitive. The discussion and analysis that follows, therefore, is presented on a consolidated basis and includes discussion of factors unique to a particular operating segment where significant to an understanding of that segment.

Three Months Ended June 30, 2025, Compared to Three Months Ended June 30, 2024

Revenue

<i>(in thousands except percentages)</i>	Three Months Ended		Change	
	June 30,		\$	%
	2025	2024		
Electronic Test	\$ 13,733	\$ 16,159	\$ (2,426)	(15.0)%
Environmental Technologies	7,215	8,273	(1,058)	(12.8)%
Process Technologies	7,182	9,559	(2,377)	(24.9)%
Total revenue	\$ 28,130	\$ 33,991	\$ (5,861)	(17.2)%

The following table sets forth, for the periods indicated, a breakdown of revenue by market:

<i>(in thousands except percentages)</i>	Three Months Ended									
	June 30,		June 30,		Change		March 31,		Change	
	2025	2024	2025	2024	\$	%	2025	\$	%	
Revenue										
Semi	\$ 10,192	36.2 %	\$ 10,124	29.8 %	\$ 68	0.7 %	\$ 8,995	33.8 %	\$ 1,197	13.3 %
Auto/EV	5,862	20.8 %	10,735	31.6 %	(4,873)	(45.4)%	5,959	22.4%	(97)	(1.6)%
Defense/aerospace	3,578	12.7 %	3,682	10.8 %	(104)	(2.8)%	2,828	10.6%	750	26.5 %
Industrial	3,786	13.5 %	3,415	10.0 %	371	10.9 %	3,021	11.3%	765	25.3 %
Life Sciences	1,386	4.9 %	2,194	6.5 %	(808)	(36.8)%	1,688	6.3%	(302)	(17.9)%
Safety/Security	898	3.2 %	792	2.3 %	106	13.4 %	564	2.1%	334	59.2 %
Other	2,428	8.6 %	3,049	9.0 %	(621)	(20.4)%	3,582	13.4%	(1,154)	(32.2)%
	\$ 28,130	100.0 %	\$ 33,991	100.0 %	\$ (5,861)	(17.2)%	\$ 26,637	100.0%	\$ 1,493	5.6 %

* Percentages may not add up due to rounding

Compared with the prior-year period, revenue for the second quarter was down primarily from auto/EV as well as life sciences, other and defense/aerospace. This was partially offset by nominal increases in industrial, safety/security and semi. Sequentially, revenue increased compared with the trailing first quarter, due primarily to increases in semi, industrial and defense/aerospace, offset partially by a decline in other markets.

Orders and Backlog

We use orders and backlog as key performance metrics to analyze and measure our financial performance and results of operations. We define orders as purchase orders that we have accepted from our customers. Orders are recorded based on the date received and accepted by us. We believe tracking orders is useful in planning for future production needs and staffing levels and we use information about the level of our orders to make decisions about resource allocation, including appropriate levels of inventory purchases and the balance of inventory we carry at any given time. Another important operational measure used is backlog. Backlog is a common measurement used in industries with extended lead times for order fulfillment, like those in which we operate. Backlog at any given date represents the amount of net revenue that we expect to realize for unfilled orders received as of that date. We believe backlog is useful and use this information for similar reasons to those detailed above for orders. The majority of our backlog at any given time is expected to be fulfilled within the next twelve months. Depending on the terms of the purchase orders we have accepted, customers may have the ability to cancel an order or accelerate or postpone currently scheduled delivery dates. In some cases, we may have the ability to charge a cancellation fee if a purchase order we have accepted is later cancelled by a customer. Given that both orders and backlog are operational measures and our methodology for calculating orders and backlog do not meet the definition of a non-GAAP measure, as that term is defined by the SEC, a quantitative reconciliation for each is not required or provided.

The following table sets forth, for the periods indicated, a breakdown of the orders received by market:

<i>(in thousands except percentages)</i>	Three Months Ended											
	June 30, 2025				Change		March 31, 2025				Change	
	June 30, 2025		June 30, 2024		\$	%	March 31, 2025		\$	%		
Orders												
Semi	\$ 7,292	26.3%	\$ 11,026	42.1%	\$ (3,734)	(33.9%)	\$ 9,640	38.0%	\$ (2,348)	(24.4%)		
Auto/EV	7,066	25.5%	4,721	18.0%	2,345	49.7%	5,061	20.0%	2,005	39.6%		
Defense/aerospace	2,499	9.0%	2,665	10.2%	(166)	(6.2%)	2,083	8.2%	416	20.0%		
Industrial	4,680	16.9%	3,485	13.3%	1,195	34.3%	4,551	18.0%	129	2.8%		
Life Sciences	2,863	10.3%	1,025	3.9%	1,838	179.3%	1,232	4.9%	1,631	132.4%		
Safety/Security	1,173	4.2%	81	0.3%	1,092	n/m	675	2.7%	498	n/m		
Other	2,186	7.9%	3,179	12.1%	(993)	(31.2%)	2,107	8.3%	79	3.7%		
	<u>\$ 27,759</u>	<u>100.0%</u>	<u>\$ 26,182</u>	<u>100.0%</u>	<u>\$ 1,577</u>	<u>6.0%</u>	<u>\$ 25,349</u>	<u>100.0%</u>	<u>\$ 2,410</u>	<u>9.5%</u>		

* Percentages may not add up due to rounding
n/m Not meaningful

Compared with the prior-year period, orders for the second quarter increased in auto/EV, life sciences, industrial and safety/security while orders declined in semi, other and defense/aerospace.

Sequentially, while overall orders increased, there remains economic uncertainty, especially in the semi market where orders declined \$2.3 million.

At June 30, 2025, our backlog of unfilled orders for all products was \$37.9 million compared to \$47.7 million at June 30, 2024, and \$38.2 million at December 31, 2024. Our backlog includes customer orders that we have accepted, substantially all of which we expect to deliver in the next twelve months. While backlog is calculated on the basis of firm purchase orders, a customer may cancel an order or accelerate or postpone currently scheduled delivery dates. Our backlog may be affected by the tendency of customers to rely on short lead times available from suppliers, including us, in periods of depressed demand. In periods of increased demand, there is a tendency towards longer lead times that has the effect of increasing backlog. As a result, our backlog at a particular date is not necessarily indicative of sales for any future period.

Gross Margin

<i>(in thousands except percentages)</i>	Three Months Ended			
	June 30,		Change	
	2025	2024	\$	%
Gross profit	\$ 11,973	\$ 13,797	\$ (1,824)	(13.2)%
Gross margin	42.6 %	40.6 %		

Gross margin improved 200 basis points in the three months ended June 30, 2025, compared to the same prior year period due to improved favorable product sales mix along with our cost reduction initiatives.

Selling Expense

<i>(in thousands except percentages)</i>	Three Months Ended		Change	
	June 30,			
	2025	2024	\$	%
Selling expense	\$ 3,829	\$ 4,105	\$ (276)	(6.7)%
Percentage of revenue	13.6 %	12.1 %		

Selling expense for the three months ended June 30, 2025, declined slightly compared to the prior year period, but not at the rate of the revenue decline. Sales commissions, payroll and payroll related costs decreased, however, we recognized an increase in warranty expense compared to the prior year period.

Engineering and Product Development Expense

<i>(in thousands except percentages)</i>	Three Months Ended		Change	
	June 30,			
	2025	2024	\$	%
Engineering and product development expense	\$ 2,245	\$ 2,218	\$ 27	1.2 %
Percentage of revenue	8.0 %	6.5 %		

Engineering and product development expense for the three months ended June 30, 2025, increased nominally compared to the prior year period.

General and Administrative Expense

<i>(in thousands except percentages)</i>	Three Months Ended		Change	
	June 30,			
	2025	2024	\$	%
General and administrative expense	\$ 5,760	\$ 6,241	\$ (481)	(7.7)%
Percentage of revenue	20.5 %	18.4 %		

General and administrative expense for the three months ended June 30, 2025, decreased compared to the prior year period. The decline was due primarily to decreases in acquisition-related costs, decreases in stock-based compensation related to a decreased probability for the achievement of certain performance targets related to performance stock awards, and decreases in payroll and payroll related costs. Early in 2025 we also refocused on controlling discretionary spending and reducing non-strategic expenses. During the first quarter of 2025, we disaggregated the amortization of intangible assets and restructuring costs from general and administrative expenses in all periods presented.

Amortization of Acquired Intangible Assets

<i>(in thousands except percentages)</i>	Three Months Ended		Change	
	June 30,			
	2025	2024	\$	%
Amortization of acquired intangible assets	\$ 850	\$ 897	\$ (47)	(5.2)%
Percentage of revenue	3.0 %	2.6 %		

Amortization of acquired intangible assets for the three months ended June 30, 2025, decreased compared to the prior year period due to the declining pattern of benefit for the assets, offset partially by the impact of changes in foreign exchange rates.

Restructuring Costs

<i>(in thousands except percentages)</i>	Three Months Ended June 30,		Change	
	2025	2024	\$	%
Restructuring costs	\$ 216	\$ —	\$ 216	n/a
Percentage of revenue	0.8 %	— %		

Restructuring costs for the three months ended June 30, 2025, represent the costs recognized for the Videology Consolidation of the Netherlands operations into our US operations in Mansfield, MA as well as the leadership transition in our Environmental Technologies division. These costs were for severance and retention accruals along with the payroll-related costs. See “**Part I; Item 1. Financial Statements; Notes to Consolidated Financial Statements; Note (16) Restructuring**” for further details. There were no restructuring programs in the prior year period.

Income Tax (Benefit) Expense

<i>(in thousands except percentages)</i>	Three Months Ended June 30,		Change	
	2025	2024	\$	%
Income tax (benefit) expense	\$ (80)	\$ 66	\$ (146)	(221.2)%
Effective tax rate	13.7 %	22.3 %		

On a quarterly basis, we record income tax (benefit) or expense based on the expected annualized effective tax rate for the various taxing jurisdictions in which we operate our businesses. For the three months ended June 30, 2025, we recorded a tax benefit based on our pre-tax loss and expected annualized rate, whereas in the comparable period we reported pre-tax income. There were no unusual tax adjustments recorded in either period.

Six Months Ended June 30, 2025, Compared to Six Months Ended June 30, 2024

Revenue

<i>(in thousands except percentages)</i>	Six Months Ended June 30,		Change	
	2025	2024	\$	%
Electronic Test	\$ 26,992	\$ 27,275	\$ (283)	(1.0)%
Environmental Technologies	13,483	15,101	(1,618)	(10.7)%
Process Technologies	14,292	21,439	(7,147)	(33.3)%
Total revenue	\$ 54,767	\$ 63,815	\$ (9,048)	(14.2)%

The following table sets forth, for the periods indicated, a breakdown of revenue by market:

	Six Months Ended					
	June 30,		June 30,		Change	
	2025		2024		\$	%
<i>(in thousands except percentages)</i>						
Revenue						
Semi	\$ 19,187	35.0 %	\$ 25,091	39.3 %	\$ (5,904)	(23.5)%
Auto/EV	11,821	21.6 %	14,693	23.0 %	(2,872)	(19.5)%
Defense/aerospace	6,406	11.7 %	6,921	10.8 %	(515)	(7.4)%
Industrial	6,807	12.4 %	7,602	11.9 %	(795)	(10.5)%
Life Sciences	3,074	5.6 %	2,847	4.5 %	227	8.0 %
Safety/Security	1,462	2.7 %	1,333	2.1 %	129	9.7 %
Other	6,010	11.0 %	5,328	8.3 %	682	12.8 %
	\$ 54,767	100.0 %	\$ 63,815	100.0 %	\$ (9,048)	(14.2)%

* Percentages may not add up due to rounding

Compared with the prior-year period, revenue for the six months ended June 30, 2025 was down led by declines in semi, auto/EV, industrial and defense/aerospace. This was partially offset by smaller increases in other markets, life sciences and safety/security.

Orders

The following table sets forth, for the periods indicated, a breakdown of the orders received by market:

	Six Months Ended					
	June 30, 2025		June 30, 2024		Change	
					\$	%
<i>(in thousands except percentages)</i>						
Orders						
Semi	\$ 16,932	31.9%	\$ 21,279	43.4%	\$ (4,347)	(20.4)%
Auto/EV	12,127	22.8%	8,762	17.9%	3,365	38.4%
Defense/aerospace	4,582	8.6%	5,349	10.9%	(767)	(14.3)%
Industrial	9,231	17.4%	6,578	13.4%	2,653	40.3%
Life Sciences	4,095	7.7%	1,723	3.5%	2,372	137.7%
Safety/Security	1,848	3.5%	121	0.2%	1,727	n/m
Other	4,293	8.1%	5,169	10.6%	(876)	(16.9)%
	\$ 53,108	100.0%	\$ 48,981	100.0%	\$ 4,127	8.4%

* Percentages may not add up due to rounding
n/m Not meaningful

Compared with the prior-year period, orders for the six months ended June 30, 2025 increased reflecting strength in auto/EV, industrial, life sciences and safety/security. Within semi, orders from both front and back-end were down compared to the prior year period as demand remains low.

Gross Margin

<i>(in thousands except percentages)</i>	Six Months Ended		Change	
	June 30,			
	2025	2024	\$	%
Gross profit	\$ 23,029	\$ 26,873	\$ (3,844)	(14.3)%
Gross margin	42.0 %	42.1 %		

Gross margin declined 10 basis points in the six months ended June 30, 2025, compared to the same prior year period due to the absorption of fixed costs on lower volumes offset partly by cost reduction initiatives. The current year period also includes the full six months impact of Alfamation™ activity.

Selling Expense

<i>(in thousands except percentages)</i>	Six Months Ended		Change	
	June 30,			
	2025	2024	\$	%
Selling expense	\$ 8,376	\$ 8,695	\$ (319)	(3.7)%
Percentage of revenue	15.3 %	13.6 %		

Selling expense for the six months ended June 30, 2025, declined slightly compared to the prior year period, but not at the rate of the revenue decline. Sales commissions, payroll, payroll related costs and advertising decreased, however, we recognized an increase in warranty expense compared to the prior year period. The full six month impact of Alfamation™ was inconsequential.

Engineering and Product Development Expense

<i>(in thousands except percentages)</i>	Six Months Ended		Change	
	June 30,			
	2025	2024	\$	%
Engineering and product development expense	\$ 4,693	\$ 4,200	\$ 493	11.7 %
Percentage of revenue	8.6 %	6.6 %		

Engineering and product development expense for the six months ended June 30, 2025, increased compared to the prior year period due to payroll and payroll related cost increases and the full six month impact of Alfamation™.

General and Administrative Expense

<i>(in thousands except percentages)</i>	Six Months Ended		Change	
	June 30,			
	2025	2024	\$	%
General and administrative expense	\$ 11,576	\$ 11,658	\$ (82)	(0.7)%
Percentage of revenue	21.1 %	18.3 %		

General and administrative expense for the six months ended June 30, 2025, decreased compared to the prior year period due primarily to decreases in acquisition-related costs and bonus expense. Early in 2025 we also refocused on controlling discretionary spending and reducing non-strategic expenses. During the first quarter of 2025, we disaggregated the amortization of intangible assets and restructuring costs from general and administrative expenses in all periods presented.

Amortization of Acquired Intangible Assets

<i>(in thousands except percentages)</i>	Six Months Ended		Change	
	June 30,			
	2025	2024	\$	%
Amortization of acquired intangible assets	\$ 1,663	\$ 1,492	\$ 171	11.5 %
Percentage of revenue	3.0 %	2.3 %		

Amortization of acquired intangible assets for the six months ended June 30, 2025, increased compared to the prior year period due to the full six months impact of the additional finite-lived intangible assets acquired in the Alfamation™ acquisition.

Restructuring Costs

<i>(in thousands except percentages)</i>	Six Months Ended		Change	
	June 30,			
	2025	2024	\$	%
Restructuring costs	\$ 529	\$ —	\$ 529	n/a
Percentage of revenue	1.0 %	— %		

Restructuring costs for the six months ended June 30, 2025, represent the costs recognized for the Videology Consolidation of the Netherlands operations into our US operations in Mansfield, MA as well as the leadership transition in our Environmental Technologies division. These costs were for severance and retention accruals along with the payroll-related costs. See “**Part I; Item 1. Financial Statements; Notes to Consolidated Financial Statements; Note (16) Restructuring**” for further details. There were no restructuring programs in the prior year period.

Income Tax (Benefit) Expense

<i>(in thousands except percentages)</i>	Six Months Ended		Change	
	June 30,			
	2025	2024	\$	%
Income tax (benefit) expense	\$ (540)	\$ 191	\$ (731)	(382.7)%
Effective tax rate	16.0 %	17.6 %		

On a quarterly basis, we record income tax (benefit) or expense based on the expected annualized effective tax rate for the various taxing jurisdictions in which we operate our businesses. For the six months ended June 30, 2025, we recorded a tax benefit based on our pre-tax loss and expected annualized rate, whereas in the comparable period we reported pre-tax income. There were no unusual tax adjustments recorded in either period.

Liquidity and Capital Resources

As discussed more fully in the “**Overview**” section above, our business and results of operations are substantially dependent upon the demand for ATE and wafer production equipment by semiconductor manufacturers and companies that specialize in the testing of ICs. The cyclical and volatile nature of demand for this equipment makes estimates of future revenues, results of operations and net cash flows difficult.

Our primary historical source of liquidity and capital resources has been cash flow generated by our operations. In 2021, we also utilized our Credit Facility, which is discussed below, to fund our acquisitions. We manage our businesses to maximize operating cash flows as our primary source of liquidity for our short-term cash requirements, as discussed below. We use cash to fund growth in our operating assets, for new product research and development, for acquisitions and for stock repurchases. We currently anticipate that any additional long-term cash requirements related to our strategy would be funded through a combination of our cash and cash equivalents, our Credit Facility or by issuing equity.

Credit Facility

As discussed in “**Note (10) Debt**” to our consolidated financial statements in this Report, on October 15, 2021, we entered into an Amended and Restated Loan and Security Agreement with M&T which, was subsequently amended on October 28, 2021, December 30, 2021, September 20, 2022, May 2, 2024, and December 18, 2024 (as amended, the “**Loan Agreement**”). The Loan Agreement includes a \$50.5 million non-revolving delayed draw term note (the “**Term Note**”) and a \$10.0 million revolving credit facility (the “**Revolving Facility**” and together with the Term Note, the “**Credit Facility**”). The Credit Facility has a five-year contract period that began on October 15, 2021, and, as amended, expires on May 2, 2031, and draws under the Term Note, as amended, are permissible until May 2, 2026.

At June 30, 2025, we have not borrowed any amounts under the \$10.0 million Revolving Facility. Our borrowings under the Term Note are discussed below and our available drawing capacity under the Term Note at June 30, 2025, was \$30.0 million. The principal balance of the Revolving Facility and the principal balance of any amount drawn under the Term Note accrues interest based on the Secured Overnight Financing Rate or a bank-defined base rate plus an applicable margin, depending on leverage. The Loan Agreement includes customary affirmative, negative and financial covenants, including a maximum ratio of consolidated funded debt to consolidated EBITDA of not more than 3.0 to 1.0 and a fixed charge coverage ratio of not less than 1.25 to 1.0. Our obligations under the Loan Agreement are secured by liens on substantially all of our tangible and intangible assets. At June 30, 2025, we were in compliance with all of the covenants included in the Loan Agreement, except for the fixed charge coverage ratio financial covenant which was 0.80 to 1.0 for the quarter ended June 30, 2025.

On August 5, 2025, we executed the Sixth Amendment to the Loan Agreement, which formally waives the fixed charge coverage ratio financial covenant for periods ending June 30, 2025 through and including March 31, 2026. During the period of this waiver we are required to request consent from M&T if we wish to utilize our Revolving Facility and we formally pledged a portion of our cash holdings equal to our total open debt with M&T. At June 30, 2025 we were holding \$5.9 million of total debt with M&T.

On October 28, 2021, we drew \$12 million under the Term Note to finance the acquisition of Videology®. We also entered into an interest rate swap agreement with M&T as of this date which is designed to protect us against fluctuations in interest rates during the five-year repayment and amortization period. As a result, the annual interest rate we expect to pay for this draw under the Term Note is fixed at approximately 3.2% based on current leverage.

On December 29, 2021, we drew \$8.5 million under the Term Note to finance the acquisition of Acculogic. We did not enter into an interest rate swap agreement with M&T related to this draw. The annual interest rate we expect to pay for this draw under the Term Note is variable. At June 30, 2025, it was 6.6% based on current leverage.

Alfamation™ Debt

As discussed further in “**Note (3) Acquisition**,” we assumed debt with the acquisition of Alfamation™ which totaled \$11.3 million as of the acquisition date. The debt acquired is comprised of both fixed and variable rate bank issued term loans as well as short-term variable rate financing backed by Alfamation™’s accounts receivable. This debt is spread across several different institutions with monthly, quarterly or semi-annual repayment schedules.

At June 30, 2025, Alfamation™’s debt was valued at \$4.2 million, including \$0.7 million that is backed by Alfamation™’s accounts receivable. The reduction since the acquisition date represents repayments of short-term instruments and principal payments on long-term debt, net of new borrowings that are backed by Alfamation™’s accounts receivable. The short-term variable financing rate at June 30, 2025, was 3.1%. At June 30, 2025, the weighted average interest rate payable on the bank issued term loans was 1.1% for fixed rate debt and 3.7% for variable rate debt and the overall weighted average interest rate for the bank issued term loans was 3.2%.

Total interest expense for the six months ended June 30, 2025 and 2024, related to our various debt arrangements was \$0.3 million and \$0.4 million, respectively.

Liquidity

Our cash and cash equivalents and working capital were as follows:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 19,248	\$ 19,830
Working capital	\$ 43,889	\$ 46,864

As of June 30, 2025, \$8.6 million, or 45%, of our cash and cash equivalents was held by our foreign subsidiaries. We currently expect our cash and cash equivalents, in combination with the borrowing capacity available under our Revolving Facility and the anticipated net cash to be provided by our operations in the next twelve months to be sufficient to support our short-term working capital requirements and other corporate requirements. Our Revolving Facility is discussed in **“Note (10) Debt”** to our consolidated financial statements in this Report.

Our material short-term cash requirements include payments due under our various lease agreements, recurring payroll and benefits obligations to our employees, purchase commitments for materials that we use in the products we sell and principal and interest payments on our debt. We estimate that our short-term working capital requirements currently range between \$8.0 million and \$10.0 million. We expect our current cash and cash equivalents, in combination with the borrowing capacity available under our Revolving Facility and the anticipated net cash to be provided by our operations to be sufficient to support these additional investments as well as our current short-term cash requirements. As discussed above in **“Credit Facility”** and in **“Note (10) Debt”**, on August 5, 2025 we formally pledged a portion of our cash holdings equal to our total open debt with M&T. At June 30, 2025 we were holding \$5.9 million of total debt with M&T.

Our current strategy for growth includes pursuing acquisition opportunities for complementary businesses, technologies or products. As previously discussed, we currently anticipate that any additional long-term cash requirements related to our strategy would be funded through a combination of our cash and cash equivalents, the remaining availability under the Term Note or by issuing equity. The borrowing availability under the Term Note was expanded in September 2022 as discussed above and in **“Note (10) Debt”** to our consolidated financial statements in this Report.

Cash Flows

Operating Activities: Net cash provided by operating activities for the six months ended June 30, 2025, was \$4.8 million, an increase of \$7.9 million compared to the prior year period. The increase was driven primarily by decreased revenues and collections of our accounts receivable, offset partially by the decrease in net earnings from the comparative period as a result of the net loss during the six months ended June 30, 2025, and increases in prepaids and other assets. Non-cash adjustments to net (loss) earnings increased primarily due to increased depreciation and amortization resulting from the full six month impact of Alfamation™.

Investing Activities: Net cash used in investing activities for the six months ended June 30, 2025, was \$0.7 million, a decreased usage of \$18.7 million compared to the prior year period. During the six months ended June 30, 2024, we used \$18.7 million of cash to acquire Alfamation™, whereas in the current year period we did not have any acquisitions. Capital expenditures for property and equipment were consistent in both periods.

Financing Activities: Net cash used in financing activities for the six months ended June 30, 2025, was \$5.6 million, an increased usage of \$3.8 million compared to the prior year period. The increase is due to the repayments of short-term borrowings used in the Alfamation™ operations along with repayments of our long-term debt.

New or Recently Adopted Accounting Standards

See **“Part I; Item 1. Financial Statements; Notes to Consolidated Financial Statements; Note (2) Summary of Significant Accounting Policies; (s) Effect of Recently Adopted Amendments to Authoritative Accounting Guidance and (t) Effect of Recently Issued Amendments to Authoritative Accounting Guidance Not Yet Adopted”** for information concerning the implementation and impact of new or recently adopted accounting standards.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements during the three months ended June 30, 2025, that have or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our interests.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This disclosure is not required for a smaller reporting company.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Exchange Act of 1934, as amended, (the “**Exchange Act**”). Because there are inherent limitations in all control systems, a control system, no matter how well conceived and operated, can provide only reasonable, as opposed to absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Further, 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 costs. Our management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all error and all fraud. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Accordingly, our management has designed the disclosure controls and procedures to provide reasonable assurance that the objectives of the control system were met.

CEO/CFO Conclusions about the Effectiveness of the Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Exchange Act, InTest management, including our CEO and CFO, conducted an evaluation as of the end of the period covered by this Report, of the effectiveness of our disclosure controls and procedures. Based on that evaluation, our CEO and CFO concluded that, as of the end of the period covered by this Report, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be a party to legal proceedings occurring in the ordinary course of business. We are not currently involved in any material legal proceedings.

Item 1A. Risk Factors

The following risk factors supplement the risk factors described in “**Part I; Item 1A; Risk Factors**” of our 2024 Form 10-K Report and should be read in conjunction with the risk factors described in our 2024 Form 10-K Report:

The terms and covenants relating to our credit facility could adversely impact our ability to pursue our strategy and our financial performance and liquidity, and thus we may need additional financial resources to maintain our liquidity.

Our credit facility with M&T Bank contains covenants requiring us to, among other things, provide financial and other information and to provide notice upon the occurrence of certain events affecting us or our business. These covenants also place restrictions on our ability to incur additional indebtedness, and enter into certain transactions, including selling assets, engaging in mergers or acquisitions, or engaging in transactions with affiliates. If we fail to satisfy one or more of the covenants under our credit facility, we would be in default thereunder and may be required to repay such debt with capital from other sources or otherwise not be able to draw down against our facility. Under such circumstances, we may have difficulty in locating another lender that would be willing to extend credit to us, and other sources of capital may not be available to us on reasonable terms or at all.

At December 31, 2024, we were in compliance with all of the covenants included in our Loan Agreement. At June 30, 2025, we were in compliance with all of the covenants included in the Loan Agreement, except for the fixed charge coverage ratio financial covenant which was 0.80 to 1.0 for the quarter ended June 30, 2025. On August 5, 2025, we executed the Sixth Amendment to the Loan Agreement, which formally waives the fixed charge coverage ratio financial covenant for periods ending June 30, 2025 through and including March 31, 2026. During the period of this waiver we are required to request consent from M&T if we wish to utilize our Revolving Facility and we formally pledged a portion of our cash holdings equal to our total open debt with M&T. At June 30, 2025 we were holding \$5.9 million of total debt with M&T. See “**Part I; Item 1. Financial Statements; Notes to Consolidated Financial Statements; Note (10) Debt**” “**Part I; Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations; Liquidity and Capital Resources; Credit Facility**” in this Report for a discussion of the material terms of our credit facility.

U.S. tariff policies and potential global retaliatory countermeasures could increase our cost, disrupt our supply chain or affect customer purchasing activities, any of which could negatively impact our results of operations.

Changes in U.S. and foreign trade policy, including the imposition of tariffs and other retaliatory trade barriers, could adversely affect our business, financial condition, and results of operations. For example, the continued tariff negotiations have increased certain of our material costs and may force us to seek alternative suppliers or navigate through a period of reduced orders and revenues and/or unprofitability if we are unable to pass cost increases onto customers. For the six months ended June 30, 2025, approximately half of our sales were shipped to customers outside of the United States and thus we are potentially exposed to tariffs. We have seen this continued economic uncertainty result in certain customers delaying purchases to the latter half of the year. Retaliatory tariffs by China and/or other countries could further disrupt our supply chain, reduce demand for our products, or result in lost sales. The unpredictable nature of these trade policies and the potential for further escalation may increase uncertainty and volatility in our industry, which could negatively impact our financial performance.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information with respect to purchases made by or on behalf of the Company or any “affiliated purchaser” as defined in Rule 10b-18(a)(3) under the Exchange Act, of our common stock during the three months ended June 30, 2025, including shares of common stock surrendered to us by employees to cover tax withholdings under the net settlement provisions of our restricted stock awards and those made pursuant to publicly announced plans or programs and those not made pursuant to publicly announced plans or programs.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
April 1-30	1,951	\$ 6.31	—	—
May 1-31	98	\$ 6.41	—	—
June 1-30	—	\$ -	—	—
Total	2,049		—	—

On March 5, 2025, our Board of Directors authorized the renewal of our previously expired share repurchase plan (the “**Repurchase Plan**”) whereby we may repurchase shares of our common stock on the open market with a total aggregate repurchase amount of up to \$10.0 million. As of the renewal date, we had approximately \$9.0 million available for repurchases under the Repurchase Plan. The Repurchase Plan may be suspended or discontinued at any time without prior notice.

There were no repurchases of shares under the Repurchase Plan during the six months ended June 30, 2025. As of June 30, 2025, we had repurchased 141,117 shares under the Repurchase Plan at a fair value of \$1.0 million. All of the shares repurchased pursuant to the Repurchase Plan have been retired.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the second quarter ended June 30, 2025, none of the Company's directors or officers (as defined in Section 16 of the Securities Exchange Act of 1934) adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K of the Securities Exchange Act of 1934.

As further discussed in “**Note (10) Debt**,” on August 5, 2025, we entered into the Sixth Amendment to the Loan Agreement (the “**Sixth Amendment**”). Pursuant to the Sixth Amendment our compliance with the Fixed Charge Coverage Ratio (as described in Section 13.2 of the Loan Agreement) is suspended for the periods ending June 30, 2025 through March 31, 2026 (the “**Deferment Period**”). During the Deferment Period and pursuant to the Sixth Amendment all advances under the Revolving Facility will be made only at M&T's sole and reasonable discretion. Further, in connection with the Sixth Amendment, we have entered into a Pledge and Assignment of Cash Collateral Account Agreement (the “**CCA Agreement**”) pursuant to which we have pledged and granted M&T a lien on and a security interest in certain assets, as described in the CCA Agreement, through the expiration of the Deferment Period.

The foregoing descriptions of the July Amendment and CCA Agreement are summaries only and are qualified in all respects by the provisions of the July Amendment and CCA Agreement, copies of which are attached hereto as Exhibit 10.1 and 10.2, respectively.

Item 6. Exhibits

Exhibit Number	Description	Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
10.1	Sixth Amendment to the Amended and Restated Loan and Security Agreement, dated August 5, 2025, among In Test Corporation, Ambrell Corporation, In Test Silicon Valley Corporation, In Test EMS, LLC, Videology Imaging Corporation, Acculogic Ltd., Acculogic Inc., Temptronic Corporation, Alfamation US Inc. and M&T Bank.					†
10.2	Pledge and Assignment of Cash Collateral Account Agreement, dated August 5, 2025, between In Test Corporation and M&T Bank.					†
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a).					†
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a).					†
32.1	Certification of Chief Executive Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					+
32.2	Certification of Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					+
101.INS	Inline XBRL Taxonomy Instance Document					†
101.SCH	Inline XBRL Taxonomy Extension Schema Document					†
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					†
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					†
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					†
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					†
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					†
†	Filed herewith					
+	Furnished herewith					

Signatures

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

InTest Corporation

Date: August 7, 2025

/s/ Richard N. Grant, Jr.
Richard N. Grant, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2025

/s/ Duncan Gilmour
Duncan Gilmour
Chief Financial Officer, Treasurer and Secretary
(Principal Financial Officer)

SIXTH AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

THIS SIXTH AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (the “**Amendment**”) is effective as of August 5, 2025 (“**Effective Date**”), by and between **INTEST CORPORATION**, a Delaware corporation, (“**Borrower**”), **AMBRELL CORPORATION**, a Delaware corporation, **INTEST SILICON VALLEY CORPORATION**, a Delaware corporation, **INTEST EMS, LLC**, a Delaware limited liability company, **TEMPTRONIC CORPORATION**, a Delaware corporation, **VIDEOLOGY IMAGING CORPORATION**, a Delaware corporation, **ACCULOGIC LTD.**, a Delaware corporation, **ACCULOGIC INC.**, an Ontario corporation, and **ALFAMATION, INC.**, a Delaware Corporation, formerly inTEST Italy, Inc., individually and collectively, jointly and severally, the “**Guarantors**”) and **M&T Bank** (together with its successors and assigns, “**Bank**”).

BACKGROUND

A. Borrower, Guarantors and Bank have previously entered into a certain Amended and Restated Loan and Security Agreement dated October 15, 2021, as amended by that certain Joinder and Amendment to Amended and Restated Loan and Security Agreement dated October 28, 2021, as amended by that certain Joinder and Second Amendment to Amended and Restated Loan and Security Agreement dated December 30, 2021, as amended by that certain Third Amendment to Amended and Restated Loan and Security Agreement dated as of September 20, 2022, that certain Fourth Amendment to Amended and Restated Loan and Security Agreement dated as of May 2, 2024, and the Joinder and Fifth Amendment to Amended and Restated Loan and Security Agreement dated as of December 18, 2024 (as amended and as it may be further amended, supplemented or restated from time to time, the “**Loan Agreement**”), pursuant to which, inter alia, Bank agreed to extend to Borrower certain credit facilities subject to the terms and conditions set forth therein.

B. Pursuant to the Joinder and Fifth Amendment to Amended and Restated Loan and Security Agreement dated as of December 18, 2024, inTEST Italy, Inc. (“**Italy**”) joined the Loan Agreement and Loan Documents as a Guarantor. Borrower has informed Bank that Italy has since changed its name to Alfamation, Inc. (“**Alfamation**”).

C. Borrower has requested and Bank has agreed to amend the terms of the Loan Agreement in accordance with the terms and conditions hereof.

D. Capitalized terms used herein and not otherwise defined in this Amendment shall have the meanings set forth therefor in the Loan Agreement.

NOW THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Fixed Charge Coverage Ratio. Borrower’s compliance with the Fixed Charge Coverage Ratio set forth in **Section 13.2** of the Loan Agreement is hereby suspended for the testing periods commencing June 30, 2025, through March 31, 2026, and testing shall resume for the period ending June 30, 2026, and thereafter (such period, the “**FCCR Deferment Period**”).

2. **Revolving Credit Facility – Discretionary Advances.** Bank and Borrower have agreed that during the FCCR Deferment Period, all Advances under the Revolving Credit Facility shall be made only at Bank's sole and reasonable discretion, accordingly, **Section 2.1** of the Loan Agreement is hereby amended such Section in its entirety and replacing it with the following:

2.1 **"2.1 The Facility.** Subject to the terms and conditions of this Agreement and the Loan Documents, Bank agrees to establish for Borrower a revolving credit facility (the "**Revolving Credit Facility**") pursuant to which during the Contract Period, Bank agrees to extend to Borrower Advances under the Revolving Credit Facility, provided that, the Revolving Credit Facility Usage shall not exceed at any time the Maximum Revolving Credit Facility Amount.

2.2 Notwithstanding the forgoing, effective during the FCCR Deferment Period, the Revolving Credit Facility shall be a discretionary revolving facility, pursuant to which the Bank may, in its sole and reasonable discretion, agree to extend to Borrower Advances under the Revolving Credit Facility. Borrower expressly acknowledges that because the Revolving Credit Facility is discretionary during such period, the Bank may at any time and for any reasonable reason decline to make an Advance notwithstanding the fact that the amount outstanding under the Revolving Credit Facility is less than the Maximum Revolving Credit Facility Amount.

2.3 For the avoidance of doubt, after the expiration of the FCCR Deferment Period, provided that (x) Borrower is in compliance with its Fixed Charge Coverage Ratio, and (y) no Event of Default has occurred or is continuing, the Revolving Credit Facility shall resume operating as a committed facility subject to the terms and conditions set forth in the Loan Agreement."

3.

4. **Pledged Account.** Borrower has agreed to provide cash collateral to Bank as additional security for repayment of the Loans, and in furtherance of the forgoing:

a. **Section 9.1(j)** is hereby amended in its entirety as follows:

5. "(j) all deposit accounts maintained by any Obligor with any financial institution, and during the FCCR Deferment Period specifically including the LPL Account. For the avoidance of doubt, the LPL Account shall no longer constitute collateral for the Loans and shall be automatically released from the Bank's security interest upon the expiration of the FCCR Deferment Period, provided that Borrower is in compliance with its Fixed Charge Coverage Ratio. To the extent that the Borrower returns to compliance with its Fixed Charge Coverage Ratio, the Bank shall cooperate with the Borrower, at the Borrower's request and expense, to provide such documentation as may be reasonably necessary to evidence the release of the LPL Account as pledged collateral."

b. A new **Section 9.6** is hereby added to the Loan Agreement as follows:

6. **“9.6 Pledged Account.** From and after the Effective Date, Borrower hereby pledges and grants to Bank a lien on and security interest in book entry account #2679-2481 (the **“LPL Account”**) maintained by Borrower with LPL Financial LLC, an Affiliate of Bank to secure the repayment of the Loans. Notwithstanding the forgoing, Bank agrees that it shall, from time to time, and provided no Default or Event of Default has occurred and is continuing, permit, upon Borrower’s request, the release of funds from the LPL Account in an amount not to exceed the then aggregate amount of principal payments actually received by Bank with respect to the Term Loans pursuant to **Section 7.4**. Borrower acknowledges and agrees that the LPL Account is hereby included in the definition of Collateral through the expiration of the FCCR Deferral Period and Borrower’s return to Fixed Charge Covenant Ratio compliance, and that upon the occurrence and continuance of an Event of Default hereunder, Bank may apply the proceeds of the LPL Account to the Obligations in accordance with the terms hereof.”

4. **Alfamation Confirmation and Ratification.** Alfamation hereby expressly ratifies and confirms its status as a Guarantor and expressly ratifies all actions taken by Italy prior to the change in name.

5. **Confirmation of Collateral.** Nothing contained herein shall be deemed to be a compromise, satisfaction, accord and satisfaction, novation or release of any of the Loan Documents, or any rights or obligations thereunder, or a waiver by Bank of any of its rights under the Loan Documents or at law or in equity. All liens, security interests, rights and remedies granted to Bank in the Loan Documents are hereby ratified, confirmed and continued.

6. **Covenants, Representations and Warranties.** Borrower and each Guarantor (as applicable to itself) hereby:

6.1 ratifies, confirms and agrees that the Loan Agreement, as amended by this Amendment, and all other Loan Documents are valid, binding and in full force and effect as of the date of this Amendment, and enforceable in accordance with their terms.

6.2 agrees that it has no defense, set-off, counterclaim or challenge against the payment of any sums owed or owing under the Loan Documents or the enforcement of any of the terms of the Loan Documents.

6.3 ratifies, confirms and continues all liens, security interests, pledges, rights and remedies granted to Bank in the Loan Documents and agrees that such liens, security interests and pledges shall secure all of the Obligations under the Loan Documents as amended by this Amendment.

6.4 represents and warrants that all representations and warranties in the Loan Documents are true and complete as of the date of this Amendment.

6.5 agrees that its failure to comply with or perform any of its covenants or agreements in this Amendment will constitute an Event of Default under the Loan Documents.

6.6 represents and warrants that no condition or event exists after taking into account the terms of this Amendment which would constitute an Event of Default (or will, upon the giving of notice or the passage of time, or both constitute an Event of Default).

6.7 represents and warrants that the execution and delivery of this Amendment by Borrower and Guarantors and all documents and agreements to be executed and delivered pursuant to this Amendment:

(a) have been duly authorized by all requisite corporate, company and/or partnership action of Borrower and Guarantors, as applicable;

(b) will not conflict with or result in a breach of, or constitute a default (or with the passage of time or the giving of notice or both, will constitute a default) under, any of the terms, conditions, or provisions of any applicable statute, law, rule, regulation or ordinance or Borrower's or any Guarantor's Governing Documents or any indenture, mortgage, loan or credit agreement or instrument to which Borrower or any Guarantor is a party or by which such may be bound or affected, or any judgment or order of any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign; and

(c) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Borrower or any Guarantor under the terms or provisions of any such agreement or instrument, except liens in favor of Bank.

7. **Conditions**. The obligation of Bank to enter into this Amendment is subject to the fulfillment, to the satisfaction of Bank, of each of the following conditions, and all agreements, documents and other items must be in form, content and in all other respects satisfactory to Bank in its sole and reasonable discretion. Bank is not waiving a breach of any warranty or representation made by any Borrower or Guarantor hereunder or under any agreement, document, or instrument delivered to Bank or otherwise referred to herein, and any claims and rights of the Bank resulting from any breach or misrepresentation by Borrower or any Guarantor are specifically reserved by the Bank.

7.1 **Searches**. Bank shall have received copies of record searches (including UCC searches, patent searches, trademark searches, copyright searches and judgments, suits, bankruptcy, litigation, tax and other lien searches) against Borrower and each of the Guarantors.

7.2 **Executed Documents**. Borrower, Guarantors and all other required persons and entities will have executed and delivered to Bank:

- (a) this Amendment;
- (b) a Pledge and Security Agreement in form and substance acceptable to Bank;
- (c) an LPL Financial, LLC - Pledgor Notification of Pledged Account; and
- (d) a resolution duly authorized by Borrower's board of directors authorizing the execution of this Amendment, the pledge of the LPL Account and any documents related thereto;

(e) such other documents, as the Bank may reasonably require.

7.3 **Representations and Warranties.** All representations and warranties of Borrower and Guarantors set forth in the Loan Documents shall be true at and as of the date hereof.

7.4 **No Default.** No condition or event shall exist or have occurred which would constitute a default or an Event of Default hereunder or under the Loan Agreement.

7.5 **Other.** All other documents and legal matters in connection with the transactions contemplated by this Amendment shall have been delivered, executed or recorded.

8. **Additional Documents; Further Assurances.** Borrower and Guarantors covenant and agree to execute and deliver to Bank, or to cause to be executed and delivered to Bank contemporaneously herewith, at the sole cost and expense of Borrower and Guarantors, any and all other documents, agreements, statements, resolutions, certificates, consents and information as Bank may reasonably require in connection with the matters or actions described herein. Borrower and Guarantors further covenant and agree to execute and deliver to Bank, or to cause to be executed and delivered, at the sole cost and expense of Borrower and Guarantors, from time to time, any and all other documents, agreements, statements, certificates and information as Bank shall request to evidence or effect the terms hereof or to enforce or protect Bank's rights. All of such documents, agreements, statements, certificates and information shall be in form and content acceptable to Bank in its sole and reasonable discretion.

9. **Certain Fees, Costs, Expenses and Expenditures.** Borrower and Guarantors agree to pay all of Bank's costs and expenses in connection with the review, preparation, negotiation, documentation and closing of this Amendment and the consummation of the transactions contemplated hereunder, including without limitation, costs, fees and expenses of counsel retained by Bank and all fees related to filings, recording of documents and searches, whether or not the transactions contemplated hereunder are consummated. Nothing contained herein shall limit in any manner whatsoever Bank's right to reimbursement under any of the Loan Documents.

10. **No Novation.** Nothing contained herein and no actions taken pursuant to the term hereof are intended to constitute a novation of the Loan Agreement or any of the Loan Documents and shall not constitute a release, termination or waiver of any of the liens, security interests, rights or remedies granted to Bank in the Loan Documents.

11. **No Waiver.** Except as otherwise provided herein, nothing herein contained and no actions taken by Bank in connection herewith shall constitute nor shall they be deemed to be a waiver, release or amendment of or to any rights, remedies, or privileges afforded to Bank under the Loan Documents. Nothing herein shall constitute a waiver by Bank of Borrower's' and Guarantors' compliance with the terms of the Loan Documents, nor shall anything contained herein constitute an agreement by Bank to enter into any further amendments with Borrower and Guarantors.

12. **Inconsistencies.** To the extent of any inconsistency between the terms and conditions of this Amendment and the terms and conditions of the other Loan Documents, the terms and conditions of this Amendment shall prevail. All terms and conditions of the Loan Documents not inconsistent herewith shall remain in full force and effect and are hereby ratified and confirmed by Borrower and Guarantors.

13. **Binding Effect.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. **No Third Party Beneficiaries.** The rights and benefits of this Amendment and the Loan Documents shall not inure to the benefit of any third party.

15. **Time of the Essence.** Time is of the essence in the performance by Borrower and Guarantors of all the obligations hereunder.

16. **Headings.** The headings of the Sections of this Amendment are inserted for convenience only and shall not be deemed to constitute a part of this Amendment.

17. **Severability.** The provisions of this Amendment and all other Loan Documents are deemed to be severable, and the invalidity or unenforceability of any provision shall not affect or impair the remaining provisions which shall continue in full force and effect.

18. **Modifications.** No modifications of this Amendment or any of the Loan Documents shall be binding or enforceable unless in writing and signed by or on behalf of the party against whom enforcement is sought.

19. **Law Governing.** This Amendment has been made, executed and delivered in the Commonwealth of Pennsylvania and will be construed in accordance with and governed by the laws of such Commonwealth, without regard to any rules or principles regarding conflicts of law or any rule or canon of construction which interprets agreements against the draftsman.

E. Counterparts; Electronic Signatures. This Amendment and any related document may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by telecopier, facsimile machine, portable document format ("PDF"), Electronic Signature (as defined below) or other electronic means shall be as effective as delivery of a manually executed counterpart of this Amendment. The effectiveness of any such documents and signatures shall have the same force and effect as manually signed originals and shall be binding on the parties. No party may raise the use of a telecopier, facsimile machine, PDF or other electronic means, or the fact that any signature was transmitted through the use of a telecopier, facsimile machine, PDF or other electronic means, as a defense to the enforcement of this Amendment. "Electronic Signature" means any symbol or process attached to a document or instrument and executed or adopted by a person with the intent to sign the document or instrument, including, without limitation, any digital representation of a party's signature created by scanning such party's signature or by any electronic signature service such as DocuSign.

4. Waiver of Right to Trial by Jury. **BORROWER, GUARANTORS AND BANK WAIVE ANY RIGHT TO TRIAL BY JURY ON ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AMENDMENT, (b) ARISING UNDER ANY OF THE OTHER LOAN DOCUMENTS OR (c) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF BORROWER OR GUARANTORS, WITH RESPECT TO THIS AMENDMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. BORROWER, GUARANTORS AND BANK AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AMENDMENT MAY FILE AN ORIGINAL COUNTERPART OR A**

COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF BORROWER, GUARANTORS AND BANK TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. BORROWER AND GUARANTORS ACKNOWLEDGE THAT THEY HAVE HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THIS SECTION, THAT THEY FULLY UNDERSTAND ITS TERMS, CONTENT AND EFFECT, AND THAT THEY VOLUNTARILY AND KNOWINGLY AGREE TO THE TERMS OF THIS SECTION.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Amendment as of the date first above written.

BORROWER:

INTEST CORPORATION,
a Delaware corporation

By: /s/ Duncan Gilmour

Name: Duncan Gilmour

Title: Secretary, Treasurer and Chief Financial Officer

GUARANTORS:

AMBRELL CORPORATION,

a Delaware corporation

By: /s/ Duncan Gilmour

Name: Duncan Gilmour

Title: Vice President, Treasurer and Secretary

INTEST SILICON VALLEY CORPORATION,

a Delaware corporation

By: /s/ Duncan Gilmour

Name: Duncan Gilmour

Title: Vice President, Treasurer and Secretary

INTEST EMS, LLC,

a Delaware limited liability company

By: /s/ Duncan Gilmour

Name: Duncan Gilmour

Title: Vice President, Treasurer and Secretary

TEMPTRONIC CORPORATION,

a Delaware corporation

By: /s/ Duncan Gilmour

Name: Duncan Gilmour

Title: Vice President, Treasurer and Secretary

VIDEOLOGY IMAGING CORPORATION,

a Delaware corporation

By: /s/ Duncan Gilmour

Name: Duncan Gilmour

Title: Vice President, Treasurer and Secretary

ACCULOGIC LTD.,

a Delaware corporation

By: /s/ Duncan Gilmour

Name: Duncan Gilmour

Title: Vice President, Treasurer and Secretary

ACCULOGIC INC.,
an Ontario corporation

By: /s/ Duncan Gilmour
Name: Duncan Gilmour
Title: Vice President, Treasurer and Secretary

ALFAMATION, INC.,
a Delaware corporation

By: /s/ Duncan Gilmour
Name: Duncan Gilmour
Title: Vice President, Treasurer and Secretary

BANK:
M&T BANK

By: /s/ Steven A. Vilardi
Steven A. Vilardi, Vice President

**PLEDGE AND ASSIGNMENT OF
CASH COLLATERAL ACCOUNT AGREEMENT**

THIS PLEDGE AND ASSIGNMENT OF CASH COLLATERAL ACCOUNT AGREEMENT (hereinafter referred to as this “Agreement”) is dated as of August 5, 2025, by and between **INTEST CORPORATION**, a Delaware corporation (hereinafter referred to as “**Pledgor**”), to **M&T BANK**, a New York banking company (hereinafter referred to as “**Secured Party**”).

BACKGROUND

WHEREAS, Pledgor is the legal and beneficial owner and the holder of the Collateral (as hereinafter defined); and

WHEREAS, Pledgor, as Borrower, and Secured Party, among others, are parties to that certain Amended and Restated Loan and Security Agreement dated October 15, 2021, as amended from time to time, most recently by the Sixth Amendment to Amended and Restated Loan and Security Agreement of even date herewith (as amended, the “**Loan Agreement**”) evidencing a Revolving Credit Facility loan in the maximum principal amount of \$10,000,000.00 and delayed draw Term Loans in the maximum aggregate amount of \$50,500,000.00 (hereinafter referred to collectively as the “**Loans**”); and

WHEREAS, pursuant to the Loan Agreement Pledgor has agreed to grant to Secured Party a lien on, and security interest in the Collateral, as such term is defined below, to provide Secured Party with additional collateral to secure repayment of the Loans.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

1. Capitalized terms used, but not defined herein, are given the definitions set forth in the Loan Agreement. In addition to the words and terms defined in the Loan Agreement or elsewhere in this Agreement, the following words and terms shall have the following meanings, respectively, unless the context hereof otherwise clearly requires:

(a) “Code” shall mean the Pennsylvania Uniform Commercial Code as in effect on the date hereof and as the same may subsequently be amended from time to time.

(b) “Collateral” shall mean and include that certain book entry account No. 2679-2481 (the “**Cash Collateral Account**”) maintained by Pledgor with LPL Financial, LLC (“**LPL**”), and affiliate of Secured Party, having an initial deposit balance of Five Million Five Hundred Fifty Thousand and No/100 Dollars (\$5,550,000.00), together with all funds now or hereafter on deposit therein, and all interest thereon.

2. As security for the due and punctual payment and performance in full by Borrower of the Obligations under the Loan Agreement, Pledgor hereby agrees that Secured

Party shall have, and Pledgor hereby pledges, assigns and grants to, and creates in favor of Secured Party, a first priority security interest under the Code in and to the Collateral.

3. Pledgor represents and warrants to Secured Party that Pledgor has good and marketable title to the Collateral and, except for the security interest granted to and created in favor of Secured Party hereunder, the Collateral shall be free and clear of any pledge, lien, security interest, encumbrance, option or rights of others.

4. Pledgor will faithfully preserve and protect Secured Party's security interest in and to the Collateral as a first priority, perfected security interest under the Code, and will do all such other acts and things and will, upon request therefor by Secured Party, execute and deliver all such other documents and instruments, including, without limitation, further pledges, assignments, documents and powers of attorney with respect to the Collateral consistent with the terms of this Agreement, as Secured Party in its sole and reasonable discretion may deem necessary or advisable from time to time in order to preserve, perfect and protect Secured Party's security interest.

5. Pledgor covenants and agrees that (a) Pledgor will defend Secured Party's right, title and security interest in and to the Collateral and the proceeds thereof against the claims and demands of any persons whomsoever in the Collateral, (b) Pledgor will have the title and right to pledge any other property at any time hereafter pledged by it to Secured Party as security for the Loans and will likewise defend Secured Party's right thereto and security interest therein, (c) Pledgor will not assign, transfer, pledge, or otherwise encumber any of its right, title or interest under, in or to the Collateral other than pursuant hereto without the prior written consent of Secured Party, (d) Pledgor will not take or omit to take any action the taking or the omission of which might reasonably result in a materially adverse alteration or impairment of the Collateral or of this Agreement, (e) Pledgor will not, without the prior written consent of Secured Party, waive or release any obligation of any party to the Collateral, and (f) Pledgor will execute and deliver to Secured Party and record such supplements to this Agreement and additional assignments as Secured Party may reasonably request to evidence and confirm the security interest herein granted.

6. Pledgor shall maintain the Cash Collateral Account with LPL throughout the term of the FCCR Deferment Period and shall not withdraw any of the amounts held in the Cash Collateral Account without the prior written consent of Secured Party, which consent may be withheld in Secured Party's sole and reasonable discretion. Notwithstanding any provision contained herein to the contrary, Secured Party agrees and acknowledges that it shall permit the release of funds from the Cash Collateral Account in accordance with the terms of **Section 9.6** of the Loan Agreement.

7. Upon the occurrence and continuance of an Event of Default under the Loan Agreement, Secured Party shall have such rights and remedies with respect to the Collateral or any part thereof and the proceeds thereof as provided by the Code, the Loan Agreement and such other rights and remedies with respect thereto which it may have at law or in equity or under this Agreement, including without limitation, to the extent not inconsistent with the provisions of the Code, the right to: (a) transfer all or any part of the Collateral into Secured Party's name or into the name of its nominee (to the extent not previously done in connection with the creation and perfection of Secured Party's security interest) and thereafter receive all cash and interest paid or payable in respect thereof, and otherwise act with respect thereto as the absolute owner thereof, and (b) apply the proceeds so received, (i) first to the payment of the costs and expenses incurred by Secured Party in connection with costs and expenses referred to in the definition of Obligations, (ii) second to the repayment of all amounts then due and unpaid on the Obligations,

whether on account of principal, interest, fees, expenses or otherwise, and (iii) then to pay the balance, if any, as required by law.

8. Upon expiration of the FCCR Deferment Period and Pledgor's return to compliance with its Fixed Charge Coverage Ratio covenant, this Agreement shall terminate and be of no further force and effect and Secured Party shall thereupon promptly return to Pledgor such of the Collateral and such other documents delivered by Pledgor hereunder as may then be in Secured Party's possession. Further, the Bank shall cooperate with Pledgor, at Pledgor's request, to provide such documentation as may be reasonably necessary to evidence the release of the Cash Collateral Account as pledged collateral.

9. No failure or delay on the part of Secured Party in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof or of any other right, remedy, power or privilege of Secured Party hereunder; nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies of Secured Party under this Agreement are cumulative and not exclusive of any right or remedies which it may otherwise have.

10. All notices, statements, requests and demands given to or made upon in accordance with the provisions of this Agreement shall be given or made to the parties in accordance with the Loan Agreement.

11. This Agreement shall be binding upon and inure to the benefit of Secured Party and its successors and assigns, and Pledgor and its successors and assigns, except that Pledgor may not assign or transfer any of its obligations hereunder or any interest herein.

12. This Agreement shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and for all purposes shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania excepting its rules relating to conflicts of law.

13. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

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[SIGNATURES ON FOLLOWING PAGE]

[Signature Page to Pledge and Assignment of Cash Collateral Account Agreement]

IN WITNESS WHEREOF, the undersigned have executed and delivered this Pledge Agreement as of the day and year first above set forth.

WITNESS:

INTEST CORPORATION, a Delaware corporation

/s/ Frank Coladonato
Frank Coladonato

By: /s/ Duncan Gilmour
Name: Duncan Gilmour
Title: CFO

CERTIFICATION

I, Richard N. Grant, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of InTest Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ Richard N. Grant, Jr.
Richard N. Grant, Jr.
President and Chief Executive Officer

CERTIFICATION

I, Duncan Gilmour, certify that:

1. I have reviewed this quarterly report on Form 10-Q of InTest Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/Duncan Gilmour
Duncan Gilmour
Chief Financial Officer, Treasurer and Secretary

InTest CORPORATION

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

In connection with the Quarterly Report of InTest Corporation (the "Company") on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard N. Grant, Jr., President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: August 7, 2025

/s/ Richard N. Grant, Jr.
Richard N. Grant, Jr.
President and Chief Executive Officer

InTest CORPORATION

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

In connection with the Quarterly Report of InTest Corporation (the "Company") on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Duncan Gilmour, Chief Financial Officer, Treasurer and Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: August 7, 2025

/s/ Duncan Gilmour
Duncan Gilmour
Chief Financial Officer, Treasurer and Secretary