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

FORM 10-K

(Mark One)
☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended August 31, 2026
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 001-11038

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**41-0857886**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4201 Woodland Road **P.O. Box 69** **Circle Pines, Minnesota** (Address of principal executive offices)	**55014** (Zip Code)

(763) 225-6600
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.02 per share	NTIC	The Nasdaq Stock Market

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 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 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

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

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

The aggregate market value of the registrant's common stock, excluding shares beneficially owned by affiliates, computed by reference to the closing sales price at which the common stock was last sold as of February 27, 2026 (the last business day of the registrant's second fiscal quarter) as reported by The Nasdaq Stock Market on that date was approximately $69.7 million.

As of November 19, 2026, 9,632,281 shares of common stock of the registrant were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates by reference information (to the extent specific sections are referred to herein) from the registrant's Proxy Statement for its 2027 Annual Meeting of Stockholders to be held January 15, 2027.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

ANNUAL REPORT ON FORM 10-K
FISCAL YEAR ENDED AUGUST 31, 2026

TABLE OF CONTENTS

		Page
PART I		1
Item 1.	BUSINESS	1
	INFORMATION ABOUT OUR EXECUTIVE OFFICERS	12
Item 1A.	RISK FACTORS	13
Item 1B.	UNRESOLVED STAFF COMMENTS	37
Item 1C.	CYBERSECURITY	37
Item 2.	PROPERTIES	39
Item 3.	LEGAL PROCEEDINGS	39
Item 4.	MINE SAFETY DISCLOSURES	39
PART II		40
Item 5.	MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	40
Item 6.	[RESERVED]	40
Item 7.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	41
Item 7A.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	55
Item 8.	FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	57
Item 9.	CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	89
Item 9A.	CONTROLS AND PROCEDURES	89
Item 9B.	OTHER INFORMATION	90
Item 9C.	DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS	91
PART III		92
Item 10.	DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	92
Item 11.	EXECUTIVE COMPENSATION	92
Item 12.	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	93
Item 13.	CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	94
Item 14.	PRINCIPAL ACCOUNTANT FEES AND SERVICES	94
PART IV		95
Item 15.	EXHIBIT AND FINANCIAL STATEMENT SCHEDULES	95
Item 16.	FORM 10-K SUMMARY	99

This annual report on Form 10-K contains certain forward-looking statements that are within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created by those sections. For more information, see "Part I. Item 1. Business – Forward-Looking Statements."

As used in this report, references to "NTIC," the "Company," "we," "our," or "us," unless the context otherwise requires, refer to Northern Technologies International Corporation and its wholly owned and majority-owned subsidiaries, all of which are consolidated on NTIC's consolidated financial statements.

As used in this report, references to: (1) "NTIC China" refer to NTIC's wholly owned subsidiary in China, NTIC (Shanghai) Co., Ltd.; (2) "NTI Europe" refer to NTIC's wholly owned subsidiary in Germany, NTIC Europe GmbH; (3) "Zerust Mexico" refer to NTIC's wholly owned subsidiary in Mexico, ZERUST-EXCOR MEXICO, S. de R.L. de C.V.; (4) "Zerust India" refer to NTIC's wholly owned subsidiary in India, HNTI Limited (formerly Harita-NTI Limited); (5) "Zerust Brazil" refer to NTIC's majority owned Brazilian subsidiary, Zerust Prevenção de Corrosão S.A.; (6) "Natur-Tec India" refer to NTIC's majority-owned subsidiary in India, Natur-Tec India Private Limited; (7) "Natur Tec Lanka" refer to NTIC's majority-owned subsidiary in Sri Lanka, Natur Tec Lanka (Pvt) Ltd;(8) "NTI Asean" refer to NTIC's majority-owned holding company subsidiary, NTI Asean LLC, which holds investments in certain entities that operate in the Association of Southeast Asian Nations (ASEAN) region and (9) "ZIS UAE" refers to NTIC's wholly owned subsidiary in the UAE, Zerust Integrity Solutions Trading LLC.

NTIC's consolidated financial statements do not include the accounts of any of its joint ventures. Except as otherwise indicated, references in this report to NTIC's joint ventures do not include any of NTIC's wholly owned or majority-owned subsidiaries.

As used in this report, references to "EXCOR" refer to NTIC's joint venture in Germany, Excor Korrosionsschutz – Technologien und Produkte GmbH, references to "Acobal" refer to NTIC's joint venture in France, ACOBAL SAS, references to "Zerust Finland" refer to NTIC's joint venture in Finland, ZERUST OY, references to "Zerust Sweden" refer to NTIC's joint venture in Sweden, ZERUST AB, and references to "Zerust Thailand" refer to NTIC's indirect joint venture in Thailand, ZERUST SPECIALTY TECH CO. LTD.

All trademarks, trade names, or service marks referred to in this report are the property of their respective owners.

PART I

Item 1. BUSINESS

Overview

Northern Technologies International Corporation (NTIC) develops and markets corrosion mitigation and environmentally beneficial products and services in over 65 countries either directly or via a network of subsidiaries, joint ventures, independent distributors, and agents. NTIC's primary business is corrosion prevention marketed mainly under the ZERUST® brand. NTIC has been selling its ZERUST® products and services to the automotive, general industrial, mechanical, agricultural, defense, oil and gas, and retail consumer markets for over 50 years. Additionally, NTIC markets and sells a portfolio of proprietary bio-based and certified compostable (fully biodegradable) polymer resin compounds and finished products under the Natur-Tec® brand. These sustainable packaging products are intended to reduce NTIC's customers' carbon footprint and provide environmentally sound waste disposal options.

NTIC's ZERUST® rust and corrosion inhibiting products include plastic and paper packaging, liquids, coatings, rust removers, cleaners, and diffusers as well as engineered solutions designed specifically for the industries it serves. NTIC also offers worldwide, on-site, technical consulting for rust and corrosion prevention issues. In North America, NTIC sells its ZERUST® corrosion prevention solutions through a network of independent distributors and agents supported by a direct sales force.

Internationally, NTIC sells its ZERUST® corrosion prevention solutions through its wholly owned subsidiary in China, NTIC (Shanghai) Co., Ltd. (NTIC China), its wholly owned subsidiary in India, HNTI Limited (Zerust India), its wholly owned subsidiary in the United Arab Emirates, Zerust Integrity Solutions Trading LLC (ZIS UAE), its majority-owned joint venture holding company for NTIC's joint venture investments in the Association of Southeast Asian Nations (ASEAN) region, NTI Asean LLC (NTI Asean), its majority-owned subsidiary in Brazil, Zerust Prevenção de Corrosão S.A. (Zerust Brazil), and certain majority-owned and wholly owned subsidiaries, and joint venture arrangements in North America, Europe, and Asia. NTIC also sells products directly to its European joint venture partners through its wholly owned subsidiary in Germany, NTIC Europe GmbH (NTI Europe).

One of NTIC's strategic initiatives is to expand into and penetrate other markets for its ZERUST® corrosion prevention technologies. Consequently, for the past several years, NTIC has focused significant sales and marketing efforts on engineered solutions for the oil and gas industry. NTIC believes that its ZERUST® corrosion prevention solutions will minimize maintenance downtime on critical oil and gas industry infrastructure, extend the life of such infrastructure, and reduce the risk of environmental pollution due to leaks caused by corrosion. During the year ended August 31, 2026, NTIC continued to make strategic investments in its ZERUST® oil and gas sales infrastructure specifically to support ZIS UAE. The sale of ZERUST® corrosion prevention solutions to customers in the oil and gas industry typically involves long sales cycles, industry guidelines, and regulatory approvals that often include multi-year trial periods with each customer and a slow integration process thereafter.

Natur-Tec® bio-based and compostable plastics are manufactured using NTIC's patented and/or proprietary technologies and are intended to replace conventional petroleum-based plastics. The Natur-Tec® biopolymer resin compound portfolio includes formulations that have been optimized for a variety of applications, including blown-film extrusion, coatings, injection molding, thermoforming, profile extrusion and engineered plastics. These resin compounds are certified to be fully biodegradable in a commercial composting environment and are currently being used to produce finished products, including can liners, shopping and grocery bags, lawn and leaf bags, branded apparel packaging bags and accessories, and various foodservice items, such as disposable cutlery, drinking straws, food-handling gloves, and coated paper products. In North America, NTIC markets its Natur-Tec® resin compounds and finished products primarily through a network of regional and national distributors as well as independent agents. NTIC continues to see significant opportunities for finished bioplastic products and, therefore, continues to strengthen and expand its North American distribution network for finished Natur-Tec® bioplastic products.

Internationally, NTIC sells its Natur-Tec® resin compounds and finished products both directly and through its wholly owned subsidiary in China, NTIC (Shanghai) Co., Ltd., and majority-owned subsidiaries in India, Natur-Tec India Private Limited, and Sri Lanka, Natur Tec Lanka (Pvt) Ltd, and through distributors and certain joint ventures.

NTIC's Subsidiaries and Joint Venture Network

NTIC has ownership interests in 12 operating subsidiaries in North America, South America, Europe, the Middle East, and Asia, the results of which are fully consolidated in NTIC's consolidated financial statements. While most of NTIC's subsidiaries exclusively sell rust and corrosion inhibiting products, some of the subsidiaries also sell NTIC's Natur-Tec® resin compounds and finished goods. The following table lists NTIC's operating subsidiaries as of November 19, 2026, the country in which the subsidiary is organized, and NTIC's ownership percentage in each subsidiary:

Subsidiary Name	Country	NTIC Percent (%) Ownership
HNTI Limited	India	100%
Natur Tec Lanka (Pvt) Ltd	Sri Lanka(1)	75%
Natur-Tec India Private Limited	India	75%
NTI Asean LLC	United States	60%
NTIC (Shanghai) Co., Ltd	China	100%
NTIC Europe GmbH	Germany	100%
Zerust Prevenção de Corrosão S.A.	Brazil	85%
Zerust Singapore Pte Ltd	Singapore(2)	60%
Zerust Vietnam Co. Ltd	Vietnam(3)	60%
Zerust Taiwan Co., Ltd	Taiwan(3)	60%
Zerust Integrity Solutions Trading LLC	UAE	100%
ZERUST-EXCOR MEXICO, S. de R.L. de C.V.	Mexico	100%

(1) Natur Tec Lanka (Pvt) Ltd. is 100% owned by Natur-Tec India Private Limited and, therefore, indirectly owned by NTIC.
(2) Zerust Singapore Pte Ltd is 100% owned by NTI Asean LLC and, therefore, indirectly owned by NTIC.
(3) Zerust Vietnam Co. Ltd and Zerust Taiwan Co., Ltd are 100% owned by Zerust Singapore Pte Ltd and, therefore, indirectly owned by NTIC.

NTIC participates in 15 active joint venture arrangements in North America, Europe, and Asia. Each of these joint ventures generally manufactures and markets products in the geographic territory to which it is assigned. Most of NTIC's joint ventures exclusively sell rust and corrosion inhibiting products. NTIC has historically funded its investments in joint ventures with cash generated from operations. NTIC accounts for the investments and financial results of its joint ventures in its consolidated financial statements utilizing the equity method of accounting. The following table lists NTIC's operating joint ventures as of November 19, 2026, the country in which the joint venture is organized, and NTIC's ownership percentage in each joint venture:

Joint Venture Name	Country	NTIC Percent (%) Ownership
ACOBAL SAS	France	50%
CHONG WAH-NTIA SDN. BHD.	Malaysia (1)	30%
EXCOR KORROSIONSSCHUTZ – TECHNOLOGIEN ….UND PRODUKTE GMBH	Germany	50%
EXCOR SP. Z.O.O.	Poland	50%
EXCOR-ZERUST S.R.O.	Czech Republic	50%
KOREA ZERUST CO., LTD.	South Korea (1)	30%
PT. CHEMINDO – NTIA	Indonesia (1)	30%
TAIYONIC LTD.	Japan	50%
ZERUST – DNEPR	Ukraine	50%
ZERUST (U.K.) LTD.	United Kingdom	50%
ZERUST A.Ş.	Turkey	50%
ZERUST AB	Sweden	50%
ZERUST CONSUMER PRODUCTS, LLC	United States	50%
ZERUST OY	Finland	50%
ZERUST SPECIALTY TECH CO. LTD.	Thailand (1)	30%

(1) Indirect ownership interest through NTI Asean.

For more information regarding NTIC's joint ventures and their effect on NTIC's operating results, see NTIC's consolidated financial statements in "*Part II. Item 8. Financial Statements and Supplementary Data*" and "*Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*" of this report.

Products

NTIC derives revenues directly and/or indirectly through its subsidiaries and joint ventures from two reportable business segments based on products sold, customer base, and distribution center: ZERUST® corrosion prevention solutions and Natur-Tec® resin compounds and finished products.

ZERUST® Corrosion Prevention Solutions. In fiscal 2026, 75.3% of NTIC's consolidated net sales were derived from developing, manufacturing and marketing ZERUST® rust and corrosion inhibiting products and services. NTIC's consolidated net sales in fiscal 2026 included $72,231,315 in sales of ZERUST® rust and corrosion inhibiting products and services, an increase of 15.6% from such sales in fiscal 2025. Corrosion not only damages the appearance of metal products and components but also negatively impacts their mechanical performance. This applies to the rusting of ferrous metals (iron and steel) and the deterioration by oxidation of nonferrous metals (aluminum, copper, brass, etc.). NTIC's ZERUST® corrosion prevention solutions include plastic and paper packaging, powders, liquids, coatings, rust removers, cleaners, diffusers, and engineered solutions as well as technical corrosion management and consulting services.

Plastic and Paper Packaging. NTIC's ZERUST® packaging products contain proprietary chemical formulations that continuously release an invisible, odorless and non-toxic vapor that forms a passivating layer on any metal surfaces it comes in contact with and thereby inhibits rust and corrosion. The corrosion inhibiting protection is maintained only as long as the metal products to be protected remain enclosed within the ZERUST® packaging. Electron scanning shows that once metal products are removed from the ZERUST® packaging, the ZERUST® protective layer dissipates from the contents' surfaces within two hours, leaving a clean, dry, and corrosion-free metal component. This mechanism of corrosion protection enables NTIC's customers to easily package metal objects for rust-free shipment and/or long-term storage. Furthermore, by eliminating costly greasing and degreasing processes and/or significantly reducing the use of certain coatings to inhibit corrosion, NTIC's ZERUST® corrosion prevention solutions provide customers significant savings as compared to traditional methods of corrosion prevention in terms of labor, material, and capital expenditures for equipment to apply, remove, and dispose of oils and greases, as well as environmental, health and safety benefits provided by not having to handle and work with hazardous chemicals.

NTIC infuses volatile corrosion inhibiting chemical compounds (VCIs) into polyethylene and polypropylene resins. Combining ZERUST® chemical compounds with polyethylene and polypropylene resins permitted NTIC to introduce a line of plastic packaging products in the form of low and high-density polyethylene bags and shroud film, including stretch, shrink, skin, and bubble cushioning film, thereby giving customers the ability to ship and store ferrous, nonferrous, and mixed-metal products in a clean, dry, and corrosion-free condition, at an overall savings in total process costs. In addition to plastic packaging, NTIC has also developed VCI compounds to imbue kraft paper, corrugated cardboard, solid fiber, and chipboard packaging materials with corrosion protection properties. NTIC's ZERUST® plastic and paper packaging products come in various thicknesses, strength enhancements, protection types, shapes, and sizes.

Liquids and Coatings. NTIC's corrosion prevention solutions include a line of metal surface treatment liquids and coatings, which are oil, water, or bio-solvent based, and are marketed under brand names including Axxatec™, Axxanol™, and Z-Maxx™. These liquids and coatings provide powerful protection in aggressively corrosive environments, such as salt air, high humidity, and/or high temperatures. Products are formulated for most metal types and protection levels. For exceptionally harsh environments, customers may choose to use a combination of NTIC's liquids and coatings with ZERUST® plastic and/or paper products to achieve robust corrosion protection during manufacturing, shipping, and warehousing stages.

Rust Removers and Cleaners. NTIC also sells rust removal and cleaning products, under the Axxaclean™ brand name, designed to restore rusty parts to a usable condition without the use of labor-intensive, abrasive cleaners that damage surfaces and commonly fail to remove rust from complex metal surfaces, like the teeth of small gears.

Diffusers. NTIC's corrosion prevention solutions include a line of corrosion inhibiting vapor diffusers, such as ZERUST® ActivPak®, ZERUST® ICT® Vapor Capsules, ZERUST® ICT® Plastabs®, ZERUST® ICT® Cor-Tabs®, ZERUST® ICT® Pipe Strip, and ZERUST® ICT® Tube Strip. These diffusers are designed to protect metals within enclosures, like switch gearboxes and electronics cabinets, or can be used as extra protection when added to ZERUST® packaging products. Diffusers work by permeating the interior air of an enclosure with an invisible and odorless corrosion inhibiting vapor that settles as a protective layer on all metal surfaces that are within the range of a specific "radius of protection" for a period of one or two years depending on the product model. This invisible and dry protective layer revaporizes and dissipates into the air upon removal of a diffuser from an enclosure, leaving all surfaces clean, dry, residue-free, and corrosion-free.

Z-CIS® Technical Services. As an on-going effort to help NTIC's customers improve and control their corrosion management processes, NTIC markets and offers unique corrosion management and consulting services to target customers. This ZERUST® corrosion inhibition system (known as Z-CIS®) leverages NTIC's global network to dispatch highly-trained technical service engineers to customer sites to solve complex corrosion problems. Several major automotive companies and their automotive parts suppliers have used NTIC's Z-CIS® system.

ZERUST® Corrosion Prevention Solutions Designed Specifically for the Oil and Gas Industry. NTIC has developed proprietary engineered corrosion inhibiting solutions specifically to mitigate the types of corrosion that commonly form on the capital assets used in the petroleum and chemical process industries and has targeted the sale of these ZERUST® corrosion solutions to potential customers in the oil and gas industry. NTIC's consolidated net sales in fiscal 2026 included $9,756,298 in sales made to customers in the oil and gas industry, an increase of 33.3% from such sales in fiscal 2025. Sales of ZERUST® corrosion prevention solutions to large customers in the oil and gas industry continued to become more consistent, with these customers continuing to re-order products. Sales within the U.S. also stabilized somewhat, and key customer relationships were expanded globally. While NTIC believes consistent sales to large customers, stabilized sales within the U.S. and expanding customer relationships show increased acceptance of corrosion solutions for the oil and gas industry, NTIC anticipates that its sales of ZERUST® products and services into the oil and gas industry will continue to remain subject to significant volatility, specifically due to economic factors, such as potential crude oil price changes and global supply/demand churn. Demand for ZERUST® oil and gas products around the world depends primarily on market acceptance, guidelines from bodies like the American Petroleum Institute (API), regulatory requirements (like PHMSA in the United States), and the reach of NTIC's distribution network. Because of the typical size of individual orders and overall size of NTIC's net sales derived from sales of oil and gas products, the timing of one or more orders can materially affect NTIC's sales compared to prior fiscal year period sales. Projects in South America, Europe, the Middle East, and Asia are still a small but growing, strategically important part of the sales growth picture.

NTIC's corrosion inhibiting products for the oil and gas industry include ZERUST® Flange Savers®, ZERUST® ZIF Tape, ZERUST® ReCAST-SSB solutions, and ZERUST® chemicals, including Zerion powders and gels, in addition to many of the standard industrial ZERUST® rust and corrosion inhibiting products previously described.

ZERUST® ZIF Tape and ZERUST® Flange Savers® are specially designed covers that have been impregnated with a proprietary ZERUST® inhibitor formulation to provide corrosion protection for flanges, valves, and welded joints. Oil and gas pipeline segments are connected by flanges and welded joints of varying sizes, designs, and materials. These connection points often corrode under aggressive industrial environments and harsh operating conditions, thereby causing costly maintenance, operational, and safety problems.

ZERUST® ReCAST-SSB solutions protect the Soil Side Bottoms (SSB) of aboveground storage tanks through a variety of unique and highly effective delivery systems designed by the Zerust Oil & Gas team to deliver proprietary Zerion FVS corrosion inhibitor to spaces under tank bottoms that are susceptible to significant corrosion. Tank bottoms are typically made of steel plates, which are in direct contact with a foundation surface that may be concrete, sand/soil, or asphalt/bitumen. It is typically not possible to protect this underside surface with traditional coatings. Cathodic protection (CP) systems can only provide partial protection but also have significant limitations that cause failures well ahead of the expected service life of a tank. The ZERUST® solutions provide effective protection even to areas that cannot be addressed with CP. These are engineered solutions where each system is tailored to a customer's requirements depending on factors including the tank foundation design, specific environmental conditions, and tank diameter.

ZERUST® Zerion powder-based inhibitor solutions include the following:

- Zerion FVS is a unique inhibitor blend that is used in both the SSB Solutions and in internal pipeline protection. This "best-in-class" product has been successfully deployed at multiple client sites in North and South America, Europe, the Middle East, India as well as other parts of Asia.

- Zerion FAN-5 is a lower cost inhibitor that is very effective at protecting metals upon contact. It can be used to treat large volumes of water that may be used for hydrotesting. In combination with Zerion FVS, it offers a more complete solution for the protection of pipelines.

Natur-Tec® Resin Compounds and Finished Products. In fiscal 2026, 24.7% of NTIC's consolidated net sales were derived from a broad range of bioplastic packaging solutions, including bio-based and certified compostable (fully biodegradable) polymer resin compounds, and finished products under the Natur-Tec® brand. NTIC's consolidated net sales in fiscal 2026 included $23,750,641 in sales of Natur-Tec® resins and finished products, an increase of 9.2% compared to sales in fiscal 2025. Market drivers such as reduced carbon footprints, requirements by multinational brands for sustainable packaging solutions that meet Circular Economy and environmentally responsible end-of-life disposal mandates, and concerns about plastic residue in the environment have led to heightened interest in using sustainable, bio-based and renewable plant-biomass resources for the manufacture of plastics and industrial products. Plastics that are fully biodegradable in commercial composting or anaerobic digestor systems allow the safe and effective conversion of these plastics to carbon dioxide, water, and fertilizer at the end of their service life. Increased environmental and sustainability awareness at the corporate and consumer level, improved technical properties and product functionality, as well as recent foreign, state, and local governmental regulations banning the use of conventional plastics or mandating the use of certain biodegradable or compostable products, including regulations in China, India and certain states in the U.S., have also fueled this interest in bio-based and biodegradable-compostable plastics. The term "bio-plastics" encompasses a broad category of plastics that are either bio-based, which means derived from renewable resources such as corn or cellulosic/plant material or blends thereof, or are engineered to be fully commercially compostable, or both.

Resin Compounds. Natur-Tec® resin compounds are produced by blending commonly available base resins, such as Ecoflex® from BASF, Ingeo® PLA from NatureWorks LLC, and Luminy® from Total-Corbion with organic and inorganic fillers and proprietary polymer modifiers and compatibilizers using NTIC's proprietary and patented ReX Process. In this process, biodegradable polymers, natural polymers made from renewable, plant-biomass resources, and organic and inorganic materials are reactively blended in the presence of proprietary compatibilizers and polymer modifiers to produce bio-based and/or compostable polymer resin formulations that exhibit unique and stable morphology. Natur-Tec® resin compounds are engineered for high performance, ease of processing, and reduced cost compared to most other bio-plastic materials and can be processed by converters using conventional plastic manufacturing processes and equipment.

Natur-Tec® resin compounds are sold in several grades tailored for a variety of applications, such as blown-film extrusion, profile extrusion, thermoforming, extrusion coating, and injection molding.

Natur-Tec® flexible film resin compounds are fully commercially and home compostable and meet the requirements of international standards for compostable plastics, such as ASTM (American Society for Testing and Materials) D6400 (U.S.), EN 13432 (European standards for products and services by European Committee for Standardization), and ISO (International Organization for Standardization) 17088, and are certified as 100% compostable by organizations including the BPI (Biodegradable Products Institute) in the United States and TÜV Austria in Europe. Natur-Tec® film resin compounds can be used to produce film for applications, such as bags, including compost bags, lawn and leaf bags, carry-out bags, agricultural film, and consumer and industrial packaging. Natur-Tec® film resin compounds are also used to produce bags and covers for branded apparel packaging and to manufacture specialty foodservice items, such as compostable drinking straws, thermoformed lids and disposable food-handling gloves.

The Natur-Tec® compostable extrusion coating resin compounds are bio-based and biodegradable and are designed to replace conventional plastic materials for extrusion coating applications. Natur-Tec® extrusion coating resin compounds are manufactured using sustainable and renewable resources, per the ASTM D6866 standard, which allows companies and consumers the opportunity to reduce or neutralize their carbon footprint and are designed to meet the requirements of international standards for compostable plastics, such as ASTM D6400. Natur-Tec® extrusion coating resin compounds provide good adhesion to paper, an excellent print surface, and good heat seal strength and the coating material is suitable for food contact applications, including both hot and cold applications. Natur-Tec® extrusion coating resin compounds can be used for coating paper and paperboards for the manufacture of disposable cups, plates, and other foodservice items.

The Natur-Tec® compostable injection molding resin compounds are bio-based and compostable and are designed to replace conventional plastic materials for injection molded plastic applications. Natur-Tec® compostable injection molding resin compounds are manufactured using sustainable and renewable resources, per the ASTM D6866 standard, and are designed to meet the requirements of international standards for compostable plastics, such as ASTM D6400 and EN 13432. Natur-Tec® compostable injection molding resin compounds can be used for injection molded plastic applications, such as cutlery, pens, hangers, containers, and packaging. Natur-Tec® bio-based injection molding resin compounds are made with at least 90% bio-based/renewable resource-based materials, per the ASTM D6866 standard, and are meant to enhance sustainability by replacing petroleum-based plastics. Natur-Tec® bio-based injection molding resin compounds exhibit the same properties as conventional plastic materials.

Finished Products. Natur-Tec® finished products include biodegradable and compostable trash bags, agricultural film, and other single-use disposable products, such as food and consumer goods packaging currently marketed under the Natur-Bag® brand. The Natur-Bag® product line offers 15 different compostable trash bag sizes, from 3-gallon to 96-gallon, as well as shopper bags, produce bags and gloves. The bags are available in various SKU configurations, including retail packs that are sold to the consumer either through retail outlets or through online stores and industrial case packs that are sold to commercial and industrial customers primarily through national and regional wholesalers and distributors. The Natur-Bag® products are manufactured from the Natur-Tec® flexible film resin compounds and thus are fully biodegradable and compostable. These products are certified fully commercially and home compostable and carry the BPI Compostable logo in the United States and the TÜV Austria OK Compost and OK Home Compost logos in Europe. These products were also independently tested and approved for use in organic waste diversion systems by the Compost Manufacturers Alliance (CMA) in the United States.

Sales, Marketing, and Distribution

ZERUST® Corrosion Prevention Solutions. In the United States, NTIC markets its ZERUST® rust and corrosion inhibiting products and services, including its products designed for the oil and gas industry, principally to industrial users in the automotive, general industrial, mechanical, mining, agricultural, and oil and gas markets by a direct sales force and through a network of independent distributors, manufacturer's sales representatives, and strategic partners. Prior to placing an order, NTIC's technical service consultants work directly with the end users of NTIC's ZERUST® products to analyze their specific corrosion prevention needs and develop systems to meet their performance requirements.

Internationally, NTIC has entered into a series of joint ventures with foreign partners (either directly or through a holding company). NTIC receives fees for providing technical support, marketing assistance, and other services to its joint ventures based primarily on the net sales of the individual joint ventures in accordance with the terms of the joint venture arrangements. Such services include consulting, legal, insurance, technical, and marketing services.

With respect to the sales and marketing of ZERUST® rust and corrosion inhibiting products and services to the oil and gas industry, NTIC uses a combination of direct sales personnel, independent sales agents, and its joint venture network. In addition, in an attempt to penetrate the oil and gas industry within certain markets more quickly, NTIC has entered into various agreements with specific organizations that have existing long-term relationships with key oil and gas industry clients. NTIC also engages in certain direct marketing activities to build its brand within the oil and gas industry, such as traditional advertising and direct mail campaigns and presence and participation at selected key trade shows and technical forums. NTIC continues to believe the sale of its ZERUST® corrosion prevention solutions to customers in the oil and gas industry will involve long sales cycles, likely including multi-year trial periods with each user and a slow integration process thereafter.

Natur-Tec® Resin Compounds and Finished Products. In the United States, NTIC markets its Natur-Tec® resin compounds and finished products through a network of national and regional distributors and independent manufacturer's sales representatives and two NTIC direct sales employees as of August 31, 2026. Target customers for Natur-Tec® finished products include individual consumers as well as commercial and institutional organizations, such as corporations and government agencies, and educational organizations, such as universities and school districts. NTIC is also targeting key national and regional retailers utilizing independent sales agents. Target customers for Natur-Tec® resin compounds include plastics converters and foodservice ware brands that would purchase Natur-Tec® resin compounds to manufacture and sell their own finished bio-based and compostable end products, such as film, bags, and cutlery. In June 2022, the State of California passed a law intended to reduce single-use plastics. Notably, the bill provides that, by 2032, all packaging must be recyclable or compostable. Additionally, as of November 19, 2026, Colorado, Connecticut, Delaware, Hawaii, Maine, New Jersey, New York, Oregon, Rhode Island, Vermont and Washington had each enacted some form of ban on plastic bags. Numerous other charges or bans have been imposed on plastic bags at the county or municipality level in the United States. Accordingly, NTIC expects the U.S. market for bio-plastic solutions to continue growing for the foreseeable future.

Internationally, NTIC uses Natur-Tec India, Natur Tec Lanka, NTIC China and a network of international distributors to market its Natur-Tec® resin compounds and finished products. The government of China announced a three-phase plan to ban or restrict the production, sale and use of certain disposable plastic products beginning in 2020. The government of India announced a phased ban on the manufacture and sale of single-use plastics beginning in July 2022. Notably, compostable plastics are exempt from these bans. Accordingly, NTIC expects the market in China and India for bio-plastic packaging solutions to continue to grow for the foreseeable future.

NTIC's Natur-Tec® resin compounds and finished products are produced at facilities in India, China, Vietnam, and the United States. NTIC's Natur-Tec® resin compounds can be shipped to manufacturing facilities around the world, where they then can be converted into finished products, such as film, coated paper or food serviceware. NTIC's Natur-Tec® finished products are manufactured using NTIC's Natur-Tec® resin compounds by select sub-contractors.

Competition

ZERUST® Corrosion Prevention Solutions. While NTIC is unaware of any competitors with which NTIC competes on a worldwide basis with respect to its corrosion prevention solutions, NTIC does have regional competitors. NTIC evaluates competing rust and corrosion inhibiting products on an ongoing basis. Some of NTIC's competitors are established companies that may have financial resources, marketing capabilities, distribution networks and other resources substantially greater than those of NTIC. As a result, they may be able to adapt more quickly to new or emerging technologies and changes in customer requirements or to devote greater resources to the promotion and sale of their products than NTIC. With respect to its rust and corrosion inhibiting products, NTIC competes on the basis of product innovation, quality, reliability, product support, customer service, reputation, and price. Some of NTIC's competitors may have achieved significant market acceptance of their competing products and brand recognition. NTIC, however, believes it has an advantage over most of its competitors as a result of NTIC's technical innovation and its value-added services. NTIC attempts to provide its customers with the highest level of technical service and applications engineering in addition to ZERUST® rust and corrosion inhibiting products. Nonetheless, the commoditization of certain of NTIC's ZERUST® rust and corrosion inhibiting products has led, and may continue to lead, to lower prices and lower margins on such products. In addition, because certain barriers to entry are low, additional competitors may emerge, which likely would lead to further commoditization of NTIC's rust and corrosion inhibiting products.

Natur-Tec® Resin Compounds and Finished Products. With respect to NTIC's Natur-Tec® resin compounds and finished products, NTIC competes with several established companies that have been producing and selling similar products for a longer time period and have significantly more sales, more extensive and effective distribution networks, and better brand recognition than NTIC. Most of these companies also have substantially more financial and other resources than NTIC. NTIC competes on the basis of performance, brand awareness, distribution network, product availability, product offering, improved shelf life, place of manufacture, and price. Because of price competition, NTIC's margins on its Natur-Tec® resin compounds and finished products are lower than its margins on its ZERUST® corrosion prevention solutions.

Research and Development

NTIC's research and development activities are directed at improving existing products, developing new products, reducing costs, and improving quality assurance through improved testing of NTIC's products. NTIC's internal research and development activities are conducted at its facilities located in Circle Pines, Minnesota; and Dresden, Germany under the direction of internationally known scientists and research institutes under exclusive contract with NTIC with respect to the subject of their respective research efforts. EXCOR has established a wholly owned subsidiary, Excor Korrosionsforschung GmbH, to conduct research into new fields of corrosion inhibiting packaging and the applications engineering of such products in conjunction with NTIC's domestic research and development operations. With respect to NTIC's Natur-Tec® resin compounds and finished products, Ramani Narayan, Ph.D., a current director of NTIC and Distinguished Professor in the Department of Chemical Engineering & Materials Science at Michigan State University, provides his expertise and technical support to NTIC.

NTIC anticipates that it will spend between $4,900,000 and $5,100,000 in fiscal 2027 on research and development activities.

Intellectual Property Rights

NTIC's success depends and will continue to depend in part upon its ability to maintain patent and trademark protection for its products and processes, to preserve its proprietary information and trade secrets, and to operate without infringing the proprietary rights of third parties. NTIC's policy is to attempt to protect its technology by, among other things, filing patent applications and trademark applications and vigorously preserving the trade secrets covering its technology and other intellectual property rights.

In 1980, NTIC developed and patented the first polyolefin (plastic) based industrial corrosion inhibiting packing material in the world. The U.S. patent granted under this patent application became the most important intellectual property right in NTIC's history. This patent expired in 2000. NTIC has since filed for 12 letters of patent in the United States covering various corrosion inhibiting technologies, systems, and applications and now owns several patents in these areas. These patents and patent applications have been extended to the countries of strategic relevance to NTIC, including Australia, Brazil, Canada, China, Europe, Japan, India, Korea, Mexico, Russia, and Taiwan. In addition, EXCOR owns several patents in the area covering various corrosion inhibiting technologies and has also applied for new patents on proprietary new corrosion inhibiting technologies. NTIC is also seeking additional patent protection covering various host materials into which its corrosion inhibiting additives and other protective features can be incorporated, proprietary new process technologies, and chemical formulations outside the area of corrosion protection. NTIC owns several patents outside the area of corrosion protection both in the United States and in countries of strategic relevance to NTIC, including the above-noted countries. NTIC holds five patents and patent applications in the United States covering various applications for biobased and compostable plastics. These patent and patent applications have been extended to countries of strategic relevance to NTIC, including Canada, Europe, UK, India, and China.

In addition to seeking patent protection, NTIC maintains an extensive portfolio of trademarks in countries where NTIC has a presence directly or through its subsidiaries and joint ventures. NTIC continuously pursues new trademark applications of strategic interest worldwide. NTIC owns the following U.S. registered trademarks: NTI®, NTI & Globe Design®, ZERUST®, EXCOR®, ICT®, Z-CIS®, COR TAB®, PLASTABS®, NATUR-TEC®, NATUR-TEC & Design®, NATUR-BAG® and NATUR-WARE®, ZERION®, AUTOFOG®, FLANGE SAVER®, and ACTIVPAK®. NTIC also has a registered trademark on the use of the Color Yellow with respect to corrosion inhibiting packaging. Furthermore, NTI®, ZERUST®, EXCOR®, the Color Yellow®, and NTI ASEAN®, as well as other marks, have been registered in the European Union, and several new applications are pending.

NTIC requires its employees, consultants, and advisors with access to its confidential information, including trade secrets, to execute confidentiality agreements upon commencement of their employment or consulting relationships with NTIC. These agreements generally provide that all confidential information NTIC develops or makes known to the individual during the course of the individual's employment or consulting relationship with NTIC must be kept confidential by the individual and not disclosed to any third parties. NTIC also requires all of its employees and consultants who perform research and development for NTIC to execute agreements that generally provide that all inventions developed by these individuals during their employment or service arrangement with NTIC will fall under NTIC's proprietary intellectual property rights.

Manufacturing

NTIC's ZERUST® rust and corrosion inhibiting products are manufactured according to NTIC's specifications primarily by selected independent sub-contractors under trade secrecy agreements and/or license agreements. In addition, NTIC manufactures select ZERUST® rust and corrosion inhibiting products, consisting primarily of liquids and powders, at its corporate headquarters location in Circle Pines, Minnesota.

NTIC's Natur-Tec® resin compounds and finished products are produced at facilities in India, China, Vietnam, and the United States. NTIC's Natur-Tec® resin compounds can be shipped to manufacturing facilities around the world, where they then can be converted into finished products, such as film or cutlery. NTIC's Natur-Tec® finished products are manufactured using NTIC's Natur-Tec® resin compounds by select sub-contractors.

NTIC is ISO 9001 certified with respect to the manufacturing of its products. NTIC believes that the process of ISO 9001 certification serves as an excellent total quality management tool, enabling NTIC to ensure consistency in the performance of its products. In addition, because potential customers may prefer or require manufacturers to have achieved ISO certification, such ISO certifications may provide NTIC with certain competitive advantages.

Availability of Raw Materials

NTIC does not typically carry excess quantities of raw materials because of historically widespread availability of such materials from various suppliers. However, with respect to its Natur-Tec® resin compounds and finished products, there are a limited number of domestic and international suppliers of the base resins used to manufacture the resin compounds and finished products, which occasionally contributes to supply issues.

In addition, a few raw materials and purchased parts used in NTIC's rust and corrosion inhibiting products and Natur-Tec® finished products are sourced from suppliers who currently serve as NTIC's sole source of supply for these materials and parts. Although NTIC believes it can obtain these raw materials and parts from other suppliers, an unexpected loss of supply over a short period of time, including as a result of future worldwide disruptions in supply, may not allow NTIC time to replace these sources in the ordinary course of business.

Backlog

NTIC had an estimated order backlog of $5,882,108 as of August 31, 2026, compared to $4,184,415 as of August 31, 2025, which was generally across all business units. Sales relating to this backlog are expected to be realized during first quarter of fiscal 2027. These are orders that are held by NTIC pending release instructions from the customers to be used for just-in-time production. Customers generally place orders on an "as needed" basis and expect delivery within a relatively short period of time.

Governmental Regulation

The U.S. Food and Drug Administration (FDA) has indicated to NTIC that it has no objection to the use of ZERUST® ICT® packaging products in protecting metal food containers and processing equipment. In addition, the manufacture, sale and use of NTIC's Natur-Tec® resin compounds and finished products are subject to regulation in the United States by the FDA. The FDA's regulations are concerned with substances used in food packaging materials. Thus, food and beverage containers are in compliance with FDA regulations if the components used in the food and beverage containers are approved by the FDA as indirect food additives for their intended uses and comply with the applicable FDA indirect food additive regulations or are generally recognized as safe for their intended uses and are of suitable purity for those intended uses. NTIC believes that its resin compounds are in compliance with all FDA requirements and that NTIC does not require further FDA approval prior to the sale of its products.

Human Capital Management

Headcount and Employee Demographics

As of August 31, 2026, NTIC had a total of 92 employees, with 89 full-time employees and 3 part-time employees, located in North America, consisting of 31 in sales and marketing, 19 in research and development and lab, 22 in administration, and 20 in production. As of August 31, 2026, NTIC's wholly owned subsidiary in India, HNTI Limited, had 58 full-time employees, NTIC's wholly owned subsidiary in China had 35 full-time employees, its majority-owned subsidiary in Brazil had 20 full-time employees, its majority-owned subsidiary in India, Natur-Tec India, had 40 full-time employees, its majority-owned subsidiary in Singapore, Zerust Singapore, had 1 full-time employee, its majority-owned subsidiary in Taiwan, Zerust Taiwan, had 9 full-time employees, its majority-owned subsidiary in Vietnam, Zerust Vietnam, had 6 full-time employees, its wholly owned subsidiary in UAE, Zerust Integrity Solutions Trading LLC, had 6 full-time employees, its wholly owned subsidiary in Germany, NTI Europe had 3 full-time employees, its wholly owned subsidiary in Mexico had no full-time employees, and its holding company, NTI Asean, had no full-time employees.

As of August 31, 2026, of our North American workforce, 37% are female, 30% are racially or ethnically diverse and 4% are veterans. Of our global management team, 26% are female and 23% are racially or ethnically diverse. Of our nine Board members, three members are female, and four members are racially or ethnically diverse.

Turnover

NTIC continually monitors employee turnover rates as its success depends upon retaining highly trained engineering, manufacturing and operations personnel. The average tenure of our employees is nine years.

Management Team

NTIC believes its management team has the necessary experience to effectively execute its strategy and advance its product and technology leadership. The average tenure of the members of NTIC's management team is 20 years.

Employee Unions, Collective Bargaining Agreements and Work Councils

There are no unions representing NTIC's employees, and NTIC believes that its relations with its employees are good.

Health, Safety, Environment and Security

Health, safety, environment and security (HSE&S) are the cornerstones of NTIC. NTIC is in the business of converting unique, environmentally beneficial materials science into value added products and services for industrial and consumer applications. NTIC believes that it is responsible to its worldwide customers, its people, its communities and its stockholders, and NTIC takes these responsibilities seriously. NTIC is dedicated to investing in the future of the planet and NTIC's people and intends to continue to invest in HSE&S protection and improvements in a timely manner consistent with available technology.

NTIC is guided by its Policy Statement on HSE&S, which sets forth NTIC's HSE&S objectives, including ensuring that all activities across the value chain are conducted in a manner which is consistent with NTIC's quality management standard and HSE&S programs, ensuring that business activities are conducted to prevent harm and protect health and safety, and developing, manufacturing, distributing and marketing products and services with full regard for HSE&S aspects. To accomplish these objectives, NTIC intends to, among other things, establish targets within its quality management standard and HSE&S programs to measure progress and ensure continuous improvement, provide safe and healthy workplaces for its employees, contractors and other service providers, and provide continued training to enable employees to meet their responsibility to contribute to compliance with NTIC's HSE&S objectives.

NTIC monitors conditions that could lead to safety incidents and keeps track of injuries through reporting systems in accordance with the laws in the jurisdictions in which NTIC operates. NTIC tracks this data to assess the quality of its safety performance. NTIC defines lost time incidents as work-related incidents where a worker sustains an injury that results in time away from work. NTIC had only one lost time incident in each of fiscal 2026 and 2025.

Equal Opportunity, Inclusion and Workplace Culture

Equal opportunity is embedded in NTIC's values and integrated into its strategies. NTIC's Human Rights Policy was designed to align with the United Nations Global Compact and core elements of the United Nations Universal Declaration of Human Rights. NTIC is committed to providing an environment free of discrimination and harassment, where all individuals are accepted and treated with respect and dignity, can contribute fully, and have equal opportunities.

NTIC is additionally guided by its Equal Opportunity, Non-Discrimination, and Anti-Harassment Policy and strives to create and maintain a work environment in which people are treated with dignity, decency, and respect. NTIC is an equal opportunity employer and believes that professional conduct furthers NTIC's mission, promotes productivity, minimizes disputes, and enhances NTIC's reputation. NTIC does not tolerate unlawful discrimination or harassment related to any legally protected characteristic or that otherwise violates its policy.

Compensation and Benefits

NTIC's compensation program is designed to attract and retain talented employees in the industry by offering competitive compensation and benefits. NTIC has established fair and competitive pay levels that are based on local markets and job descriptions and are not based on gender, age, ethnicity, nationality or other personal characteristics or beliefs. NTIC provides compensation and benefits that are competitive and comply with applicable laws, and NTIC commits to a fair and living wage.

NTIC's employees have immediate eligibility to participate in NTIC's 401(k) employee savings plan. Employees are immediately vested upon contributing to the 401(k) employee savings plan. NTIC matches 401(k) contributions made by employees and may also make profit-sharing contributions. NTIC believes these profit-sharing contributions are a meaningful way of sharing NTIC's success with its employees.

To further the goal of sharing NTIC's success with its employees and incentivizing strong employee performance, NTIC may award cash bonuses to its employees. Additionally, NTIC has an employee stock purchase plan, which allows employees to purchase NTIC stock at a 10% discount to fair market value. NTIC believes that this gives employees an interest in providing for the continued success of the business, encourages regular and scheduled investing, and is a means of supplementing individual savings programs.

As part of its compensation package, NTIC provides employees with access to a medical plan with an employee-funded health savings account option. The medical plan has no co-pay, and employees are not required to contribute toward premium costs. Dental, vision, life, and long and short-term disability insurance plans are also available to NTIC's employees.

NTIC prides itself on offering employment arrangements that include competitive time off policies and flexibility. NTIC's full-time employees are eligible for paid holidays and vacation time based on the length of their service, ranging from 15 to 25 days. NTIC's part-time employees receive compensation for paid holidays as well. NTIC offers employees the opportunity to work remotely, requiring Tuesday in-person attendance for office staff employees and permitting remote work in the discretion of individual employees the remaining days of the week.

Values and Ethics

In connection with NTIC's core values, NTIC acts in accordance with its Code of Ethics. NTIC's Code of Ethics requires its employees, officers and directors to be honest, trustworthy, conscientious, and dedicated to the highest standards of ethical business practices. Each employee, officer and director must know and abide by applicable laws. Additionally, NTIC holds its vendors to similar standards, as provided in its Vendor Code of Conduct, which sets forth the requirements that NTIC expects its vendors to comply with in order to operate lawfully, ethically and with integrity in every jurisdiction where they conduct business.

Additional Information

Additional information about our human capital and people, including our HSE&S Policy, Human Rights Policy, Equal Opportunity, Non-Discrimination, and Anti-Harassment Policy, Code of Ethics, and Vendor Code of Conduct, is included on the Commitment to Environmental, Social, and Governance (ESG) page of the Investor Relations portion of our corporate website. Information contained or referenced on our website is not incorporated by reference and does not form a part of this Annual Report on Form 10-K.

Available Information

NTIC is a Delaware corporation that was originally organized as a Minnesota corporation in 1970. NTIC's principal executive office is located at 4201 Woodland Road, Circle Pines, Minnesota 55014, and its telephone number is (763) 225-6600. NTIC's website is located at www.ntic.com. References to NTIC's website addressed in this report are provided as a convenience and as an inactive textual reference only. The information on NTIC's website or any other website is not incorporated by reference into, and is not considered a part of, this report.

NTIC makes available, free of charge, through its website, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to any such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after NTIC electronically files such material with, or furnishes it to, the Securities and Exchange Commission (SEC). Reports filed with the SEC may be viewed at www.sec.gov.

Forward-Looking Statements

This report on Form 10-K contains not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are subject to the safe harbor created by those sections. In addition, NTIC or others on NTIC's behalf may make forward-looking statements from time to time in oral presentations, including telephone conferences and/or web casts open to the public, in press releases or reports, on NTIC's Internet web site, or otherwise. All statements other than statements of historical facts included in this report or expressed by NTIC orally from time to time that address activities, events, or developments that NTIC expects, believes, or anticipates will or may occur in the future are forward-looking statements, including, in particular, the statements about NTIC's plans, objectives, strategies, and prospects regarding, among other things, NTIC's financial condition, results of operations and business, operating results and financial condition, and the outcome of contingencies, such as legal proceedings. NTIC has identified some of these forward-looking statements in this report with words like "believe," "can," "may," "could," "would," "might," "forecast," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "outlook," or "continue" or the negative of these words or other words and terms of similar meaning. The use of future dates is also an indication of a forward-looking statement. Forward-looking statements may be contained in the notes to NTIC's consolidated financial statements and elsewhere in this report, including under "*Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Forward-looking statements are based on current expectations about future events affecting NTIC and are subject to uncertainties and factors that affect all businesses operating in a global market as well as matters specific to NTIC. These uncertainties and factors are difficult to predict, and many of them are beyond NTIC's control. Some of the uncertainties and factors known to us that could cause NTIC's actual results to differ materially from what NTIC has anticipated in its forward-looking statements are described under "*Part I. Item 1A. Risk Factors*." All forward-looking statements included in this report are expressly qualified in their entirety by the foregoing cautionary statements. NTIC wishes to caution readers not to place undue reliance on any forward-looking statement that speaks only as of the date made and to recognize that forward-looking statements are predictions of future results, which may not occur as anticipated. Actual results could differ materially from those anticipated in the forward-looking statements and from historical results due to the uncertainties and factors described above and others that NTIC may consider immaterial or does not anticipate at this time. Although NTIC believes that the expectations reflected in its forward-looking statements are reasonable, NTIC does not know whether its expectations will prove correct. NTIC's expectations reflected in its forward-looking statements can be affected by inaccurate assumptions NTIC might make or by known or unknown uncertainties and factors, including those described above. The risks and uncertainties described above are not exclusive, and further information concerning NTIC and its business, including factors that potentially could materially affect its financial results or condition, may emerge from time to time. NTIC assumes no obligation to update, amend, or clarify forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements. NTIC advises you, however, to consult any further disclosures NTIC makes on related subjects in its annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K that NTIC files with or furnishes to the SEC.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The three individuals named below have been designated by NTIC's Board of Directors as "executive officers" of NTIC. Their ages and the offices held, as of November 19, 2026, are as follows:

Name	Age	Position with NTIC
Gautam Ramdas	53	President and Chief Executive Officer
Matthew C. Wolsfeld	52	Chief Financial Officer and Corporate Secretary
Brian Haglund	42	Chief Operating Officer

Gautam Ramdas, an employee of NTIC since May 2005, has served as NTIC's President and Chief Executive Officer since September 2026. Prior to this role, he served as Vice President of Zerust® Integrity Solutions ("ZIS") from February 2025 to September 2026 and previously as Vice President and Director – Global Market Development – Oil & Gas from October 2005 to January 2025. As a member of NTIC's management team, he led the diversification of the Zerust portfolio beyond its automotive and industrial base into oil and gas, petrochemicals, EPC contractors, OEMs and renewable energy. He holds multiple patents, has represented the Company, and the wider industry, with DOT/PHMSA, the American Petroleum Institute and the Association for Materials Protection and Performance, and has been a principal driver of NTIC's strategic planning. Outside of NTIC, Mr. Ramdas co-founded Magzter Inc., a global digital publishing platform with 88M downloads, which was acquired by VerSe Innovation in April 2024. Prior to joining NTIC, Mr. Ramdas worked in the Strategic Change/Supply Chain groups of IBM Business Consulting Services and PricewaterhouseCoopers Management Consulting, where he led engagements with Fortune 500 clients in service strategy, global supplier management, E-Commerce, and supply chain streamlining. Mr. Ramdas received a Master of Business Administration degree from the University of Michigan Ross School of Business in Ann Arbor, Michigan, and holds a Bachelor of Science degree in Mechanical Engineering from the College of Engineering, Guindy (Chennai), India.

Matthew C. Wolsfeld, an employee of NTIC since February 2001, has been NTIC's Chief Financial Officer since November 2001 and Corporate Secretary since November 2004. Mr. Wolsfeld was Controller of NTIC from May 2001 through November 2001. Prior to joining NTIC, Mr. Wolsfeld held an auditing position with PricewaterhouseCoopers LLP in Minneapolis, Minnesota from 1997 to 2001. Mr. Wolsfeld received a B.A. degree in Accounting from the University of Notre Dame and received his M.B.A. degree at the University of Minnesota, Carlson School of Business. Mr. Wolsfeld is a Certified Public Accountant.

Brian Haglund, an employee of NTIC since June 2018, has served as NTIC's Chief Operating Officer since September 2026. Prior to this role, he served as Vice President of Operations – North America from June 2018 to September 2026. Prior to joining NTIC, Mr. Haglund held various leadership roles within Textron Inc., a Fortune 500 industrial conglomerate. During his tenure with Textron, Mr. Haglund led various global operations and manufacturing facilities across the United States, in China, and in Germany focusing on aerospace and industrial manufacturing. Mr. Haglund received a Master of Business Administration degree with a concentration in Finance from The Miller College of Business through Ball State University. He also holds a Bachelor of Arts degree in Supply Chain Management from Eli Broad College of Business through Michigan State University.

Another corporate officer of NTIC, who has not been determined by NTIC's Board of Directors to be an "executive officer" is as follows, along with his age and offices held, as of November 19, 2026:

Name	Age	Position with NTIC
Vineet R. Dalal	57	Vice President and Director – Global Market Development – Natur-Tec®

Vineet R. Dalal, an employee of NTIC since 2004, has served as Vice President and Director – Global Market Development – Natur-Tec® since November 2005. Prior to joining NTIC, Mr. Dalal was a Principal in the Worldwide Product Development Practice of PRTM, a management consultancy to technology-based companies (now part of PricewaterhouseCoopers Management Consulting). In this position, Mr. Dalal consulted for several Fortune 500 companies, in the areas of product strategy, Product Lifecycle Management (PLM) and technology management. Prior to that, Mr. Dalal held positions in program management and design engineering at National Semiconductor Corporation in Santa Clara, California. Mr. Dalal received an M.B.A. degree from the University of Michigan Ross School of Business in Ann Arbor, Michigan. He also holds an M.S. degree in Electrical and Computer Engineering from Oregon State University, and a B.Eng. degree in Electronics Engineering from Karnatak University, India.

Item 1A. RISK FACTORS

The following are the most material factors known to NTIC that could materially adversely affect its business, operating results, or financial condition.

Risk Factors Summary

This summary is not complete and should be read in conjunction with the risk factors set forth below.

Risks Related to NTIC's Business and Industry

- Any weakness in the global economy, and in particular in the United States, Europe, India and China, and in the automotive industry, has negatively impacted and in the future may negatively impact NTIC's business, operating results, and financial condition.
- NTIC's business in the past has been and, in the future, may be negatively impacted by inflation and other recessionary indicators.
- Supply chain disruptions in the past have interrupted and, in the future, could interrupt product manufacturing, increase product costs and result in lost sales, which have had and, in the future, may have a material adverse effect on NTIC's business, operating results and financial condition.
- Disruptions to the distribution channels for NTIC's products in the past have negatively impacted and in the future may negatively impact NTIC's business, operating results, and financial condition.
- NTIC's dependence on key suppliers puts NTIC at risk of interruptions in the availability of its products, which could reduce its net sales and adversely affect its operating results and harm its reputation.
- Increases in prices for raw materials and components used in NTIC's products in the past have adversely affected and in the future could adversely affect NTIC's operating results.

- NTIC relies on others for its production, and any interruptions of these arrangements could disrupt NTIC's ability to fill its customers' orders.
- Changes to trade regulation, quotas, duties, or tariffs, caused by the changing U.S. and geopolitical environments or otherwise, have negatively impacted in the past and in the future may negatively impact NTIC's business, operating results, and financial condition.
- Global credit, financial and banking markets in the past have experienced disruptions, including diminished liquidity and credit availability and rapid fluctuations in market valuations, which, if they happen again or it is perceived that they may occur, could negatively impact NTIC's business, operating results, and financial condition.
- NTIC did not comply with a financial covenant under its credit agreement as of the end of its fiscal third and fourth quarters of 2026, and its revolving credit facility and certain other indebtedness mature in the near term. Any future covenant noncompliance or inability to renew or refinance its indebtedness on acceptable terms could materially and adversely affect NTIC's liquidity, business, operating results, and financial condition.
- NTIC has recently experienced management turnover, and its business could be adversely affected by these and other transitions in its senior management team.
- NTIC has limited staffing, faces challenges caused by its aging workforce and given its limited resources, it may not effectively manage its growth.
- The evolution of the automotive industry towards electric vehicles could adversely affect NTIC's business.

Risks Related to NTIC's Joint Ventures

- NTIC's liquidity and financial position rely on the receipt of fees for services provided to its joint ventures and dividend distributions from its joint ventures. No assurance can be provided that NTIC will continue to receive such fees and dividend distributions in amounts NTIC historically has received or anticipates receiving.
- Since a significant portion of NTIC's earnings results from its equity income from joint ventures, which varies quarter to quarter, NTIC's earnings are subject to quarterly fluctuations.

Risks Related to NTIC's International Operations and the Foreign Markets in which NTIC Operates

- Geopolitical instability in the Middle East and disruptions in global petrochemical and supply chain markets could adversely affect our business, results of operations and financial condition.
- NTIC's international business, which is conducted primarily through its subsidiaries and joint ventures, requires management attention and financial resources and exposes NTIC to difficulties and risks presented by international economic, political, legal, accounting, and business factors.
- If sales of NTIC's products and services by its joint ventures in Germany and France were to decline significantly or if NTIC's relationships with these joint ventures were to deteriorate significantly, NTIC's operating results likely would be adversely affected.
- The ongoing war between Russia and Ukraine, the ongoing war between the U.S. and Iran and other conflicts in the Middle East may adversely affect NTIC's business and results of operations.
- The operations of NTIC China may be adversely affected by China's evolving economic, political, and social conditions, as well as increasing tensions between the United States and China.
- Intellectual property rights are difficult to enforce in China, which could harm NTIC's business, results of operations, or financial condition.
- Uncertainties with respect to the Chinese legal system may adversely affect the operations of NTIC China.
- Failure to comply with the U.S. Foreign Corrupt Practices Act could subject NTIC to penalties and legal expenses.
- Fluctuations in foreign currency exchange rates could result in declines in NTIC's earnings and changes in NTIC's foreign currency translation adjustments.
- Economic uncertainty in developing markets could adversely affect NTIC's revenue and earnings.

Risks Related to NTIC's Products

- NTIC faces intense competition in almost all of its product lines, including from competitors that have substantially greater resources than NTIC does. No assurance can be provided that NTIC will be able to compete effectively, which would harm its business and operating results.
- NTIC's ZERUST® rust and corrosion inhibiting products and services generate a significant portion of NTIC's net sales and the net sales of NTIC's joint ventures. Accordingly, if sales of these products and services were to decline, NTIC's operating results would be adversely affected.

- If NTIC is unable to continue to enhance its existing products and develop and market new products that respond to customer needs and achieve market acceptance, NTIC may experience a decrease in demand for its products, and its business could suffer.
- No assurance can be provided that NTIC's investments in additional research and development and marketing efforts and resources into the application of its corrosion prevention solutions into the oil and gas industry and the continued launch of its Natur-Tec® resin compounds and finished products will be successful.
- NTIC's strategy of expanding its corrosion prevention solutions into the oil and gas industry and continuing the expansion of its Natur-Tec® bioplastics resin compounds and finished products is risky and may not prove to be successful, which could harm NTIC's operating results and financial condition.
- NTIC's dependence on manufacturing and logistical services provided by contractors could give rise to product defects or warranty liability.
- The commercial success of NTIC's Natur-Tec® resin compounds and finished products depends on the widespread market acceptance of products manufactured with bio-based and biodegradable resins.
- NTIC relies on its joint ventures, distributors, manufacturer's sales representatives, and other agents to market and sell its products.
- NTIC may be subject to product liability claims or other claims arising out of the activities of its joint ventures, which could adversely affect NTIC and its business, and the sale of ZERUST® rust and corrosion inhibiting products into the oil and gas industry is risky in light of the hazards typically associated with such operations and the significant amount of potential liability involved.
- The sale of ZERUST® rust and corrosion inhibiting products into the oil and gas industry is somewhat seasonal and dependent upon oil prices, industry guidelines, regulatory approvals and client budgets/priorities.
- The expansion of NTIC's corrosion prevention solutions into the oil and gas industry and the continued launch of NTIC's Natur-Tec® resin compounds and finished products may require additional capital in the future, which may not be available or may be available only on unfavorable terms.

Risks Related to Governmental Regulation, Laws, and Compliance

- NTIC's business, properties, and products are subject to governmental regulation and taxes, compliance with which may require NTIC to incur expenses or modify its products or operations, and which may expose NTIC to penalties for non-compliance. Governmental regulation also may adversely affect the demand for some of NTIC's products and its operating results.
- Fluctuations in NTIC's effective tax rate could have a significant impact on NTIC's financial position, results of operations, or cash flows.
- Certain of NTIC's operations are subject to regulation by the U.S. Food and Drug Administration.
- NTIC's reliance upon patents, trademark laws, trade secrets, and contractual provisions to protect its proprietary rights may not be sufficient to protect its intellectual property.
- Any changes in U.S. generally accepted accounting principles might adversely affect NTIC's operating results.

Risks Related to NTIC's Common Stock

- The trading volume of NTIC's common stock is typically very low, leaving NTIC's common stock open to risk of high volatility and the price and trading volume has been, and may continue to be, volatile.
- A large percentage of NTIC's outstanding common stock is held by insiders, and, as a result, the trading market for NTIC's common stock is not as liquid as the stock of other public companies.
- NTIC has suspended its quarterly cash dividend, and there can be no assurance that NTIC will reinstate dividends in the future.

Risks Related to NTIC's Business and Industry

Any weakness in the global economy, and in particular in the United States, Europe, India and China, and in the automotive industry, has negatively impacted and in the future may negatively impact NTIC's business, operating results, and financial condition.

From time to time, the U.S. and world economies suffer from uncertainty, volatility, disruption, and other adverse conditions, which has adversely impacted and in the future may adversely impact the business community and the financial markets. Adverse economic and financial market conditions have negatively affected and in the future may negatively affect NTIC's customers and its markets, thereby negatively impacting NTIC's business and operating results. For example, weak market conditions could extend the length of NTIC's sales cycle and cause potential customers to delay, defer, or decline to make purchases of NTIC's products and services due to uncertainties surrounding the future performance of their businesses, limitations on their capital expenditures due to internal budget constraints, the inability to obtain financing in the capital markets, and the adverse effects of the economy on their business and financial condition. As a result, if economic and financial market conditions weaken or deteriorate, then NTIC's business, financial condition, and operating results, including its ability to grow and expand its business and operations, could be materially and adversely affected.

NTIC's operating results are especially dependent upon the economic health of the economies in the United States, Europe, India and China. Since a significant portion of NTIC's ZERUST® rust and corrosion inhibiting products and services are sold to customers in the automotive industry, adverse economic conditions affecting the automotive industry or other events that may adversely affect the automotive industry may result in an adverse effect on NTIC's net sales and its other operating results. In fiscal 2026, demand remained soft within the automotive industry, which indirectly adversely impacted NTIC, due in part to a decrease in exports of automotive products resulting from tariffs between the U.S. and both Mexico and Canada. These tariffs have increased the price of vehicles and increased the risk of automotive plant closure, which may further indirectly adversely impact NTIC. In addition, interest rates continued to impact the automotive industry and indirectly adversely impacted NTIC. Any weakness in the global economy, particularly the United States, Europe, India and China, and in the automotive industry have negatively impacted and may continue to negatively impact NTIC's business, operating results, and financial condition.

The geopolitical situation in the Middle East has caused a slowdown of operations of ZIS UAE with client facilities in the region being impacted by the conflict. ZIS UAE is also managing product availability issues caused by the partial closure of the Strait of Hormuz.

Increases in inflation have had, and may continue to have, a negative impact on NTIC's business. Although inflation historically has had a minimal effect on NTIC, inflation adversely affected NTIC's gross margins during fiscal 2026.

NTIC's cost of goods sold as a percentage of net sales increased to 65.0% during fiscal 2026 compared to 62.4% during fiscal 2025, primarily due to increases in raw material costs, including resin and solvents, that NTIC was able to only partly recover through price increases, as well as lower selling prices on certain Natur-Tec® products and a lower-margin sales mix. Inflationary pressures, including those resulting from tariffs and from volatility in petrochemical markets associated with geopolitical conflicts in the Middle East, may continue to increase NTIC's costs of raw materials, freight, and labor, and NTIC may not be able to pass these increased costs on to its customers in a timely manner or at all, particularly in competitive markets or where NTIC competes with local producers. Persistent inflation also may reduce the overall demand for NTIC's products and the margins NTIC and its joint ventures are able to realize on the sale of products, all of which have had and could continue to have a negative impact on NTIC's business, financial position, results of operations and cash flows.

In prior years, sustained levels of high inflation caused the U.S. Federal Reserve and other central banks to increase interest rates. It is uncertain whether the U.S. Federal Reserve will change interest rates again and if so whether it will increase or decrease them or what impact any such actions will have on inflation. Borrowings under NTIC's revolving line of credit bear interest at a floating rate, which NTIC elected in March 2026 to base on the Adjusted SOFR Rate plus an applicable margin of 2.35% per annum. As of August 31, 2026, $11.1 million was outstanding under the line of credit, and NTIC's interest expense increased to $796,756 during fiscal 2026 compared to $599,927 during fiscal 2025, primarily due to increased average borrowings. Accordingly, any future increase in interest rates would increase NTIC's interest expense and debt service obligations, and high interest rates could also increase the cost of capital available to NTIC, depress economic growth, and reduce demand from NTIC's customers, including in the automotive industry. Similarly, other recessionary indicators, such as high levels of unemployment and low levels of industrial production, may negatively impact our business.

Supply chain disruptions in the past have interrupted and, in the future, could interrupt product manufacturing, increase product costs and result in lost sales, which may have a material adverse effect on NTIC's business, operating results and financial condition.

Supply chain disruptions may result in longer lead times, temporary raw material outages, and higher shipping expenses. While NTIC takes steps to minimize the impact of these increased costs by working closely with its suppliers and customers, these issues may adversely affect NTIC's costs and other operating results in fiscal 2027, and there can be no assurances that unforeseen events impacting the supply chain will not have a material adverse effect on NTIC in the future. Additionally, the impacts supply chain disruptions have on NTIC's third-party manufacturers are not within NTIC's control. Prolonged supply chain disruptions impacting NTIC and its third-party manufacturers could interrupt product manufacturing, increase product costs and result in lost sales, which may have a material adverse effect on NTIC's business, operating results and financial condition.

Disruptions to the distribution channels for NTIC's products in the past have negatively impacted and in the future may negatively impact NTIC's business, operating results, and financial condition.

During fiscal 2026, a confluence of factors caused disruptions to international shipping, increasing costs and delaying shipments. Geopolitically, attacks on ships entering the Red Sea en route to the Suez Canal, an important waterway for vessels moving between Asia and the United States, by Houthi rebels in Yemen forced ships to take longer routes around Africa's southern coast, increasing shipping time and delaying shipments. Additionally, a recent drone strike on gas vessels in an Egyptian port near the Suez Canal in connection with the war between the U.S. and Iran signaled increased threats in the region, which may further increase shipping time and delay shipments. These factors have decreased, and could continue to suppress, the availability of containers and increased shipping costs. Increased shipping costs and delays adversely affected NTIC's consolidated results of operations during fiscal 2026 and 2025, and we anticipate that these factors will continue to impact us during fiscal 2027. Similar delays and elevated costs in the future could have a material adverse effect on NTIC's consolidated results of operations. Furthermore, transportation delays, increased shipping containers rates, closures or disruptions of businesses and facilities or social, economic, political or labor instability in the affected areas may impact the operations of NTIC's suppliers, which could in turn adversely affect NTIC, and its revenues and operating costs. Any of these disruptions may negatively impact NTIC's business, operating results, and financial condition.

NTIC's dependence on key suppliers puts NTIC at risk of interruptions in the availability of its products, which could reduce its net sales and adversely affect its operating results and harm its reputation.

NTIC relies on suppliers for certain raw materials and components used in its products. For reasons of quality assurance, cost effectiveness, or availability, NTIC procures certain raw materials and components from sole or limited source suppliers. NTIC generally acquires these and other raw materials and components through purchase orders placed in the ordinary course of business, and as a result, NTIC does not have a significant inventory of these materials and components and does not have any guaranteed or contractual supply arrangements with many of these suppliers for these materials and components. Although NTIC may attempt to increase storage of raw materials to hedge against rising prices or potential shortages, it may not be able to do so on reasonable terms or at all. NTIC's dependence on third-party suppliers involves several risks, including limited control over pricing, availability, quality, and delivery schedules, as well as manufacturing yields and costs. Suppliers of such raw materials and components may decide, or be required, for reasons beyond NTIC's control, to cease supplying such raw materials and components to NTIC or to raise their prices.

Shortages of raw materials, quality control problems, production capacity constraints, or delays by suppliers could negatively affect NTIC's ability to meet its production obligations and result in increased prices for affected parts, and NTIC may be forced to find new suppliers for certain raw materials. The rapid growth in demand for bioplastics products globally has increased the demand and the volatility of the price for plastic resins, and limited suppliers of such plastic resins may experience shortages caused by demand outpacing their production capabilities, which could result in NTIC's inability to produce its Natur-Tec® products promptly or in the volumes demanded. Any such shortages, constraints, or delays may result in delays in shipments of products or components, which could adversely affect NTIC's net sales and other operating results and its reputation. From time to time, materials and components used in NTIC's products are subject to allocation because of shortages of these materials and components.

Increases in prices for raw materials and components used in NTIC's products in the past have adversely affected and in the future could adversely affect NTIC's operating results.

NTIC uses certain raw materials and components in its products, including in particular plastic resins, which are subject to price increases. In light of higher demand and freight costs in fiscal 2026, certain raw materials used in the manufacture of NTIC's Natur-Tec® products were at times unavailable or were available only at higher costs, which adversely affected gross margins on NTIC's Natur-Tec® products. If similar shortages of raw materials arise again in the future, the cost and/or production of NTIC's products could be adversely affected. Additionally, the Russia-Ukraine war, U.S.-Iran war and other geopolitical tensions in the Middle East have resulted in and may continue to result in commodity price fluctuations, which have decreased our margins and the margins of our joint ventures and resulted in decreased joint venture profitability, which may continue through fiscal 2027. In addition, changes to international trade agreements, including continued imposition of and volatility in U.S. tariffs, continue to affect raw materials or components we import into the U.S. To reduce exposure to these and other tariffs, NTIC may be required to consider alternative sourcing or manufacturing, in-house production, or regionalized manufacturing, which may require significant ramp-up time and expense or which may not be available on feasible terms at all.

NTIC relies on others for its production, and any interruptions of these arrangements could disrupt NTIC's ability to fill its customers' orders.

NTIC utilizes contract manufacturers for a significant portion of its production requirements. The majority of NTIC's manufacturing is conducted in the United States by contract manufacturers that also perform services for numerous other companies. NTIC does not have a guaranteed level of production capacity with any of its contract manufacturers. Qualifying new contract manufacturers is time-consuming and might result in unforeseen manufacturing and operations problems. The loss of NTIC's relationships with its contract manufacturers or their inability to conduct their manufacturing and assembly services for NTIC as anticipated in terms of capacity, cost, quality, and timeliness could adversely affect NTIC's ability to fill customer orders in accordance with required delivery, quality, and performance requirements, thus adversely affecting NTIC's net sales and other operating results.

Changes to trade regulation, quotas, duties, or tariffs, caused by the changing U.S. and geopolitical environments or otherwise, have negatively impacted in the past and in the future may negatively impact NTIC's business, operating results, and financial condition.

There is significant uncertainty about the future relationship between the United States and other countries with respect to trade policies, taxes, government regulations, and tariffs. The Trump administration has announced and implemented widespread tariffs on imported products, with rates, scope, exemptions, and enforcement subject to significant volatility, and certain countries have imposed retaliatory actions against the United States, including reciprocal tariffs. In July 2026, the Trump administration announced new tariffs on over 50 trading partners, including the European Union, China, the United Kingdom and Canada, which range from 10% to 12.5% and apply to all imports. In August 2026, the Trump administration announced a 50% tariff on certain Canadian goods, including vehicles, and Canada subsequently implemented dollar-for-dollar retaliatory tariffs on certain U.S. goods and in September 2026, the Trump administration announced a ban on certain Canadian goods. While there are pending legal challenges to these tariffs and actions, the outcome of these challenges, and any replacement tariffs imposed under other legal authorities, could further change the tariff rates applicable to NTIC's products and raw materials.

NTIC, its subsidiaries and joint ventures engage in sales outside of the United States and source raw materials and finished goods internationally and are, therefore, negatively impacted by such actions. NTIC incurred costs related to tariffs during fiscal 2026 and expects such costs to continue into fiscal 2027. Tariffs have had a particular impact on NTIC's Natur-Tec® business, which relies on the global procurement of raw materials and finished goods, including base resins from a limited number of suppliers. Due to this changing landscape, it is unknown to what extent tariffs will adversely affect NTIC's operations. Tariffs may cause NTIC to increase prices, face decreased profit margins, and/or pause deliveries from countries subject to high tariffs. NTIC has implemented, and expects to continue to implement, measures intended to mitigate the impact of tariffs, including supplier diversification, regional sourcing initiatives, cost reduction programs, and manufacturing optimization, and to evaluate localizing production and developing alternative sourcing options where practicable. However, these measures may require significant ramp-up time and expense, may not be available on feasible terms at all, and may not be successful in offsetting the impact of tariffs. Although management believes that NTIC China's exposure to tariffs is limited because a majority of its production and sales are for local consumption, there can be no assurance that tariffs or other trade restrictions will not adversely affect NTIC China or NTIC's other operations. These factors may affect production economics, customer pricing, and competitive positioning, particularly in markets where NTIC competes with local producers not subject to comparable tariff exposure. These or other changes or potential changes in trade policies in the United States and the potential corresponding actions by other countries in which NTIC does business could adversely and materially affect NTIC's business, results of operations, and financial condition.

Global credit, financial and banking markets in the past have experienced disruptions, including diminished liquidity and credit availability and rapid fluctuations in market valuations, which, if they happen again or it is perceived that they may occur, could negatively impact NTIC's business, operating results, and financial condition.

Any tightening of the credit, financial and banking markets could negatively impact the ability of companies to borrow money from their existing lenders, obtain credit from other sources, or raise financing to fund their operations. Such changes, or the perception that they may occur, could negatively impact the ability of NTIC's customers and the customers of NTIC's joint ventures to purchase NTIC's products, suppliers' ability to provide NTIC and its joint ventures with materials and components, and the ability of NTIC and its joint ventures, distributors, and sales representatives to finance operations, if needed, on commercially reasonable terms, or at all. Any or all of these events could negatively impact NTIC's business, operating results, and financial condition. Although NTIC maintains allowances for credit losses for estimated losses resulting from the inability of its customers, distributors, and joint ventures to make required payments, and such losses historically have been within NTIC's expectations and the provisions established, NTIC cannot guarantee that it will continue to experience the same loss rates that it has in the past, especially if there are weaknesses in the worldwide economy. A significant change in the liquidity or financial condition of NTIC's customers, distributors, or joint ventures could cause unfavorable trends in NTIC's receivable collections and additional allowances may be required, which could adversely affect NTIC's operating results. In addition, weaknesses in the worldwide economy, including the imposition of higher tariffs, retaliatory trade measures and sanctions on Russia and Iran, may adversely impact the ability of suppliers to provide NTIC with materials and components, which could adversely affect NTIC's business and operating results. NTIC is unable to predict the prospects for a global economic recovery, but the longer the duration of such adverse and uncertain economic conditions, the greater the risks NTIC faces in operating its business.

NTIC did not comply with a financial covenant under its credit agreement as of the end of its fiscal third and fourth quarters of 2026, and its revolving credit facility and certain other indebtedness mature in the near term. Any future covenant noncompliance or inability to renew or refinance its indebtedness on acceptable terms could materially and adversely affect NTIC's liquidity, business, operating results, and financial condition.

NTIC is party to a Credit Agreement with JPMorgan Chase Bank, N.A. (JPM), which provides NTIC with a senior secured revolving line of credit of up to $12.0 million. As of August 31, 2026, borrowings of $11.1 million were outstanding under the Credit Facility, leaving limited remaining availability. The Credit Agreement requires NTIC to maintain a Fixed Charge Coverage Ratio of at least 1.25 to 1.00. NTIC was not in compliance with this covenant as of August 31, 2026, when its Fixed Charge Coverage Ratio was 1.07 to 1.00. On October 21, 2026, NTIC obtained a waiver from JPM with respect to such noncompliance; however, the waiver applies only to the fiscal quarter ended August 31, 2026. NTIC also was not in compliance with this covenant at the end of its fiscal third quarter of 2026 and obtained a waiver from JPM at that time. NTIC cannot assure that it will be able to comply with the Fixed Charge Coverage Ratio or other covenants in future periods, or that JPM will grant waivers or amendments for any future noncompliance on acceptable terms or at all. Any waiver or amendment that NTIC does obtain may require it to pay fees, accept higher interest rates, or agree to more restrictive covenants.

A failure to comply with the Fixed Charge Coverage Ratio or any other covenant under the Credit Agreement, if not waived, would constitute an event of default. Upon the occurrence and during the continuance of an event of default, JPM may declare all outstanding obligations immediately due and payable and exercise other remedies available to it. To secure its obligations under the Credit Agreement, NTIC granted JPM a continuing security interest in substantially all of its assets. If JPM were to accelerate NTIC's obligations, NTIC may not have sufficient cash or be able to obtain replacement financing to repay such amounts, and JPM could foreclose on the collateral securing the Credit Facility. Any such acceleration or foreclosure could materially disrupt NTIC's operations and materially and adversely affect its business, operating results, and financial condition, and could also trigger defaults under other agreements.

In addition, NTIC faces near-term refinancing risk. The Credit Facility matures on February 5, 2027, at which time all outstanding principal and accrued interest will be due unless the Credit Facility is extended, renewed, or refinanced. Further, NTIC China's two term loans with China Construction Bank Corporation, each in the principal amount of RMB 10,000,000 and totaling approximately $3.0 million as of August 31, 2026, mature in April 2027 and May 2027, respectively. Although NTIC has historically renewed these facilities, there can be no assurance that JPM, China Construction Bank Corporation, or any other lender will extend, renew, or refinance this indebtedness when due, particularly in light of NTIC's recent covenant noncompliance and financial results. Any extension, renewal, or refinancing may be available only on materially less favorable terms, including higher interest rates, lower borrowing availability, additional fees or collateral, or more restrictive financial and operating covenants. If NTIC is unable to renew or refinance its indebtedness on acceptable terms, it may be required to seek alternative financing, sell assets, reduce capital expenditures and strategic investments, or issue equity securities, which could be dilutive to NTIC's stockholders.

The Credit Agreement also contains customary affirmative and negative covenants that limit NTIC's operating and financial flexibility, including restrictions on NTIC's ability to incur additional debt, grant liens, engage in certain business operations and transactions, make certain investments, modify its organizational documents, form new subsidiaries, and redeem or repurchase its common stock or pay dividends if doing so would cause an event of default. These restrictions may limit NTIC's ability to pursue its growth strategies, including its oil and gas and Natur-Tec® initiatives, respond to changing business and economic conditions, or return capital to stockholders.

NTIC's ability to comply with its covenants and to service and refinance its indebtedness depends on its future operating performance and cash flows, which are subject to economic, financial, competitive, and other factors, many of which are beyond NTIC's control. If NTIC is unable to comply with its covenants, repay or refinance its indebtedness when due, or fund its operations and planned investments, any of which could materially and adversely affect NTIC's liquidity, business, operating results, and financial condition and the market price of its common stock.

NTIC has recently experienced management turnover, and its business could be adversely affected by these and other transitions in its senior management team.

In September 2026, NTIC announced a series of leadership changes as part of its management succession planning. The Board of Directors elected Gautam Ramdas, NTIC's former Vice President of Zerust® Integrity Solutions, as NTIC's President and Chief Executive Officer and director, succeeding G. Patrick Lynch, who was named Chairman of the Board. Richard Nigon, NTIC's former Chairman of the Board, was appointed as Lead Independent Director. Brian Haglund, NTIC's former Vice President of Operations – North America, was promoted to NTIC's Chief Operating Officer.

Management transition is often difficult and inherently causes some loss of institutional knowledge, which could negatively affect NTIC's results of operations and financial condition. NTIC's ability to execute our business strategies may be adversely affected by the uncertainty associated with these transitions and the time and attention of the Board of Directors and management dedicated to management transitions could disrupt NTIC's business. Further, NTIC cannot guarantee that it will not face similar turnover in the future. NTIC's senior management's knowledge of its business and industry could be difficult to replace, and management turnover could negatively affect NTIC's business, growth, financial conditions, results of operations and cash flows.

NTIC has limited staffing and will continue to be dependent upon key employees.

NTIC's success is dependent upon the efforts of a small management team and group of employees. NTIC's future success will depend in large part on its ability to retain its key employees and identify, attract, and retain other highly qualified managerial, technical, research and development, sales and marketing, and customer service personnel when needed. Competition for these individuals may be intense, especially in the markets in which NTIC operates. NTIC may not succeed in identifying, attracting, and retaining these personnel. Inadequate performance by any of NTIC's limited staff could have a negative impact on the performance of the company. In addition, none of NTIC's employees have any contractual obligation to maintain his or her employment with NTIC. The loss or interruption of services of any of NTIC's key personnel, including in particular its technical personnel, the inability to identify, attract, or retain qualified personnel in the future, delays in hiring qualified personnel, or any employee slowdowns, strikes, or similar actions could make it difficult for NTIC to manage its business and meet key objectives, which could harm NTIC's business, operating results, and financial condition.

Although we have not experienced any material labor shortage to date, we have observed an overall tightening and increasingly competitive labor market in recent years. A sustained labor shortage or increased turnover rates within our employee base could lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees and could negatively affect our ability to efficiently operate our manufacturing and distribution facilities and overall business. If we are unable to hire and retain employees capable of performing at a high-level, or if mitigation measures we may take to respond to a decrease in labor availability, such as overtime and third-party outsourcing, have unintended negative effects, our business could be adversely affected. An overall labor shortage, lack of skilled labor, increased turnover or labor inflation could have a material adverse impact on NTIC's operations, results of operations, liquidity or cash flows.

NTIC faces challenges caused by its aging workforce, and NTIC may not be able to recruit, train and retain adequate replacements for its qualified and skilled employees.

Many of our employees are approaching retirement age. As these experienced employees retire, we may have difficulty recruiting new employees with comparable qualifications and experience, and we may be unable to transfer our employees' institutional knowledge successfully to new qualified employees. Any such failures would be exacerbated at times of peak demand. Our failure to recruit and train new employees and to ensure they obtain adequate qualifications and experience could result in reduced revenues, loss of customer goodwill and a material negative impact on our results of operations.

Given NTIC's limited resources, it may not effectively manage its growth.

NTIC's strategy to grow its business, including in particular its ZERUST® rust and corrosion inhibiting products for the oil and gas industry and its Natur-Tec® bio-plastic resin compounds and finished products, requires significant management time and operational and financial resources. There is no assurance that NTIC has the necessary operational and financial resources to manage its growth. This is especially true as it expands facilities and manufactures its products on a larger commercial scale. In addition, rapid growth in NTIC's headcount and operations may place a significant strain on its management, administrative, operational, and financial infrastructure. Failure to adequately manage its growth could have a material and adverse effect on NTIC's business, operating results, and financial condition. In addition, NTIC may not be successful in its strategy to grow its business.

The evolution of the automotive industry towards electric vehicles could adversely affect NTIC's business.

The global automotive industry is experiencing a period of significant technological change, including the development and use of electric vehicles, which, compared to non-electric vehicles, do not contain as many metal components that require NTIC's ZERUST® products and solutions. During fiscal 2026, the automobile sector represented approximately 40-45% of ZERUST® industrial net sales in North America and 55-60% of net sales of NTIC's joint ventures. Although the slowdown in U.S. electric vehicle production continued in fiscal 2026 due in part to competition from Chinese manufacturers and Congress terminating the electric vehicle tax credit, NTIC continues to seek additional applications of its ZERUST® products and solutions related to electric vehicles and batteries, which will likely continue to have an increasing presence in the global automotive market. However, increased global demand for electric vehicles will still adversely affect NTIC's net sales and other operating results and business.

Risks Related to NTIC's Joint Ventures

NTIC's liquidity and financial position rely on the receipt of fees for services provided to its joint ventures and dividend distributions from its joint ventures. No assurance can be provided that NTIC will continue to receive such fees and dividend distributions in amounts NTIC historically has received or anticipates receiving.

NTIC conducts business, either directly or indirectly, through several joint venture arrangements that operate in North America, Europe, and Asia. Each of these joint ventures manufactures, markets, and sells finished products in the geographic territory that it is assigned. NTIC's receipt of funds as a result of sales by its joint ventures is dependent upon NTIC's receipt of fees for services that NTIC provides to its joint ventures, which are determined based on either a flat fee or a percentage of the net sales of the individual joint ventures depending on local laws and tax regulations, and NTIC's receipt of dividend distributions from its joint ventures based on the profitability of its joint ventures. NTIC's liquidity and financial position in part rely on NTIC's receipt of fees for services that NTIC provides to its joint ventures and dividend distributions from its joint ventures. During fiscal 2026, NTIC recognized $4.1 million in fees and $1.9 million in dividend distributions from its joint ventures. Because NTIC owns 50% or less of each of its joint venture entities, NTIC does not control the decisions of these entities regarding whether to pay dividends and, if paid, how much they should be in any given year. Thus, NTIC cannot guarantee that any of its joint ventures will pay dividends in any given year. The failure of NTIC's joint ventures to declare dividends or the failure of NTIC to receive fees for services provided to joint ventures in amounts typically expected by NTIC could adversely affect NTIC's liquidity and financial position.

In fiscal 2026, the terms of the fees for services with NTIC's two most significant joint ventures, EXCOR in Germany and Acobal in France, were modified as a result of tax planning. As a result of these modifications, fees for services provided to joint ventures decreased 18.3% to $4.1 million during fiscal 2026 compared to $5.0 million during fiscal 2025, even though net sales at NTIC's joint ventures increased 9.7% during the same period. Fees attributable to EXCOR decreased to $74,081 during fiscal 2026, as only one month of fees was recorded before the modification, compared to $846,281 during fiscal 2025, and no fees were attributable to Acobal during fiscal 2026 compared to $320,546 during fiscal 2025. These modifications resulted in a corresponding increase in NTIC's equity in income from EXCOR and Acobal. Fee terms are negotiated with NTIC's joint venture partners, whom NTIC does not control, and are subject to local laws and tax regulations. Accordingly, the fee terms with EXCOR, Acobal, or any of NTIC's other joint ventures may be further modified, reduced, or eliminated in the future as a result of tax planning, changes in tax laws or transfer pricing rules, regulatory requirements, the positions of NTIC's joint venture partners, or other factors outside of NTIC's full control.

The shift from fees for services to equity in income from joint ventures could be significant to NTIC's liquidity. Fees for services are payable to NTIC in cash under the terms of NTIC's agreements with its joint ventures. By contrast, equity in income from joint ventures represents NTIC's share of the joint ventures' earnings, is a non-cash item, and is converted to cash only if and when the joint ventures declare and pay dividends, which NTIC does not control. Although NTIC's equity in income from joint ventures increased 22.8% to $4.3 million during fiscal 2026, this increase did not provide NTIC with a corresponding amount of cash. For example, EXCOR, NTIC's largest joint venture, did not pay any dividends to NTIC during either fiscal 2026 or fiscal 2025, despite NTIC recognizing $1.8 million and $1.7 million of equity in income from EXCOR in those years, respectively. As a result of the fee modification, NTIC now depends to a greater extent on dividends from EXCOR and Acobal to realize cash from those joint ventures, and if EXCOR continues not to pay dividends, or if Acobal or other joint ventures reduce or cease paying dividends, NTIC's cash flows and liquidity could be materially and adversely affected.

In addition, NTIC's joint ventures have been taking longer to pay amounts owed to NTIC. NTIC's typical contractual terms for receivables for services provided to its joint ventures are 90 days; however, the average number of days for NTIC's joint ventures to pay increased to 103 days as of August 31, 2026 from 79 days as of August 31, 2025, and outstanding receivables for fees for services provided to joint ventures increased to $1.1 million as of August 31, 2026, even though fee income decreased. Slower payments by NTIC's joint ventures delay NTIC's receipt of cash, increase the amount of NTIC's working capital tied up in receivables, and may require NTIC to rely to a greater extent on borrowings under its revolving line of credit to fund its operations. If NTIC's joint ventures continue to delay payment or fail to pay amounts owed to NTIC, NTIC may be required to account for such fees on a cash basis or establish additional allowances, either of which could adversely affect NTIC's operating results, working capital, and liquidity.

Since a significant portion of NTIC's earnings results from NTIC's equity income from joint ventures, and since NTIC's equity income from joint ventures varies from quarter to quarter, NTIC's earnings are subject to quarterly fluctuations.

A significant portion of NTIC's earnings results from NTIC's equity income from its joint ventures. NTIC's equity in income from joint ventures consists of NTIC's share of equity in income from its joint ventures based on the overall profitability of the joint ventures. Such profitability varies from quarter to quarter. Since NTIC's management typically receives quarterly joint venture financial information after the completion of each fiscal quarter, it is impossible for NTIC's management to cut costs and expenses to make up for any unanticipated shortfall in NTIC's equity income from joint ventures. Accordingly, the variability in NTIC's equity income from joint ventures, in turn, subjects NTIC's earnings to quarterly fluctuations.

Risks Related to NTIC's International Business and the Foreign Markets in which NTIC Operates

Geopolitical instability in the Middle East and disruptions in global petrochemical and supply chain markets could adversely affect our business, results of operations and financial condition.

NTIC has operations, customers and business activities in the Middle East, including through our Zerust Integrity Solutions oil and gas efforts. Instability in the region could disrupt customer activity, delay projects, impair logistics, increase costs and adversely affect the ability of customers and business partners to satisfy their obligations. For example, beginning in late February 2026, the United States and Israel commenced military operations against Iran, and the resulting hostilities have disrupted global oil supplies, including through reduced transit of crude oil and refined products through the Strait of Hormuz, through which a significant portion of the world's seaborne oil and natural gas ordinarily passes. Since the beginning of these military operations, the physical impact on client facilities and assets in the region, and the partial or full closure of the Strait of Hormuz has had immediate and substantial effects on global trade, energy markets and financial markets. The duration and severity of the conflict, the status of the Strait of Hormuz and the resulting impact on petrochemical and supply chain markets could persist even if the conflict de-escalates, and any of these factors could adversely affect our business, results of operations and financial condition. In addition, volatility in petrochemical markets and broader supply chain disruptions could increase raw material and freight costs, lengthen lead times, reduce product availability and adversely affect our sales, margins and profitability.

NTIC's international business, which is conducted primarily through its subsidiaries and joint ventures, requires management attention and financial resources and exposes NTIC to difficulties and risks presented by international economic, political, legal, accounting, and business factors.

NTIC sells products and services directly, through its wholly owned and majority-owned subsidiaries, and indirectly, via a network of joint ventures, independent distributors, manufacturer's sales representatives, and agents in over 65 countries, including countries in North America, South America, Europe, Asia, and the Middle East. One of NTIC's strategic objectives is the continued expansion of its international operations. The expansion of NTIC's existing international operations and entry into additional international markets requires management attention and financial resources. For example, NTIC's expansion of oil and gas activities in the Middle East has faced challenges due to operating a new business unit, coordinating with a new sales team, the ability to find resources and local support, and limited experience in this new space, requiring additional management and financial support. Whether and to what extent such issues persist cannot be predicted.

The sale and shipping of products and services across international borders subjects NTIC to extensive and complicated U.S. and foreign governmental trade regulations. Compliance with such regulations is costly and exposes NTIC to penalties for non-compliance. Other laws and regulations that can significantly impact NTIC include various anti-bribery laws, including the U.S. Foreign Corrupt Practices Act, laws restricting business with suspected terrorists, and anti-boycott laws. Any failure to comply with applicable legal and regulatory obligations could impact NTIC in a variety of ways that include, but are not limited to, significant criminal, civil, and administrative penalties, including imprisonment of individuals, fines and penalties, denial of export privileges, seizure of shipments, and restrictions on certain business activities. Also, the failure to comply with applicable legal and regulatory obligations could result in the disruption of NTIC's shipping and sales activities.

Several factors, including implications of withdrawal by the U.S. from, or revision to, international trade agreements, foreign policy changes between the U.S. and other countries, or weakened international economic conditions could adversely affect our international net sales. Additionally, the expansion of our existing international operations and entry into additional international markets require significant management attention and financial resources. In many of the countries in which NTIC sells its products directly or indirectly through NTIC China, Zerust Brazil, Natur-Tec India, Natur-Tec Lanka, Zerust Mexico, Zerust Singapore, Zerust Taiwan, Zerust Vietnam, and NTI Asean, its joint ventures, distributors, representatives, and agents are, to some degree, subject to political, economic, and/or social instability. NTIC's international operations expose NTIC and its joint venture partners, distributors, representatives, and agents to risks inherent in operating in foreign jurisdictions. These risks include:

- difficulties in managing and staffing international operations and the required infrastructure costs, including legal, tax, accounting, and information technology;
- the imposition of additional U.S. and foreign governmental controls or regulations, new trade restrictions, and restrictions on the activities of foreign agents, representatives, and distributors, the imposition of costly and lengthy export licensing requirements and changes in duties and tariffs, license obligations, and other non-tariff barriers to trade;
- the imposition of U.S. and/or international sanctions against a country, company, person, or entity with whom NTIC does business that would restrict or prohibit continued business with the sanctioned country, company, person, or entity;
- pricing pressure that NTIC or its joint ventures, distributors, representatives, and agents may experience internationally;
- laws and business practices favoring local companies;
- adverse currency exchange rate fluctuations;
- longer payment cycles and difficulties enforcing agreements and collecting receivables through certain foreign legal systems;
- national and international conflicts, including foreign policy changes or terrorist acts;
- difficulties in enforcing or defending intellectual property rights;
- multiple, changing, and often inconsistent enforcement of laws and regulations; and
- the potential payment of U.S. income taxes on certain earnings of joint ventures upon repatriation.

Out of NTIC's joint ventures, NTIC's joint ventures in Germany and France are the most significant in terms of assets and income to NTIC. If sales of NTIC's products and services by these joint ventures were to significantly decline or if NTIC's relationships with these joint ventures were to significantly deteriorate, NTIC's operating results likely would be adversely affected.

NTIC considers its joint ventures in Germany (EXCOR), France (Acobal), Finland (Zerust Finland), Sweden (Zerust Sweden), and Thailand (Zerust Thailand) to be individually significant to NTIC's consolidated assets and income and, therefore, provides certain additional information regarding these joint ventures in the notes to NTIC's consolidated financial statements and in certain sections of this report. Accordingly, if sales of NTIC's products and services by these joint ventures were to significantly decline or if NTIC's relationships with these joint ventures were to significantly deteriorate such that any of these joint ventures terminated or was not motivated to sell NTIC's products and services, NTIC's operating results likely would be adversely affected. EXCOR's profitability has decreased over the past few years as compared to prior years, which has adversely affected NTIC's financial results.

The ongoing war between Russia and Ukraine, the ongoing war between the U.S. and Iran and other conflicts in the Middle East may adversely affect NTIC's business and results of operations.

Given the nature of NTIC's business and its global operations, political, economic, and other conditions in foreign countries and regions, including geopolitical risks, such as the Russia-Ukraine war, the U.S.-Iran war and other ongoing conflicts in the Middle East, may adversely affect NTIC's business and results of operations.

The Russia-Ukraine war and the U.S.-Iran war could have broad consequences, which include or may include additional international sanctions, embargoes, regional instability, and geopolitical shifts; increased tensions between the United States and countries in which NTIC operates. The extent of each conflict's effect on NTIC's business and results of operations, as well as the global economy, cannot be predicted.

In addition to the Russia-Ukraine war and the U.S.-Iran war, other ongoing conflicts in the Middle East, including the Israel-Hamas war, may adversely affect NTIC's business and results of operations. Although the length, impact and outcome of these conflicts remain highly unpredictable, they could lead to significant market and other disruptions, including disruptions to the oil and gas industry, significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability and other material and adverse effects on macroeconomic conditions. It is not possible at this time to predict or determine the ultimate consequences of these conflicts.

To the extent the ongoing Russia-Ukraine war, U.S.-Iran war, and or other conflicts in the Middle East, including the Israel-Hamas war, adversely affect NTIC's business, they may also have the effect of heightening many other risks disclosed herein, any of which could materially and adversely affect NTIC's business and results of operations. Such risks include, but are not limited to, adverse effects on the oil and gas industry, adverse effects on macroeconomic conditions, including inflation, demand for NTIC's products and potential recessionary economic conditions; increased cyber security threats; adverse changes in trade policies, taxes, government regulations, and tariffs; NTIC's ability to implement and execute its business strategy, particularly with regard to its joint ventures; disruptions in global supply chains, such as the partial or full closure of the Strait of Hormuz; NTIC's exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets.

The operations of NTIC China may be adversely affected by China's evolving economic, political, and social conditions, as well as increasing tensions between the United States and China.

The results of operations and future prospects of NTIC China may be adversely affected by, among other things, changes in China's political, economic, and social conditions, escalating tensions between China and Taiwan, changes in the relationship between China and its western trade partners, changes in policies of the Chinese government, changes in laws and regulations or in the interpretation of existing laws and regulations, changes in foreign exchange regulations, measures that may be introduced to control inflation, such as interest rate increases, changes in the rates or methods of taxation, and increasing tensions between the United States and China. In addition, changes in demand could result from increased competition with local Chinese manufacturers who have cost advantages or who may be preferred suppliers for Chinese end users. Also, Chinese commercial laws, regulations, and interpretations applicable to non-Chinese owned market participants, such as NTIC China, are continually changing, and such changes may require NTIC China to change how it conducts its business. These laws, regulations, and interpretations could impose restrictions on NTIC's and NTIC China's ownership or operations or NTIC's interests in China and could adversely affect NTIC's business, results of operations, and financial condition.

These and other factors, including, but not limited to, rising labor costs in China and more favorable investment policies in Southeast Asian countries, have caused some companies to relocate from China to Southeast Asia. Remaining in China could result in these factors together adversely affecting NTIC's business, results of operations, and financial condition.

Intellectual property rights are difficult to enforce in China, which could harm NTIC's business, results of operations, or financial condition.

Chinese commercial law is relatively undeveloped compared to commercial law in many of NTIC's other major markets, and limited protection of intellectual property is available in China as a practical matter. Although NTIC takes precautions in the operation of NTIC China to protect NTIC's intellectual property, any local manufacturer of products that NTIC undertakes in China could subject NTIC to an increased risk that unauthorized parties will be able to copy or otherwise obtain or use NTIC's intellectual property, which could harm NTIC's business. NTIC may also have limited legal recourse in the event it encounters patent or trademark infringers, which could adversely affect NTIC's business, results of operations, and financial condition.

Uncertainties with respect to the Chinese legal system may adversely affect the operations of NTIC China.

NTIC China is subject to laws and regulations applicable to foreign investment in China. There are uncertainties regarding the interpretation and enforcement of laws, rules, and policies in China. The Chinese legal system is based on written statutes, and prior court decisions have limited precedential value. Because many laws and regulations are relatively new, and the Chinese legal system is still evolving, the interpretations of many laws, regulations, and rules are not always uniform. Moreover, the relative inexperience of China's judiciary in many cases creates additional uncertainty as to the outcome of any litigation, and the interpretation of statutes and regulations may be subject to government policies reflecting domestic political agendas. Finally, enforcement of existing laws or contracts based on existing law may be uncertain and sporadic. For the preceding reasons, it may be difficult for NTIC or NTIC China to obtain timely or equitable enforcement of laws ostensibly designed to protect companies like NTIC or NTIC China, which could adversely affect NTIC's business, results of operations, and financial condition.

Failure to comply with the U.S. Foreign Corrupt Practices Act could subject NTIC to, among other things, penalties and legal expenses that could harm its reputation and have a material adverse effect on its business, results of operations, and financial condition.

NTIC is subject to the U.S. Foreign Corrupt Practices Act, or the FCPA, which generally prohibits covered entities and their intermediaries from engaging in bribery or making other prohibited payments to foreign officials for the purpose of obtaining or retaining business or other benefits. In addition, the FCPA imposes accounting standards and requirements on U.S. publicly-traded corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments and to prevent the establishment of "off books" slush funds from which such improper payments can be made. NTIC also is subject to similar anticorruption legislation implemented in Europe under the Organization for Economic Co-operation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. NTIC and its joint ventures, distributors, independent representatives, and agents operate in a number of jurisdictions that pose a high risk of potential violations of the FCPA and other anticorruption laws, based on measurements such as Transparency International's Corruption Perception Index, and NTIC utilizes a number of joint ventures, distributors, independent representatives, and agents for whose actions NTIC could be held liable under the FCPA. NTIC informs its personnel, joint ventures, distributors, independent representatives, and agents of the requirements of the FCPA and other anticorruption laws, including, but not limited to, their reporting requirements. NTIC also has developed and will continue to develop and implement systems for formalizing its contracting processes, performing due diligence on agents, and improving its recordkeeping and auditing practices regarding these regulations. However, there is no guarantee that NTIC's employees, joint ventures, distributors, independent representatives, or other agents have not or will not engage in conduct undetected by NTIC's processes and for which NTIC might be held responsible under the FCPA or other anticorruption laws.

If NTIC's employees, joint ventures, distributors, third-party sales representatives, or other agents are found to have engaged in such practices, NTIC could suffer severe penalties, including criminal and civil penalties, disgorgement, and other remedial measures, including further changes or enhancements to its procedures, policies, and controls and potential personnel changes and disciplinary actions.

Certain private and foreign companies, including some of NTIC's competitors, are not subject to prohibitions as strict as those under the FCPA or, even if subjected to strict prohibitions, such prohibitions may be laxly enforced in practice. If NTIC's competitors engage in corruption, extortion, bribery, pay-offs, theft, or other fraudulent practices, they may receive preferential treatment from personnel of some companies or from government officials, giving NTIC's competitors an advantage in securing business and putting NTIC at a disadvantage.

Fluctuations in foreign currency exchange rates could result in declines in NTIC's earnings and changes in NTIC's foreign currency translation adjustments.

Because the functional currency of NTIC's foreign operations is the applicable local currency, NTIC is exposed to foreign currency exchange rate risk arising from transactions in the normal course of business. NTIC's principal exchange rate exposure is with the Euro, the Japanese Yen, the Indian Rupee, the Chinese Renminbi, the Brazilian Real, the South Korean Won, UAE Dirham, and the English Pound against the U.S. dollar. A significant portion of NTIC's consolidated net sales is generated by its foreign subsidiaries in local currencies, including net sales of $24.7 million in India, $18.4 million in China, and $7.8 million in Brazil during fiscal 2026, and a strengthening of the U.S. dollar against these currencies would reduce the U.S. dollar value of such net sales and the related earnings. In addition, the anticipated revenue under Zerust Brazil's offshore oil and gas asset preservation contract is denominated in Brazilian Reais, and fluctuations in the value of the Brazilian Real against the U.S. dollar could reduce the U.S. dollar value of any revenue NTIC realizes under that contract. NTIC's fees for services provided to its joint ventures and dividend distributions from these foreign entities are paid in foreign currencies; thus, fluctuations in foreign currency exchange rates could result in declines in NTIC's earnings and cash flows. Any changes in foreign currency exchange rates would be reflected as a foreign currency translation adjustment and would not change NTIC's equity in income from joint ventures reflected in its consolidated statements of operations. NTIC's foreign subsidiaries may also incur obligations in currencies other than their functional currency. For example, Natur-Tec India's term loans with IDFC FIRST Bank Limited are repayable in U.S. dollars, and a weakening of the Indian Rupee against the U.S. dollar would increase the cost to Natur-Tec India of servicing those loans. NTIC does not hedge against its foreign currency exchange rate risk.

Economic uncertainty in developing markets could adversely affect NTIC's revenue and earnings.

NTIC conducts business, or is contemplating expansion, in developing markets with economies that tend to be more volatile than those in the United States and Western Europe. The risk of doing business in developing markets such as China, Brazil, India, the United Arab Emirates, Mexico, and other economically volatile areas could adversely affect NTIC's operations and earnings. Such risks include financial instability among customers in these regions, political instability, fraud or corruption, and other non-economic factors, and irregular trade flows that need to be managed successfully with the help of the local governments. In addition, commercial laws in some developing countries can be vague, inconsistently administered, and retroactively applied. If NTIC is deemed not to be in compliance with applicable laws in developing countries where NTIC conducts business, its prospects and business in those countries could be harmed, which could then have a material adverse impact on NTIC's operating results and financial position. NTIC's failure to successfully manage economic, political, and other risks relating to doing business in developing countries and economically and politically volatile areas could adversely affect its business.

Risks Related to NTIC's Products

NTIC faces intense competition in almost all of its product lines, including from competitors that have substantially greater resources than NTIC does. No assurance can be provided that NTIC will be able to compete effectively, which would harm its business and operating results.

NTIC's products are sold in intensely competitive markets throughout the world. This intense competition could result in pricing pressures, lower sales, reduced margins, and lower market share. With respect to its rust and corrosion inhibiting products, NTIC competes on the basis of product innovation, quality, reliability, product support, customer service, reputation, and price. With respect to its Natur-Tec® resin compounds and finished products, NTIC competes on the basis of performance, brand awareness, distribution network, product availability, product offering, shelf life, place of manufacture, and price. NTIC often competes with numerous manufacturers, many of which have substantially greater financial, marketing, and other resources than NTIC. As a result, they may be able to adapt more quickly than NTIC to new or emerging technologies, industry trends, and changes in customer requirements or to devote greater resources to the promotion and sale of their products than NTIC. In addition, competition could increase if new companies enter the markets in which NTIC competes, especially when the barriers to entry are low, which may be true with respect to NTIC's rust and corrosion prevention business, or if existing competitors expand their product lines or intensify efforts within existing product lines. NTIC's current products, products under development, and its ability to develop new and improved products may be insufficient to enable NTIC to compete effectively with its competitors. No assurance can be provided that NTIC will be able to compete effectively, which would harm its business and operating results. In particular, NTIC has experienced more intense competition with respect to many of its traditional ZERUST® rust and corrosion inhibiting products and services, which has led to decreased pricing and smaller margins for NTIC.

NTIC's ZERUST® rust and corrosion inhibiting products and services generate a significant portion of NTIC's net sales and the net sales of NTIC's joint ventures. Accordingly, if sales of these products and services were to decline, NTIC's operating results would be adversely affected.

NTIC's ZERUST® rust and corrosion inhibiting products and services generate a significant portion of NTIC's net sales and the net sales of NTIC's joint ventures. During fiscal 2026, 75.3% of NTIC's consolidated net sales were derived from sales of ZERUST® rust and corrosion inhibiting products and services. While the net sales of NTIC's joint ventures are not included in NTIC's net sales on NTIC's consolidated financial statements, NTIC's receipt of fees for services that NTIC provides to its joint ventures and NTIC's receipt of dividend distributions from its joint ventures are based primarily on the revenues and profitability of the joint ventures. Accordingly, if sales of these products and services were to decline due to increased competition, the introduction of a new disruptive technology, or otherwise, NTIC's operating results would be adversely affected.

If NTIC is unable to continue to enhance its existing products and develop and market new products that respond to customer needs and achieve market acceptance, NTIC may experience a decrease in demand for its products, and its business could suffer.

One of NTIC's strategies is to enhance its existing products and develop and market new products that respond to customer needs. NTIC may not be able to compete effectively with its competitors unless NTIC can keep up with existing or new products or alternative technologies in the markets in which it competes. Product development requires significant research and development, financial, and other resources. Although in the past NTIC has implemented lean manufacturing and other productivity improvement initiatives to provide investment funding for new products, no assurance can be provided that NTIC will be able to continue to do so in the future. Product improvements and new product introductions also require significant planning, design, development, and testing at the technological, product, and manufacturing process levels, and NTIC may not be able to timely develop product improvements or new products. NTIC's competitors' new products may beat NTIC's products to market, may be more effective or less expensive than NTIC's products, or may render NTIC's products obsolete. Any new products that NTIC may develop may not receive market acceptance or otherwise generate any meaningful net sales or profits for NTIC relative to its expectations, based on, among other things, existing and anticipated investments in manufacturing capacity and commitments to fund advertising, marketing, promotional programs, and research and development.

NTIC has invested and intends to continue to invest additional research and development and marketing efforts and resources into the application of its corrosion prevention solutions into the oil and gas industry and the continued launch of its Natur-Tec® resin compounds and finished products. No assurance can be provided, however, that NTIC's investments in these new markets and products will be successful and result in additional revenue to NTIC.

In an effort to increase net sales, NTIC has expanded the marketing of its corrosion prevention solutions into the oil and gas industry and its Natur-Tec® resin compounds and finished products. NTIC expects to continue to invest additional research and development and marketing efforts and resources into these strategic initiatives. No assurance can be provided, however, that such strategic initiatives will be successful or that NTIC will be successful in obtaining additional revenue as a result of them. The introduction of new products into new markets takes significant resources, and there can be no assurance that NTIC is dedicating a sufficient amount of resources to ensure the success of these strategic initiatives. The sale of NTIC's ZERUST® rust and corrosion inhibiting products and services into the oil and gas industry, in particular, typically involves a long sales cycle, often including a one- to multi-year trial period with each customer and a slow integration process thereafter. This long sales cycle may cause NTIC's management, stockholders, and investors to lose faith in the business opportunities for NTIC's ZERUST® rust and corrosion inhibiting products and services in the oil and gas industry. Additionally, projects NTIC completes for oil and gas industry customers typically involve short turnaround times, and failure to meet these expectations could damage NTIC's ability to successfully promote its corrosion prevention solutions into the oil and gas industry.

NTIC's strategy of expanding its corrosion prevention solutions into the oil and gas industry and continuing the expansion of its Natur-Tec® bioplastics resin compounds and finished products is risky and may not prove to be successful, which could harm NTIC's operating results and financial condition.

NTIC's strategy of expanding its corrosion prevention solutions into the oil and gas industry and continuing the expansion of its Natur-Tec® bioplastics resin compounds and finished products, either directly or indirectly through joint ventures and independent distributors and agents, is risky and subject to all of the risks inherent in the establishment of a new business enterprise, including:

- the absence of a significant operating history;
- the lack of commercialized products;
- the lack of market acceptance of new products;
- expected substantial and continual losses for such businesses for the foreseeable future;
- the lack of manufacturing experience and limited marketing experience;
- an expected reliance on third parties for the manufacture and commercialization of some of the products;
- a competitive environment characterized by numerous, well-established and well-capitalized competitors;
- insufficient capital and other resources;
- impact of government regulations, industry guidelines and established practices/preferences, and
- reliance on key personnel and the need to hire and train local support in a timely manner in order to support customer needs.

NTIC's dependence on manufacturing and logistical services provided by contractors could give rise to product defects or warranty liability.

NTIC uses third-party manufacturers to produce the majority of its products. In addition, NTIC relies upon certain contractors for logistical services. Although NTIC's arrangements with its contract manufacturers and contractors may contain provisions for warranty expense reimbursement, NTIC may remain responsible to its customers for warranty service in the event of product defects and could experience an unanticipated product defects or warranty liability. In addition, product defects could harm NTIC's reputation amongst its customers.

The commercial success of NTIC's Natur-Tec® resin compounds and finished products depends on the widespread market acceptance of products manufactured with bio-based and biodegradable resins.

Although there is a developed market for petroleum-based plastics, the market for "bioplastics" which are plastics produced with bio-based resins, which are derived from renewable resources such as corn or cellulosic/plant material or blends thereof, or plastics that are engineered to be fully biodegradable or both, is still developing. The market for biodegradable plastics is expanding worldwide, driven by increasing environmental awareness, regulatory support for sustainable materials, and growing demand for eco-friendly alternatives. As consumers and industries seek to reduce plastic waste, biodegradable plastics offer a viable solution, particularly in sectors like packaging, agriculture, and consumer goods. This trend is further supported by government policies promoting sustainable practices and by advances in biodegradable technology, which make these materials more accessible and cost-effective.

The commercial success of NTIC's Natur-Tec® resin compounds and finished products depends on the continued expansion of the market for biodegradable plastics and widespread market acceptance of products manufactured with bio-based and biodegradable resins, which may result, in part, from government policies promoting sustainable practices at the federal, state or local level. For example, many U.S. states and municipalities have taken action or are considering laws to ban certain single-use plastics, often focusing efforts on single-use plastic bags and plastic straws. However, the Trump administration has reversed many policies related to the market for biodegradable plastics, which may adversely affect demand for NTIC's Natur-Tec® products. Additionally, different requirements for what qualifies a product as "compostable" under various state and local laws may have variable impacts on demand for these products.

Internationally, the government of India announced a phased ban on the manufacture and sale of single-use plastics beginning in July 2022. Similarly, in January 2021, China implemented a ban on single-use plastic utensils, bags and certain other single-use plastic items. In addition, the European Union continues to push for a ban on single-use plastics, as evidenced by the passing of the Single-Use Plastics Directive in July 2021. In August 2024, the European Parliament passed a further advance on this directive with the Packaging and Packaging Waste Regulation, which applies to all packaging on the European Union market beginning in August 2026. Despite these efforts and other measures taken domestically and internationally, including policies related to the collection of organics, it is currently difficult to assess or predict with any assurance the potential size, timing, and viability of market opportunities for NTIC's Natur-Tec® resin compounds and finished products. Additionally, while legislation has helped increase demand for bioplastics, a lack of enforcement and higher costs associated with bioplastics have adversely impacted the demand anticipated to stem from such legislation.

The traditional plastics market sector is well-established with entrenched competitors with whom NTIC competes. Pricing for traditional plastics has been highly volatile in recent years, which drives, to some extent, the commercial and other support for bioplastics. While NTIC expects to be able to command a premium price for its Natur-Tec® resin compounds and finished products, a widening gap in the pricing for bioplastics versus petroleum-based plastics may reduce the size of the addressable market for NTIC's Natur-Tec® resin compounds and finished products. Whether prices for bioplastics become more competitive with prices for petroleum-based plastics will depend, in part, on continued advances in biodegradable technology. In addition, the growth of the market will create some pressure on price for applications today considered commodities, including in particular NTIC's current Natur-Tec® finished products.

NTIC relies on its joint ventures, distributors, manufacturer's sales representatives, and other agents to market and sell its products.

In addition to its direct sales force, NTIC relies on its joint ventures, distributors, manufacturer's sales representatives, and other agents to market and sell its products in the United States and internationally. NTIC's joint ventures, distributors, manufacturer's sales representatives, and other agents might terminate their relationship with NTIC or devote insufficient sales efforts to NTIC's products. NTIC does not control its joint ventures, distributors, manufacturer's sales representatives, and other agents, and they may not be successful in implementing NTIC's marketing plans. NTIC's failure to maintain its existing relationships with these entities, or its failure to recruit and retain additional skilled joint venture partners, distributors, manufacturer's sales representatives, and other agents, could have an adverse effect on NTIC's operations. It is anticipated that several of NTIC's joint venture partners will retire during the next several years, which will require a transition on the part of the joint venture as well as NTIC and could harm NTIC's relationship with the joint venture and NTIC's business.

NTIC may be subject to product liability claims or other claims arising out of the activities of its joint ventures, which could adversely affect NTIC and its business.

While NTIC is not aware of any specific potential risk beyond its initial investment in, and any undistributed earnings of, each of its joint ventures, there can be no assurance that NTIC will not be subject to lawsuits based on product liability claims or other claims arising out of the activities of its joint ventures. To mitigate the ramifications of such an occurrence, NTIC maintains liability insurance specifically applicable to its ownership positions in its joint venture arrangements in excess of any insurance the joint ventures may maintain. No assurance can be provided, however, that such insurance will be available or adequate in the event of a claim.

The sale of ZERUST® rust and corrosion inhibiting products into the oil and gas industry is dependent on certain macroeconomic factors, including seasonality of installations, fluctuations of crude oil prices, global events and regulatory guidelines.

Seasonality of Installations: NTIC has experienced some seasonality with respect to the sale of its ZERUST® rust and corrosion inhibiting products into the oil and gas industry, with sales during parts of the second and third fiscal quarters being adversely affected by winter in the United States.

Fluctuations of Crude Oil Prices: The sale of NTIC's ZERUST® rust and corrosion inhibiting products into the oil and gas industry, particularly in the United States, has historically been hampered by low/unstable global crude oil prices. During fiscal 2025, crude oil prices declined due to fears of recession, the Organization of the Petroleum Exporting Countries increasing output, and Saudi Arabia lowering prices to major customers in Asia. These trends persisted in the first half of fiscal 2026; however, prices rose sharply after the U.S.-Iran war began in February 2026 and have remained elevated and volatile to date. Fluctuations additionally continue to be expected in part due to the Russia-Ukraine war and other ongoing conflicts in the Middle East. NTIC believes low or volatile global crude oil prices constrain capital improvement budgets of its existing and prospective customers and may result in personnel turnover at its oil and gas customers or prospects. Additionally, NTIC believes the ongoing Russia-Ukraine war, U.S.-Iran war and other ongoing conflicts in the Middle East, including the Israel-Hamas war, may create uncertainty among its existing and prospective customers, which may cause them to halt oil and gas projects or elect to decrease capital improvement budgets, either of which could harm NTIC's ability to sell its products into the oil and gas industry.

Global Events: The sale of Zerust Oil & Gas solutions to Oil & Gas sector clients is impacted by geopolitical tensions and other events in key oil producing regions like the Middle East. These affect the ability of the teams to have face-to-face meetings, travel for site surveys and implementations, etc., with the added effect of potential supply chain delays/impacts that could delay or postpone sales, including those resulting from the partial or full closure of the Strait of Hormuz.

Regulatory Guidelines: The Oil & Gas sector is very conservative and, in addition to long-term trials on-site, client decision makers typically default to guidelines from the American Petroleum Institute (API), Association of Materials Protection and Performance (AMPP), Pipeline and Hazardous Materials Safety Administration (PHMSA), an agency of the United States Department of Transportation responsible for developing and enforcing regulations for the safe, reliable and environmentally sound transportation of energy and other hazardous materials, European Committee for the Study of Corrosion (CEOCOR), etc. Getting a new technology/solution approach included in these guidelines typically takes years of committee lobbying, client support, field trials and lab validation. The Zerust solutions have been included in several technical reports/committees from these groups though getting full validation is likely to take a few more years.

The sale of ZERUST® rust and corrosion inhibiting products into the oil and gas industry is risky in light of the hazards typically associated with such operations and the significant amount of potential liability involved, which could adversely affect NTIC's business if ZERUST® rust and corrosion inhibiting products are involved, even if the cause of such events was not related to NTIC's products.

Because NTIC sells its ZERUST® rust and corrosion inhibiting products into the oil and gas industry, NTIC is subject to some of the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, unplanned gas releases, and spills, each of which could be claimed to be attributed to the failure of NTIC's products to perform as anticipated. If such events occur and NTIC's products are involved, NTIC's business and operating results may suffer, even if the cause of such events was not related to NTIC's products.

Although NTIC's 85% owned subsidiary, Zerust Brazil, secured a three-year offshore oil and gas production asset preservation contract with an estimated total value of approximately R$70 million (US$13.1 million), no assurance can be provided that such total amount will be realized by NTIC during the next three years, especially in light of a portion of the contract being suspended as a result of a change in the customer's technical specifications.

In November 2025, Zerust Brazil secured a three-year offshore oil and gas production asset preservation contract with a leading global engineering, procurement, and construction company to provide advanced corrosion protection solutions for floating production storage and offloading units. The project under this agreement is expected to run through calendar 2028 with an estimated total value of approximately R$70 million (US$13.1 million). This includes approximately R$40 million (US$7.5 million) in materials and approximately R$30 million (US$5.6 million) in engineering and field services. Following a recent change in the customer's technical specifications for the project, a portion of the contract has been temporarily suspended while Zerust Brazil and the customer evaluate the new specifications and how to meet them. The timing and amount of revenue under this contract, including when and whether the suspended portion resumes, are uncertain and could materially affect NTIC's future quarterly sales and other operating results. While management continues to believe that the amount and timing of revenue anticipated to be generated under this agreement may materially and positively affect NTIC's future quarterly sales and other operating results, no assurance can be provided that such revenues will be recognized. In addition, NTIC's performance under this agreement and its realization of revenue and other benefits as a result of the agreement are subject to risks, including the success of NTIC's oil and gas business; NTIC's ability to perform under the agreements and the realization of the potential revenue thereunder; the health of the U.S., Brazilian and worldwide economies; the effect of economic uncertainty; risks associated with international operations, including in Brazil; exposure to exchange rate fluctuations, tariffs, trade disputes and changes to trade regulation; effect of economic slowdown and political unrest; acceptance of existing and new products; timing of purchase orders and variability in sales to oil and gas customers and the effect on NTIC's quarterly financial results; increased competition; and costs and effects of complying with changes in tax, fiscal, government and other regulatory policies, and rules relating to environmental, health and safety matters.

The expansion of NTIC's corrosion prevention solutions into the oil and gas industry and the continued launch of NTIC's Natur-Tec® resin compounds and finished products may require additional capital in the future, which may not be available or may be available only on unfavorable terms. In addition, any equity financings may be dilutive to NTIC's stockholders.

The expansion of NTIC's corrosion prevention solutions into the oil and gas industry and the continued expansion of NTIC's Natur-Tec® resin compounds and finished products will continue to require resources during fiscal 2027 and beyond. To the extent that NTIC's existing capital, including amounts available under its revolving line of credit, is insufficient to meet these requirements, NTIC may raise additional capital through financings or additional borrowings. Any equity or debt financing, if available at all, may be on terms that are not favorable to NTIC, and any equity financings could result in dilution to NTIC's stockholders.

Risks Related to Governmental Regulation, Laws, and Compliance

NTIC's business, properties, and products are subject to government regulation and taxes, compliance with which may require NTIC to incur expenses or modify its products or operations, and which may expose NTIC to penalties for non-compliance. Governmental regulation also may adversely affect the demand for some of NTIC's products and its operating results.

NTIC's business, properties, and products are subject to a wide variety of international, federal, state, and local laws, rules, taxes, and regulations relating to the protection of the environment, natural resources, and worker health and safety and the use, management, storage, and disposal of hazardous substances, wastes, and other regulated materials. These laws, rules, and regulations may affect the way NTIC conducts its operations, and the failure to comply with these regulations could lead to fines and other penalties. In the future, new environmental laws, rules, and regulations with provisions similar to those of the Inflation Reduction Act of 2022, which includes measures to reduce emissions, may be enacted, which may adversely affect NTIC's business. Further, because NTIC owns and operates real property, various environmental laws also may impose liability on NTIC for the costs of cleaning up and responding to hazardous substances that may have been released on NTIC's property, including releases unknown to NTIC. These environmental laws and regulations also could require NTIC to pay for environmental remediation and response costs at third-party locations where NTIC disposed of or recycled hazardous substances. NTIC's future costs of complying with the various environmental requirements, as they now exist or may be altered in the future, could adversely affect NTIC's financial condition and operating results. NTIC is also subject to other international, federal, and state laws, rules, and regulations, the future non-compliance with which may harm NTIC's business or may adversely affect the demand for some of its products. Changes in laws and regulations, including changes in accounting standards and taxation changes, including tax rate changes, new tax laws, including the changes to U.S. federal tax laws included in the Inflation Reduction Act of 2022, such as a 1% excise tax on stock repurchases, and revised tax law interpretations, also may adversely affect NTIC's operating results. These laws, rules and regulations may be subject to change by the Trump administration, which has altered environmental and other regulations, although it is not possible at this time to determine whether such actions will be taken and the impacts they may have on NTIC.

Governmental regulation also may adversely affect the demand for some of NTIC's products and its operating results. For example, the Pipeline and Hazardous Materials Safety Administration (PHMSA) added several new rules with specified deadlines in calendar year 2024, with technical revisions made to go into effect in July 2025. As a result, pipeline owners and operators and several service contractors in the pipeline inspection sector were required to complete preliminary reporting requirements to meet these deadlines. These reporting requirements and new rules that PHMSA may enact, including the new pipeline safety standards effective January 2027, combined with the current political climate in the United States and competing priorities, have delayed, and in the future could delay, pipeline casing protection work, adversely impacting demand for certain products and NTIC's operating results. Additionally, other regulations may be enacted, causing similar adverse impacts.

Fluctuations in NTIC's effective tax rate could have a significant impact on NTIC's financial position, results of operations, or cash flows.

The mix of pre-tax income or loss among the tax jurisdictions in which NTIC operates, which have varying tax rates, could impact NTIC's effective tax rate. For example, NTIC's effective tax rate was 86.3% for fiscal 2026, compared to 67.5% for fiscal 2025. The elevated rates in both years were primarily the result of pre-tax losses in certain jurisdictions, including North America, for which no tax benefit was recognized. NTIC is subject to income taxes as well as non-income based taxes in both the United States and various foreign jurisdictions. Judgment is required in determining the worldwide provision for income taxes, other tax liabilities, interest, and penalties. Management may expect NTIC's effective tax rate to decrease in future periods if profits are recognized in North American operations, but no assurance can be provided that it will. Future events could change management's assessment. NTIC operates within multiple taxing jurisdictions and is subject to tax audits in these jurisdictions. These audits can involve complex issues, which may require an extended period of time to resolve. NTIC also has made assumptions about the realization of deferred tax assets. Changes in these assumptions or jurisdictional regulations could result in a valuation allowance for these assets. Final determination of tax audits or tax disputes may be different from what is currently reflected by NTIC's income tax provisions and accruals.

On July 4, 2025, the U.S. enacted a budget reconciliation package known as the One Big Beautiful Bill Act of 2025 ("OBBBA"). The OBBBA made permanent certain provisions of the Tax Cuts and Jobs Act of 2017, restored 100% first-year bonus depreciation for qualified property acquired after January 19, 2025, and provided for immediate expensing of domestic research and experimental expenditures and a more favorable calculation of the business interest deduction limitation under Section 163(j), both of which became effective for NTIC beginning in fiscal 2026. The OBBBA also made significant changes to international tax provisions, including those addressing global intangible low-taxed income, foreign-derived intangible income, and base erosion anti-abuse tax. NTIC evaluated the impact of the OBBBA provisions that became effective in fiscal 2026 and did not identify a material impact on its consolidated financial statements; the remaining provisions, including those affecting the taxation of foreign operations, are not effective for NTIC until its fiscal year ending August 31, 2027, and NTIC does not currently expect them to have a material impact on its consolidated financial statements. Changes in tax laws may affect recorded deferred tax assets and deferred tax liabilities and may increase our effective tax rate, increase the amount of taxes imposed on our business, and harm our financial position. Such changes may also apply retroactively to our historical operations and result in taxes greater than the amounts estimated and recorded in our financial statements.

Certain of NTIC's operations are subject to regulation by the U.S. Food and Drug Administration.

The manufacture, sale, and use of NTIC's Natur-Tec® bio-plastic resin compounds are subject to regulation by the U.S. FDA. The FDA's regulations are concerned with substances used indirectly in food packaging materials, not with specific finished food packaging products. Thus, food and beverage containers are in compliance with FDA regulations if the components used in the food and beverage containers: (i) are approved by the FDA as indirect food additives for their intended uses and comply with the applicable FDA indirect food additive regulations; or (ii) are generally recognized as safe for their intended uses and are of suitable purity for those intended uses. NTIC believes that its Natur-Tec® resin compounds comply with all FDA requirements. However, failure to comply with FDA regulations could subject NTIC to administrative, civil, or criminal penalties.

Any change in accounting principles generally accepted in the United States of America requiring NTIC to consolidate its joint ventures could adversely affect NTIC's operating results.

If there were a change in accounting rules and NTIC were required to fully consolidate its joint ventures or if NTIC's joint ventures otherwise would be required to be consolidated with NTIC, NTIC and the individual joint venture would incur significant additional costs. In addition, other accounting pronouncements issued in the future could have a material cost associated with NTIC's implementation of such new accounting pronouncements.

Risks Related to NTIC's Intellectual Property

NTIC's reliance upon patents, trademark laws, trade secrets, and contractual provisions to protect its proprietary rights may not be sufficient to protect its intellectual property from others who may sell similar products.

NTIC holds patents relating to various aspects of its products and believes that proprietary technical know-how is critical to many of its products. Proprietary rights relating to NTIC's products are protected from unauthorized use by third parties only to the extent that they are covered by valid and enforceable patents or are maintained in confidence as trade secrets. NTIC cannot be certain that it will be issued any patents from any pending or future patent applications owned by or licensed to NTIC or that the claims allowed under any issued patents will be sufficiently broad to protect its technology. In the absence of patent protection, NTIC may be vulnerable to competitors who attempt to copy NTIC's products or gain access to its trade secrets and know-how. NTIC's competitors may initiate litigation to challenge the validity of NTIC's patents, or they may use their resources to design comparable products that do not infringe NTIC's patents. NTIC may incur substantial costs if its competitors initiate litigation to challenge the validity of its patents or if it initiates any proceedings to protect its proprietary rights, and if the outcome of any such litigation is unfavorable to NTIC, its business and operating results could be materially adversely affected.

In addition, NTIC relies substantially on trade secrets and proprietary know-how that it seeks to protect, in part, by confidentiality agreements with its employees and consultants. These agreements may be breached, and NTIC may not have adequate remedies for any such breach. Even if these confidentiality agreements are not breached, NTIC's trade secrets may otherwise become known or be independently developed by competitors.

Risks Related to NTIC's Common Stock

The trading volume of NTIC's common stock is typically very low, leaving NTIC's common stock open to risk of high volatility.

The number of shares of NTIC's common stock being traded daily is often very low, and on some trading days, there is no trading volume at all. During fiscal 2026, the daily trading volume ranged from 456 shares to 187,165 shares. Any NTIC stockholder wishing to sell his, her, or its stock may cause a significant fluctuation in the trading price of NTIC's common stock. In addition, low trading volume of a stock increases the possibility that, despite rules against such activity, the price of the stock may be manipulated by persons acting in their own self-interest. NTIC may not have adequate market makers and market making activity to prevent manipulation in its common stock.

The price and trading volume of NTIC's common stock has been, and may continue to be, volatile.

The market price and trading volume of NTIC's common stock price historically has fluctuated over a wide range. During fiscal 2026, the sale price of NTIC's common stock ranged from a low of $7.25 per share to a high of $10.03 per share, and the daily trading volume ranged from 456 shares to 187,165 shares. It is likely that the price and trading volume of NTIC's common stock will continue to fluctuate in the future. The securities of small capitalization companies, including NTIC, from time-to-time experience significant price and volume fluctuations, often unrelated to the operating performance of these companies. Securities class action litigation is sometimes brought against a company following periods of volatility in the market price of its securities or for other reasons. NTIC may become the target of similar litigation, especially if NTIC fails to meet its annual projected financial guidance or lowers its annual projected financial guidance. Securities litigation, whether with or without merit, could result in substantial costs and divert management's attention and resources, which could harm NTIC's business, operating results, and financial condition as well as the market price of its common stock.

A large percentage of NTIC's outstanding common stock is held by insiders, and, as a result, the trading market for NTIC's common stock is not as liquid as the stock of other public companies.

As of November 19, 2026, NTIC had 9,632,281 shares of common stock outstanding, 24.3% of which were beneficially owned by directors, executive officers, principal stockholders, and their respective affiliates. The stock of companies with a substantial amount of stock held by insiders is usually not as liquid as the stock of other public companies where insider ownership is not as concentrated. Thus, the trading market for shares of NTIC's common stock may not be as liquid as the stock of other public companies.

If securities or industry analysts do not publish research or reports about NTIC's business, or if they adversely change their recommendations regarding NTIC's common stock, the market price for NTIC's common stock and trading volume could decline.

The trading market for NTIC's common stock has been influenced by research or reports that industry or securities analysts publish about NTIC or its business. If one or more analysts who cover NTIC downgrade NTIC's common stock, the market price for NTIC's common stock would likely decline. If one or more cease coverage of NTIC or fail to regularly publish reports on NTIC, NTIC could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for NTIC's common stock to decline.

One of NTIC's principal stockholders beneficially owns a significant percentage of NTIC's outstanding common stock and is affiliated with NTIC's Chairman of the Board and former President and Chief Executive Officer and, thus, may be able to influence matters requiring stockholder approval, including the election of directors, and could discourage or otherwise impede a transaction in which a third-party wishes to purchase NTIC's outstanding shares at a premium.

As of November 19, 2026, Inter Alia Holding Company, or Inter Alia, beneficially owned approximately 12.5% of NTIC's outstanding common stock. Inter Alia is an entity partially owned by G. Patrick Lynch, NTIC's Chairman of the Board and former President and Chief Executive Officer, as well as two other members of the Lynch family. Mr. Lynch shares voting and dispositive power of shares of NTIC's common stock held by Inter Alia with the other owners. As a result of his share ownership through Inter Alia and his position as Chairman of the Board of NTIC, Mr. Lynch may be able to influence the affairs and actions of NTIC, including matters requiring stockholder approval, such as the election of directors and approval of significant corporate transactions. The interests of Mr. Lynch and Inter Alia may differ from the interests of NTIC's other stockholders. This concentration of ownership may have the effect of delaying, preventing, or deterring a change in control of NTIC, which could deprive NTIC's stockholders of an opportunity to receive a premium for their common stock as part of a sale or merger of NTIC, and may negatively affect the market price of NTIC's common stock. Transactions that could be affected by this concentration of ownership include proxy contests, tender offers, mergers, or other purchases of common stock that could give stockholders the opportunity to realize a premium over the then-prevailing market price for shares of NTIC's common stock.

NTIC has suspended its quarterly cash dividend, and there can be no assurance that NTIC will reinstate dividends in the future. As a result, stockholders may need to rely on sales of their common stock, which may never occur at a favorable price, to realize any return on their investment.

NTIC historically paid quarterly cash dividends on its common stock. During fiscal 2025, NTIC declared cash dividends totaling $0.16 per share; however, NTIC reduced its quarterly dividend from $0.07 per share to $0.01 per share beginning with the third quarter of fiscal 2025. On April 24, 2026, NTIC announced that its Board of Directors had suspended NTIC's quarterly cash dividend, beginning with the dividend for the third quarter of fiscal 2026, to focus on the reduction of NTIC's outstanding debt. As a result, NTIC declared cash dividends totaling only $0.02 per share during fiscal 2026 and did not declare a cash dividend during the third or fourth quarter of fiscal 2026.

The declaration and payment of any future dividends is within the sole discretion of NTIC's Board of Directors and will depend on conditions then existing, including NTIC's earnings, financial condition, cash requirements, restrictions in financing agreements, business conditions, and other factors the Board of Directors considers relevant. NTIC incurred a net loss attributable to NTIC of $703,180 and net cash used in operating activities of $638,790 during fiscal 2026, and NTIC intends to continue to focus on reducing its outstanding debt. In addition, NTIC's Credit Agreement with JPMorgan Chase Bank, N.A. restricts NTIC's ability to pay dividends if doing so would cause an event of default, and NTIC was not in compliance with the Fixed Charge Coverage Ratio covenant under the Credit Agreement as of August 31, 2026, which is calculated in part by reference to cash dividends paid. Any future financing arrangements may contain similar or more restrictive limitations. NTIC's ability to pay dividends also depends in part on fees and dividend distributions it receives from its joint ventures, which NTIC does not control.

Accordingly, there can be no assurance as to if or when NTIC will reinstate its quarterly cash dividend or, if reinstated, the amount or frequency of any future dividends. The suspension of NTIC's dividend, or any continued absence of dividends, may make NTIC's common stock less attractive to certain investors, including income-oriented investors, which could reduce demand for and the trading volume of NTIC's common stock and adversely affect its market price. Unless and until dividends are reinstated, stockholders' ability to achieve a return on their investment will depend on appreciation in the market price of NTIC's common stock, which may not occur.

General Risk Factors

Climate change, or legal, regulatory, or market measures to address climate change, may negatively affect our business and operations.

Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters, such as hurricanes, tornadoes, earthquakes, wildfires or flooding. Climate change may also cause water shortages, changes in rainfall and storm patterns, changes in sea levels and other negative weather and climate patterns. Such weather conditions could pose physical risks to our facilities and disrupt operation of our supply chain and may impact operational costs.

The increasing global focus on climate change and the need for corporate change also may lead to new regional, federal, and/or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases. The inconsistency of regulations in the countries in which we operate may affect the costs of compliance with such legal or regulatory requirements. Additionally, in the event that such regulation is enacted and is more aggressive than the sustainability measures that we are currently undertaking to monitor our emissions and improve our energy efficiently, we may be subject to curtailment or reduced access to resources or experience significant increases in our costs of operation and delivery. As a result, climate change could negatively affect our business and operations.

In addition, public company stockholders are increasingly sensitive to the climate change impacts and mitigation efforts of companies, are increasingly seeking enhanced disclosure on the risks, challenges, governance implications, and financial impacts of climate change faced by companies and are demanding that companies take a proactive approach to addressing perceived environmental risks, including risks associated with climate change, relating to their operations. Adverse publicity or climate-related litigation that may result from such enhanced disclosure or stockholder perception could have a negative impact on our business.

Severe weather could have a material adverse effect on NTIC's business.

NTIC's business has been and in the future could be materially and adversely affected by severe weather. NTIC's customers, including in particular NTIC's oil and gas customers, may have operations located in parts of the southern United States or other places and may be adversely affected by hurricanes and tropical storms, resulting in reduced demand for NTIC's products and services or increased operating costs. Furthermore, NTIC's customers and raw material suppliers' operations have been and could in the future be adversely affected by such hurricanes and other extreme or seasonal weather conditions. Adverse weather can also directly impede NTIC's operations. Repercussions of severe weather conditions may include:

- curtailment of services or reduced demand for products;
- weather-related damage to facilities and equipment, resulting in suspension of operations;
- inability to deliver equipment, personnel and products to job sites in accordance with contract schedules or increased transportation or other operating costs; and
- loss of productivity.

These constraints could delay NTIC's operations and materially increase NTIC's operating and capital costs.

NTIC may grow its business through additional joint ventures, subsidiaries, alliances, and acquisitions, which could be risky and harm its business.

One of NTIC's growth strategies may be to expand its business by entering into additional joint ventures and alliances and acquiring businesses, technologies, and products that complement or augment NTIC's existing products. The benefits of a joint venture, alliance, or acquisition may take more time than expected to develop, and NTIC cannot guarantee that any future joint ventures, alliances, or acquisitions will in fact produce the intended benefits. In addition, joint ventures, alliances, and acquisitions involve a number of risks, including:

- diversion of management's attention;
- difficulties in assimilating the operations and products of a new joint venture or acquired business or in realizing projected efficiencies, cost savings, and revenue synergies;
- potential loss of key employees or customers of the new joint venture or acquired business or adverse effects on existing business relationships with suppliers and customers;
- adverse impact on overall profitability if the new joint venture or acquired business does not achieve the financial results projected in NTIC's valuation models;
- reallocation of amounts of capital from other operating initiatives and/or an increase in NTIC's leverage and debt service requirements to pay the joint venture capital contribution or the acquisition purchase price, which could in turn restrict NTIC's ability to access additional capital when needed or to pursue other important elements of NTIC's business strategy;
- inaccurate assessment of undisclosed, contingent, or other liabilities or problems and unanticipated costs associated with the new joint venture or acquisition; and
- incorrect estimates made in the accounting for acquisitions, occurrence of non-recurring charges, and write-off of significant amounts of goodwill that could adversely affect NTIC's operating results.

NTIC's ability to grow through joint ventures, alliances, and acquisitions will depend, in part, on the availability of suitable opportunities at an acceptable cost, NTIC's ability to compete effectively for these opportunities, and the availability of capital to complete such transactions.

NTIC relies on its management information systems, including its Enterprise Resource Planning ("ERP") system, for inventory management, distribution, and other functions. If these information systems fail to adequately perform these functions or if NTIC experiences an interruption in their operation, NTIC's business and operating results could be adversely affected.

The efficient operation of NTIC's business is dependent on its management information systems, including its ERP system. NTIC relies on its management information systems to effectively manage accounting and financial functions; manage order entry, order fulfillment, and inventory replenishment processes; and to maintain its research and development data. The failure of management information systems to perform as anticipated could disrupt NTIC's business and product development and could result in decreased sales, causing NTIC's business and operating results to suffer. In addition, NTIC's management information systems are vulnerable to damage or interruption from natural or man-made disasters, including terrorist attacks, attacks by computer viruses or hackers, power loss to computer systems, Internet outages, and telecommunications or data network failure. Any such interruption could adversely affect NTIC's business and operating results.

While NTIC currently uses limited traditional and generative artificial intelligence ("AI") solutions for certain functions, it may incorporate additional AI solutions into its information systems in the future and these solutions may become important in its operations over time. The ever-increasing use and evolution of technology, including AI, creates opportunities for the potential loss or misuse of personal data that NTIC uses to run its business, and unintentional dissemination or intentional destruction of confidential information stored in NTIC' or our third party providers' systems, portable media or storage devices, which may result in significantly increased business and security costs, a damaged reputation, administrative penalties, or costs related to defending legal claims. AI programs may be costly and require significant expertise to develop, may be difficult to set up and manage, and require periodic upgrades. NTIC's competitors or other third parties may incorporate AI into their information systems and operations more quickly or more successfully than NTIC, which could impair NTIC's ability to compete effectively and adversely affect its results of operations.

NTIC's business could be negatively impacted by cyber security threats.

In the ordinary course of NTIC's business, NTIC uses its management information systems to store and access proprietary business information. NTIC faces various cyber security threats, including cyber security attacks to its information technology infrastructure and attempts by others to gain access to its proprietary or sensitive information. The procedures and controls NTIC uses to monitor these threats and mitigate its exposure, as described in greater detail under "*Part I. Item 1C. Cybersecurity*," may not be sufficient to prevent cyber security incidents and NTIC has been subject to prior cyber security incidents in the past, although have not resulted in a material adverse impact on NTIC or its business. The result of these incidents could include disrupted operations, lost opportunities, misstated financial data, liability for stolen assets or information, increased costs arising from the implementation of additional security protective measures, litigation, and reputational damage. Any remedial costs or other liabilities related to cyber security incidents may not be fully insured or indemnified by other means.

NTIC's quarterly results are typically unpredictable and subject to variation.

NTIC's quarterly operating results vary from quarter to quarter for a variety of reasons. For example, NTIC's quarterly sales to joint ventures can be affected by individual orders to joint ventures. Because of the typical size of individual orders to joint ventures and the overall size of NTIC's net sales to joint ventures, the timing of one or more orders can materially affect NTIC's quarterly sales to joint ventures and the comparisons to prior year quarters. In addition, because of the typical size of individual orders and the overall size of NTIC's net sales derived from sales of Natur-Tec® products, the timing of one or more orders can materially affect NTIC's quarterly sales of Natur-Tec® products and the comparisons to prior year quarters. Furthermore, since ZERUST® products for the oil and gas industry typically carry higher margins than other traditional ZERUST® products, the amount of sales of ZERUST® products for the oil and gas industry typically affects NTIC's overall margins. Such variability in operating results makes the prediction of NTIC's net sales, earnings, and other operating results for each quarter difficult and increases the risk of unanticipated variations in quarterly operating results. NTIC's quarterly results have been and, in the future, may be below the expectations of public market analysts and investors.

NTIC's business is subject to a number of other miscellaneous risks that may adversely affect NTIC's operating results, financial condition, or business.

NTIC's business is subject to a number of other miscellaneous risks that may adversely affect NTIC's operating results, and financial condition, such as natural or man-made disasters, an unexpected business loss of supply due to a force majeure event or global pandemics that may result in shortages of raw materials, higher commodity costs, an increase in insurance premiums, and other adverse effects on NTIC's business; the continued threat of terrorist acts and war that may result in heightened security and higher costs for import and export shipments of components or finished goods; and the ability of NTIC's management to adapt to unplanned events.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 1C. CYBERSECURITY

Background

Cybersecurity, data privacy, and data protection are critical to NTIC's business. In the ordinary course of business, NTIC collects and stores certain confidential information, such as information about employees, contractors, vendors, customers, and suppliers. NTIC has processes in place for assessing, identifying, and managing material risks from cybersecurity threats, and NTIC regularly assesses its performance and identifies areas for improvement. NTIC also has implemented measures to safeguard its cyber network. Management continually reassesses NTIC's cybersecurity risk environment based on changing circumstances and new information identified by monitoring, scanning and testing its systems, as well as utilizing third party resources for testing.

Risk Management and Strategy

NTIC's processes for assessing, identifying, and managing cybersecurity threats have been integrated into its overall risk management processes. The information provided by these processes facilitates management's ongoing assessment of NTIC's cybersecurity risk environment and provides current and accurate information regarding cybersecurity risks to management, the Audit Committee and Board of Directors to allow appropriate management of such risks through remediation or other risk mitigation activities.

NTIC maintains a cybersecurity program that is designed to identify, protect from, detect, respond to, and recover from cybersecurity threats and risks, and protect the confidentiality, integrity, and availability of its information systems, including the information residing on such systems. NTIC takes a risk-based approach to cybersecurity, which begins with the identification and evaluation of cybersecurity risks or threats that could affect its operations, finances, legal or regulatory compliance, or reputation. The scope of NTIC's evaluation encompasses risks that may be associated with both its internally managed IT systems and key business functions and sensitive data operated or managed by third-party service providers. Once identified, cybersecurity risks and related mitigation efforts are prioritized based on their potential impact, likelihood, velocity, and vulnerability, considering both quantitative and qualitative factors. Risk mitigation strategies are developed and implemented based on the specific nature of each cybersecurity risk. These strategies include, among others, the application of cybersecurity policies and procedures, implementation of administrative, technical, and physical controls, and employee training, education, and awareness initiatives.

Role of Management

Management has implemented risk management structures, policies, and procedures and is responsible for NTIC's day-to-day cybersecurity risk management. NTIC's Information Technology Director, who has prior managerial experience and specialized training, oversees the daily assessment and management of cybersecurity risks. NTIC employs best practices, including real-time monitoring, anti-virus protection, and ongoing patch management across all systems. System maintenance is performed in accordance with industry standards and aligned with recognized best practices. Because cybersecurity threats continue to evolve, NTIC's implemented measures are designed to be flexible and adaptable to respond to changes in the security landscape. The following security measures give some insight as to what has been implemented:

- Multifactor authentication
- Phishing simulations
- User permissions auditing and tightening
- Proactive blocking of high-risk email
- Active monitoring of user sign-in
- On-premises endpoint reduction
- Endpoint detection and response
- Licensing, network, and hardware compliance management

Use of Consultants and Advisors

NTIC engages various third-party cybersecurity service providers to assess and enhance its cybersecurity practices and assist with protection and monitoring of its systems and information, including with respect to protection of its e-mail, system access, network monitoring, endpoint protection, vulnerability assessments, and penetration testing. NTIC engages cybersecurity consultants, auditors, and other third parties to assess and enhance its cybersecurity practices, such as a third-party consulting firm to perform tabletop exercises and evaluate NTIC's cyber processes, including an assessment of its incident response procedures.

Board Oversight

The Board of Directors, both directly and through the delegation of responsibilities to the Audit Committee, oversees the proper functioning of NTIC's cybersecurity risk management program. In particular, the Audit Committee, which is comprised entirely of independent directors, is responsible for reviewing and discussing guidelines and policies governing the process by which senior management of NTIC assesses and manages NTIC's exposure to risk and reviewing and discussing NTIC's major financial risk exposures, including cybersecurity risk, and the steps management has taken to monitor and control such exposures; it being understood that it is the job of management to assess and manage NTIC's exposure to risk and that the Audit Committee's responsibility is to discuss guidelines and policies by which risk assessment and management are undertaken. The Audit Committee additionally receives periodic updates from senior management on NTIC's policies, processes, procedures and any significant developments related to the identification, mitigation and remediation of cybersecurity risks and is responsible for reviewing the cybersecurity disclosures required to be included in NTIC's SEC filings.

Although none of the members of the Audit Committee has any work experience, degree, or certifications related to information security or cybersecurity, the Audit Committee works closely with members of management and NTIC has engaged third-party service providers to further enhance its cybersecurity efforts and the oversight thereof by the Audit Committee.

Risks from Material Cybersecurity Threats

Although NTIC has taken steps to prevent and mitigate data security threats, there can be no assurance that its protective measures and those of its third-party service providers will prevent or detect security breaches that could have a significant impact on NTIC's business, reputation, operating results and financial condition. NTIC maintains cyber liability insurance; however, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of NTIC's systems. As of the date of this filing, NTIC has not identified any cybersecurity threats that have materially affected or are reasonably anticipated to have a material effect on NTIC's business strategy, results of operations or financial condition. Although NTIC has not experienced cybersecurity incidents that are individually, or in the aggregate, material, NTIC has experienced cyberattacks in the past, which NTIC believes have thus far been mitigated by preventative, detective, and responsive measures it has put in place. See the factors described in the "*Part I. Item 1.A. Risk Factors*" section of this Form 10-K for further detail about the cybersecurity risks NTIC faces. Maintaining a robust information security system is an ongoing priority for NTIC, and NTIC plans to continue to identify and evaluate new, emerging risks to data protection and cybersecurity both within NTIC and through its engagement of third-party service providers.

Item 2. PROPERTIES

NTIC's principal executive offices, production facilities, and domestic research and development operations are located in a building owned by NTIC located at 4201 Woodland Road, Circle Pines, Minnesota 55014. NTIC also owns the property immediately adjacent to this property, located at 4203 Woodland Road, which includes a 26,000 square foot industrial building, which is used primarily for warehousing space and light industrial production. In addition to these properties, NTIC has contract warehousing agreements in California and Indiana to hold and release stock products to customers. NTIC also owns a facility in Beachwood, Ohio, which has historically been used by its Zerust segment and is classified as held for sale. On November 3, 2026, NTIC entered into a definitive agreement to sell this facility for $1,100,000 in cash. See Note 18 to NTIC's consolidated financial statements for additional information.

Internationally, NTIC China owns an approximately 21,000 square feet industrial building in the Qingpu District of Shanghai, China, which is used as NTIC China's corporate headquarters and NTIC's subsidiaries in Brazil, India and Mexico, all lease office, warehouse, and laboratory space. Both NTIC's subsidiaries Natur-Tec India and Brazil are in the process of purchasing and renovating new local corporate headquarters to accommodate new manufacturing capacity and anticipated business growth. These projects are expected to be completed in fiscal 2027.

NTIC's management considers its current properties and the new expansions noted above to be suitable and adequate for its current and foreseeable needs.

Item 3. LEGAL PROCEEDINGS

For information regarding NTIC's legal proceedings, see Note 16 to NTIC's consolidated financial statements.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

NTIC's common stock trades on the Nasdaq Global Market of The Nasdaq Stock Market under the symbol "NTIC."

Dividends

During fiscal 2026, NTIC's Board of Directors declared cash dividends on the following dates in the following amounts to holders of record of NTIC's common stock as of the following record dates:

Declaration Date	Amount	Record Date	Payable Date
October 15, 2025	$0.01	October 29, 2025	November 12, 2025
January 14, 2026	$0.01	January 28, 2026	February 11, 2026

On April 24, 2026, NTIC announced the suspension of its quarterly cash dividend on its common stock, beginning with its quarterly cash dividend for the third quarter of fiscal 2026, to focus on the reduction of its outstanding debt. Therefore, NTIC did not declare a cash dividend during the third or fourth quarter of fiscal 2026.

The declaration of any future dividends is not guaranteed and will be determined by NTIC's Board of Directors in light of conditions then existing, including NTIC's earnings, financial condition, cash requirements, restrictions in financing agreements, business conditions, and other factors.

Number of Record Holders

As of August 31, 2026, there were 152 record holders of NTIC's common stock. This does not include shares held in "street name" or beneficially owned.

Recent Sales of Unregistered Equity Securities

NTIC did not sell any shares of its common stock or any other equity securities of NTIC that were not registered under the Securities Act of 1933, as amended, during the fourth quarter of fiscal 2026.

Issuer Purchases of Equity Securities

NTIC did not purchase any shares of its common stock or other equity securities of NTIC during the fourth quarter of fiscal 2026. As of August 31, 2026, up to $2,640,548 in shares of NTIC common stock remained available for repurchase under NTIC's stock repurchase program.

Item 6. [RESERVED]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis provides material historical and prospective disclosures intended to enable investors and other users to assess NTIC's financial condition and results of operations. Statements that are not historical are forward-looking and involve risks and uncertainties discussed under the heading "*Part I. Item 1. Business—Forward-Looking Statements*" and under the heading "*Part I. Item 1A. Risk Factors*." The following discussion of the results of the operations and financial condition of NTIC should be read in conjunction with NTIC's consolidated financial statements and the related notes thereto included under "*Part II. Item 8. Financial Statements and Supplementary Data*."

This Management's Discussion and Analysis is organized in the following major sections:

- **Business Overview**. This section provides a brief overview description of NTIC's business, focusing in particular on developments during the most recent fiscal year.
- **NTIC's Subsidiaries and Joint Venture Network**. This section provides a brief overview of NTIC's subsidiaries and its joint venture network, the joint ventures which are considered individually significant to NTIC's consolidated assets and income, and how NTIC's joint ventures are accounted for by NTIC.
- **Financial Overview**. This section provides a brief summary of NTIC's financial results and financial condition for fiscal 2026 compared to fiscal 2025.
- **Sales and Expense Components**. This section provides a brief description of the significant line items in NTIC's consolidated statements of operations.
- **Results of Operations**. This section provides an analysis of the significant line items in NTIC's consolidated statements of operations.
- **Liquidity and Capital Resources**. This section provides an analysis of NTIC's liquidity and cash flows and a discussion of NTIC's financial condition and financial commitments.
- **Inflation and Seasonality**. This section describes the effects of inflation and seasonality, if any, on NTIC's business and operating results.
- **Market Risk**. This section describes material market risks to which NTIC is subject.
- **Related Party Transactions**. This section describes any material related party transactions to which NTIC is a party.
- **Critical Accounting Policies and Estimates**. This section discusses NTIC's critical accounting policies and estimates, which require NTIC to exercise subjective or complex judgments in their application. NTIC's significant accounting policies, including its critical accounting estimates, are summarized in Note 1 to NTIC's consolidated financial statements.
- **Recent Accounting Pronouncements**. This section references Notes 2 and 3 to NTIC's consolidated financial statements, which summarizes the effect of recently issued accounting pronouncements on NTIC's results of operations and financial condition.

Business Overview

NTIC develops and markets corrosion mitigation and environmentally beneficial products and services in over 65 countries either directly or via a network of subsidiaries, joint ventures, independent distributors, and agents. NTIC's primary business is corrosion prevention marketed mainly under the ZERUST® brand. NTIC has been selling its ZERUST® products and services to the automotive, general industrial, mechanical, agricultural, defense, oil and gas, and retail consumer markets for over 50 years. Additionally, NTIC markets and sells a portfolio of proprietary bio-based and certified compostable (fully biodegradable) polymer resin compounds and finished products under the Natur-Tec® brand. These sustainable packaging products are intended to reduce NTIC's customers' carbon footprint and provide environmentally sound waste disposal options.

NTIC's ZERUST® rust and corrosion inhibiting products include plastic and paper packaging, liquids, coatings, rust removers, cleaners, and diffusers as well as engineered solutions designed specifically for the industries it serves. NTIC also offers worldwide, on-site, technical consulting for rust and corrosion prevention issues. In North America, NTIC sells its ZERUST® corrosion prevention solutions through a network of independent distributors and agents supported by a direct sales force.

Internationally, NTIC sells its ZERUST® corrosion prevention solutions through its wholly owned subsidiary in China, NTIC (Shanghai) Co., Ltd. (NTIC China), its wholly owned subsidiary in India, HNTI Limited (Zerust India), its wholly owned subsidiary in the United Arab Emirates, Zerust Integrity Solutions Trading LLC (ZIS UAE), its majority-owned joint venture holding company for NTIC's joint venture investments in the Association of Southeast Asian Nations (ASEAN) region, NTI Asean LLC (NTI Asean), its majority-owned subsidiary in Brazil, Zerust Prevenção de Corrosão S.A (Zerust Brazil), and certain majority-owned and wholly owned subsidiaries, and joint venture arrangements in North America, Europe, and Asia. NTIC also sells products directly to its European joint venture partners through its wholly owned subsidiary in Germany, NTIC Europe GmbH (NTI Europe).

One of NTIC's strategic initiatives is to expand into and penetrate other markets for its ZERUST® corrosion prevention technologies. Consequently, for the past several years, NTIC has focused significant sales and marketing efforts on the oil and gas industry, as the infrastructure that supports that industry is typically constructed using metals that are highly susceptible to corrosion. NTIC believes that its ZERUST® corrosion prevention solutions will minimize maintenance downtime on critical oil and gas industry infrastructure, extend the life of such infrastructure, and reduce the risk of environmental pollution due to leaks caused by corrosion. During fiscal 2026, NTIC continued to make strategic investments in its ZERUST® oil and gas sales infrastructure specifically to support ZIS UAE.

NTIC markets and sells its ZERUST® rust and corrosion prevention solutions to customers in the oil and gas industry either directly, through its subsidiaries, or through its joint venture partners and other strategic partners. The sale of ZERUST® corrosion prevention solutions to customers in the oil and gas industry typically involves long sales cycles, often including multi-year trial periods with each customer and a slow integration process thereafter.

Natur-Tec® bio-based and compostable plastics are manufactured using NTIC's patented and/or proprietary technologies and are intended to replace conventional petroleum-based plastics. The Natur-Tec® biopolymer resin compound portfolio includes formulations that have been optimized for a variety of applications, including blown-film extrusion, coatings, injection molding, thermoforming, profile extrusion and engineered plastics. These resin compounds are certified to be fully biodegradable in a commercial composting environment and are currently being used to produce finished products, including can liners, shopping and grocery bags, lawn and leaf bags, branded apparel packaging bags and accessories, and various foodservice items, such as disposable cutlery, drinking straws, food-handling gloves, and coated paper products. In North America, NTIC markets its Natur-Tec® resin compounds and finished products primarily through a network of regional and national distributors as well as independent agents. NTIC continues to see significant opportunities for finished bioplastic products and, therefore, continues to strengthen and expand its North American distribution network for finished Natur-Tec® bioplastic products. During first quarter of fiscal 2026, we entered into a preferred supplier agreement with a leading specialized distributor for a foodservice and industrial packaging company, which contributed, in part, to higher Natur-Tec® sales in fiscal 2026 compared to fiscal 2025.

Internationally, NTIC sells its Natur-Tec® resin compounds and finished products both directly and through its wholly owned subsidiary in China and majority-owned subsidiaries in India and Sri Lanka and through distributors and certain joint ventures.

NTIC's Subsidiaries and Joint Venture Network

NTIC has ownership interests in 12 operating subsidiaries in North America, South America, Europe, the Middle East and Asia, which are listed in "*Part I. Item 1. Business*" of this annual report on Form 10-K. The results of these subsidiaries are fully consolidated in NTIC's consolidated financial statements.

NTIC participates in 15 active joint venture arrangements in North America, Europe, and Asia, which are listed in "*Part I. Item 1. Business*" of this annual report on Form 10-K. NTIC has historically funded its investments in joint ventures with cash generated from operations. NTIC receives funds from its joint ventures as fees for services that NTIC provides to its joint ventures and as dividend distributions. The fees for services provided to joint ventures are determined based on either a flat fee or a percentage of sales depending on local laws and tax regulations. NTIC recognizes equity income from each joint venture based on the overall profitability of the joint venture. Such profitability is subject to variability from quarter to quarter, which, in turn, subjects NTIC's earnings to variability from quarter to quarter. The profits of each joint venture are shared by the respective joint venture owners in accordance with their respective ownership percentages. NTIC typically directly or indirectly owns 50% or less of each of its joint venture entities and, thus, does not control the decisions of these entities regarding whether to pay dividends and, if paid, what amount is paid in a given year. The payment of a dividend by an entity is determined by a joint vote of the owners and is not at the sole discretion of NTIC. NTIC accounts for the investments and financial results of its joint ventures in its consolidated financial statements utilizing the equity method of accounting. NTIC considers EXCOR, Acobal, Zerust Finland, Zerust Sweden, and Zerust Thailand to be individually significant to NTIC's consolidated assets and income as of August 31, 2026. Therefore, NTIC provides certain additional information regarding these entities in the notes to NTIC's consolidated financial statements and in this section of this report.

Financial Overview

NTIC's management, including its chief executive officer, who is NTIC's chief operating decision maker, reports and manages NTIC's operations in two reportable business segments based on products sold, customer base, and distribution center: ZERUST® products and services and Natur-Tec® products.

Highlights of NTIC's financial results for fiscal 2026 include the following, with increases or decreases in each case as compared to fiscal 2025:

- NTIC's consolidated net sales increased 13.9% primarily due to increased sales and demand for ZERUST® and Natur-Tec® products. 75.3% of NTIC's consolidated net sales were derived from sales of ZERUST® products and services, which increased 15.6%. 24.7% of NTIC's consolidated net sales were derived from sales of Natur-Tec® products, which increased 9.2%.

- Cost of goods sold as a percentage of net sales increased to 65.0% from 62.4% primarily due to: (i) higher raw material costs that were only partly recovered through price increases; (ii) lower selling prices on certain products; and (iii) a lower-margin sales mix in certain countries.

- NTIC's total joint venture operations decreased 1.3% to $8,435,898 compared to $8,545,207 during fiscal 2025 primarily due to decreased profitability at NTIC's joint ventures. Net sales at NTIC's joint ventures, which are not consolidated with NTIC's net sales, increased 9.7% to $100,073,932 compared to $91,236,272 during fiscal 2025.

- NTIC's total operating expenses increased 5.5% to $39,739,384 compared to $37,651,465 during fiscal 2025. This increase was primarily due to strategic investments in ZERUST® oil and gas marketing and sales efforts, including personnel expenses and the corresponding benefits, as well as increased travel and professional fees.

- NTIC incurred a net loss attributable to NTIC of $703,180, or $0.07 per diluted common share, for fiscal 2026 compared to net income attributable to NTIC of $17,619, or $0.00 per diluted common share, for fiscal 2025.

On April 24, 2026, NTIC announced that the Board of Directors has suspended NTIC's quarterly cash dividend on its common stock, beginning with its quarterly cash dividend for the third quarter of fiscal 2026, to focus on the reduction of its outstanding debt.

During fiscal 2026, NTIC incurred costs related to tariffs and expects such costs to continue into fiscal 2027. Management has implemented, and expects to continue to implement, proactive measures to mitigate inflationary and supply chain pressures resulting from tariffs through a combination of supplier diversification, regional sourcing initiatives, cost reduction programs, and manufacturing optimization. Management continues to monitor global trade developments and evaluate opportunities to further reduce its exposure to tariffs by localizing production and developing alternative sourcing options where practicable. With respect to NTIC China, a majority of its production and sales are for local consumption. Accordingly, management believes that NTIC China's exposure to tariffs, including those imposed by the United States, is limited. However, given the complex and evolving nature of global trade policy, there can be no assurance that tariffs or other trade restrictions will not adversely affect NTIC's net sales, gross margins, or operating results in future periods. Tariffs have had a particular impact on NTIC's Natur-Tec® business, which relies on the global procurement of raw materials and finished goods. These factors may affect production economics, customer pricing, and competitive positioning, particularly in markets where NTIC competes with local producers not subject to comparable tariff exposure.

Sales and Expense Components

The following is a description of the primary components of net sales and expenses:

Net Sales. NTIC derives net sales from the sale of its ZERUST® products and services and its Natur-Tec® products. NTIC sells its ZERUST® products and services and its Natur-Tec® products either directly, through its subsidiaries, or via a network of joint ventures, independent distributors, and agents. Net sales, excluding joint ventures, represents net sales by NTIC either directly to end users or to distributors worldwide, but not sales to NTIC's joint ventures and not sales by NTIC's joint ventures. NTIC recognizes revenue from the sale of its products primarily upon shipment of the products.

Cost of Goods Sold. Most of NTIC's products are manufactured by third parties, and its cost of goods sold for those products consists primarily of the price invoiced by its third-party vendors. For the portion of products that NTIC manufactures, NTIC's cost of goods sold for those products consists primarily of direct labor, allocated manufacturing overhead, raw materials, and components. NTIC's margins on its Natur-Tec® resin compounds and finished products are generally smaller than its margins on its ZERUST® products and services, and NTIC's margins on its ZERUST® products and services sold into the oil and gas industry are generally greater than its margins on its traditional ZERUST® products and services.

Equity in Income from Joint Ventures. NTIC's equity in income from joint ventures consists of NTIC's share of equity in income from each joint venture based on the overall profitability of the joint ventures. Such profitability is subject to variability from quarter to quarter, which, in turn, subjects NTIC's earnings to variability from quarter to quarter. Traditionally, a portion of the equity income recorded in a given fiscal year is paid to the owners of the joint venture entity during the following fiscal year through a dividend. The payment of a dividend by a joint venture entity is determined by a vote of the joint venture owners and is not at the sole discretion of NTIC. NTIC typically owns only 50% or less of its joint venture entities and, thus, does not control the decisions of these entities regarding whether to pay dividends and, if paid, how much they should be in a given year.

Fees for Services Provided to Joint Ventures. NTIC provides certain services to its joint ventures, including consulting, legal, travel, insurance, technical, and marketing services based on licensing or other agreements with its joint ventures. NTIC receives fees for these services it provides to its joint ventures based primarily on the net sales by NTIC's joint ventures, the latter of which are not included in NTIC's net sales reflected on NTIC's consolidated statements of operations. The fees for services received by NTIC from its joint ventures are generally determined based on either a flat fee or a percentage of net sales by NTIC's joint ventures depending on local laws and tax regulations. Under NTIC's agreements with its joint ventures in which the fees for services are described, amounts are earned when product is shipped from joint venture facilities, at which point a sale is deemed to have occurred and results in obligation of the joint venture to pay the royalty and recognition of the fee by NTIC.

Selling Expenses. Selling expenses consist primarily of sales commissions and support costs for NTIC's direct sale and distribution system and marketing costs.

General and Administrative Expenses. General and administrative expenses consist primarily of salaries and benefits and other costs for NTIC's executives, accounting, stock-based compensation, finance, legal, information technology, and human resources functions.

Research and Development Expenses. Research and development expenses include costs associated with the design, development, market analysis, lab testing, and field trials and enhancements of NTIC's products and services. NTIC expenses costs related to product research and development as incurred. Research and development expenses reflect the net amount after being reduced by reimbursements related to certain research and development contracts. With respect to such research and development contracts, NTIC accrues proceeds received under the contracts and offsets research and development expenses incurred in equal installments over the timelines associated with completion of the contracts' specific objectives and milestones.

Interest Income. Interest income consists of interest earned on investments, which typically consist of investment-grade, interest-bearing securities and money market accounts.

Interest Expense. Interest expense results primarily from interest associated with any borrowings under NTIC's line of credit with JPMorgan Chase Bank, N.A. and NTIC China's term loans with China Construction Bank Corporation.

Other Income. Other income for fiscal 2025 consists of $1,139,756 in cash received during fiscal 2025 as a result of employee retention credits received under the Coronavirus Aid, Relief, and Economic Security Act. See Note 1 to NTIC's consolidated financial statements.

Other Expense. Other expense for fiscal 2025 consists of an accrual of $386,785 for an assessed repayment obligation of NTIC China to Ningbo Customs, the customs authority at the Ningbo Port in China, for misclassified Natur-Tec products. See Note 16 to NTIC's consolidated financial statements.

Income Tax Expense. Income tax expense includes federal income taxes, foreign withholding taxes, income tax of consolidated entities in foreign jurisdictions, state income tax, and changes to NTIC's deferred tax valuation allowance. NTIC utilizes the asset and liability method of accounting for income taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. NTIC records a tax valuation allowance when it is more likely than not that some portion or all of its deferred tax assets will not be realized. NTIC makes this determination based on all available evidence, including historical data and projections of future results. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Net Income Attributable to Non-Controlling Interests. Net income attributable to non-controlling interests represents the portion of net income (or loss) in consolidated subsidiaries that is allocated to shareholders outside of NTIC. These non-controlling shareholders hold ownership stakes in certain subsidiaries but do not control these entities. In instances where NTIC owns less than 100% of a subsidiary, the share of that subsidiary's income attributable to non-controlling shareholders is excluded from NTIC's net income and reported separately in NTIC's financial statements.

Results of Operations

Fiscal Year 2026 Compared to Fiscal Year 2025

The following table sets forth NTIC's results of operations for fiscal 2026 and fiscal 2025.

	Fiscal 2026	% of Net Sales	Fiscal 2025	% of Net Sales	$ Change	% Change
Net sales	$ 95,981,956	N/A	$ 84,234,474	N/A	$ 11,747,482	13.9%
Cost of goods sold	$ 62,343,157	65.0%	$ 52,557,919	62.4%	$ 9,785,238	18.6%
Equity in income from joint ventures	$ 4,345,834	N/A	$ 3,539,056	N/A	$ 806,778	22.8%
Fees for services provided to joint ventures	$ 4,090,064	N/A	$ 5,006,151	N/A	$ (916,087)	(18.3)%
Selling expenses	$ 18,509,473	19.3%	$ 17,820,196	21.2%	$ 689,277	3.9%
General and administrative expenses	$ 16,319,490	17.0%	$ 14,792,988	17.6%	$ 1,526,502	10.3%
Research and development expenses	$ 4,910,421	5.1%	$ 5,038,281	6.0%	$ (127,860)	(2.5)%

Net Sales. NTIC's consolidated net sales increased 13.9% to $95,981,956 during fiscal 2026 compared to $84,234,474 during fiscal 2025. This increase was primarily due to increased sales and demand for both Zerust® and Natur-Tec® products during fiscal 2026.

The following table sets forth NTIC's net sales by product segment for fiscal 2026 and fiscal 2025:

	Fiscal 2026	Fiscal 2025	$ Change	% Change
Total ZERUST® sales	$ 72,231,315	$ 62,488,397	$ 9,742,918	15.6%
Total Natur-Tec® sales	$ 23,750,641	$ 21,746,077	$ 2,004,564	9.2%
Total net sales	$ 95,981,956	$ 84,234,474	$ 11,747,482	13.9%

During fiscal 2026, 75.3% of NTIC's consolidated net sales were derived from sales of ZERUST® products and services, which increased 15.6% to $72,231,315 compared to $62,488,397 during fiscal 2025. This increase was primarily due to increased demand for ZERUST® industrial products, which accounted for $7,304,324 of the increase, and, to a lesser extent, ZERUST® oil and gas products, which accounted for $2,438,594 of the increase, during fiscal 2026.

The following table sets forth NTIC's net sales of ZERUST® products for fiscal 2026 and fiscal 2025:

	Fiscal 2026	Fiscal 2025	$ Change	% Change
ZERUST® industrial net sales	$ 62,475,017	$ 55,170,693	$ 7,304,324	13.2%
ZERUST® oil & gas net sales	$ 9,756,298	$ 7,317,704	$ 2,438,594	33.3%
Total ZERUST® net sale	$ 72,231,315	$ 62,488,397	$ 9,742,918	15.6%

ZERUST® industrial net sales increased 13.2% during fiscal 2026 compared to fiscal 2025 primarily due to increased demand for ZERUST® industrial products in North America and at NTIC China, and, to a lesser extent, at HNTI India. Overall, demand for ZERUST® products and services depends heavily on the overall health of the markets in which NTIC sells its products, including the automotive, construction, agriculture, and mining markets in particular.

ZERUST® oil and gas net sales increased 33.3% during fiscal 2026 compared to fiscal 2025 primarily due to increased demand in the Middle East, substantially all of which was ZIS UAE, which had no net sales in fiscal 2025, Zerust Brazil and North America. However, the ongoing geopolitical conflict and related disruptions affecting energy markets and shipping routes in the Middle East may increase the volatility of future customer demand, project timing, and order patterns for NTIC's oil and gas products and services. In addition, NTIC anticipates that its sales of ZERUST® products and services into the oil and gas industry will continue to remain subject to significant volatility from quarter to quarter as sales are recognized. Demand for oil and gas products around the world depends primarily on market acceptance and the reach of NTIC's distribution network. Because of the typical size of individual orders and overall size of NTIC's net sales derived from sales of oil and gas products, the timing of one or more orders can materially affect NTIC's quarterly sales compared to prior fiscal year quarters.

During fiscal 2026, 24.7% of NTIC's consolidated net sales were derived from sales of Natur-Tec® products, compared to 25.8% during fiscal 2025. Sales of Natur-Tec® products increased 9.2% to $23,750,641 during fiscal 2026 compared to $21,746,077 during fiscal 2025 primarily due to increased sales at Natur-Tec India and increased sales in North America, partially offset by slightly lower sales in China. The market for biodegradable plastics is expanding worldwide, driven by increasing environmental awareness, regulatory support for sustainable materials, and growing demand for eco-friendly alternatives. As consumers and industries seek to reduce plastic waste, biodegradable plastics offer a viable solution, particularly in sectors like packaging, agriculture, and consumer goods. This trend is further supported by government policies promoting sustainable practices and by advances in biodegradable technology, which make these materials more accessible and cost-effective.

Cost of Goods Sold. Cost of goods sold increased 18.6% in fiscal 2026 compared to fiscal 2025 primarily due to the increase in net sales and higher raw material prices. Cost of goods sold as a percentage of net sales increased to 65.0% during fiscal 2026 compared to 62.4% during fiscal 2025 primarily due to: (i) increases in raw material costs, including resin and solvents, that were only partly recovered through price increases; (ii) lower selling prices on certain Natur-Tec products; and (iii) a lower-margin sales mix.

Equity in Income from Joint Ventures. NTIC's equity in income from joint ventures increased 22.8% to $4,345,834 during fiscal 2026 compared to $3,539,056 during fiscal 2025 primarily due to a modification of the fees for services due to tax planning in fiscal 2026 for two joint ventures, EXCOR and Acobal, which resulted in a decrease in fees for services and an increase in equity income for both entities. NTIC's equity in income from joint ventures fluctuates primarily based on net sales and profitability of the joint ventures during the respective periods. Additionally, of the total equity in income from joint ventures, NTIC had equity in income from joint ventures of $1,810,849 attributable to EXCOR during fiscal 2026 compared to $1,664,532 in fiscal 2025. This increase was due to the modification of fees noted above. NTIC had equity in income from joint ventures of $1,176,075 attributable to Acobal during fiscal 2026 compared to $708,333 in fiscal 2025. This increase was due to the modification of fees noted above, as well as increases in Acobal's net sales and net income. NTIC had equity in income from joint ventures of $548,427 attributable to Zerust Finland during fiscal 2026 compared to $483,754 during fiscal 2025, an increase of 13.4%, primarily due to increases in Zerust Finland's net sales and net income. NTIC had equity in income from joint ventures of $166,014 attributable to Zerust Sweden and $205,219 attributable to Zerust Thailand during fiscal 2026. NTIC had equity in income of all other joint ventures of $439,250 during fiscal 2026.

Fees for Services Provided to Joint Ventures. NTIC recognized fee income for services provided to joint ventures of $4,090,064 during fiscal 2026 compared to $5,006,151 during fiscal 2025, representing a decrease of 18.3%. Fee income for services provided to joint ventures is traditionally a function of the sales made by NTIC's joint ventures; however, at various joint ventures, the fee income for services is a fixed amount that does not fluctuate with the change in sales experienced by certain joint ventures, specifically EXCOR. Net sales at the joint ventures increased 9.7% to $100,073,932 during fiscal 2026 compared to $91,236,272 during fiscal 2025. This increase was primarily due to increases in demand for products at most joint ventures. Net sales at EXCOR increased 8.2% to $35,606,518 (1.7% in euros) and net sales at Acobal increased 17.7% to $13,791,458 (10.6% in euros), reflecting in part a stronger euro relative to the U.S. dollar. Net sales of NTIC's joint ventures are not included in NTIC's product sales and are not included in NTIC's consolidated financial statements. Of the total fee income for services provided to joint ventures, fees of $74,081 were attributable to EXCOR during fiscal 2026, as only one month of fees were recorded before the change in fees was made, compared to $846,281 attributable to EXCOR during fiscal 2025. No fees were attributable to Acobal during fiscal 2026 compared to $320,546 attributable to Acobal during fiscal 2025.

Selling Expenses. NTIC's selling expenses increased 3.9% in fiscal 2026 compared to fiscal 2025 primarily due to increased personnel expense and strategic investments in ZERUST® oil and gas marketing and sales efforts during fiscal 2026 compared to fiscal 2025. As a percentage of net sales, selling expenses decreased to 19.3% for fiscal 2026 compared to 21.2% in fiscal 2025 primarily due to increased net sales, partially offset by increased selling expenses.

General and Administrative Expenses. NTIC's general and administrative expenses increased 10.3% in fiscal 2026 compared to fiscal 2025 primarily due to increased professional services, travel and personnel expenses, which relate in part to increased information technology infrastructure, during fiscal 2026 compared to fiscal 2025. As a percentage of net sales, general and administrative expenses decreased to 17.0% for fiscal 2026 from 17.6% for fiscal 2025 primarily due to increased net sales, partially offset by increased general and administrative expenses.

Research and Development Expenses. NTIC's research and development expenses decreased 2.5% in fiscal 2026 compared to fiscal 2025 primarily due to the transition of certain expenses from research and development to selling expenses.

Interest Income. NTIC's interest income decreased to $252,140 in fiscal 2026 compared to $308,054 in fiscal 2025 primarily due to interest income recognized during fiscal 2025 related to the payment of the employee retention credit (ERC), which did not repeat in fiscal 2026, as well as changes in invested cash balances and rates of return at various subsidiaries.

Interest Expense. NTIC's interest expense increased to $796,756 in fiscal 2026 compared to $599,927 in fiscal 2025 primarily due to increased average borrowings during fiscal 2026.

Other Income. In February 2025, NTIC recognized $1,139,756 in other income due to the receipt of an ERC payment. No other income was recognized during fiscal 2026. The ERC payment was a one-time event and does not represent recurring operational revenue.

Other Expense. In June 2025, NTIC China was notified by Ningbo Customs, the customs authority at the Ningbo Port in China, that certain Natur-Tec® masterbatch resin products had been historically misclassified for export value-added tax rebate purposes. Ningbo Customs reclassified the products to a code that does not qualify for a value-added tax rebate, resulting in repayment obligations and penalties totaling approximately $386,785. NTIC recorded the full amount within Other Expense in fiscal 2025.

Income Before Income Tax Expense. NTIC had income before income tax expense of $1,790,697 for fiscal 2026 compared to income before income tax expense of $3,031,395 for fiscal 2025.

Income Tax Expense. Income tax expense was $1,546,258 during fiscal 2026 compared to $2,045,002 during fiscal 2025 for an effective tax rate of 86.3% and 67.5% during fiscal 2026 and 2025, respectively.

NTIC considers the earnings of certain foreign joint ventures to be indefinitely invested outside the United States on the basis of estimates that NTIC's future domestic cash generation will be sufficient to meet future domestic cash needs. As a result, U.S. income and foreign withholding taxes have not been recognized on the cumulative undistributed earnings of $29,762,712 and $27,667,432 as of August 31, 2026 and August 31, 2025, respectively. To the extent undistributed earnings of NTIC's joint ventures are distributed in the future, they are not expected to result in any material additional income tax liability after the application of foreign tax credits.

Net (Loss) Income Attributable to NTIC. Net loss attributable to NTIC was $703,180, or $0.07 per diluted common share, for fiscal 2026 compared to net income attributable to NTIC of $17,619, or $0.00 per diluted common share, for fiscal 2025. This decrease in net income attributable to NTIC resulting in a net loss attributable to NTIC for fiscal 2026 was primarily due to other income recognized in fiscal 2025, increases in operating expenses and interest expense in fiscal 2026 compared to fiscal 2025, and a slight decrease in joint venture operating income in fiscal 2026 compared to fiscal 2025. The decrease in net income was partially offset by the increase in gross profit, the decrease in income tax expense, and the absence of other expense, in each case in fiscal 2026 compared to fiscal 2025.

NTIC anticipates that its earnings will continue to be adversely affected to some extent by inflation and worldwide supply chain disruptions, among other factors. Additionally, NTIC anticipates that its quarterly net income will continue to remain subject to significant volatility primarily due to the financial performance of its subsidiaries and joint ventures, sales of its ZERUST® products and services into the oil and gas industry, and sales of its Natur-Tec® bioplastics products, which sales fluctuate more on a quarterly basis than the traditional ZERUST® business.

Other Comprehensive Income – Foreign Currency Translations Adjustment. The changes in the foreign currency translations adjustment were due to the fluctuation of the U.S. dollar compared to the Euro and other foreign currencies during fiscal 2026 compared to fiscal 2025.

Liquidity and Capital Resources

Sources of Cash and Working Capital

NTIC's working capital, defined as current assets less current liabilities, was $20,073,369 as of August 31, 2026, reflecting $7,018,182 in cash and cash equivalents, $11,126,335 outstanding under NTIC's line of credit and $3,034,175 outstanding under the current portion of NTIC's term loans, compared to $20,438,722 as of August 31, 2025, reflecting $7,250,523 in cash and cash equivalents, $9,329,021 outstanding under NTIC's line of credit and $2,860,256 outstanding under the current portion of NTIC's term loans. Management intends to continue to focus strategically on reducing NTIC's debt through positive operating cash flows and improving working capital efficiencies during fiscal 2027.

As part of this strategic focus to reduce outstanding debt, on April 24, 2026, NTIC announced that its Board of Directors has suspended NTIC's quarterly cash dividend on its common stock, beginning with its quarterly cash dividend for the third quarter of fiscal 2026. No assurance can be provided as to if and when NTIC's quarterly cash dividends will be reinstated.

NTIC believes that a combination of its existing cash and cash equivalents, forecasted cash flows from future operations, anticipated distributions of earnings from NTIC's joint ventures, anticipated fees to NTIC for services provided to its joint ventures, and funds available through existing or anticipated financing arrangements, including NTIC's expectation that it will renew its line of credit for at least another year prior to the February 5, 2027 maturity date, will be adequate to fund its existing operations, investments in new or existing joint ventures or subsidiaries, capital expenditures, debt repayments, any cash dividends, and any stock repurchases for at least the next 12 months.

In fiscal 2027, subject to available cash resources, NTIC expects to continue to invest through its use of working capital in Zerust India, NTIC China, NTI Europe, ZIS UAE, its joint ventures, research and development, marketing efforts, resources for the application of its corrosion prevention technology in the oil and gas industry, and its Natur-Tec® bio-plastics business, although the amounts of these various investments are not known at this time.

NTIC also may use some of its available capital resources to acquire the remaining ownership interests of joint ventures not owned by NTIC as they become available or appropriate and for the formation of one or more new subsidiaries to assume the operations of a joint venture. Some of these joint venture transitions may materially impact NTIC's results of operations for a particular reporting period.

NTIC traditionally has used the cash generated from its operations, distributions of earnings from joint ventures, and fees for services provided to its joint ventures to fund NTIC's new technology investments and capital contributions to new and existing subsidiaries and joint ventures. NTIC's joint ventures traditionally have operated with little or no debt and have been self-financed with minimal initial capital investment and minimal additional capital investment from their respective owners. Therefore, NTIC believes there is limited exposure by NTIC's joint ventures that could materially impact their respective operations and/or liquidity.

In order to take advantage of new product and market opportunities to expand its business and increase its revenues and assist with joint venture transitions, NTIC may decide to finance such opportunities by additional borrowings under its revolving line of credit or raising additional financing through the issuance of debt or equity securities, in each case as available or determined appropriate by NTIC. There is no assurance that any financing transaction will be available on terms acceptable to NTIC or at all or that any financing transaction will not be dilutive to NTIC's current stockholders.

Credit Agreement with JPMorgan Chase Bank, N.A.

NTIC is party to a Credit Agreement (as amended, the Credit Agreement) with JPMorgan Chase Bank, N.A. (JPM), which provides NTIC with a senior secured revolving line of credit (the Credit Facility) of up to $12.0 million, which includes a $5.0 million sublimit for standby letters of credit. Borrowings of $11,126,335 and $9,329,021 were outstanding under the Credit Facility as of August 31, 2026 and 2025, respectively.

On December 17, 2025, NTIC and JPM renewed NTIC's Credit Agreement to extend the maturity date of the Credit Facility from January 5, 2026 to February 5, 2027.

On January 30, 2026, NTIC and JPM entered into an amendment to the Credit Agreement, which increased the availability under the Credit Facility from $10.0 million to $12.0 million.

The principal amount outstanding under the Credit Facility, together with all accrued unpaid interest and other amounts owing thereunder, if any, will be payable in full on the maturity date, unless the Credit Facility is extended or renewed or terminated earlier.

Borrowings under the Credit Agreement bear interest at a floating rate, at the option of NTIC, equal to either the CB Floating Rate or the Adjusted SOFR Rate. The term "CB Floating Rate" means the greater of the Prime Rate in the United States or 2.50%. The term "Adjusted SOFR Rate" means the term secured overnight financing rate for either one, three or six months (depending on the interest period selected by NTIC) plus 0.10% per annum. With respect to any borrowings using an Adjusted SOFR Rate, there is an applicable margin of 2.35% applied per annum. There is no applicable margin with respect to borrowings using a CB Floating Rate. In March 2026, NTIC elected to convert its outstanding borrowings under the Credit Facility from the CB Floating Rate to the Adjusted SOFR Rate. The weighted average interest rate was 5.43% and 6.61% for the years ended August 31, 2026 and 2025, respectively.

To secure the Credit Agreement, NTIC assigned JPM a continuing security interest in all of its right, title and interest in collateral made up of substantially all of the assets of NTIC.

The Credit Agreement contains customary affirmative and negative covenants, including, among other matters, limitations on NTIC's ability to incur additional debt, grant liens, engage in certain business operations and transactions, make certain investments, modify its organizational documents or form any new subsidiaries, subject to certain exceptions. Further, the Credit Agreement contains a negative covenant that restricts the ability of NTIC to redeem or repurchase its common stock or pay dividends if the result of which would cause an event of default under the Credit Agreement. The Credit Agreement also requires NTIC to maintain a Fixed Charge Coverage Ratio of at least 1.25 to 1.00. The term "Fixed Charge Coverage Ratio" means the ratio, computed for NTIC on a consolidated basis, of net income plus income tax expense, plus amortization expense, plus depreciation expense, plus interest expense, and plus dividends received from joint ventures, minus unfinanced capital expenditures and equity in income from joint ventures, all computed for the twelve month period then ending, to scheduled principal payments made, plus scheduled finance lease payments made, plus interest expense paid, plus income tax expense paid, and plus cash distributions and dividends paid, all computed for the same twelve month period then ending.

NTIC was not in compliance with the Fixed Charge Coverage Ratio covenant under the Credit Agreement as of August 31, 2026. The Credit Agreement requires NTIC to maintain a Fixed Charge Coverage Ratio of at least 1.25 to 1.00, and NTIC's Fixed Charge Coverage Ratio was 1.07 to 1.00 as of August 31, 2026. On October 21, 2026, NTIC obtained a waiver from JPM with respect to such noncompliance for the fiscal quarter ended August 31, 2026.

The Credit Agreement also contains customary events of default, including, without limitation, payment defaults, material inaccuracy of representations and warranties, covenant defaults, bankruptcy and insolvency proceedings, cross-defaults to certain other agreements, breach of any financial covenant and change of control. Upon the occurrence and during the continuance of any event of default, JPM may accelerate the payment of the obligations thereunder and exercise various other customary default remedies.

Other Credit Arrangements

On each of April 22, 2025 and May 29, 2025, NTIC's wholly owned subsidiary in China, NTIC China, entered into a loan agreement with China Construction Bank Corporation, each providing a term loan of RMB 10,000,000. The original loans bore annual interest at 2.75% and 2.96%, respectively, with interest due monthly. On each of April 27, 2026 and May 28, 2026, NTIC China renewed its loan agreement with China Construction Bank Corporation. Each term loan provides NTIC China with a RMB 10,000,000 (USD $1.49 million). The term loans mature in April 2027 and May 2027, respectively, and it is anticipated that each term loan will be extended for an additional one-year period at maturity, although there can be no assurance that it will be able to do so. Each term loan bears interest at the one-year Loan Prime Rate (LPR) minus 75 basis points, fixed at the LPR in effect on the business day prior to the loan's effective date and held constant for the 12-month term, resulting in an annual interest rate of 2.25% for each loan, with interest due monthly. Both term loans are secured by an office building owned by NTIC China and the loan agreements contain certain financial and other covenants. NTIC China was in compliance with all covenants under the loan agreements as of August 31, 2026. The outstanding balance as of August 31, 2026 for both term loans was a total of USD $2,975,305.

On August 30, 2025, NTIC's majority owned subsidiary in India, Natur-Tec India, entered into a Foreign Currency Term Loan Agreement with IDFC FIRST Bank Limited (the Bank). The term loan provides Natur-Tec India with a facility of INR 500 lakhs (USD $600,000) to finance the purchase of land in Chennai, India. The loan was disbursed on August 30, 2025 for INR 461 lakhs (USD $522,545) and is repayable in 85 monthly installments to a US dollar account of USD $7,899 each beginning October 5, 2025 and continuing through September 5, 2032. Borrowings under the term loan bear interest at a fixed rate of 6.45% per annum. The term loan is secured by a lien over Natur-Tec India's cash deposits with the Bank totaling INR 476 lakhs (USD $539,731).

On August 20, 2026, Natur-Tec India drew an additional INR 237.0 lakhs (USD $251,459) from the Bank under a separate foreign currency term loan sanctioned on July 25, 2026, to finance the purchase of land and buildings and machinery in connection with its expansion in Chennai. This borrowing bears interest at a fixed rate of 6.25% per annum, is repayable in 60 monthly installments of USD $4,910 beginning September 7, 2026, and is secured by a charge on Natur-Tec India's current assets and movable fixed assets, a mortgage on land owned by Natur-Tec India. The Bank has approved aggregate financing of up to INR 247 lakhs (approximately USD $0.26 million), of which INR 10 lakhs (USD $10,507) remained undrawn at August 31, 2026.

The aggregate outstanding balance of these borrowings as of August 31, 2026 was INR 649.0 lakhs (USD $681,863), of which INR 56.0 lakhs (USD $58,870) was classified as current and INR 592.9 lakhs (USD $622,993) as long-term. The loan agreements contain customary affirmative and negative covenants applicable to Natur-Tec India, including, among other matters, restrictions on incurring additional indebtedness, creating liens, or changing the nature of its business. Natur-Tec India was in compliance with all covenants as of August 31, 2026.

Uses of Cash and Cash Flow

Net cash used in operating activities during fiscal 2026 was $638,790, which resulted principally from increases in certain working capital items, including increases in trade receivables of $2,031,046, inventories of $1,196,671, and prepaid expenses and other of $1,014,989, and from equity in income from joint ventures of $4,345,834, a non-cash item. These uses were partially offset by an increase in accounts payable of $2,474,684, dividends received from joint ventures of $1,896,856, depreciation and amortization expense of $1,984,568, stock-based compensation of $1,235,435, and net income of $244,439. Net cash provided by operating activities during fiscal 2025 was $2,442,955, which resulted principally from NTIC's net income, dividends received from joint ventures, depreciation and amortization expense, stock-based compensation and changes in working capital, deferred income tax, partially offset by equity in income from joint ventures and changes in working capital.

NTIC's cash flows from operations are impacted by significant changes in certain components of NTIC's working capital, including inventory turnover and changes in receivables and payables. NTIC considers internal and external factors when assessing the use of its available working capital, specifically when determining inventory levels and credit terms of customers. Key internal factors include existing inventory levels, stock reorder points, customer forecasts and customer requested payment terms. Key external factors include the availability of primary raw materials and sub-contractor production lead times. NTIC's typical contractual terms for trade receivables, excluding joint ventures, are traditionally 30 days and 90 days for trade receivables from its joint ventures. Before extending unsecured credit to customers, excluding NTIC's joint ventures, NTIC reviews customers' credit histories and will establish an allowance for uncollectible accounts based upon factors surrounding the credit risk of specific customers and other information. Accounts receivable over 30 days are considered past due for most customers. NTIC does not accrue interest on past due accounts receivable. If accounts receivables in excess of the provided allowance are determined uncollectible, they are charged to selling expense in the period that the determination is made. Accounts receivable are deemed uncollectible based on NTIC exhausting reasonable efforts to collect. NTIC's typical contractual terms for receivables for services provided to its joint ventures are 90 days. NTIC records receivables for services provided to its joint ventures on an accrual basis, unless circumstances exist that make the collection of the balance uncertain, in which case the fee income will be recorded on a cash basis until there is consistency in payments. This determination is handled on a case-by-case basis.

NTIC experienced an increase in trade receivables and an increase in inventory as of August 31, 2026 compared to August 31, 2025. Trade receivables as of August 31, 2026 increased $1,379,947 compared to August 31, 2025, primarily due to higher fourth quarter sales, which increased 18.6% compared to the fourth quarter of fiscal 2025, partially offset by improved collections, while inventory increased by $1,161,386, primarily due to the timing of purchases, production and sales.

Outstanding trade receivables decreased by an average of 5 days to an average of 75 days from balances outstanding from these customers as of August 31, 2026 from an average of 80 days as of August 31, 2025.

Inventory days outstanding decreased an average of 10 days to an average of 98 days as of August 31, 2026 from an average of 108 days as of August 31, 2025, as cost of goods sold increased 18.6%.

Outstanding receivables for services provided to joint ventures as of August 31, 2026 increased $72,056 compared to August 31, 2025, and the average days to pay increased an average of 24 days to an average of 103 days from an average of 79 days as of August 31, 2025, as fee income for services decreased 18.3% while the receivable balance increased.

Net cash used in investing activities during fiscal 2026 was $1,523,165, which was primarily the result of purchases of property and equipment of $1,291,856 and, to a lesser extent, investments in patents and capitalized software costs of $233,983, partially offset by proceeds from the sale of property and equipment of $2,674. Net cash used in investing activities during fiscal 2025 was $3,930,323, which was primarily the result of purchases of property and equipment and investment in intangibles for software costs, and, to a lesser extent, investments in patents.

Net cash provided by financing activities for fiscal 2026 was $1,863,079, which resulted from net borrowings on the line of credit of $1,797,314 ($27,944,236 of borrowings less $26,146,922 of repayments), proceeds from long-term debt of $204,359, proceeds from the exercise of stock options of $385,886, and NTIC's employee stock purchase plan of $65,248, partially offset by dividends paid to non-controlling interests of $400,000 and dividends paid on NTIC common stock of $189,728. Dividends declared to non-controlling interests during fiscal 2026 totaled $765,353, of which $400,000 was paid during fiscal 2026 and $365,353 had not been paid as of August 31, 2026. Net cash provided by financing activities for fiscal 2025 was $3,861,638, which resulted from borrowing on the line of credit, proceeds from long-term debt and NTIC's employee stock purchase plan, partially offset by repayments on the line of credit, dividends paid on NTIC common stock and dividends paid to non-controlling interest.

Stock Repurchase Program

On January 15, 2015, NTIC's Board of Directors authorized the repurchase of up to $3,000,000 in shares of NTIC common stock through open market purchases or unsolicited or solicited privately negotiated transactions. This program has no expiration date but may be terminated by NTIC's Board of Directors at any time. As of August 31, 2026, up to $2,640,548 in shares of NTIC common stock remained available for repurchase under NTIC's stock repurchase program. No repurchases occurred during fiscal 2026 or fiscal 2025.

Cash Dividends

During fiscal 2026, NTIC's Board of Directors declared cash dividends on the following dates in the following amounts to the following holders of NTIC's common stock:

Declaration Date	Amount	Record Date	Payable Date
October 15, 2025	$0.01	October 29, 2025	November 12, 2025
January 14, 2026	$0.01	January 28, 2026	February 11, 2026

On April 24, 2026, NTIC announced the suspension of its quarterly cash dividend on its common stock, beginning with its quarterly cash dividend for the third quarter of fiscal 2026, to focus on the reduction of its outstanding debt. Therefore, NTIC did not declare a cash dividend during the third or fourth quarter of fiscal 2026.

The declaration of any future dividends is not guaranteed and will be determined by NTIC's Board of Directors in light of conditions then existing, including NTIC's earnings, financial condition, cash requirements, restrictions in financing agreements, business conditions, and other factors.

Capital Expenditures and Commitments

NTIC spent $1,525,839 on capital expenditures during fiscal 2026, which related primarily to construction of new buildings and warehouses in India and Brazil, as well as the purchase of new equipment and facility improvements in the United States. NTIC expects to spend an aggregate of approximately $3,000,000 to $4,500,000 on capital expenditures during fiscal 2027, which it expects will relate primarily to construction of new buildings and warehouses in India and Brazil, as well as the purchase of new equipment and facility improvements in the United States.

Inflation and Seasonality

Although inflation in the United States and abroad historically has had minimal effect on NTIC, it adversely affected NTIC's gross margins during fiscal 2026. NTIC believes there is some seasonality in its business. NTIC's net sales in the second fiscal quarter are typically adversely affected by the long Chinese New Year, the North American holiday season, and overall less corrosion taking place at lower winter temperatures worldwide.

Market Risk

For information regarding NTIC's exposure to market risk, see "*Part II. Item 7A. Quantitative and Qualitative Disclosures About Market Risk*" of this annual report on Form 10-K.

Related Party Transactions

Since NTIC's joint ventures are considered related parties, NTIC recorded sales to its joint ventures as a separate line item on the face of NTIC's consolidated statements of operations and recorded fees for services provided to its joint ventures as separate line items on the face of NTIC's consolidated statements of operations. NTIC also records trade receivables from joint ventures, receivables for fees for services provided to joint ventures, and NTIC's investments in joint ventures as separate line items on its consolidated balance sheets.

NTIC established its joint venture network approximately 30 years ago as a method to increase its worldwide distribution network for ZERUST® rust and corrosion inhibiting products and services. NTIC participates, either directly or indirectly, in 15 active joint venture arrangements in North America, Europe, and Asia. Each of these joint ventures generally manufactures and markets finished products in the geographic territory to which it is assigned. NTIC's joint venture partners are knowledgeable in the applicable environmental, labor, tax, and other requisite regulations and laws of the respective foreign countries in which they operate, as well as the local customs and business practices. NTIC's revenue recognition policy for sales to its joint ventures is the same as its policy for sales to unaffiliated customers.

The fees for services provided to joint ventures are determined based on either a flat fee or a percentage of sales depending on local laws and tax regulations. NTIC records revenue related to fees for services provided to joint ventures when earned, amounts are determinable, and collectability is reasonably assured. Under NTIC's agreements with its joint ventures, fee amounts are earned when product is shipped from joint venture facilities. NTIC reviews the financial situation of each joint venture to assist in the likelihood of collections on amounts earned. From time to time, NTIC elects to account for such fees on a cash basis for certain joint ventures when uncertainty exists surrounding the collections of such fees. There are no fees being accounted for in this manner at present. The expenses incurred in support of its joint ventures are direct expenses that NTIC incurs related to its joint ventures and include such items as employee compensation and benefit expenses, travel expense, insurance, consulting expense, legal expense, and lab supplies and testing expense.

See Note 14 to NTIC's consolidated financial statements for other related party transaction disclosures.

Critical Accounting Policies and Estimates

The preparation of NTIC's consolidated financial statements requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Securities and Exchange Commission has defined a company's most critical accounting policies as those that are most important to the portrayal of its financial condition and results of operations and those which require the company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on this definition, NTIC has identified the following critical accounting policies. Although NTIC believes that its estimates and assumptions are reasonable, they are based upon information available when they are made. Actual results may differ significantly from these estimates under different assumptions or conditions.

Principles of Consolidation

NTIC evaluates its voting and variable interests in entities on a qualitative and quantitative basis. NTIC consolidates entities in which it concludes it has the power to direct the activities that most significantly impact an entity's economic success and has the obligation to absorb losses or the right to receive benefits that could be significant to the entity. All such relationships are evaluated on an ongoing basis. The consolidated financial statements included in this report include the accounts of Northern Technologies International Corporation, its wholly owned subsidiaries, Northern Technologies Holding Company, LLC, NTIC (Shanghai) Co., Ltd., NTIC Europe GmbH, ZERUST-EXCOR MEXICO, S. de R.L. de C.V., Zerust Integrity Solutions Trading LLC (ZIS UAE), and HNTI Limited, NTIC's majority-owned subsidiary in Brazil, Zerust Prevenção de Corrosão S.A., NTIC's majority-owned holding company, NTI Asean LLC, and NTIC's majority-owned subsidiary in India, Natur-Tec India Private Limited, Natur-Tec Lanka, Zerust Singapore Pte Ltd (Zerust Singapore), Zerust Vietnam Co. Ltd (Zerust Vietnam) and Zerust Taiwan Co. Ltd (Zerust Taiwan). NTIC's consolidated financial statements do not include the accounts of any of its joint ventures.

Investments in Joint Ventures and Recoverability of Investments in Joint Ventures

NTIC's investments in its joint ventures are accounted for using the equity method. NTIC assesses its joint ventures for impairment on an annual basis as of August 31 of each year as part of its fiscal year end analysis. In addition to the annual review for impairment, NTIC reviews the operating results of each joint venture on a quarterly basis in comparison to its historical operating results and its accrual for fees for services provided to joint ventures. If the operating results of a joint venture do not meet NTIC's financial performance expectations, an additional evaluation is performed on the joint venture. In addition to the annual assessments for impairment, non-periodic assessments for impairment may occur if cash remittances are less than accrued balances, a joint venture's management requests capital, or other events occur suggesting anything other than temporary decline in value. If an investment were determined to be impaired, then a reserve would be created to reflect the impairment on the financial results of NTIC. NTIC's evaluation of its investments in joint ventures requires NTIC to make assumptions about future cash flows of its joint ventures. These assumptions require significant judgment, and actual results may differ from assumed or estimated amounts.

Investments at Carrying Value

If NTIC is no longer able to exercise significant influence over operating and financial policy of a joint venture previously accounted for under the equity method, it maintains the investment at the carrying value as of the date that significant influence no longer exists and discontinues accruing the proportionate earnings or losses of the investment.

Investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. Fair value is calculated based on publicly available market information or other estimates determined by management. NTIC employs a systematic methodology on a quarterly basis that considers available quantitative and qualitative evidence in evaluating potential impairment of its investments. If the cost of an investment exceeds its fair value, NTIC evaluates, among other factors, general market conditions, credit quality of debt instrument issuers, the duration and extent to which the fair value is less than cost, and for equity securities, its intent and ability to hold, or plans to sell, the investment. NTIC also considers specific adverse conditions related to the financial health of and business outlook for the investee, including industry and sector performance, changes in technology, and operational and financing cash flow factors. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded to other income (expense), and a new cost basis in the investment is established.

Revenue Recognition

Revenue is measured based on consideration specified in the contract with a customer, adjusted for any applicable estimates of variable consideration and other factors affecting the transaction price, including noncash consideration, consideration paid or payable to customers, and significant financing components. While most of NTIC's revenue is contracted with customers through one-time purchase orders and short-term contracts, NTIC does have long-term arrangements with certain customers. Revenue from all customers is recognized when a performance obligation is satisfied by transferring control of a distinct good or service to a customer. The transaction price for NTIC's products is the invoiced amount. Revenue is recognized when transfer of control occurs as defined by the terms in the customer agreement, generally upon shipment of product.

With respect to recording revenue related to fees earned for services provided to NTIC's joint ventures, amounts are earned when product is shipped from joint venture facilities, at which point a sale is deemed to have occurred and results in obligation for the joint venture to pay the royalty and recognition of the fee by NTIC. The support and services NTIC provides its joint ventures include consulting, travel, insurance, technical and marketing services to existing joint ventures, legal fees incurred in the establishment of new joint ventures, registration and promotion and legal defense of worldwide trademarks, and legal fees incurred in connection with the filing of patent applications based on licensing or other agreements with its joint ventures. NTIC receives fees for the services it provides to its joint ventures based primarily on the net sales by NTIC's joint ventures. The fees for support services received by NTIC from its joint ventures are generally determined based on either a flat fee or a percentage of net sales by NTIC's joint ventures depending on local laws and tax regulations. Under NTIC's agreements with its joint ventures, amounts are earned when product is shipped from joint venture facilities. NTIC reviews the financial situation of each of its joint ventures to assist in the likelihood of collections on amounts earned. NTIC elects to account for these fees on a cash basis for certain joint ventures when uncertainty exists surrounding the collections of such fees.

Goodwill Impairment

Goodwill represents the excess purchase price over the fair value of tangible net assets acquired in acquisitions after amounts have been allocated to intangible assets. Goodwill is tested for impairment annually (at August 31), or more frequently when events or changes in circumstances indicate that the asset might be impaired. Examples of such events or circumstances include, but are not limited to, a significant adverse change in legal or business climate, an adverse regulatory action or unanticipated competition.

Recoverability of Long-Lived Assets

NTIC reviews its long-lived assets whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable and determines potential impairment by comparing the carrying value of the assets with expected net cash flows expected to be provided by operating activities of the business or related products. If the sum of the expected undiscounted future net cash flows were less than the carrying value, NTIC would determine whether an impairment loss should be recognized. An impairment loss would be measured by comparing the amount by which the carrying value exceeds the fair value of the asset.

Foreign Currency Translation (Accumulated Other Comprehensive Loss)

The functional currency of each international joint venture and subsidiary is the applicable local currency. The translation of the applicable foreign currencies into U.S. dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using an average monthly exchange rate. Translation gains or losses are reported as an element of accumulated other comprehensive income (loss).

NTIC (excluding NTIC China, Zerust Brazil, Natur-Tec India, Natur-Tec Lanka, NTI Asean, Zerust Singapore, Zerust Vietnam, Zerust Taiwan, Zerust Mexico, HNTI Limited, NTI Europe, and NTIC's joint ventures) conducts all foreign transactions based on the U.S. dollar. Since NTIC's investments in its joint ventures are accounted for using the equity method, any changes in foreign currency exchange rates would be reflected as a foreign currency translation adjustment and would not change the equity in income from joint ventures reflected in NTIC's consolidated statements of operations.

Stock-Based Compensation

NTIC recognizes compensation cost relating to share-based payment transactions, including grants of employee stock options and transactions under NTIC's employee stock purchase plan, in its consolidated financial statements. That cost is measured based on the fair value of the equity or liability instruments issued. NTIC measures the cost of employee services received in exchange for stock options or other stock-based awards based on the grant-date fair value of the award and recognizes the cost over the period the employee is required to provide services for the award.

Income Taxes

NTIC utilizes the asset and liability method of accounting for income taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Deferred income tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in operations in the period that includes the enactment date.

NTIC records net deferred tax assets to the extent NTIC believes these assets will more likely than not be realized. In making such a determination, NTIC considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations, including the prior three-year history. In the event NTIC determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, NTIC makes an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

Recent Accounting Pronouncements

See Notes 2 and 3 to NTIC's consolidated financial statements for a discussion of recent accounting pronouncements.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires expanded disclosures primarily related to the effective tax rate reconciliation and income taxes paid. The new guidance is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted. We adopted the new standard and applied the amendments retrospectively to all prior periods presented in our consolidated financial statements beginning with our annual reporting for the fiscal year ended August 31, 2026 and filings hereafter. Adoption of the new standard did not have a material impact on our consolidated results of operations, financial position or cash flows. The incremental disclosures required under the standard appear in Note 15 in the Notes to Consolidated Financial Statements, included in Item 8 of Part II in this Annual Report on Form 10-K.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

NTIC is exposed to some market risk stemming from changes in foreign currency exchange rates, commodity prices and interest rates.

Because the functional currency of NTIC's foreign operations and investments in its foreign joint ventures is the applicable local currency, NTIC is exposed to foreign currency exchange rate risk arising from transactions in the normal course of business. NTIC's principal exchange rate exposure is with the Euro, the Japanese Yen, the Indian Rupee, the Chinese Renminbi, the Brazilian Real, the South Korean Won, the UAE Dirham, and the English Pound against the U.S. Dollar. NTIC's fees for services provided to joint ventures and dividend distributions from these foreign entities are paid in foreign currencies, and, thus, fluctuations in foreign currency exchange rates could result in declines in NTIC's reported net income. Since NTIC's investments in its joint ventures are accounted for using the equity method, any changes in foreign currency exchange rates would be reflected as a foreign currency translation adjustment and would not change NTIC's equity in income from joint ventures reflected in its consolidated statements of operations. NTIC does not hedge against its foreign currency exchange rate risk.

Some raw materials used in NTIC's products are exposed to commodity price changes. The primary commodity price exposures are with a variety of plastic resins.

Any outstanding advances under NTIC's Credit Facility with JPM bear interest at a floating rate, at the option of NTIC, equal to either the CB Floating Rate or the Adjusted SOFR Rate, as defined above. In March 2026, NTIC elected to convert its outstanding borrowings under the Credit Facility from the CB Floating Rate to the Adjusted SOFR Rate. The weighted average interest rate was 5.43% for the fiscal year 2026. Borrowings of $11,126,335 were outstanding under the Credit Facility as of August 31, 2026.

Both term loans undertaken by NTIC China with China Construction Bank Corporation have an annual interest rate of 2.25% with interest due monthly. The current outstanding balance as of August 31, 2026 for both term loans is a total of USD $2,975,305.

The Foreign Currency Term Loans taken out with IDFC FIRST Bank Limited bear interest at fixed rates of 6.45% and 6.25% per annum. The aggregate outstanding balance as of August 31, 2026 was $681,863.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

The following items are included herein:

	Page
Report of Independent Registered Public Accounting Firm (PCAOB Firm ID # 23)	58
Consolidated Balance Sheets as of August 31, 2026 and 2025	59
Consolidated Statements of Operations for the years ended August 31, 2026 and 2025	60
Consolidated Statements of Comprehensive Income for the years ended August 31, 2026 and 2025	61
Consolidated Statements of Equity for the years ended August 31, 2026 and 2025	62
Consolidated Statements of Cash Flows for the years ended August 31, 2026 and 2025	63
Notes to Consolidated Financial Statements	64-88

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Northern Technologies International Corporation and Subsidiaries:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Northern Technologies International Corporation and Subsidiaries (the "Company") as of August 31, 2026 and 2025, the related consolidated statements of operations, comprehensive income, equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of August 31, 2026 and 2025, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

Critical Audit Matters

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

/s/ Baker Tilly US, LLP

We have served as the Company's auditor since 2004.

Minneapolis, Minnesota

November 19, 2026

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS - AUGUST 31, 2026 AND 2025

	August 31, 2026	August 31, 2025
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 7,018,182	$ 7,250,523
Receivables:		
Trade, less allowance for credit losses of $211,454 and $235,000 as of August 31, 2026 and 2025	19,823,177	18,443,230
Fees for services provided to joint ventures	1,149,608	1,077,552
Income taxes	397,947	340,002
Inventories, net	16,686,616	15,525,230
Prepaid expenses	2,676,536	1,706,279
Assets held for sale	855,730	—
Total current assets	$ 48,607,796	44,342,816
PROPERTY AND EQUIPMENT, NET	14,863,900	15,183,918
OTHER ASSETS:		
Investments in joint ventures	30,707,380	28,611,777
Deferred income tax, net	625,088	503,575
Intangible assets, net	8,122,418	8,827,768
Goodwill	4,782,376	4,782,376
Operating lease right of use assets	543,483	493,050
Total other assets	44,780,745	43,218,546
Total assets	$ 108,252,441	$ 102,745,280
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Line of credit	$ 11,126,335	$ 9,329,021
Term loan, current portion	3,034,175	2,860,256
Accounts payable	10,263,098	8,044,196
Income taxes payable	472,649	414,304
Accrued liabilities:		
Payroll and related benefits	2,227,069	1,844,817
Other	974,626	1,066,761
Current portion of operating leases	436,475	344,739
Total current liabilities	28,534,427	23,904,094
LONG-TERM LIABILITIES:		
Deferred income tax, net	1,513,166	1,513,166
Term loans, noncurrent portion	622,993	466,984
Operating leases, less current portion	107,008	148,311
Total long-term liabilities	$ 2,243,167	$ 2,128,461
COMMITMENTS AND CONTINGENCIES (Note 16)		
EQUITY:		
Preferred stock, no par value; authorized 10,000 shares; none issued and outstanding	—	—
Common stock, $0.02 par value per share; authorized 15,000,000 shares; issued and outstanding 9,556,745 and 9,475,490, as of August 31, 2026 and 2025, respectively	191,135	189,510
Additional paid-in capital	26,741,920	25,056,976
Retained earnings	51,380,561	52,273,469
Accumulated other comprehensive loss	(5,465,778)	(5,371,201)
Stockholders' equity	72,847,838	72,148,754
Non-controlling interests	4,627,009	4,563,971
Total equity	77,474,847	76,712,725
Total liabilities and equity	$ 108,252,441	$ 102,745,280

See notes to consolidated financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED AUGUST 31, 2026 AND 2025

	2026	2025
NET SALES:		
Net sales	$ 95,981,956	$ 84,234,474
Cost of goods sold	62,343,157	52,557,919
Gross profit	33,638,799	31,676,555
JOINT VENTURE OPERATIONS:		
Equity in income from joint ventures	4,345,834	3,539,056
Fees for services provided to joint ventures	4,090,064	5,006,151
Total joint venture operations	8,435,898	8,545,207
OPERATING EXPENSES:		
Selling expenses	18,509,473	17,820,196
General and administrative expenses	16,319,490	14,792,988
Research and development expenses	4,910,421	5,038,281
Total operating expenses	39,739,384	37,651,465
OPERATING INCOME	2,335,313	2,570,297
INTEREST INCOME	252,140	308,054
INTEREST EXPENSE	(796,756)	(599,927)
OTHER INCOME	—	1,139,756
OTHER EXPENSE	—	(386,785)
INCOME BEFORE INCOME TAX EXPENSE	1,790,697	3,031,395
INCOME TAX EXPENSE	1,546,258	2,045,002
NET INCOME	244,439	986,393
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	947,619	968,774
NET (LOSS) INCOME ATTRIBUTABLE TO NTIC	$ (703,180)	$ 17,619
NET (LOSS) INCOME ATTRIBUTABLE TO NTIC PER COMMON SHARE:		
Basic	$ (0.07)	$ 0.00
Diluted	$ (0.07)	$ 0.00
WEIGHTED AVERAGE COMMON SHARES ASSUMED OUTSTANDING:		
Basic	9,496,974	9,476,085
Diluted	9,496,974	9,639,676
CASH DIVIDENDS DECLARED PER COMMON SHARE	$ 0.02	$ 0.16

See notes to consolidated financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED AUGUST 31, 2026 AND 2025

	2026	2025
NET INCOME	$ 244,439	$ 986,393
OTHER COMPREHENSIVE (LOSS) INCOME – FOREIGN CURRENCY TRANSLATION ADJUSTMENT (NET OF TAX)	(213,805)	904,790
COMPREHENSIVE INCOME	30,634	1,891,183
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (NET OF TAX)	(828,391)	(862,641)
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO NTIC	$ (797,757)	$ 1,028,542

See notes to consolidated financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
YEARS ENDED AUGUST 31, 2026 AND 2025

	STOCKHOLDERS' EQUITY						
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	Total Equity
	Shares	Amount					
BALANCE AT AUGUST 31, 2024	9,466,976	$ 189,340	$23,615,564	$53,771,211	$ (6,382,124)	$ 3,981,330	$75,175,321
Stock options exercised	1,127	23	(23)	—	—	—	—
Stock issued for employee stock purchase plan	7,383	147	81,349	—	—	—	81,496
Stock option expense	—	—	1,360,086	—	—	—	1,360,086
Dividends paid to stockholders ($0.16 per share)	—	—	—	(1,515,361)		—	(1,515,361)
Dividends declared to non-controlling interest	—	—	—	—	—	(280,000)	(280,000)
Net income	—	—	—	17,619	—	968,774	986,393
Other comprehensive income (loss)	—	—	—	—	1,010,923	(106,133)	904,790
BALANCE AT AUGUST 31, 2025	9,475,490	$ 189,510	$25,056,976	$52,273,469	$ (5,371,201)	$ 4,563,971	$76,712,725
Stock options exercised	60,305	1,206	384,680	—	—	—	385,886
Stock issued for employee stock purchase plan	9,637	193	65,055	—	—	—	65,248
Stock issued upon vesting and settlement of restricted stock units	11,313	226	(226)	—	—	—	—
Stock option expense	—	—	1,235,435	—	—	—	1,235,435
Dividends paid to stockholders ($0.02 per share)	—	—	—	(189,728)	—	—	(189,728)
Dividends declared to non-controlling interest	—	—	—	—	—	(765,353)	(765,353)
Net income	—	—	—	(703,180)	—	947,619	244,439
Other comprehensive income (loss)	—	—	—	—	(94,577)	(119,228)	(213,805)
BALANCE AT AUGUST 31, 2026	9,556,745	$ 191,135	$26,741,920	$51,380,561	$ (5,465,778)	$ 4,627,009	$77,474,847

See notes to consolidated financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 244,439	$ 986,393
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Stock-based compensation	1,235,435	1,360,086
Depreciation expense	1,045,236	979,981
Amortization expense	939,332	777,289
Loss on disposal of assets	1,880	77,984
Change in allowance for credit losses	(23,546)	(75,000)
Equity in income from joint ventures	(4,345,834)	(3,539,056)
Dividends received from joint ventures	1,896,856	1,566,947
Deferred income taxes	(144,966)	50,984
Changes in current assets and liabilities:		
Receivables:		
Trade	(2,031,046)	941,732
Fees for services provided to joint ventures	(72,055)	157,463
Income taxes	(83,463)	(418)
Inventories, net	(1,196,671)	(1,277,772)
Prepaid expenses and other	(1,014,989)	(300,058)
Accounts payable	2,474,684	1,472,793
Income taxes payable	(56,907)	109,712
Accrued liabilities	492,825	(846,105)
Net cash (used in) provided by operating activities	(638,790)	2,442,955
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,291,856)	(1,526,437)
Proceeds from sale of property and equipment	2,674	20,000
Investments in patents and capitalized software costs	(233,983)	(2,423,886)
Net cash used in investing activities	(1,523,165)	(3,930,323)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends to non-controlling interest	(400,000)	(280,000)
Repayments of line of credit	(26,146,922)	(26,950,508)
Proceeds from issuance of long-term debt	251,459	538,090
Repayments of long-term debt	(47,100)	—
Proceeds from line of credit	27,944,236	31,987,921
Dividends paid on NTIC common stock	(189,728)	(1,515,361)
Proceeds from employee stock purchase plan	65,248	81,496
Proceeds from exercise of stock options	385,886	—
Net cash provided by financing activities	1,863,079	3,861,638
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	66,535	(75,931)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(232,341)	2,298,339
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,250,523	4,952,184
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,018,182	$ 7,250,523

See notes to consolidated financial statements.

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business – Northern Technologies International Corporation and its Subsidiaries (collectively, the Company) develop and market proprietary environmentally beneficial products and services in over 65 countries either directly or via a network of subsidiaries, joint ventures, independent distributors, and agents. The Company's primary business is corrosion prevention marketed mainly under the ZERUST® brand. The Company has been selling its proprietary ZERUST® products and services to the automotive, general industrial, mechanical, mining, agricultural, and retail consumer markets for over 50 years and, more recently, has also expanded into the oil and gas industry. Additionally, the Company markets and sells a portfolio of proprietary bio-based and certified compostable (fully biodegradable) polymer resin compounds and finished products under the Natur-Tec® brand. These sustainable packaging products are intended to reduce the Company's customers' carbon footprint and provide environmentally sound waste disposal options. The Company's two operating and reportable segments are ZERUST® and Natur-Tec®.

The Company participates, either directly or indirectly, in 15 active joint venture arrangements in North America, Europe, and Asia. Each of these joint ventures generally manufactures and markets products in the geographic territory to which it is assigned. While most of the Company's joint ventures exclusively sell rust and corrosion inhibiting products, some of the joint ventures also sell the Company's Natur-Tec® resin compounds and finished products. The profits of joint ventures are shared by the respective joint venture owners in accordance with their respective ownership percentages. The Company typically owns 50% or less of its joint venture entities and does not control the decisions of these entities, including dividend declaration or amount in any given year.

Principles of Consolidation – NTIC evaluates its voting and variable interests in entities on a qualitative and quantitative basis. NTIC consolidates entities in which it concludes it has the power to direct the activities that most significantly impact an entity's economic success and has the obligation to absorb losses or the right to receive benefits that could be significant to the entity. The consolidated financial statements include the accounts of Northern Technologies International Corporation, its wholly owned subsidiaries, Northern Technologies Holding Company, LLC, NTIC (Shanghai) Co., Ltd. (NTIC China), ZERUST-EXCOR MEXICO, S. de R.L. de C.V (Zerust Mexico), NTIC Europe GmbH (NTI Europe), and HNTI Limited (Zerust India), NTIC's majority-owned subsidiary in India, Natur-Tec India Private Limited (Natur-Tec India), NTIC's majority-owned subsidiary in Brazil, Zerust Prevenção de Corrosão S.A. (Zerust Brazil), NTIC's majority-owned subsidiary in Sri Lanka, Natur Tec Lanka (Pvt) Ltd (Natur Tec Lanka), and NTIC's majority-owned holding company, NTI Asean LLC (NTI Asean), and its wholly owned subsidiary in UAE, Zerust Integrity Solutions Trading LLC (ZIS UAE), and its majority owned subsidiaries Zerust Singapore Pte Ltd (Zerust Singapore), Zerust Vietnam Co. Ltd (Zerust Vietnam) and Zerust Taiwan Co. Ltd (Zerust Taiwan). NTIC's consolidated financial statements do not include the accounts of any of its joint ventures.

Non-Controlling Interests – The Company owns 75% of Natur-Tec India, 75% of Natur Tec Lanka, 85% of Zerust Brazil, 60% of NTI Asean, Zerust Singapore Pte Ltd, Zerust Vietnam Co Ltd and Zerust Taiwan Co Ltd. The remaining ownership of the consolidated entities is accounted for as non-controlling interests and reported as part of equity in the consolidated financial statements. The Company allocates gains and losses to the non-controlling interest even when such allocation results in a deficit balance, reducing the losses attributed to the controlling interest. Changes in ownership interests are treated as equity transactions if the Company maintains control.

Use of Estimates – The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Sales – The Company includes net sales to its joint ventures and net sales to unaffiliated customers on its consolidated statements of operations. There are no sales originating from the Company's joint ventures to unaffiliated customers included in the amount, as the Company's investments in its joint ventures are accounted for using the equity method.

When determining recognition of revenue arrangements the Company performs the following five steps: (1) identify the contracts with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when or as the entity satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods it transfers to, or services it performs for, the customer.

Generally, the Company's performance obligations are satisfied when the customers take possession of the products, which normally occurs at the shipping point or destination depending on the terms of the contracts. The Company's services are generally sold based upon quotes or contracts with customers that include a fixed or determinable price, and sales arrangements do not contain any significant financing component for its customers. The Company does not recognize revenue related to product warranties, nor does the Company incur significant contract costs. Customer arrangements do not generate contract assets or liabilities.

Revenue Recognition – Revenue is measured based on consideration specified in the contract with a customer, adjusted for any applicable estimates of variable consideration and other factors affecting the transaction price, including noncash consideration, consideration paid or payable to customers, and significant financing components. Revenue from all customers is recognized when a performance obligation is satisfied by transferring control of a distinct good or service to a customer.

Individually promised goods and services in a contract are considered a distinct performance obligation and accounted for separately if the customer can benefit from the individual good or service on its own or with other resources that are readily available to the customer and the good or service is separately identifiable from other promises in the arrangement. When an arrangement includes multiple performance obligations, the consideration is allocated between the performance obligations in proportion to their estimated standalone selling price. Costs related to products delivered are recognized in the period incurred, unless criteria for capitalization of costs are met. Costs of revenues consist primarily of direct labor, manufacturing overhead, materials, and components. The Company does not incur significant upfront costs to obtain a contract. If costs to obtain a contract were to become material, the costs would be recorded as an asset and amortized to expense in a manner consistent with the related recognition of revenue.

The Company excludes government assessed and imposed taxes on revenue generating transactions that are invoiced to customers from revenue. The Company includes freight billed to customers in revenue. Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfillment cost and are included in cost of goods sold.

The timing of revenue recognition, billing, and cash collections results in accounts receivable on the consolidated balance sheet.

Performance Obligations – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation in proportion to its standalone selling price and recognized as revenue when, or as, the performance obligation is satisfied. The Company's various performance obligations and the timing or method of revenue recognition are discussed below. The Company's technical service consultants work directly with the end users of NTIC's ZERUST® rust and corrosion inhibiting products to analyze their specific needs and develop systems to meet their performance requirements.

The Company sells its products to both distributors and end-users. Each unit of product delivered under a customer order represents a distinct and separate performance obligation, as the customer can benefit from each unit on its own or with other resources that are readily available to the customer, and each unit of product is separately identifiable from other products in the arrangement.

The transaction price for the Company's products is the invoiced amount. The Company does not have variable consideration in the form of refunds, credits, rebates, price concessions, pricing incentives, or other items impacting transaction price. The purchase order pricing in arrangements with customers is deemed to approximate standalone selling price; therefore, the Company does not need to allocate proceeds on a relative standalone selling price allocation between performance obligations. The Company applies the practical expedient in paragraph 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. There are no material obligations that extend beyond one year.

Revenue is recognized when transfer of control occurs, as defined by the terms in the customer agreement. The Company immediately recognizes incidental items that are immaterial in the context of the contract. The Company has applied the practical expedient in paragraph 606-10-25-16A and does not assess if immaterial items are promised goods or services. The Company has also applied the practical expedient in paragraph 606-10-32-18 regarding the adjustment of the promised amount of consideration for the effects of a significant financing component when the customer pays for that good or service within one year or less, as the Company does not have any significant financing components in its customer arrangements since payment is received at or shortly after the point of sale, generally 30 to 90 days.

Sales Commissions – Sales commissions paid to sales representatives are eligible for capitalization, as they are incremental costs that would not have been incurred without entering into a specific sales arrangement and are recoverable through the expected margin on the transaction. The Company has elected to apply the practical expedient provided by Accounting Standards Codification (ASC) 340-40-25-4 and recognize the incremental costs of obtaining contracts as an expense when incurred, as the amortization period of the assets that would have otherwise been recognized is one year or less. The Company records these costs as a selling expense.

Product Warranty – The Company offers warranties on various products and services. These warranties are assurance type warranties that are not sold on a standalone basis; therefore, they are not considered distinct performance obligations. The Company estimates the costs that may be incurred under its warranties and records a liability in the amount of such costs at the time the revenue is recognized for the product sale.

International Revenue – The Company markets its products to numerous countries in North America, Europe, Latin America, Asia, and other parts of the world. See Note 12, Segment and Geographic Information, for information regarding revenue disaggregation by geography.

Trade Receivables – Payment terms for the Company's unaffiliated customers are determined based on credit risk and vary by customer. The Company typically offers standard payment terms to unaffiliated customers of net 30 days. The Company does not accrue interest on past due accounts receivable. The Company reviews the credit histories of its customers before extending unsecured credit. The Company presents accounts receivable, net of an allowance for credit losses. The allowance for credit losses reflects management's estimate of amounts that will ultimately not be collected. The Company determines the allowance for credit losses based on historical information, changes in current economic conditions and reasonable and supportable forecasts of future economic conditions. The allowance for credit losses is measured on a collective (pool) basis when trade receivables share similar risk characteristics. Trade receivables that do not share similar risk characteristics are evaluated on an individual basis and are also not included in the collective (pool) evaluation.

Employee Retention Credit (ERC) and Payroll Tax Deferral - On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law providing numerous tax provisions and other stimulus measures, including an employee retention credit (ERC), which is a refundable tax credit against certain employment taxes. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Rescue Plan Act of 2021 extended and expanded the availability of the ERC.

The Company engaged tax advisors of a Big 4 accounting firm which determined the Company qualified for ERCs. The Company then applied for the ERC in fiscal 2023 for the second and third quarters of that year of $573,751 and $566,006, respectively. The Company elected to account for the credit as a government grant. U.S. GAAP does not include grant accounting guidance for for-profit entities; therefore, the Company has elected to follow the grant accounting model in International Accounting Standard (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance. In accordance with IAS 20, the Company cannot recognize any income from the grant until there is reasonable assurance (similar to the "probable" threshold in U.S. GAAP) that any conditions attached to the grant will be met and that the grant will be received. Once it is reasonably assured that the grant conditions will be met and that the grant will be received, grant income is recorded on a systematic basis over the periods in which the Company recognizes the payroll expenses for which the grant is intended to compensate. Income from the grant can be presented as either other income or as a reduction in the expenses for which the grant was intended to compensate.

During the fiscal year ended August 31, 2025, the Company received $1,139,756 in cash as a result of the ERC and this cash was claimed under the suspension test criteria based on the Company's determination that it met the eligibility requirements. In accordance with the Company's accounting policy, the ERC payments have been recognized as Other Income in the period in which the cash was received, as the Company determined that all relevant criteria for recognition had been met. The ERC represents a one-time benefit and does not constitute recurring operational revenue.

Additionally, during the fiscal year ended August 31, 2025, the Company earned $181,529 in interest income related to the ERC payments, which was recorded as Interest Income for the period. The ERC payments of $1,139,756 are recorded as Other Income in the consolidated statements of operations, while the interest income of $181,529 is recorded separately under Interest Income in the consolidated statements of operations.

Fees for Services Provided to Joint Ventures – The Company provides services to its joint ventures, including consulting, legal, travel, insurance, technical, and marketing services, pursuant to licensing and other agreements. Fees for these services are generally based on either a fixed amount or a percentage of the joint ventures' net sales, depending on the terms of the agreements and applicable local laws and tax regulations. Fees are recognized when or as the related performance obligations are satisfied. For sales-based royalties related predominantly to licenses of intellectual property, revenue is recognized when the underlying sales occur, provided the related performance obligation has been satisfied or partially satisfied. The Company evaluates the collectibility of consideration under its joint venture arrangements in determining whether the criteria for recognizing revenue under ASC 606 have been met. Amounts recognized as receivables are evaluated for expected credit losses in accordance with the Company's accounting policy for accounts receivable.

Cash and Cash Equivalents – The Company includes as cash and cash equivalents highly liquid, short-term investments with maturity of three months or less when purchased, which are readily convertible into known amounts of cash. The Company maintains its cash in high quality financial institutions. The balances, at times, may exceed federally insured limits.

Inventories – Inventories are recorded at the lower of cost (weighted average basis) or net realizable value and include a reduction in value based on slow-moving and obsolete inventory, which amounted to $387,310 and $422,344 in the fiscal years ending August 31, 2026 and 2025, respectively.

Assets Held for Sale – The Company classifies a property as held for sale when all of the criteria set forth in ASC Topic 360: Property, Plant and Equipment have been met. The criteria are as follows: (i) management, having the authority to approve the action, commits to a plan to sell the property; (ii) the property is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets; (iii) an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; (iv) the sale of the property is probable and is expected to be completed within one year; (v) the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. At the time the Company classifies a property as held for sale, the Company ceases recording depreciation and amortization. A property classified as held for sale is measured and reported at the lower of: (i) its carrying amount or (ii) its estimated fair value, less estimated costs to sell. Properties classified as held for sale are presented separately in the consolidated balance sheet.

Property and Equipment and Depreciation – Property and equipment are stated at cost. Depreciation is computed using the straight-line method based on the estimated service lives of the various assets as follows:

Buildings and improvements	5-30 years
Machinery and equipment	3-10 years

Investments in Joint Ventures – Investments in the Company's joint ventures are accounted for using the equity method. Under the equity method, investments are initially recorded at cost and are adjusted for dividends, distributed and undistributed earnings and losses, changes in foreign currency exchange rates, and additional investments. In the event the Company's share of a joint venture's cumulative losses exceeds the Company's investment balance, the balance is reported at zero value until proportionate income exceeds the losses. The Company assesses its joint ventures for impairment on an annual basis as of August 31 of each year as part of its fiscal year end analysis. In addition to the annual review for impairment, the Company reviews the operating results of each joint venture on a quarterly basis in comparison to its historical operating results and its accrual of fees for services provided to joint ventures. If the operating results of a joint venture do not meet financial performance expectations, an additional evaluation is performed on the joint venture. The Company's evaluation of its investments in joint ventures requires the Company to make assumptions about future cash flows of its joint ventures. These assumptions require significant judgment, and actual results may differ from assumed or estimated amounts. All investments in joint ventures had positive equity as of August 31, 2026 and 2025. The Company considers any of its joint ventures to be significant and discloses entity specific financial information if the joint venture's income or assets make up more than 20% of the Company's total assets or income.

The Company classifies distributions received from its joint ventures based on the nature of the distributions, generally, in operating activities on the consolidated statements of cash flows.

If the Company is no longer able to exercise significant influence over operating and financial policy of a joint venture previously accounted for under the equity method, it maintains the investment at the carrying value as of the date that significant influence no longer exists and discontinues accruing the proportionate earnings or losses of the investment.

Investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. Fair value is calculated based on publicly available market information or other estimates determined by management. The Company employs a systematic methodology on a quarterly basis that considers available quantitative and qualitative evidence in evaluating potential impairment of our investments. If the cost of an investment exceeds its fair value, the Company evaluates, among other factors, general market conditions, credit quality, the duration and extent to which the fair value is less than cost, and for equity securities, the Company's intent and ability to hold, or plans to sell, the investment. The Company also considers specific adverse conditions related to the financial health of and business outlook for the investee, including industry and sector performance, changes in technology, and operational and financing cash flow factors. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded to other income (expense), and a new cost basis in the investment is established. The Company determined that there was no impairment of investments in joint ventures as of August 31, 2026.

Recoverability of Long-Lived Assets – The Company reviews its long-lived assets whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. The Company determines potential impairment by comparing the carrying value of the assets with expected net cash flows expected to be provided by operating activities of the business or related products. If the sum of the expected undiscounted future net cash flows is less than the carrying value, the Company evaluates whether an impairment loss should be recognized. An impairment loss is measured by comparing the amount by which the carrying value exceeds the fair value of the asset. When evaluating assets for impairment, the Company groups long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The Company determined that there were no indications that the carrying value of long-lived assets was not recoverable as of August 31, 2026.

Patents and Trademarks – Patents and trademarks, including acquisition costs, are stated at cost, less accumulated amortization. Amortization is computed using the straight-line method over the estimated useful lives of the respective assets. Upon retirement, the cost of assets disposed and the related accumulated amortization are removed from the accounts, and any resulting gain or loss is credited or charged to operations.

The Company estimates the useful life of patents to be 17 years and customer relationships to be 15 years. This estimate is based on a combination of factors, including the expected duration of patent protection, technological obsolescence, and market conditions. Amortization of intangible assets is recorded using the straight-line method over their estimated useful lives.

Capitalization of Software Costs – Software developed or obtained for internal use, including direct development costs, is stated at cost, less accumulated amortization. Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred. Capitalized software costs include external direct costs of materials and services and payroll costs for employees directly associated with software development. Amortization is computed using the straight-line method over the estimated useful life of the software, which is estimated to be ten years. Upon retirement, the cost of assets disposed and the related accumulated amortization are removed from the accounts, and any resulting gain or loss is credited or charged to operations.

Goodwill – Goodwill represents the excess purchase price over the fair value of tangible net assets acquired in acquisitions after amounts have been allocated to intangible assets. Goodwill is tested for impairment annually (at August 31), or more frequently when events or changes in circumstances indicate that the asset might be impaired. Examples of such events or circumstances include, but are not limited to, a significant adverse change in legal or business climate, an adverse regulatory action or unanticipated competition.

The Company assesses qualitative factors to determine whether the existence of events or circumstances would indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If after assessing the totality of events or circumstances, the Company were to determine that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, then the Company would perform a quantitative test that compares the fair value to its carrying value to determine the amount of any impairment. The Company has determined there was no goodwill impairment during the years ended August 31, 2026 and 2025.

Income Taxes – The Company utilizes the asset and liability method of accounting for income taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Deferred income tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in operations in the period that includes the enactment date.

The Company records net deferred tax assets to the extent the Company believes these assets will more likely than not be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. In the event the Company determines that it would be able to realize its deferred assets in the future in excess of their net recorded amount, the Company makes an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions on the basis of a two-step process whereby the Company determines whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position and those tax positions that meet the more-likely-than-not recognition threshold. The Company recognizes the largest amount of tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Foreign Currency Translation (Accumulated Other Comprehensive Income (Loss)) – The functional currency of NTIC China, Zerust Brazil, Natur-Tec India, Natur Tec Lanka, Zerust Mexico, Zerust India, Zerust Singapore, Zerust Vietnam, Zerust Taiwan, NTI Europe, and each unconsolidated international joint venture is the applicable local currency. The translation of the applicable foreign currencies into U.S. dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using an average monthly exchange rate. Translation gains or losses are reported as an element of other comprehensive income (loss).

The Company (excluding NTIC China, Zerust Brazil, Natur-Tec India, Natur Tec Lanka, Zerust India, Zerust Singapore, Zerust Vietnam, Zerust Taiwan, NTI Asean, Zerust Mexico, NTI Europe, and NTIC's joint ventures) conducts all foreign transactions based on the U.S. dollar. Since investments in joint ventures are accounted for using the equity method, any changes in foreign currency exchange rates are reflected as a foreign currency translation adjustment and do not change the equity in income from joint ventures reflected in the Company's consolidated statements of operations.

Fair Value of Financial Instruments – The carrying value of cash and cash equivalents, short-term accounts receivable, notes payable, trade accounts payables, and other accrued expenses approximate fair value because of the short maturity of those instruments.

Shipping and Handling – The Company records all amounts billed to customers in a sales transaction related to shipping and handling as sales. The Company records costs related to shipping and handling in cost of goods sold.

Research and Development – The Company expenses all costs related to product research and development as incurred.

Common Stock – The Company issues authorized but unissued shares of common stock upon the exercise of stock options.

Stock-Based Compensation – The Company recognizes compensation cost relating to share-based payment transactions, including grants of employee stock options and transactions under the Company's employee stock purchase plan, in its consolidated financial statements. That cost is measured based on the fair value of the equity or liability instruments issued. The Company measures the cost of employee services received in exchange for stock options and other stock-based awards based on the grant-date fair value of the award and recognizes the cost over the period the employee is required to provide services for the award (generally the vesting term).

Subsequent Events – The Company has evaluated events occurring after the date of the consolidated financial statements through November 19, 2026 for events requiring disclosure in the consolidated financial statements.

2. NEWLY ADOPTED ACCOUNTING POLICIES

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*. The guidance is expected to improve income tax disclosures primarily related to the rate reconciliation and income taxes paid information by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. The Company adopted the standard for the annual period beginning September 1, 2025 (fiscal 2026) and applied the amendments retrospectively to all prior periods presented. Adoption of the standard did not have a material impact on the Company's consolidated results of operations, financial position or cash flows. The incremental disclosures required by the standard are included in Note 15.

3. ACCOUNTING PRONOUNCEMENTS

Recently Issued, But Not Yet Adopted Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disaggregation of certain costs in a separate note to the financial statements, such as the amounts of employee compensation, depreciation and intangible asset amortization, included in each relevant expense caption in annual and interim consolidated financial statements. ASU 2024-03 is effective for annual periods beginning after December 15, 2026 and for interim periods beginning after December 15, 2027 on a retrospective or prospective basis, with early adoption permitted. The Company is evaluating the effect that ASU 2024-03 will have on its consolidated financial statement disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU provides a practical expedient that permits an entity to assume that conditions at the balance sheet date remain unchanged over the remaining life of current accounts receivable and contract assets when estimating expected credit losses. The guidance is effective for fiscal years beginning after December 15, 2025, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact that adoption of this guidance will have on its consolidated financial statements.

In December 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which clarifies the applicability of the interim reporting guidance, the types of interim reporting, and the form and content of interim financial statements in accordance with U.S. generally accepted accounting principles. Per the FASB, the amendment is not intended to change the fundamental nature of interim reporting or expand or reduce current interim disclosure requirements but rather provide clarity and improves navigability of the existing interim reporting requirements. The update will be effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. We are assessing the effect of this update on our Interim Statements and related disclosures.

4. INVENTORIES

Inventories consisted of the following:

	August 31, 2026	August 31, 2025
Production materials	$ 4,631,649	$ 5,059,298
Finished goods	12,054,967	10,465,932
Total inventories	$ 16,686,616	$ 15,525,230

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

	August 31, 2026	August 31, 2025
Land	$ 1,870,610	$ 1,260,312
Buildings and improvements	13,493,642	14,650,361
Assets in process	490,841	817,946
Machinery and equipment	10,201,822	9,154,728
	26,056,915	25,883,347
Less accumulated depreciation	(11,193,015)	(10,699,429)
Property and equipment, net	$ 14,863,900	$ 15,183,918

Depreciation expense was $1,045,236 for fiscal 2026 compared to $979,981 in fiscal 2025. Assets in process includes capitalized software costs incurred until the capitalized software is placed in service. Once placed in service, these costs are reclassed to intangible assets, net in the consolidated balance sheet.

During the third quarter of fiscal 2026, the Company reclassified $855,730 of net book value associated with its Beachwood, Ohio facility from property and equipment, net to assets held for sale. Amounts reclassified consisted of $1,376,803 of buildings and improvements and $521,073 of related accumulated depreciation. Depreciation ceased upon classification of such property and equipment to assets held for sale. See Note 18 for additional information.

6. INTANGIBLE ASSETS, NET

Intangible assets, net consisted of the following:

	As of August 31, 2026		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patents and trademarksd	$ 3,665,264	$ (3,076,652)	$ 588,612
Capitalized software	4,204,956	(902,483)	3,302,473
Customer relationships	6,347,000	(2,115,667)	4,231,333
Total intangible assets, net	$ 14,217,220	$ (6,094,802)	$ 8,122,418

	As of August 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patents and trademarks	$ 3,546,542	$ (2,969,571)	$ 576,971
Capitalized software	4,089,695	(493,365)	3,596,330
Customer relationships	6,347,000	(1,692,533)	4,654,467
Total intangible assets, net	$ 13,983,237	$ (5,155,469)	$ 8,827,768

Amortization expense related to intangible assets was $939,332 for fiscal 2026 compared to $777,289 for fiscal 2025.

As of August 31, 2026, future amortization expense related to intangible assets for each of the next five fiscal years and thereafter is estimated as follows:

Fiscal 2027	$ 916,763
Fiscal 2028	891,976
Fiscal 2029	866,157
Fiscal 2030	850,663
Fiscal 2031	844,568
Thereafter	3,752,291
Total	$ 8,122,418

7. INVESTMENTS IN JOINT VENTURES

The consolidated financial statements of the Company’s foreign joint ventures are initially prepared using the accounting principles accepted in the respective joint ventures’ countries of domicile. Amounts related to foreign joint ventures reported in the below tables and the accompanying consolidated financial statements have subsequently been adjusted to conform with U.S. GAAP in all material respects. All material profits on sales recorded that remain on the consolidated balance sheet from the Company to its joint ventures and from joint ventures to other joint ventures have been eliminated for financial reporting purposes.

The following table sets forth a list of the Company's operating joint ventures as August 31, 2026, the country in which the joint venture is organized, and NTIC's ownership percentage in each joint venture:

Joint Venture Name	Country	NTIC Percent (%) Ownership
ACOBAL SAS	France	50%
CHONG WAH-NTIA SDN. BHD.	Malaysia (1)	30%
EXCOR KORROSIONSSCHUTZ – TECHNOLOGIEN ….UND PRODUKTE GMBH	Germany	50%
EXCOR SP. Z.O.O.	Poland	50%
EXCOR-ZERUST S.R.O.	Czech Republic	50%
KOREA ZERUST CO., LTD.	South Korea (1)	30%
PT. CHEMINDO – NTIA	Indonesia (1)	30%
TAIYONIC LTD.	Japan	50%
ZERUST – DNEPR	Ukraine	50%
ZERUST (U.K.) LTD.	United Kingdom	50%
ZERUST A.Ş.	Turkey	50%
ZERUST AB	Sweden	50%
ZERUST CONSUMER PRODUCTS, LLC	United States	50%
ZERUST OY	Finland	50%
ZERUST SPECIALTY TECH CO. LTD.	Thailand (1)	30%

(1) Indirect ownership interest through NTI Asean.

Financial information from the audited and unaudited financial statements of the Company's joint ventures in Germany, Excor Korrosionsschutz – Technologien und Produkte GmbH (EXCOR), France, ACOBAL SAS (Acobal),Finland, Zerust OY (Zerust Finland), Sweden, Zerust AB (Zerust Sweden), and Thailand, Zerust Specialty Tech Co. Ltd. (Zerust Thailand), and all the Company's other joint ventures are summarized as follows. The fiscal 2025 information below is presented as previously reported and also separately presents Zerust OY (Zerust Finland):

	As of August 31, 2026						
	TOTAL	EXCOR	Acobal	Zerust Finland	Zerust Sweden	Zerust Thailand	Other
Current assets	$ 66,160,556	$ 34,292,925	$ 7,517,226	$ 3,514,341	$ 1,481,852	$ 5,107,548	$ 14,246,664
Total assets	75,401,662	41,037,597	8,378,468	3,756,455	1,496,201	5,298,558	15,434,383
Current liabilities	13,290,853	3,118,862	2,318,327	957,397	536,962	1,546,042	4,813,263
Noncurrent liabilities	205,912	—	—	—	—	204,762	1,150
Joint ventures' equity	61,904,945	37,918,735	6,060,141	2,799,058	959,238	3,547,754	10,620,019
NTIC's share of joint ventures' equity	30,707,380	18,959,369	3,030,069	1,399,518	489,148	1,773,877	5,055,399
NTIC's share of joint ventures' undistributed earnings	29,762,712	18,928,464	3,030,069	1,379,518	469,148	1,671,877	4,283,636

	Fiscal Year Ended August 31, 2026						
	TOTAL	EXCOR	Acobal	Zerust Finland	Zerust Sweden	Zerust Thailand	Other
Net sales	$ 100,073,932	$ 35,606,518	$ 13,791,458	$ 5,684,975	$ 5,191,100	$ 8,979,581	$ 30,820,300
Gross profit	42,336,112	18,058,137	5,347,230	3,428,612	1,842,550	2,450,830	11,208,753
Net income	8,674,557	3,615,058	2,350,361	1,097,311	330,318	407,368	874,141
NTIC's share of equity in income of joint ventures	4,345,834	1,810,849	1,176,075	548,427	166,014	205,219	439,250
NTIC's dividends received from joint ventures	1,896,856	—	747,477	436,716	40,965	164,839	506,859

	As of August 31, 2025				
	TOTAL	EXCOR	Acobal	Zerust OY	Other
Current assets	$ 60,062,085	$ 29,870,525	$ 6,971,262	$ 3,029,614	$ 20,190,684
Total assets	69,815,251	36,941,008	7,900,298	3,313,909	21,660,036
Current liabilities	11,743,525	2,391,029	2,660,430	719,172	5,972,894
Noncurrent liabilities	336,557	—	—	—	336,557
Joint ventures' equity	57,735,169	34,549,979	5,239,868	2,594,737	15,350,585
NTIC's share of joint ventures' equity	28,611,777	17,274,991	2,619,932	1,297,358	7,419,496
NTIC's share of joint ventures' undistributed earnings	27,667,432	17,244,086	2,619,932	1,277,358	6,526,056

	Fiscal Year Ended August 31, 2025				
	TOTAL	EXCOR	Acobal	Zerust OY	Other
Net sales	$ 91,236,272	$ 32,909,789	$ 11,721,152	$ 4,831,258	$ 41,774,073
Gross profit	39,460,739	17,637,075	4,500,635	2,976,462	14,346,567
Net income	7,081,482	3,325,785	1,418,240	964,653	1,372,804
NTIC's share of equity in income of joint ventures	3,539,056	1,664,532	708,333	483,754	682,437
NTIC's dividends received from joint ventures	1,566,947	—	635,528	382,613	548,806

8. CORPORATE DEBT

The Company is party to a Credit Agreement (as amended, the Credit Agreement) with JPMorgan Chase Bank, N.A. (JPM), which provides the Company with a senior secured revolving line of credit (the Credit Facility) of up to $12.0 million (as amended below), which includes a $5.0 million sublimit for standby letters of credit. Borrowings of $11,126,335 and $9,329,021 were outstanding under the Credit Facility as of August 31, 2026 and August 31, 2025, respectively.

On December 17, 2025, the Company and JPM renewed the Company's Credit Agreement to extend the maturity date of the Credit Facility from January 5, 2026 to February 5, 2027.

On January 30, 2026, the Company and JPM entered into an amendment to the Credit Agreement, which increased the availability under the Credit Facility from $10.0 million to $12.0 million.

The principal amount under the Credit Facility, together with all accrued unpaid interest and other amounts owing thereunder, if any, will be payable in full on the maturity date, unless the Credit Facility is extended, renewed, or terminated earlier. The Company has historically renewed or extended the Credit Facility prior to maturity and expects to do so again at maturity in 2027, although there can be no assurance that it will be able to do so.

Borrowings under the Credit Agreement bear interest at a floating rate, at the option of the Company, equal to either the CB Floating Rate or the Adjusted SOFR Rate. The term "CB Floating Rate" means the greater of the Prime Rate in the United States or 2.50%. The term "Adjusted SOFR Rate" means the term secured overnight financing rate for either one, three or six months (depending on the interest period selected by the Company) plus 0.10% per annum. With respect to any borrowings using an Adjusted SOFR Rate, there is an applicable margin of 2.35% applied per annum. There is no applicable margin with respect to borrowings using a CB Floating Rate. In March 2026, the Company elected to convert its outstanding borrowings under the Credit Facility from the CB Floating Rate to the Adjusted SOFR Rate. The weighted average interest rate was 5.43% and 6.61% for the years ended August 31, 2026 and 2025, respectively.

To secure the Credit Agreement, the Company assigned JPM a continuing security interest in all of its right, title and interest in collateral made up of substantially all of the assets of the Company.

The Credit Agreement contains customary affirmative and negative covenants, including, among other matters, limitations on the Company's ability to incur additional debt, grant liens, engage in certain business operations and transactions, make certain investments, modify its organizational documents or form any new subsidiaries, subject to certain exceptions. Further, the Credit Agreement contains a negative covenant that restricts the ability of the Company to redeem or repurchase its common stock or pay dividends if the result of which would cause an event of default under the Credit Agreement. The Credit Agreement also requires the Company to maintain a Fixed Charge Coverage Ratio of at least 1.25 to 1.00. The term "Fixed Charge Coverage Ratio" means the ratio, computed for the Company on a consolidated basis, of net income plus income tax expense, plus amortization expense, plus depreciation expense, plus interest expense, and plus dividends received from joint ventures, minus unfinanced capital expenditures and equity in income from joint ventures, all computed for the twelve month period then ending, to scheduled principal payments made, plus scheduled finance lease payments made, plus interest expense paid, plus income tax expense paid, and plus cash distributions and dividends paid, all computed for the same twelve month period then ending.

The Company was not in compliance with the Fixed Charge Coverage Ratio covenant under the Credit Agreement as of August 31, 2026. The Credit Agreement requires the Company to maintain a Fixed Charge Coverage Ratio of at least 1.25 to 1.00, and the Company's Fixed Charge Coverage Ratio was 1.07 to 1.00 as of August 31, 2026. On October 21, 2026, the Company obtained a waiver from JPM with respect to such noncompliance of the Fixed Charge Coverage Ratio covenant for the fiscal quarter ended August 31, 2026. The Company was in compliance with all other covenants under the Credit Agreement as of August 31, 2026.

The Credit Agreement also contains customary events of default, including, without limitation, payment defaults, material inaccuracy of representations and warranties, covenant defaults, bankruptcy and insolvency proceedings, cross-defaults to certain other agreements, breach of any financial covenant and change of control. Upon the occurrence and during the continuance of any event of default, JPM may accelerate the payment of the obligations thereunder and exercise various other customary default remedies.

On each of April 22, 2025 and May 29, 2025, NTIC's wholly owned subsidiary in China, NTIC China, entered into a loan agreement with China Construction Bank Corporation, each providing a term loan of RMB 10,000,000. The original loans bore annual interest at 2.75% and 2.96%, respectively, with interest due monthly. On each of April 27, 2026 and May 28, 2026, NTIC China renewed its loan agreement with China Construction Bank Corporation. Each term loan provides NTIC China with RMB 10,000,000 (approximately USD $1.49 million), for an aggregate of RMB 20,000,000. The term loans mature on April 26, 2027 and May 27, 2027, respectively, and the Company expects to amend or extend each loan at maturity on substantially the same terms, although there can be no assurance that it will be able to do so. Each term loan bears interest at the one-year Loan Prime Rate (LPR) minus 75 basis points, fixed at the LPR in effect on the business day prior to the loan's effective date and held constant for the 12-month term, resulting in an annual interest rate of 2.25% for each loan, with interest due monthly and principal due at maturity. Both term loans are secured by an office building owned by NTIC China and the loan agreements contain certain financial and other covenants. NTIC China was in compliance with all covenants under the loan agreements as of August 31, 2026. The outstanding balance as of August 31, 2026 for both term loans was a total of USD $2,975,305. The outstanding balance as of August 31, 2025 for both term loans was a total of USD $2,804,695.

On August 30, 2025, the Company's majority owned subsidiary in India, Natur-Tec India,entered into a Foreign Currency Term Loan Agreement with IDFC FIRST Bank Limited (the Bank). The term loan provides Natur-Tec India with a facility of INR 500 lakhs (USD $600,000) to finance the purchase of land in Chennai, India. The loan was disbursed on August 30, 2025 for INR 461 lakhs (USD $522,545) and is repayable in 85 monthly installments to a US dollar account of USD $7,899 each beginning October 5, 2025 and continuing through September 5, 2032. Borrowings under the term loan bear interest at a fixed rate of 6.45% per annum. The term loan is secured by a lien over Natur-Tec India's cash deposits with the Bank totaling INR 476 lakhs (USD $539,731).

On August 20, 2026, Natur-Tec India drew an additional INR 237.0 lakhs (USD $251,459) from the Bank under a separate foreign currency term loan sanctioned on July 25, 2026, to finance the purchase of land and buildings and machinery in connection with its expansion in Chennai. This borrowing bears interest at a fixed rate of 6.25% per annum, is repayable in 60 monthly installments of USD $4,910 beginning September 7, 2026, and is secured by a charge on Natur-Tec India's current assets and movable fixed assets, a mortgage on land owned by Natur-Tec India. The Bank has approved aggregate financing of up to INR 247 lakhs (approximately USD $0.26 million), of which INR 10 lakhs (USD $10,507) remained undrawn at August 31, 2026.

The aggregate outstanding balance of these borrowings as of August 31, 2026 was INR 649.0 lakhs (USD $681,863), of which INR 56.0 lakhs (USD $58,870) was classified as current and INR 592.9 lakhs (USD $622,993) as long-term. The loan agreements contain customary affirmative and negative covenants applicable to Natur-Tec India, including, among other matters, restrictions on incurring additional indebtedness, creating liens, or changing the nature of its business. Natur-Tec India was in compliance with all covenants as of August 31, 2026.

Substantially all of the Company's borrowings, $14,160,510 of the $14,783,503 outstanding as of August 31, 2026, mature in fiscal 2027, consisting of the Credit Facility ($11,126,335), the NTIC China term loans ($2,975,305), and the current portion of the Natur-Tec India term loans ($58,870). The remaining $622,993 relates to the Natur-Tec India term loans, which are repayable in monthly installments through September 2032.

As of August 31, 2026, the estimated carrying amount of assets pledged as collateral for the Company's borrowings was $44,382,834, consisting of (i) NTIC's accounts receivable, cash and deposit accounts, inventories, equipment and general intangibles (including goodwill and other intangible assets), with a carrying amount of $33,370,057, pledged to JPM to secure the Credit Facility ($11,126,335 outstanding), which excludes NTIC's equity interests in foreign subsidiaries and joint ventures and its owned real property; (ii) the office building owned by NTIC China, with an estimated carrying amount of $4,003,589, pledged to secure the NTIC China term loans ($2,975,305 outstanding); and (iii) Natur-Tec India's current assets and movable fixed assets, with an estimated carrying amount of $7,009,188 (including cash deposits with the Bank of $839,907), pledged to secure the Natur-Tec India term loans ($681,863 outstanding). Natur-Tec India's land, with a carrying amount of $595,223, is mortgaged to the Bank as additional security for its second term loan.

9. STOCKHOLDERS' EQUITY

During fiscal 2026, the Company's Board of Directors declared cash dividends on the following dates in the following amounts to holders of record of the Company's common stock as of the following record dates:

Declaration Date	Amount	Record Date	Payable Date
October 15, 2025	$0.01	October 29, 2025	November 12, 2025
January 14, 2026	$0.01	January 28, 2026	February 11, 2026

On April 24, 2026, the Company announced the suspension of its quarterly cash dividend on its common stock, beginning with its quarterly cash dividend for the third quarter of fiscal 2026, to focus on the reduction of its outstanding debt. Therefore, the Company did not declare cash dividends during the third or fourth quarter of fiscal 2026.

During fiscal 2025, the Company's Board of Directors declared cash dividends on the following dates in the following amounts to holders of record of the Company's common stock as of the following record dates:

Declaration Date	Amount	Record Date	Payable Date
October 16, 2024	$0.07	October 30, 2024	November 13, 2024
January 15, 2025	$0.07	January 29, 2025	February 12, 2025
April 16, 2025	$0.01	April 30, 2025	May 14, 2025
July 16, 2025	$0.01	July 30, 2025	August 13, 2025

During fiscal 2026 and fiscal 2025, the Company repurchased no shares of its common stock.

During fiscal 2026, the Company granted stock options under the Northern Technologies International Corporation 2024 Stock Incentive Plan (the 2024 Plan) to purchase an aggregate of 251,301 shares of its common stock to various employees and directors. The weighted average per share exercise price of the stock options is $7.42. The exercise price of the stock options is equal to the fair market value of the Company's common stock on the date of grant. During fiscal 2026, stock options to purchase an aggregate of 69,474 shares of common stock were exercised at a weighted average exercise price of $6.70 per share. Options to purchase 57,595 of those shares were exercised for cash proceeds of $385,886, and options to purchase the remaining 11,879 shares were exercised on a net cashless exercise basis, resulting in the net issuance of 2,710 shares of common stock.

During fiscal 2026, the Company granted an aggregate of 28,303 restricted stock units under the 2024 Plan to various directors. The grant date fair value of the restricted stock units was $7.42 per share, which was equal to the fair market value of the Company's common stock on the date of grant, September 1, 2025. The restricted stock units generally vest after one year, subject to continued service with the Company on the vesting date.

During fiscal 2025, the Company granted stock options under the 2024 Plan to purchase an aggregate of 245,190 shares of its common stock to various employees and directors. The weighted average per share exercise price of the stock options is $13.26. The exercise price of the stock options is equal to the fair market value of the Company's common stock on the date of grant. During fiscal 2025, stock options to purchase an aggregate of 12,000 shares of common stock were exercised at a weighted average exercise price of $7.43 per share on a net cashless exercise basis, resulting in 1,127 of common stock issued.

The Company issued 5,198 and 3,527 shares of common stock on September 1, 2025 and 2024, respectively, under the Northern Technologies International Corporation Employee Stock Purchase Plan (ESPP). The Company issued 4,439 and 3,856 shares of common stock on March 1, 2026 and 2025, respectively, under the ESPP. The ESPP is compensatory for financial reporting purposes. As of August 31, 2026, 38,235 shares of common stock remained available for sale under the ESPP.

10. NET (LOSS) INCOME PER COMMON SHARE

Basic net (loss) income per common share is computed by dividing net (loss) income by the weighted average number of common shares outstanding. Diluted net (loss) income per share assumes the exercise of stock options using the treasury stock method, if dilutive. For periods in which the Company reports a net loss, potential common shares are excluded from the computation of diluted net (loss) income per share because their effect would be anti-dilutive.

The following is a reconciliation of the net (loss) income per share computation for fiscal 2026 and fiscal 2025:

	August 31, 2026	August 31, 2025
Numerator:		
Net (loss) income attributable to NTIC	$ (703,180)	$ 17,619
Denominator:		
Basic-weighted shares outstanding	9,496,974	9,476,085
Weighted shares assumed upon exercise of stock options and settlement of restricted stock units	—	163,592
Diluted – weighted shares outstanding	9,496,974	9,639,676
Basic net (loss) income per share:	$ (0.07)	$ 0.00
Diluted net (loss) income per share:	$ (0.07)	$ 0.00

The dilutive impact summarized above relates to the periods when the average market price of the Company's common stock exceeded the exercise price of the potentially dilutive option securities granted. Net (loss) income per share was based on the weighted average number of shares of common stock outstanding during the applicable period. When dilutive, stock options and restricted stock units are included as equivalents using the treasury stock method in computing the diluted net (loss) income per share. For fiscal 2026, potential shares of common stock were excluded from the computation of diluted net (loss) income per share because the Company reported a net loss for the fiscal year and the effect of these shares would have been anti-dilutive. Excluded from the computation of diluted net (loss) income per share as of August 31, 2026 were options outstanding to purchase 2,085,086 shares of common stock and 28,303 outstanding restricted stock units. Excluded from the computation of diluted net income per share as of August 31, 2025 were options outstanding to purchase 1,833,783 shares of common stock.

11. STOCK-BASED COMPENSATION

Stock Options

The Company has four stock-based compensation plans under which stock options or other stock-based awards have been granted: the Northern Technologies International Corporation 2024 Stock Incentive Plan, the Northern Technologies International Corporation Amended and Restated 2019 Stock Incentive Plan (the 2019 Plan), the Northern Technologies International Corporation Amended and Restated 2007 Stock Incentive Plan (the 2007 Plan) and the Northern Technologies International Corporation Employee Stock Purchase Plan. The 2024 Plan replaced the 2019 Plan with respect to future award grants, which had replaced the 2007 Plan with respect to future grants; and, therefore, no further awards may be made under the 2019 Plan or 2007 Plan. The Compensation Committee of the Board of Directors and the Board of Directors administer these plans.

The 2024 Plan provides for the grant of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, stock unit awards, performance awards, and stock bonuses to eligible recipients to enable the Company and its subsidiaries to attract and retain qualified individuals through opportunities for equity participation in the Company and to reward those individuals who contribute to the achievement of the Company's economic objectives. Subject to adjustment as provided in the 2024 Plan, the maximum number of shares of the Company's common stock available for issuance under the 2024 Plan is (i) 800,000 shares of the Company's common stock; plus (ii) the number of shares of the Company's common stock remaining available for issuance under the 2019 Plan but not subject to outstanding awards under the 2019 Plan as of January 19, 2024; plus (iii) the number of additional shares of the Company's common stock subject to awards outstanding under the 2019 Plan as of January 19, 2024 but only to the extent that such outstanding awards are forfeited, cancelled, expire, or otherwise terminate without the issuance of such shares of the Company's common stock after January 19, 2024. Options granted generally have a term of ten years and become exercisable over a one- or three-year period beginning on the one-year anniversary of the date of grant. Options are granted at per share exercise prices equal to the market value of the Company's common stock on the date of grant. The Company issues new shares upon the exercise of options. As of August 31, 2026, options to purchase an aggregate of 496,491 shares of the Company's common stock were outstanding under the 2024 Plan and 440,831 shares of the Company's common stock remained available for grant under the 2024 Plan. As of August 31, 2026, options to purchase an aggregate of 1,387,415 shares of the Company's common stock were outstanding under the 2019 Plan, and 201,180 shares of the Company's common stock were outstanding under the 2007 Plan.

The Company granted options to purchase an aggregate of 251,301 and 245,190 shares of its common stock during fiscal 2026 and 2025, respectively. The fair value of option grants is determined at the date of grant using the Black-Scholes option pricing model with the assumptions listed below. The Company recognized compensation expense of $1,025,427 during fiscal 2026 and compensation expense of $1,211,434 during fiscal 2025 related to the options that vested during such time period. As of August 31, 2026, the total compensation cost for non-vested options not yet recognized in the Company's consolidated statements of operations was $759,513. Stock-based compensation expense of $552,350 is expected during fiscal 2027 and $207,164 is expected to be recognized during fiscal 2028, based on outstanding options as of August 31, 2026. Future option grants will impact the compensation expense recognized. Stock-based compensation expense is included in general and administrative expense on the consolidated statements of operations.

The fair value of each option grant is estimated on the grant date using the Black-Scholes option pricing model with the following assumptions and results for the grants:

	Fiscal Year 2026	Fiscal Year 2025
Dividend yield	0.54%	2.15%
Expected volatility	43.7%	47.4%
Expected life of option (years)	5	5
Weighted average risk-free interest rate	3.68%	3.66%

Stock option activity during the periods indicated was as follows:

	Number of Shares (#)	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding as of August 31, 2024	1,752,665	$ 11.47	
Options granted	245,190	13.26	
Options exercised	(12,000)	7.43	
Options terminated	(62,717)	7.43	
Outstanding as of August 31, 2025	1,923,138	$ 11.86	
Options granted	251,301	7.42	
Options exercised	(69,474)	6.70	
Options terminated	(19,879)	6.70	
Outstanding as of August 31, 2026	2,085,086	$ 11.54	$ 148,268
Exercisable as of August 31, 2026	1,631,742	$ 11.96	$ 0

The weighted average per share fair value of options granted during fiscal 2026 and fiscal 2025 was $3.05 and $5.07, respectively. The weighted average remaining contractual life of the options outstanding as of August 31, 2026 and 2025 was 5.46 years and 5.74 years, respectively.

Restricted Stock Units

Restricted stock units (RSUs) were granted under the 2024 Plan on September 1, 2025 and September 1, 2024 to certain non-employee directors during the year ended August 31, 2026 and August 31, 2025, respectively, and vest in full on the one-year anniversary of the date of grant.

A summary of RSU activity for the periods indicated was as follows:

	Number of RSUs	Weighted Average Grant Date Fair Value
Outstanding as of August 31, 2024	—	$ —
RSUs granted	11,313	13.14
RSUs vested/settled	—	—
Outstanding as of August 31, 2025	11,313	$ 13.14
RSUs granted	28,303	7.42
RSUs vested/settled	(11,313)	13.14
Outstanding as of August 31, 2026	28,303	$ 7.42

RSUs are valued using the closing stock price on the grant date. The Company recognizes the grant date fair value of the RSUs over the vesting term, or one year. The Company recognized RSU stock-based compensation expense of $210,008 and $148,652 during the years ended August 31, 2026 and 2025, respectively. As of August 31, 2026, there was no unrecognized stock-based compensation expense relating to outstanding RSUs.

12. SEGMENT AND GEOGRAPHIC INFORMATION

Segment Information

The Company's chief operating decision maker (CODM) is its Chief Executive Officer. The Company's business is organized into two reportable segments: ZERUST® and Natur-Tec®. The Company has been selling its proprietary ZERUST® rust and corrosion inhibiting products and services to the automotive, general industrial, mechanical, mining, agricultural, and retail consumer markets for over 50 years and, more recently, has also expanded into the oil and gas industry. The Company also sells a portfolio of proprietary bio-based and compostable (fully biodegradable) polymer resins and finished products under the Natur-Tec® brand.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. There are no intersegment sales and no operating segments have been aggregated.

The following tables present the Company's net sales by segment:

	Fiscal 2026	Fiscal 2025
ZERUST® net sales	$ 72,231,315	$ 62,488,397
Natur-Tec® net sales	23,750,641	21,746,077
Total net sales	$ 95,981,956	$ 84,234,474

The following table sets forth the Company's cost of goods sold by segment:

	Fiscal 2026	Fiscal 2025
Direct cost of goods sold		
ZERUST®	$ 42,776,805	$ 35,535,306
Natur-Tec®	16,110,672	13,994,302
Indirect cost of goods sold	3,455,680	3,028,311
Total net cost of goods sold	$ 62,343,157	$ 52,557,919

The following table sets forth the Company's gross profit by segment:

	Fiscal 2026	Fiscal 2025
ZERUST® gross profit	$ 29,454,510	$ 26,953,091
Natur-Tec® gross profit	7,639,969	7,751,775
Total segment gross profit	37,094,479	34,704,866
Indirect cost of goods sold	(3,455,680)	(3,028,311)
Total gross profit	$ 33,638,799	$ 31,676,555
Total joint venture operations	8,435,898	8,545,207
Selling expenses	(18,509,473)	(17,820,196)
General and administrative expenses	(16,319,490)	(14,792,988)
Research and development expenses	(4,910,421)	(5,038,281)
Interest income	252,140	308,054
Interest expense	(796,756)	(599,927)
Other income (expense), net	—	752,971
Income before income tax expense	$ 1,790,697	$ 3,031,395

The Company utilizes product net sales, direct and indirect cost of goods sold, and gross profit for each product in reviewing the financial performance of a product type. Further allocation of Company expenses or assets, aside from amounts presented in the tables above, is not utilized in evaluating product performance, nor does such allocation occur for internal financial reporting. The CODM uses gross profit and considers budget-to-actual variances on a quarterly basis when making decisions about the allocation of operating and capital resources to each segment. The CODM also uses segment gross profit for evaluating pricing strategy to assess the performance of each segment by comparing the results of each segment with one another and in determining the compensation of certain employees. The CODM has ultimate responsibility for enterprise decisions and making resource allocation decisions for the company and the segments. Asset information, including capital expenditures are reviewed by the CODM at the consolidated entity level and not by segment. Refer to total assets on the consolidated balance sheets.

Geographic Information

Net sales by geographic location for fiscal 2026 and fiscal 2025 were as follows:

	Fiscal Year Ended August 31,	
	2026	2025
Inside the U.S. to unaffiliated customers	$ 30,515,428	$ 29,547,889
Outside the U.S. to:		
Joint ventures in which the Company is a shareholder directly and indirectly	2,832,100	2,368,099
Unaffiliated customers	62,634,428	52,318,486
	$ 95,981,956	$ 84,234,474

Net sales by geographic location are based on the location of the customer. No single customer accounted for more than 10% of consolidated revenue.

Fees for services provided to joint ventures by geographic location as a percentage of total fees for services provided to joint ventures during fiscal 2026 and fiscal 2025, respectively, were as follows:

	Fiscal 2026	% of Total Fees for Services Provided to Joint Ventures	Fiscal 2025	% of Total Fees for Services Provided to Joint Ventures
Poland	$ 858,755	21.0%	$ 840,467	16.8%
Japan	659,864	16.1%	647,573	12.9%
Finland	524,859	12.8%	411,268	8.2%
Thailand	461,020	11.3%	371,175	7.4%
United Kingdom	368,176	9.0%	404,342	8.1%
Sweden	354,207	8.7%	330,205	6.6%
Czech Republic	291,294	7.1%	303,869	6.1%
South Korea	150,742	3.7%	186,669	3.7%
Malaysia	146,899	3.6%	126,631	2.5%
Indonesia	130,040	3.2%	137,125	2.7%
Germany	74,081	1.8%	846,281	16.9%
France	—	0.0%	320,546	6.4%
Other	70,127	1.7%	80,000	1.7%
	$ 4,090,064	100.0%	$ 5,006,151	100.0%

See Note 7 for additional details on geographical information regarding equity in income from joint ventures.

The geographical distribution of total property and equipment and net sales, which are based on the geographical location of the customer, is as follows:

	At August 31, 2026	At August 31, 2025
China	$ 5,432,959	$ 5,355,918
Other	2,150,819	1,296,988
United States	7,280,122	8,531,012
Total property and equipment	$ 14,863,900	$ 15,183,918

	Fiscal Year Ended August 31, 2026	Fiscal Year Ended August 31, 2025
China	$ 18,372,146	$ 16,239,889
Brazil	7,789,278	6,570,850
India	24,707,210	22,620,639
Other	14,597,894	9,255,207
United States	30,515,428	29,547,889
Total net sales	$ 95,981,956	$ 84,234,474

Long-lived assets consist of property and equipment. These assets are periodically reviewed to assure the net realizable value from the estimated future production based on forecasted sales exceeds the carrying value of the assets.

Sales to the Company’s joint ventures are included in the foregoing segment and geographic information; however, sales by the Company’s joint ventures to other parties are not included. The foregoing segment and geographic information represents only sales recognized directly by the Company and sold in that geographic territory.

All joint venture operations, including equity in income, fees for services and related dividends, are primarily related to ZERUST® products and services.

13. RETIREMENT PLAN

The Company has a 401(k) employee savings plan. Employees who meet certain age and service requirements may elect to contribute up to 15% of their salaries. The Company typically contributes the lesser of 50% of the participant's contributions or 3.5% of the employee's salary. The Company recognized expense for the savings plan of $319,507 and $339,319 for fiscal 2026 and fiscal 2025, respectively.

14. RELATED PARTY TRANSACTIONS

During both fiscal 2026 and fiscal 2025, the Company made consulting payments of $144,000 to Bioplastic Polymers LLC, an entity owned by Ramani Narayan, Ph.D., a director of the Company. Dr. Narayan provides certain consulting services to the Company relating to the Natur-Tec® business and bioplastics program.

The Company's investments in joint ventures are considered related parties, refer to note 7 for details of transactions with joint ventures.

15. INCOME TAXES

The provision for income taxes for the fiscal years ended August 31, 2026 and 2025 was approximately as follows:

	Fiscal Year Ended August 31,	
	2026	**2025**
Current:		
Federal	$ —	$ —
State	19,000	69,000
Foreign	1,694,567	1,823,000
	1,713,567	1,892,000
Deferred:		
Federal	—	—
State	—	—
Foreign	(167,309)	153,002
	(167,309)	153,002
	$ 1,546,258	$ 2,045,002

Reconciliations of the expected federal income tax at the statutory rate of 21.0% with the provisions for income taxes for the fiscal years ended August 31, 2026 and 2025 were approximately as follows:

	Fiscal Year Ended August 31,			
	2026		2025	
U.S. federal statutory rate	$ 376,000	21.0%	$ 637,000	21.0%
State and local income tax, net of federal income tax effect*	14,000	0.8%	64,000	2.1%
Foreign tax effects				
Brazil				
Statutory tax rate difference between Brazil and United States	288,000	16.1%	132,000	4.4%
India				
Statutory tax rate difference between India and United States	129,000	7.2%	242,000	8.0%
Amortization	(127,000)	(7.1)%	(127,000)	(4.2)%
Withholding taxes	119,000	6.6%	121,000	4.0%
Unremitted earnings	(56,000)	(3.1)%	57,000	1.9%
Other	4,000	0.2%	20,000	0.7%
China				
Statutory tax rate difference between China and United States	(85,000)	(4.7)%	(57,000)	(1.9)%
Research and development	(116,000)	(6.5)%	(84,000)	(2.8)%
Withholding taxes	15,000	0.8%	—	—
Other	—	—	7,000	0.2%
Germany				
Statutory tax rate difference between Germany and United States	(4,000)	(0.2)%	12,000	0.4%
Unremitted earnings	29,000	1.6%	118,000	3.9%
Thailand				
Withholding taxes	93,000	5.2%	78,000	2.6%
Unremitted earnings	(5,000)	(0.3)%	(6,000)	(0.2)%
Czech Republic				
Withholding taxes	16,000	0.9%	124,000	4.1%
Unremitted earnings	(3,000)	(0.2)%	2,000	0.1%
South Korea				
Withholding taxes	25,000	1.4%	31,000	1.0%
Unremitted earnings	(11,000)	(0.6)%	11,000	0.4%
France				
Withholding taxes	37,000	2.1%	32,000	1.1%
Unremitted earnings	29,000	1.6%	9,000	0.3%
Finland				
Withholding taxes	22,000	1.2%	19,000	0.6%
Unremitted earnings	(10,000)	(0.6)%	6,000	0.2%
Poland				
Withholding taxes	117,000	6.5%	4,600	0.2%
Malaysia				
Withholding taxes	20,000	1.1%	12,000	0.4%
Other foreign jurisdictions	14,000	0.8%	35,400	1.2%
Effect of cross-border tax laws	115,000	6.4%	26,000	0.9%
Tax credits				
Foreign tax credit (expiring)	1,106,000	61.8%	1,119,000	36.9%
Research and development credit	(139,000)	(7.8)%	(203,000)	(6.7)%
Changes in valuation allowances				
Foreign tax credit (expiring)	(1,106,000)	(61.8)%	(1,119,000)	(36.9)%
Changes excluding foreign tax credit	1,497,000	83.6%	1,314,000	43.3%
Nontaxable or nondeductible items				
Amortization	89,000	5.0%	89,000	2.9%
International joint ventures	(849,000)	(47.4)%	(675,000)	(22.3)%
Partnership activity	(133,000)	(7.4)%	(128,000)	(4.2)%
Foreign taxes	(52,000)	(2.9)%	(46,000)	(1.5)%
Stock based compensation	69,000	3.9%	77,000	2.5%
Meals and entertainment	20,000	1.1%	22,000	0.7%
Other	(1,000)	(0.1)%	1,000	0.0%
Other				
Deferred adjustments	—	—	59,000	1.9%
Other	258	0.0%	9,002	0.3%
	$ 1,546,258	86.3%	$ 2,045,002	67.5%

*In FY2026, state taxes in Texas and Wisconsin made up the majority (greater than 50 percent) of the tax effect in this category.
In FY2025, state taxes in California and Texas made up the majority (greater than 50 percent) of the tax effect in this category.

The Company has not provided U.S. income taxes or foreign withholding taxes with respect to its portion of the cumulative undistributed earnings of certain foreign subsidiaries and joint ventures that are essentially permanent in duration. As a result of the 2017 tax law changes, U.S. federal income taxes on dividends received from the Company's foreign subsidiaries and joint ventures after December 31, 2017 have been generally eliminated. However, the Company continues to be subject to foreign withholding taxes upon repatriation of any undistributed earnings that are not essentially permanent in duration. The Company recorded a tax benefit of approximately $32,400 in fiscal 2026 and tax expense of approximately $200,000 during fiscal 2025, representing changes in the deferred tax liability for foreign withholding taxes to be paid with respect to the portion of the cumulative undistributed earnings of foreign subsidiaries and joint ventures that the Company determined were not essentially permanent in duration.

Earnings before income tax expense were approximately as follows:

	Fiscal Year Ended August 31,	
	2026	2025
United States	$ (4,045,100)	$ (3,626,899)
Foreign	5,835,797	6,658,294
	$ 1,790,697	$ 3,031,395

The Company measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid. The tax effect of the temporary differences and tax carryforwards comprising the net deferred taxes shown on the consolidated balance sheets as of August 31, 2026 and 2025 was approximately as follows:

	August 31,	
	2026	2025
Stock-based compensation	$ 966,000	$ 797,000
Foreign tax credit carryforward	1,708,100	2,814,400
Capitalized research and experimentation	—	2,472,400
Other credit and loss carryforward	11,104,100	6,757,900
Capital loss carryforward	128,600	129,900
Interest expense limitation	221,400	71,300
Property and equipment	—	117,000
Other	820,600	805,400
Total deferred tax assets	14,948,800	13,965,300
Valuation allowance	(13,486,000)	(13,153,200)
Total deferred tax assets after valuation allowance	1,462,800	812,100
Right-of-use asset	(72,100)	(51,900)
Property and equipment	(648,300)	—
Intangible assets	(1,351,200)	(1,457,700)
Unremitted foreign earnings	(202,200)	(234,600)
Other	(77,078)	(77,491)
Total deferred tax liabilities	(2,350,878)	(1,821,691)
Net deferred tax liabilities	$ (888,078)	$ (1,009,591)

As of August 31, 2026, the Company has foreign tax credit carryforwards of $1,708,100. This amount begins to expire to the extent not utilized by August 31, 2027. In addition, the Company had federal and state tax credit carryforwards of $5,895,600 as of August 31, 2026, which begin to expire in fiscal 2027. These federal and state tax credit carryforwards consist primarily of federal and Minnesota research and development credit carryforwards. The Company also has a deferred tax asset of $4,984,500 for federal net operating loss carryforwards and $299,000 for state net operating loss carryforwards as of August 31, 2026. The federal net operating loss carryforward has an indefinite carryforward period. The state net operating loss carryforward will begin to expire to the extent not utilized by August 31, 2027. The Company has a deferred tax asset of $362,400 for foreign net operating loss carryforwards, which will begin to expire to the extent not utilized by August 31, 2033.

The Company records a tax valuation allowance to reduce deferred tax assets to the amount expected to be realized when it is more likely than not that some portion or all of its deferred tax assets will not be realized.

The Company determined based on all available evidence, including historical data and projections of future results, that it is more likely than not that its domestic deferred tax assets will not be realized due to the absence of objectively verifiable sources of taxable income. On the basis of this evaluation, the Company has recorded a valuation allowance of $13,486,000 and $13,153,200 as of August 31, 2026 and 2025, respectively, to recognize only the portion of the deferred tax assets that is more likely than not to be realized. The net deferred tax asset as of August 31, 2026 and 2025 relates entirely to non-US deferred tax assets which are expected to be realized offset by deferred tax liability for withholding tax on cumulative undistributed earnings in foreign subsidiaries and joint ventures that the Company determined were not essentially permanent. The change in the valuation allowance totaled an increase of $332,800 and $458,400 for the years ended August 31, 2026 and 2025, respectively.

The following is a tabular reconciliation of the total amounts of approximated unrecognized tax benefits:

	Fiscal Year Ended August 31,	
	2026	2025
Gross unrecognized tax benefits – beginning balance	$ 421,900	$ 399,300
Gross (decreases) increases – prior period tax positions	(16,000)	(17,400)
Gross increases – current period tax positions	31,500	40,000
Gross unrecognized tax benefits – ending balance	$ 437,400	$ 421,900

The entire amount of unrecognized tax benefits would affect the effective tax rate if recognized.

The Company recognizes interest related to unrecognized tax benefits and penalties as income tax expense. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheet. There was no liability for the payment of interest and penalties as of both August 31, 2026 and August 31, 2025.

The Company is subject to taxation in the United States and various states and foreign jurisdictions. With few exceptions, as of August 31, 2026, the Company is no longer subject to federal, state, local, or foreign examinations by tax authorities for years prior to August 31, 2023.

Income taxes paid, net, were approximately as follows:

	Fiscal Year Ended August 31,	
	2026	2025
Federal	$ —	$ —
State	28,000	24,900
Foreign	1,219,600	1,230,800
Total	$ 1,247,600	$ 1,255,700

Income tax paid net of refunds exceeded 5% of total income taxes paid net of refunds in the following jurisdictions:

	Fiscal Year Ended August 31,	
	2026	2025
Foreign		
Brazil	$ 490,700	$ 297,700
India	511,400	912,500
Thailand	93,100	*

*Jurisdiction below the threshold for the period presented.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was signed into law, which included various provisions, including the reinstatement of full expensing for qualified business property acquired and placed in service after January 19, 2025, immediate expensing of domestic research and experimental expenditures, and modifications to the limitation on the business interest deduction. Further, the OBBBA includes other provisions which are not effective for the Company until years ending August 31, 2027, including on the taxation of foreign operations. We do not expect the OBBBA to have a material impact to our Financial Statements.

16. COMMITMENTS AND CONTINGENCIES

Other Expense

In June 2025, NTIC China received a notice from Ningbo Customs, the customs authority at the Ningbo Port in China, regarding the historical export classification of Natur-Tec masterbatch resin products. Ningbo Customs determined that NTIC China misclassified certain products under a code that qualified for a 13% value-added tax rebate, and reclassified them under a code that does not qualify for a value-added tax rebate. As a result, NTIC China has been assessed repayment obligations of approximately $236,785 and penalties of approximately $150,000. Management accrued the full estimated liability of $386,785 in fiscal year 2025 within Other Expense.

Operating Leases

The Company currently has operating leases for various buildings, equipment and vehicles. These leases are under non-cancelable operating lease agreements with expiration dates between October 31, 2026 and April 1, 2029. The Company has the option to extend certain leases to five or ten-year term(s) and has the right of first refusal on any sale.

The Company records lease liabilities within current liabilities or long-term liabilities based upon the length of time associated with the lease payments. The Company records its long-term operating leases as right-of-use assets. The Company capitalizes operating leases to the consolidated balance sheet regardless of lease term, except for certain short-term rentals, which are recognized in the consolidated statements of operations as incurred. None of the Company's leases contain common area maintenance or security agreements.

The Company has made certain assumptions and judgments when applying ASC 842, the most significant of which is that the Company elected the package of practical expedients available for transition that allow the Company to not reassess whether expired or existing contracts contain leases under the new definition of a lease, lease classification for expired or existing leases and whether previously capitalized initial direct costs would qualify for capitalization under ASC 842. Additionally, the Company did not elect to use hindsight when considering judgments and estimates such as assessments of lessee options to extend or terminate a lease or purchase the underlying asset. The Company has no contingent rent agreements.

Present Value of Leases

	August 31, 2026	August 31, 2025
Right-of-use assets, net	$ 543,483	$ 493,050
Current portion of lease liability	436,475	344,739
Lease liability, less current portion	107,008	148,311
Total lease liability	$ 543,483	$ 493,050

The weighted-average remaining lease term was 1.33 years and 0.80 years as of August 31, 2026 and 2025, respectively. The Company's lease agreements do not provide a readily determinable implicit rate nor is it available to the Company from its lessors. Instead, as of August 31, 2026 and 2025, the Company estimates the weighted-average discount rate for its operating leases to be 5.80% and 7.61%, respectively, based on the incremental borrowing rate.

Future minimum payments as of August 31, 2026 under these long-term operating leases are as follows:

Fiscal 2027	$	436,475
Fiscal 2028		111,057
Fiscal 2029		18,560
Thereafter		—
Total future minimum lease payments		566,092
Less amount representing interest		(22,609)
Present value of obligations under operating leases		543,483
Less current portion		(436,475)
Long-term operating lease obligations	$	107,008

Supplemental cash flow information related to operating leases, including cash paid and right-of-use assets obtained in exchange for new operating lease liabilities, is presented in Note 17.

Annual Bonus Plan

On September 4, 2026, the Board of Directors of the Company, upon the recommendation of the Compensation Committee, approved the material terms of an annual bonus plan for the Company's executive officers as well as certain officers and employees for the fiscal year ending August 31, 2027. For fiscal 2027, as in past years, the total amount available under the bonus plan for all plan participants, including executive officers, is dependent upon the Company's earnings before interest, taxes, and other income (EBITOI), as adjusted to take into account amounts to be paid under the bonus plan and certain other adjustments (Adjusted EBITOI). Each plan participant's percentage of the overall bonus pool is based upon the number of plan participants, the individual's annual base salary, and the individual's position and level of responsibility within the Company. In the case of each of the Company's executive officer participants, 75% of the amount of their individual bonus payout will be determined based upon the Company's actual Adjusted EBITOI for fiscal 2027 compared to a pre-established target Adjusted EBITOI for fiscal 2027, and 25% of the payout will be determined based upon such executive officer's achievement of certain pre-established individual performance objectives. The payment of bonuses under the plan is discretionary, and bonuses may be paid to executive officer participants in both cash and shares of the Company's common stock, the exact amount and percentages of which are determined by the Company's Board of Directors, upon recommendation of the Compensation Committee, after the completion of the Company's consolidated financial statements for fiscal 2027.

On August 28, 2025, the Board of Directors of the Company, upon the recommendation of the Compensation Committee, approved the material terms of an annual bonus plan for the Company's executive officers as well as certain officers and employees for the fiscal year ending August 31, 2026. $1,100,000 was recognized for bonuses for the fiscal year ended August 31, 2026, $800,000 of the bonus is comprised of stock options granted to management on September 1, 2025 that will be expensed over three years and $300,000 will be paid out in cash and profit sharing subsequent to year end. This is compared to $1,100,000 recognized for bonuses for the fiscal year ended August 31, 2025, $800,000 of the bonus comprised of stock options granted to management on September 1, 2024 and $300,000 was paid out in cash and profit sharing subsequent to year end.

Legal Matters

From time to time, the Company is subject to various other claims and legal actions in the ordinary course of its business. The Company records a liability in its consolidated financial statements for costs related to claims, including future legal costs, settlements and judgments, where the Company has assessed that a loss is probable and an amount could be reasonably estimated. If the reasonable estimate of a probable loss is a range, the Company records the most probable estimate of the loss or the minimum amount when no amount within the range is a better estimate than any other amount. The Company discloses a contingent liability even if the liability is not probable or the amount is not estimable, or both, if there is a reasonable possibility that material loss may have been incurred. In the opinion of management, as of August 31, 2026, the amount of liability, if any, with respect to these matters, individually or in the aggregate, will not materially affect the Company's consolidated results of operations, financial position, or cash flows.

17. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental disclosures of cash flow information consisted of:

	Fiscal Year Ended August 31,	
	2026	2025
Cash paid for income tax	$ 1,247,600	$ 1,255,700
Cash paid for interest	796,756	599,927
Cash paid for operating leases	486,844	393,260
Non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 502,523	$ 426,828
Dividends declared to non-controlling interests, not yet paid	365,353	—

18. ASSETS HELD FOR SALE

During the third quarter of fiscal 2026, the Company committed to a plan to sell its Beachwood, Ohio facility, which has historically been used by the Company's Zerust segment. The Company engaged a commercial real estate broker, listed the property for sale, and concluded that all criteria for classification as held for sale under ASC 360 were met during the third quarter of fiscal 2026. The Company's accounting policy for assets held for sale is described in Note 1.

As a result, the Company reclassified the carrying value of the property from property, plant and equipment, net, to assets held for sale, which totaled $855,730 on the consolidated balance sheet as of August 31, 2026. Depreciation ceased upon classification of such property and assets as assets held for sale. The Company measured the assets held for sale at the lower of: (i) carrying value or (ii) fair value, less estimated costs to sell and determined no impairment loss was required. The Company's estimate of fair value, less estimated costs to sell, is based on the sale price in the purchase agreement described below and exceeds the carrying value.

On May 26, 2026, the Company received a non-binding letter of intent to purchase the property for $1,150,000 in cash, and the Company subsequently entered into a purchase and sale agreement with that buyer. That agreement was terminated in early September 2026, subsequent to year-end, and the Company resumed marketing the property. On September 10, 2026, the Company signed a new non-binding letter of intent with a different, unrelated buyer to purchase the property for $1,100,000 in cash, which is $50,000 less than the terminated agreement. On November 3, 2026, the Company and the buyer entered into a definitive purchase and sale agreement for the property on those price terms. Under the agreement, the buyer deposited $20,000 in escrow within three days of execution, and the buyer has a 60-day inspection period (expiring January 4, 2027) during which it may terminate the agreement for any reason and receive a refund of the deposit, less $100 retained by the Company. If the buyer does not terminate during the inspection period, the deposit becomes non-refundable except in limited circumstances, including a default by the Company. The sale is expected to close 30 days after the end of the inspection period (on or about February 3, 2027), is not subject to a financing contingency, and is on an "as is" basis. The Company is responsible for the commission payable to the listing broker under a separate agreement (payable only if the sale closes) and for seller closing costs, including transfer and recording taxes on the deed, title search fees, and the owner's title insurance premium. Escrow fees are shared equally with the buyer. The Company expects the sale to close in the second quarter of fiscal 2027. The Company determined that the lower sales price does not change its held for sale classification or result in an impairment. There can be no assurance that the sale will be completed on the terms described or at all.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

NTIC maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to provide reasonable assurance that information required to be disclosed by NTIC in the reports it files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to NTIC's management, including NTIC's principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. NTIC's management evaluated, with the participation of its Chief Executive Officer and its Chief Financial Officer, the effectiveness of the design and operation of NTIC's disclosure controls and procedures as of the end of the period covered in this report. Based on that evaluation, NTIC's Chief Executive Officer and Chief Financial Officer concluded that NTIC's disclosure controls and procedures were effective as of the end of such period to provide reasonable assurance that information required to be disclosed in the reports that NTIC files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to NTIC's management, including NTIC's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

NTIC's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f), for Northern Technologies International Corporation and its subsidiaries. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

NTIC's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements, and even when determined to be effective, can only provide reasonable assurance with respect to financial statement preparation and presentation. In addition, projection of any evaluation of the effectiveness of internal control over financial reporting to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, with the participation of NTIC's President and Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's internal control over financial reporting as of August 31, 2026. In making this evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013). Based on this assessment, management concluded that the Company's internal control over financial reporting was effective as of August 31, 2026.

This report does not include an attestation report of NTIC's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by NTIC's independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit NTIC to provide only management's report in this report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the quarter ended August 31, 2026, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

Employment Agreements

On November 19, 2026, NTIC entered into a Transition Employment Agreement with G. Patrick Lynch, our former President and Chief Executive Officer (Transition Employment Agreement), and an Executive Employment Agreement with Gautam Ramdas, our current President and Chief Executive Officer (Executive Employment Agreement and, together with the Transition Employment Agreement, the Employment Agreements).

Pursuant to the Transition Employment Agreement, Mr. Lynch serves as, and we have agreed to employ him as, an at-will strategic advisory employee and as a non-executive Chairman of the Board. Mr. Lynch receives an annual base salary of $150,000. The Transition Employment Agreement may terminate upon Mr. Lynch's death, total disability, with cause, without cause, or upon his resignation pursuant to the terms set forth therein. In the event his employment is terminated other than for cause, Mr. Lynch will be entitled to receive a lump sum cash payment of $667,000 within ten business days following the expiration of the revocation period for a release of claims between the parties. Additionally, he will be eligible to continue coverage under NTIC's group medical plan, group dental plan, and/or group vision plan pursuant to COBRA, and for the first 18 months of the COBRA continuation period, NTIC will reimburse Mr. Lynch in an amount equal to the difference between the amount he pays for COBRA continuation coverage and the amount paid by a full-time active employee each month for the same level of coverage elected by Mr. Lynch. Upon such termination, Mr. Lynch is also eligible to receive any accrued payments and benefits to which he will be entitled to receive, including (i) pro-rated base salary; (ii) pro-rated accrued but unpaid paid time off or vacation; (iii) any unpaid expense reimbursement; and (iv) other accrued and vested benefits, if any, under NTIC's other employee benefit plans, subject to the terms and conditions of such plans. The treatment of any equity awards upon a termination of employment will be governed under the terms of the award agreements and the stock incentive plan under which the equity awards were granted. If Mr. Lynch's employment is terminated for cause, he will be paid (i) pro-rated base salary; (ii) pro-rated accrued but unpaid paid time off or vacation; (iii) any unpaid expense reimbursement; and (iv) other accrued and vested benefits, if any, under NTIC's other employee benefit plans, subject to the terms and conditions of such plans. The parties additionally agreed that the terms and conditions of the Confidential Information, Inventions Assignment, Noncompetition and Non-Solicitation Agreement, dated as of November 18, 2011, as previously entered into by the parties, will continue to remain in effect.

Pursuant to the Executive Employment Agreement, Mr. Ramdas serves as, and we have agreed to employ him on an at-will basis as, President and Chief Executive Officer. Mr. Ramdas receives an annual base salary of $520,000 and is eligible to receive annual or other bonuses in such amounts and paid from time to time in the Board of Directors' sole discretion. The Board of Directors may additionally elect in its sole discretion from time to time to grant to Mr. Ramdas stock incentive awards, such as stock options, pursuant to the terms and conditions of any stock incentive plans adopted by NTIC. In addition to any accrued and vested benefits, in the event Mr. Ramdas' employment is terminated for total disability, he will be paid (i) pro rata portion of the bonus he otherwise would have earned for the fiscal year, based on complete months employed; and (ii) any benefits payable under any disability insurance policy maintained by NTIC. If his employment is terminated due to his death, his estate or heirs will be paid, in addition to any accrued and vested benefits: (i) pro rata portion of the bonus he otherwise would have earned for the fiscal year, based on complete months employed; and (ii) any benefits payable under any group life insurance policy, key person life insurance policy and any other life insurance policy maintained by NTIC. If Mr. Ramdas' employment is terminated by NTIC without cause or by Mr. Ramdas for good reason, then he will receive, in addition to any accrued and vested benefits, and receipt of a release of claims: (i) cash payments in an aggregate amount equal to 18 months of highest annual base salary in effect during the preceding 24 months, less payroll deductions and withholdings; (ii) pro rata portion of the bonus he otherwise would have earned for the fiscal year, based on complete months employed; (iii) continued vesting of stock options for 18 months and extension of the post-termination exercise period until the earlier of 18 months after termination or the expiration date; and (iv) the COBRA premium differential for 18 months, and if he is not COBRA-eligible, Company-provided or reimbursed coverage, including international coverage, for him and his dependents for 18 months. NTIC and Mr. Ramdas also entered into a Confidential Information, Inventions Assignment, and Non-Solicitation Agreement which contains confidentiality, assignment of inventions and two-year non-solicitation of customers and employees provisions.

The foregoing summary description represents only a summary of the material terms of the Employment Agreements with Messrs. Lynch and Ramdas and the Confidential Information, Inventions Assignment, and Non-Solicitation Agreement with Mr. Ramdas, does not purport to be complete, and is qualified in its entirety by reference to the complete text of the Employment Agreements, which are filed as Exhibits 10.14 and 10.16 to this annual report on Form 10-K, and are incorporated by reference herein and the complete text of the Confidential Information, Inventions Assignment, and Non-Solicitation Agreement with Mr. Ramdas, which is filed as Exhibit 10.15 to this annual report on Form 10-K, and are incorporated by reference herein.

Rule 10b5-1 Plan and Non-Rule 10b5-1 Trading Arrangement Adoptions, Terminations, and Modifications

During the three months ended August 31, 2026, none of our directors or "officers" (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of SEC Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

The information in the "Proposal One – Election of Directors" section of NTIC's definitive proxy statement to be filed with the Securities and Exchange Commission with respect to NTIC's next annual meeting of stockholders, which involves the election of directors, is incorporated in this annual report on Form 10-K by reference.

Executive Officers

Information concerning NTIC's executive officers and officers is included in this annual report on Form 10-K under Part I under the heading "Information about our Executive Officers."

Code of Ethics

NTIC has adopted a code of ethics that applies to its principal executive officer, principal financial officer, principal accounting officer, or controller or persons performing similar functions, as well as other employees and NTIC's directors and meets the requirements of the SEC and The Nasdaq Stock Market. A copy of NTIC's Code of Ethics is filed as an exhibit to this annual report on Form 10-K for the fiscal year ended August 31, 2026. NTIC intends to satisfy the disclosure requirements of Item 5.05 of Form 8-K regarding amendments to or waivers from any provision of its code of ethics by posting such information on its corporate website at www.ntic.com.

Insider Trading Policy

NTIC has adopted an insider trading policy governing the purchase, sale, and/or other dispositions of its securities by directors, officers and employees, among other insiders. NTIC believes its insider trading policy is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and Nasdaq listing rules. NTIC's insider trading policy is filed as an exhibit to this annual report on Form 10-K for the fiscal year ended August 31, 2026.

Changes to Nomination Procedures

During the fourth quarter of fiscal 2026, there were no material changes to the procedures by which stockholders may recommend nominees to NTIC's Board of Directors, as described in NTIC's most recent proxy statement.

Audit Committee Matters

The information in the "Corporate Governance—Audit Committee" section of NTIC's definitive proxy statement to be filed with the Securities and Exchange Commission with respect to NTIC's next annual meeting of stockholders, which involves the election of directors, is incorporated in this annual report on Form 10-K by reference.

Item 11. EXECUTIVE COMPENSATION

The information in the "Director Compensation" and "Executive Compensation" sections of NTIC's definitive proxy statement to be filed with the Securities and Exchange Commission with respect to NTIC's next annual meeting of stockholders, which involves the election of directors, is incorporated in this annual report on Form 10-K by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Stock Ownership

The information in the "Stock Ownership—Beneficial Ownership of Significant Stockholders and Management" section of NTIC's definitive proxy statement to be filed with the Securities and Exchange Commission with respect to NTIC's next annual meeting of stockholders, which involves the election of directors, is incorporated in this annual report on Form 10-K by reference.

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes outstanding options and other awards under NTIC's equity compensation plans as of August 31, 2026. NTIC's equity compensation plans as of August 31, 2026 were the Northern Technologies International Corporation 2024 Stock Incentive Plan, the Northern Technologies International Corporation Amended and Restated 2019 Stock Incentive Plan, the Northern Technologies International Corporation Amended and Restated 2007 Stock Incentive Plan, and the Northern Technologies International Corporation Employee Stock Purchase Plan.

Except for automatic annual grants of $50,000 in options to purchase shares of NTIC common stock (or, at the election of each director of NTIC, restricted stock units) to NTIC's directors in consideration for their services as directors of NTIC and an automatic annual grant of $10,000 in options to purchase shares of NTIC common stock (of, at the election of NTIC's Chair of the Board, restricted stock units) to NTIC's Chair of the Board in consideration for his services as Chair, in each case on the first day of each fiscal year, and automatic initial pro rata grants of $50,000 in options to purchase shares of NTIC common stock (or, at the election of each new director of NTIC, restricted stock units) to NTIC's new directors in consideration for their services as directors of NTIC on the first date of their appointment as directors, options, restricted stock units and other awards granted in the future under the Northern Technologies International Corporation 2024 Stock Incentive Plan are within the discretion of the Board of Directors and the Compensation Committee of the Board of Directors and, therefore, cannot be ascertained at this time. No future grants of options or other stock awards will be made under the Northern Technologies International Corporation Amended and Restated 2019 Stock Incentive Plan or the Northern Technologies International Corporation Amended and Restated 2007 Stock Incentive Plan.

	(a)	(b)	(c)
Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights**	**Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))**
Equity compensation plans approved by security holders	2,113,389(2)(1)	$ 11.54(3)	479,066(4)
Equity compensation plans not approved by security holders	—	—	—
Total	2,113,389(2)(1)	$ 11.54(3)	479,066(4)

(1) Amount includes 201,180 shares of NTIC common stock issuable upon the exercise of stock options outstanding as of August 31, 2026 under the Northern Technologies International Corporation Amended and Restated 2007 Stock Incentive Plan, 1,387,415 shares of NTIC common stock issuable upon the exercise of stock options outstanding as of August 31, 2026 under the Northern Technologies International Corporation Amended and Restated 2019 Stock Incentive Plan, and 496,491 shares of NTIC common stock issuable upon the exercise of stock options and 28,303 shares of NTIC common stock issuable upon the vesting and settlement of restricted stock units outstanding as of August 31, 2026 under the Northern Technologies International Corporation 2024 Stock Incentive Plan.

(2) Excludes employee stock purchase rights accruing under the Northern Technologies International Corporation Employee Stock Purchase Plan. Under such plan, each eligible employee may purchase up to 2,000 shares of NTIC common stock at semi-annual intervals on February 28th or 29th (as the case may be) and August 31st each year at a purchase price per share equal to 90% of the lower of (i) the closing sales price per share of NTIC common stock on the first day of the offering period or (ii) the closing sales price per share of NTIC common stock on the last day of the offering period.

(3) Not included in the weighted-average exercise price calculation are 28,303 restricted stock units under the Northern Technologies International Corporation 2024 Stock Incentive Plan.

(4) Amount includes 440,831 shares available as of August 31, 2026 for future issuance under Northern Technologies International Corporation 2024 Stock Incentive Plan and 38,235 shares available at August 31, 2026 for future issuance under the Northern Technologies International Corporation Employee Stock Purchase Plan.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information in the "Related Person Relationships and Transactions" and "Corporate Governance—Director Independence" sections of NTIC's definitive proxy statement to be filed with the Securities and Exchange Commission with respect to NTIC's next annual meeting of stockholders, which involves the election of directors, is incorporated in this annual report on Form 10-K by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information in the "Proposal Four—Ratification of Selection of Independent Registered Public Accounting Firm—Audit, Audit-Related, Tax and Other Fees" and "Proposal Four—Ratification of Selection of Independent Registered Public Accounting Firm—Audit Committee Pre-Approval Policies and Procedures" sections of NTIC's definitive proxy statement to be filed with the Securities and Exchange Commission with respect to NTIC's next annual meeting of stockholders, which involves the election of directors, is incorporated in this annual report on Form 10-K by reference.

PART IV

Item 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

Financial Statements

NTIC's consolidated financial statements are included in Item 8 of Part II of this report.

Financial Statement Schedules

All financial statement schedules are omitted because they are inapplicable since NTIC is a smaller reporting company.

Exhibits

The exhibits being filed or furnished with this report are listed below. Each management contract or compensatory plan or arrangement required to be filed as an exhibit to this report is asterisked below.

A copy of any exhibits listed or referred to herein will be furnished at a reasonable cost to any person who is a stockholder upon receipt from any such person of a written request for any such exhibit. Such request should be sent to: Mr. Matthew Wolsfeld, Corporate Secretary, Northern Technologies International Corporation, 4201 Woodland Road, P.O. Box 69, Circle Pines, Minnesota 55014 Attn: Stockholder Information.

Item No.	Item	Method of Filing
3.1	Restated Certificate of Incorporation of Northern Technologies International Corporation	Incorporated by reference to Exhibit 3.1 to NTIC's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 2023 (File No. 001-11038)
3.2	Third Amended and Restated Bylaws of Northern Technologies International Corporation	Incorporated by reference to Exhibit 3.2 to NTIC's Annual Report on Form 10-K for the fiscal year ended August 31, 2024 (File No. 001-11038)
4.1	Specimen Stock Certificate Representing Common Stock of Northern Technologies International Corporation	Incorporated by reference to Exhibit 4.1 to NTIC's Registration Statement on Form 10 (File No. 001-19331) (Filed on paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T)
4.2	Description of Common Stock of Northern Technologies International Corporation	Incorporated by reference to Exhibit 4.2 to NTIC's Annual Report on Form 10-K for the fiscal year ended August 31, 2023 (File No. 001-11038)
10.1	Northern Technologies International Corporation 2024 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.1 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 19, 2024 (File No. 001-11038)
10.2	Form of Incentive Stock Option Agreement for use with the Northern Technologies International Corporation 2024 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.2 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 19, 2024 (File No. 001-11038)

10.3	Form of Non-Statutory Stock Option Agreement for use with the Northern Technologies International Corporation 2024 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.3 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 19, 2024 (File No. 001-11038)
10.4	Form of Restricted Stock Unit Award Agreement for use with the Northern Technologies International Corporation 2024 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.4 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 19, 2024 (File No. 001-11038)
10.5	Northern Technologies International Corporation Amended and Restated 2019 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.1 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 15, 2021 (File No. 001-11038)
10.6	Form of Incentive Stock Option Agreement for Northern Technologies International Corporation Amended and Restated 2019 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.2 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 25, 2019 (File No. 001-11038)
10.7	Form of Non-Statutory Stock Option Agreement for Northern Technologies International Corporation Amended and Restated 2019 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.3 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 25, 2019 (File No. 001-11038)
10.8	Northern Technologies International Corporation Amended and Restated 2007 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.1 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 24, 2011 (File No. 001-11038)
10.9	Form of Incentive Stock Option Agreement for Northern Technologies International Corporation Amended and Restated 2007 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.2 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 24, 2011 (File No. 001-11038)
10.10	Form of Non-Statutory Stock Option Agreement for Northern Technologies International Corporation Amended and Restated 2007 Stock Incentive Plan*	Incorporated by reference to Exhibit 10.3 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 24, 2011 (File No. 001-11038)
10.11	Northern Technologies International Corporation Employee Stock Purchase Plan*	Incorporated by reference to Exhibit 10.11 to NTIC's Annual Report on Form 10-KSB for the fiscal year ended August 31, 2006 (File No. 001-11038)
10.12	Material Terms of Northern Technologies International Corporation Annual Bonus Plan*	Incorporated by reference to Exhibit 10.6 to NTIC's Annual Report on Form 10-K for the fiscal year ended August 31, 2015 (File No. 001-11038)

10.13	Form of Indemnification Agreement between Northern Technologies International Corporation and its Directors and Officers*	Incorporated by reference to Exhibit 10.1 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on October 23, 2019 (File No. 001-11038)
10.14	Executive Employment Agreement dated as of November 19, 2026 between Northern Technologies International Corporation and Gautam Ramdas*	Filed herewith
10.15	Confidential Information, Inventions Assignment, and Non-Solicitation Agreement dated as of November 19, 2026 between Northern Technologies International Corporation and Gautam Ramdas*	Filed herewith
10.16	Transition Employment Agreement dated as of November 19, 2026 between Northern Technologies International Corporation and G. Patrick Lynch*	Filed herewith
10.17	Confidential Information, Inventions Assignment, Noncompetition and Non-Solicitation Agreement dated as of November 18, 2011 between Northern Technologies International Corporation and G. Patrick Lynch*	Incorporated by reference to Exhibit 10.14 to NTIC's Annual Report on Form 10-K for the fiscal year ended August 31, 2011 (File No. 001-11038)
10.18	Executive Employment Agreement dated as of November 18, 2011 between Northern Technologies International Corporation and Matthew C. Wolsfeld*	Incorporated by reference to Exhibit 10.15 to NTIC's Annual Report on Form 10-K for the fiscal year ended August 31, 2011 (File No. 001-11038)
10.19	Confidential Information, Inventions Assignment, Noncompetition and Non-Solicitation Agreement dated as of November 18, 2011 between Northern Technologies International Corporation and Matthew C. Wolsfeld*	Incorporated by reference to Exhibit 10.16 to NTIC's Annual Report on Form 10-K for the fiscal year ended August 31, 2011 (File No. 001-11038)
10.20	Credit Agreement between JPMorgan Chase Bank, N.A. and Northern Technologies International Corporation, dated December 19, 2022	Incorporated by reference to Exhibit 10.1 to NTIC's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 2023 (File No. 001-11038)
10.21	Second Amendment to Credit Agreement, dated as of January 6, 2025, between JPMorgan Chase Bank, N.A. and Northern Technologies International Corporation	Incorporated by reference to Exhibit 10.1 to NTIC's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2024 (File No. 001-11038)
10.22	Third Amendment to Credit Agreement, dated as of July 8, 2025, between JPMorgan Chase Bank, N.A. and Northern Technologies International Corporation	Incorporated by reference to Exhibit 10.1 to NTIC's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2025 (File No. 001-11038)

10.23	Fourth Amendment to Credit Agreement, dated as of January 30, 2026, between JPMorgan Chase Bank, N.A. and Northern Technologies International Corporation	Incorporated by reference to Exhibit 10.1 to NTIC's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 2026 (File No. 001-11038)
10.24	Line of Credit Note, dated July 8, 2025, between Northern Technologies International Corporation and JPMorgan Chase Bank, N.A.	Incorporated by reference to Exhibit 10.2 to NTIC's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2025 (File No. 001-11038)
10.25	Note Modification Agreement, dated December 17, 2025, between Northern Technologies International Corporation and JPMorgan Chase Bank, N.A.	Incorporated by reference to Exhibit 10.1 to NTIC's Current Report on Form 8-K as filed with the Securities and Exchange Commission on December 19, 2025 (File No. 001-11038)
10.26	Promise to Pay, dated January 30, 2026, between Northern Technologies International Corporation and JPMorgan Chase Bank, N.A.	Incorporated by reference to Exhibit 10.2 to NTIC's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 2026 (File No. 001-11038)
10.27	Consulting Agreement dated January 11, 2017 by and among Northern Technologies International Corporation, BioPlastic Polymers LLC, and Ramani Narayan, Ph.D.	Incorporated by reference to Exhibit 10.2 to NTIC's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2016 (File No. 001-11038)
10.28	Amendment to Consulting Agreement effective January 11, 2022 by and among Northern Technologies International Corporation, BioPlastic Polymers LLC, and Ramani Narayan, Ph.D.	Incorporated by reference to Exhibit 10.24 to NTIC's Annual Report on Form 10-K for the fiscal year ended August 31, 2022 (File No. 001-11038)
14.1	Code of Ethics	Incorporated by reference to Exhibit 14.1 to NTIC's Annual Report on Form 10-KSB for the fiscal year ended August 31, 2004 (File No. 001-11038)
19.1	Northern Technologies International Corporation Insider Trading Policy	Incorporated by reference to Exhibit 19.1 to NTIC's Annual Report on Form 10-K for the fiscal year ended August 31, 2025 (File No. 001-11038)
21.1	Subsidiaries of the Registrant	Filed herewith
23.1	Consent of Baker Tilly US, LLP	Filed herewith
31.1	Certification of President and Chief Executive Officer Pursuant to SEC Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith

31.2	Certification of Chief Financial Officer Pursuant to SEC Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of President and Chief Executive Officer Pursuant to Rule 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
32.2	Certification of Chief Financial Officer Pursuant to Rule 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
97.1	Northern Technologies International Corporation Clawback Policy	Incorporated by reference to Exhibit 97.1 to NTIC's Annual Report on Form 10-K for the fiscal year ended August 31, 2023 (File No. 001-11038)
101	The following materials from Northern Technologies International Corporation's Annual Report on Form 10-K for the fiscal year ended August 31, 2026, formatted in Inline XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Contained in Exhibit 101

* A management contract or compensatory plan or arrangement.

Item 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

November 19, 2026

By: /s/ Gautam Ramdas
Gautam Ramdas
President and Chief Executive Officer

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

/s/ Gautam Ramdas Gautam Ramdas	President and Chief Executive Officer and Director (principal executive officer)	November 19, 2026
/s/ Matthew C. Wolsfeld, CPA Matthew C. Wolsfeld, CPA	Chief Financial Officer (principal financial and accounting officer)	November 19, 2026
/s/ G. Patrick Lynch G. Patrick Lynch	Chairman of the Board	November 19, 2026
/s/ Richard J. Nigon Richard J. Nigon	Lead Independent Director	November 19, 2026
/s/ Nancy E. Calderon Nancy E. Calderon	Director	November 19, 2026
/s/ Sarah E. Kemp Sarah E. Kemp	Director	November 19, 2026
/s/ Sunggyu Lee, Ph.D. Sunggyu Lee, Ph.D.	Director	November 19, 2026
/s/ Ramani Narayan, Ph.D. Ramani Narayan, Ph.D.	Director	November 19, 2026
/s/ Cristina Pinho Cristina Pinho	Director	November 19, 2026
/s/ Konstantin von Falkenhausen Konstantin von Falkenhausen	Director	November 19, 2026

Exhibit 10.14

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (together with the Exhibits hereto, this "Agreement") is entered into on this 19th day of November, 2026, but effective as of the 4th day of September, 2026 (the "Effective Date"), and is made by and between **NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION**, a Delaware corporation (the "Company"), with its principal place of business at 4201 Woodland Road, Circle Pines, MN 55014, and **GAUTAM RAMDAS**, a citizen of the United States of America currently residing at [Personal information redacted] (the "Executive") (hereafter collectively referred to as the "Parties").

RECITALS

WHEREAS, effective as of the Effective Date, the Executive was promoted and elected by the Board of Directors of the Company (the "Board") as the Company's President and Chief Executive Officer and elected as a member of the Board;

WHEREAS, the Parties wish to define the terms of the Executive's continued at-will employment relationship, including the Executive's duties and responsibilities as the Company's President and Chief Executive Officer and the compensation terms applicable as of the Effective Date and forward, and in a manner that will continue to protect the Company's business and other interests, protect the relevant interests of the Company, and protect the Executive in the event the Executive's employment is terminated upon certain events, including without limitation, without cause, and to define the essential terms of the Executive's employment and post-employment obligations;

WHEREAS, the Company desires reasonable protection of its trade secrets and other technical and proprietary information that has been or will be acquired and is being or will be developed by the Company at substantial expense, and the Executive is willing to assign to the Company all right, title and interest in and to certain technical and proprietary information conceived or developed by the Executive during the Executive's employment that relates to the business, products or processes of the Company, subject to the exceptions set forth herein; and

WHEREAS, the Company desires to further protect against unfair use of its trade secrets and confidential business and technical information, and the Executive is willing to grant to the Company the benefits of confidentiality, non-solicitation of employees and other covenants as set forth in this Agreement (including the Confidential Information, Inventions Assignment, and Non-Solicitation Agreement attached as Exhibit A to this Agreement (the "CIIA")) for these purposes.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the Executive each intending to be legally bound, agree as set forth in this Agreement.

1. EMPLOYMENT.

Subject to all of the terms and conditions of this Agreement, the Company agrees to employ the Executive on an at-will basis as the Company's President and Chief Executive Officer ("CEO"), and the Executive agrees to devote his full time and best efforts to, and make the best use of the Executive's energy, knowledge and training in advancing the Company's interests. In the position of CEO, the Executive shall have such duties, authority, and responsibilities as shall be determined from time to time by the Company's Board of Directors, which duties, authority, and responsibilities are consistent with the Executive's position. The Executive will not render to others, services of any kind for compensation, or engage in any other business activity that would materially interfere with the performance of the Executive's duties as a full-time employee of the Company under this Agreement; provided, however, that nothing in this Agreement will prevent the Executive from serving on the board of directors or the board of trustees of any charitable or not-for-profit organization and, subject to the written approval of the Board, or a committee thereof, to serve on the board of directors or an advisory board of any other business organization.

2. AT-WILL EMPLOYMENT.

The Executive is employed by the Company on an at-will basis, meaning that, subject to the terms and conditions stated herein, either the Company or the Executive may terminate the Executive's employment at any time, as provided herein, for any reason not prohibited by law.

3. COMPENSATION.

(a) Base Salary.

(i) Commencing as of the Effective Date, the Executive will receive a total annualized base salary of USD $520,000.00, subject to change by the Board (or a committee thereof) from time to time and other terms of this Agreement (the "Base Salary").

(ii) The Compensation Committee of the Board (the "Compensation Committee") will review the Base Salary on an annual basis, considering, among other factors, inflation, Company and individual performance, changes in responsibilities, and relevant market data, and will recommend any proposed changes to the Board.

(iii) The Base Salary will not be reduced, except in the case of a temporary reduction that applies proportionately to all senior executive officers of the Company.

(iv) With respect to relevant market data, at least every three years, the Compensation Committee will review publicly available peer-company information on chief executive officer compensation; provided, however, that this provision shall not require the Compensation Committee to engage an independent consultant.

(v) A portion of the Base Salary will be attributable to the Executive's employment in Dubai, United Arab Emirates ("UAE") and paid in UAE Dirham, pursuant to the Executive's current labor contract with Zerust Integrity Solutions Trading, LLC, a wholly owned subsidiary of the Company, in an amount as determined by the Company, with input from appropriate tax counsel. The Parties acknowledge that the Executive's total annual Base Salary under this Agreement includes all Base Salary payments made by the Company and its UAE subsidiary, and that such payments shall be coordinated to prevent duplication and all accrued salary, bonuses, expense reimbursements, and other compensation attributable to the same services or periods shall similarly be coordinated to avoid duplicate payment of the same underlying entitlement. Notwithstanding the foregoing, any mandatory statutory end-of-service gratuity or other mandatory employment benefits payable under applicable UAE law shall remain payable in accordance with such law and shall not be reduced or waived by this Agreement.

(vi) The Base Salary will be payable in accordance with the normal payroll practices of the Company and its subsidiaries, as are in effect from time to time.

(b) Annual and Other Bonuses. The Executive will be eligible to receive annual or other bonuses in such amounts and as paid from time to time as may be determined in the Board's sole discretion. Any bonuses awarded will be paid in cash, shares of the Company's common stock, and/or other Company stock incentive awards, as determined by the Board in its sole discretion. In determining the Executive's annual bonus payout and any other bonuses, the Board, upon recommendation of the Compensation Committee, will consider the Executive's individual performance, including any pre-established performance objectives and the successful completion of any exceptional, nonrecurring opportunities that generate material incremental financial value for the Company beyond its established business operations and operating plans. Unless otherwise provided pursuant to the terms of the applicable bonus plan or this Agreement, payment of any annual bonus awarded to the Executive will be made no later than the ninetieth (90th) day following the fiscal year in which the bonus relates and payment is contingent upon the Executive being employed by the Company on the date the bonus is paid.

(c) Stock Incentives. The Board may elect in its sole discretion to grant from time to time to the Executive stock incentive awards, such as stock options, pursuant to the terms and conditions of any stock incentive plans adopted by the Company. Notwithstanding the foregoing, the Parties understand, acknowledge and agree that in connection with the Executive's promotion to the CEO role, the Executive was granted, on the Effective Date, by the Board under the Northern Technologies International Corporation 2024 Stock Incentive Plan: (i) a promotional stock option to purchase 15,278 shares of Company common stock at an exercise price equal to USD $7.99 per share, which option was in addition to an annual stock option to purchase 24,978 shares of Company common stock that the Executive was granted by the Board on September 1, 2026, and which options will vest in three annual installments over three years from the respective date of grant, so long as the Executive remains an employee of or provides services to the Company or its subsidiaries as of such vesting date; and (ii) an unrestricted stock grant of 43,805 shares of Company common stock. The terms of these previously granted and any future equity awards to be granted to the Executive will be governed by the respective individual award agreements and the plan under which the equity awards have been or will be granted.

(d) Vacation/PTO. Vacation and paid time off will continue to be provided to the Executive in accordance with Company's policies and procedures, as such policies and procedures are in effect from time to time.

(e) Benefits and Perquisites. The Executive will continue to be entitled to participate in the Company's benefit plans and programs, and receive the benefits and perquisites, generally provided to full-time, salaried employees of the Company. Such benefits and perquisites may be modified or discontinued at the sole discretion of the Board. Notwithstanding the foregoing, recognizing the current residence of the Executive in Dubai, UAE and the substantial travel requirements inherent in the Executive's CEO position, the Company agrees to continue to provide the Executive and his dependents with medical, dental and vision coverage, plus worldwide supplemental coverage, so long as the Executive resides outside the United States.

(f) Reimbursement of Business Expenses. The Company will continue to reimburse the Executive for all reasonable out-of-pocket business expenses incurred by the Executive on behalf of the Company, provided that the Executive properly accounts to the Company for all such expenses in accordance with the rules and regulations of the Internal Revenue Service under the Internal Revenue Code of 1986, as amended (the "Code"), and in accordance with the Company's standard policies and procedures relating to reimbursement of business expenses incurred by its employees; provided, however, that the Company agrees to reimburse the Executive for reasonable, documented cost of commercial business-class airfare for international air travel undertaken primarily to perform the Executive's duties and responsibilities as CEO and that includes at least one segment of five (5) or more scheduled hours.

(g) Indemnification. During the Executive's employment with the Company, the Company shall provide the Executive with indemnification and director and officer liability insurance insuring the Executive against events which occur or have occurred while the Executive was a director or executive officer of the Company. In addition, the Company agrees that effective as of the Effective Date, it will enter into an indemnification agreement with the Executive in the form attached hereto as Exhibit C, which is incorporated by reference into this Agreement (the "Indemnification Agreement").

(h) No Separate Compensation For Board Service. So long as the Executive remains an employee of the Company and receives a Base Salary under this Agreement, the Executive will not receive any additional or separate compensation from the Company in consideration for his service on the Board. Notwithstanding the foregoing, the Executive shall be entitled to reimbursement of reasonable expenses incurred in connection with his Board service, indemnification, directors' and officers' liability insurance, and other protections provided under the terms of the Indemnification Agreement, consistent with the Company's governing documents and Delaware law.

(i) Tax Withholding. All payments made under this Section 3, Section 5 or under any other provision of this Agreement, will be subject to applicable tax withholding as required by law.

4. TERMINATION OF EMPLOYMENT.

The Executive's at-will employment may be terminated at any time as described in this Section 4.

(a) Death. The Executive's employment will terminate automatically upon the Executive's death.

(b) Total Disability. The Company or the Executive may terminate the Executive's employment with the Company at any time after the "Total Disability" of the Executive. For purposes of this Agreement, the Total Disability of the Executive will occur on the earlier of the date the Executive: (i) becomes entitled to receive disability benefits under the Company-sponsored long-term disability plan, if any; or (ii) is unable to perform the essential functions of the Executive's position, as contemplated by this Agreement, due to a physical or mental incapacity or impairment, for more than an aggregate of one hundred eighty (180) days during any continuous twelve (12) month period; provided, however, in the event that the Company temporarily replaces the Executive, or transfers the Executive's duties or responsibilities to another individual on account of the Executive's inability to perform such duties due to a mental or physical incapacity which is, or is reasonably expected to become, a Total Disability, then the Executive's employment shall not be deemed terminated by the Company and the Executive shall not be able to resign with Good Reason as a result thereof. If the Executive is a qualified person with a disability under the Americans With Disabilities Act or any other applicable statute, the Company will make reasonable accommodations to the known physical or mental limitations of the Executive, including but not limited to consideration of whether extending the 180-day period would constitute a reasonable accommodation. Any question as to the existence of the Executive's Total Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Total Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement. Termination of the Executive's employment due to Total Disability will not affect the Executive's rights, if any, under the Company's long-term disability plan.

(c) With Cause. The Company may terminate the Executive's employment at any time, with "Cause," upon written notice to the Executive. "Cause" means:

(i) the Executive's material breach of any of the Executive's obligations under this Agreement or any other written agreement between the Executive and the Company, or the Executive's willful and continued failure or refusal to perform the Executive's duties, responsibilities and obligations as an executive officer of the Company, for reasons other than Total Disability or illness, which breach or failure has or could reasonably have a materially adverse effect on the Company;

(ii) the Executive's commission of any act of fraud, embezzlement, theft, or misappropriation of funds or property, in each case related to or against the Company or any of its affiliates or their respective businesses;

(iii) the Executive's willful misconduct or gross negligence that results in, or is reasonably likely to result in, material injury (financial, reputational, or otherwise) to the Company or any of its affiliates;

(iv) the Executive's material breach of any fiduciary duty, including the duty of loyalty, owed to the Company or any of its affiliates;

(v) the Executive's conviction of, or plea of guilty or nolo contendere to (A) any felony (or the equivalent under the laws of any jurisdiction other than the United States), or (B) any other crime, whether a felony or a misdemeanor, that involves fraud, dishonesty, theft, embezzlement, breach of trust, or financial misconduct, or that is punishable by imprisonment for a term of more than one (1) year;

(vi) the existence of any court order or settlement agreement prohibiting the Executive's continued employment with the Company;

(vii) the Executive's material violation of a written Company policy or code of conduct, including without limitation a written policy related to discrimination, harassment, performance of illegal or unethical activities, insider trading, and ethical misconduct, which violation has or could reasonably have a materially adverse effect on the Company or substantially harm its reputation; or

(viii) the Executive's willful unauthorized disclosure of Trade Secrets or Confidential Information (each, as defined in the CIIA).

An act or omission is not "willful" if taken in good faith and with a reasonable belief that it was in the best interests of the Company. Any action taken or omitted by the Executive in reasonable reliance upon advice from the Company's legal counsel, independent auditors, or other qualified professional advisers shall be presumed to have been taken in good faith. A material breach or other breach of duty will not constitute "Cause" under clause (i), (iv), or (vii) above of this Section 4(c) unless the Company gives written notice to the Executive of the existence of such act or breach, and the Executive fails to cure, to the Board's satisfaction, the act or breach within thirty (30) days after the notification. Cause will be determined by a majority of the independent directors of the Board.

Notwithstanding anything to the contrary in this Agreement, the Executive's failure to achieve financial, operational, strategic, or other business performance objectives, or any disagreement between the Executive and the Board regarding business strategy, management decisions, or the exercise of executive judgment, shall not, by itself, constitute Cause; provided, however, that the Executive has acted in good faith and in a manner reasonably believed to be in the best interests of the Company. In addition, this provision shall not limit the Board's authority to terminate the Executive's employment in accordance with this Agreement; provided, however, that any termination based solely on such performance deficiencies or disagreements, absent independent grounds constituting Cause as expressly defined herein, shall be treated as a termination without Cause, entitling the Executive to the applicable severance payments and benefits under Section 5(d) of this Agreement.

(d) Without Cause. The Company may terminate the Executive's employment at any time, without Cause, upon two (2) weeks prior written notice to the Executive. The Company may, in its sole discretion, opt not to have the Executive provide active employment services during some or all of the notice period, and place the Executive on a paid leave of absence for some or all of the notice period.

(e) Resignation. The Executive may, upon two (2) weeks prior written notice to the Company, terminate the Executive's employment at any time and for any reason. Upon receiving such notice, the Company may, in its sole discretion, opt not to have the Executive provide active employment services during some or all of the notice period, and place the Executive on a paid leave of absence for some or all of the notice period. If the Company exercises this option, it shall not convert the resignation to a termination by the Company.

(f) For Good Reason. The Executive may terminate the Executive's employment for Good Reason (as defined below) in accordance with the procedures in the final paragraph of this Section 4(f). "Good Reason" means:

(i) a material diminution in the Executive's authority, duties or responsibilities, including the reassignment of material responsibilities to another individual or the imposition of restrictions that materially impair the Executive's ability to perform his duties, whether or not accompanied by a change in title, except if and to the extent that Executive agrees in writing to such change;

(ii) any change requiring the Executive to report to an individual or governing body other than the Board, or the appointment of another executive with authority substantially equivalent or superior to that of the Executive in the management of the Company, resulting in a material diminution of the Executive's authority or responsibilities, except if and to the extent that Executive agrees in writing to such change;

(iii) a material diminution in the Executive's Base Salary, other than as part of an across-the-board salary reduction that affects all similarly situated senior executives in substantially the same proportions, or in the Executive's aggregate total compensation opportunity;

(iv) any action or inaction that constitutes a material breach by the Company of this Agreement; or

(v) a requirement by the Company that the Executive relocate his principal residence or principal place of employment from Dubai, UAE (including to the Company's Minnesota headquarters), it being understood that business travel consistent with the Executive's duties shall not constitute such a requirement.

A resignation is for Good Reason only if (A) the Executive gives the Company written notice of the condition within ninety (90) days after its initial existence, (B) the Company fails to cure the condition within thirty (30) days after receiving such notice (the "Cure Period"), and (C) the Executive resigns by written notice delivered within thirty (30) days after the Cure Period expires, effective no later than thirty (30) days after such notice. Failure to meet these deadlines waives Good Reason for that condition only.

(g) Termination of Employment. The term "termination of employment" when used in this Agreement, means a termination of the Executive's employment relationship with the Company and all its affiliates (within the meaning of Code Section 409A) or such other change in the Executive's employment relationship with the Company and all of its affiliates that would be considered a "separation from service" under Code Section 409A. The Executive's employment relationship will be treated as remaining intact while the Executive is on a military leave, a sick leave or other bona fide leave of absence (pursuant to which there is a reasonable expectation that the Executive will return to perform services for the Company or an affiliate) but only if the period of such leave does not exceed six (6) months, or if longer, so long as the Executive retains a right to reemployment by the Company or an affiliate under applicable statute or by contract. In all cases, the Executive's termination of employment must constitute a "separation from service" under Code Section 409A and any "separation from service" under Code Section 409A will be treated as a termination of employment.

(h) Resignation as Director/Officer. Immediately upon termination of the Executive's employment with the Company for any reason, the Executive will resign from any and all positions then held as a director or officer of the Company and of any subsidiary, parent or affiliated entity of the Company and will execute any and all resignations or other documentation reasonably required by the Company to effect such resignations. Notwithstanding the generality of the foregoing and for the avoidance of doubt, immediately upon a termination of the Executive's employment with the Company for any reason, the Executive will resign as a member of the Board.

5. PAYMENTS AND BENEFITS UPON TERMINATION OF EMPLOYMENT.

(a) Total Disability. If the Executive's employment is terminated due to the Total Disability of the Executive, regardless of the date of termination, the Executive will be paid (i) the Executive's Base Salary, prorated through the date of termination; (ii) a pro rata portion of the bonus that the Executive otherwise would have earned under the Company's bonus plan for the fiscal year during which the Executive's employment is terminated, with such pro rata portion based on the number of complete months during the fiscal year that the Executive was employed with the Company; (iii) acceleration of vesting of that portion of Company stock options held by the Executive as of the date of termination that otherwise would have vested during the next twelve (12) months; (iv) any benefits payable under any disability insurance policy maintained by the Company for the benefit of the Executive at the time of the termination of employment, subject to the terms and conditions of such policies; (v) the Executive's accrued but unused PTO or vacation, prorated through the date of termination; (vi) any unpaid expense reimbursement; and (vii) the Executive's other accrued and vested benefits, if any, under any of the Company's other employee benefit plans (*e.g.*, 401(k) plan), subject to the terms and conditions of such plans. Payment of the pro rata portion of the bonus calculated pursuant to clause (ii), less payroll deductions and withholdings as reasonably determined by the Company, will be paid to the Executive on the ninetieth (90th) day following the later of: (a) the Executive's termination of employment; and (b) the end of the fiscal year during which the Executive's employment is terminated, subject to Section 5(e) of this section.

(b) Death. If the Executive's employment is terminated due to the death of the Executive, regardless of the date of termination, the Executive's estate or heirs, as appropriate, will be paid (i) the Executive's Base Salary, prorated through the date of termination; (ii) a pro rata portion of the bonus that the Executive otherwise would have earned under the Company's bonus plan for the fiscal year during which the Executive's death occurs, with such pro rata portion based on the number of complete months during the fiscal year that the Executive was employed with the Company (such amount paid to the Executive's estate or heirs, as appropriate), less payroll deductions and withholdings as reasonably determined by the Company, in a single lump sum payment on the ninetieth (90th) day following the later of: (a) the Executive's date of death; and (b) the end of the fiscal year during which the Executive's death occurs; (iii) acceleration of vesting of that portion of Company stock options held by the Executive at the time of death that otherwise would have vested during the next twelve (12) months; (iv) any benefits payable under any group life insurance policy, key person life insurance policy and any other life insurance policy maintained by the Company for the benefit of the Executive at the time of the termination of employment, subject to the terms and conditions of such policies; (v) the Executive's accrued but unused PTO or vacation, prorated through the date of termination; (vi) any unpaid expense reimbursement; and (vii) the Executive's other accrued and vested benefits, if any, under any of the Company's other employee benefit plans (*e.g.*, 401(k) plan), subject to the terms and conditions of such plans.

(c) Termination by the Company For Cause or Resignation by the Executive. If the Company terminates the Executive's employment for Cause, or if the Executive resigns other than for Good Reason, regardless of the date of termination, the Executive will be paid (i) the Executive's Base Salary then in effect, prorated through the date of termination; (ii) the Executive's accrued but unused PTO or vacation, prorated through the date of termination; (iii) any unpaid expense reimbursement; and (iv) the Executive's other accrued and vested benefits, if any, under any of the Company's other employee benefit plans (*e.g.*, 401(k) plan), subject to the terms and conditions of such plans.

(d) Termination by the Company Without Cause or by the Executive for Good Reason. If the Company terminates the Executive's employment other than for Cause or on account of death or Total Disability or the Executive resigns for Good Reason, then the Executive will be entitled to the benefits described in this Section 5(d), in addition to the benefits described in Section 5(c).

(i) Cash payments from the Company in an aggregate amount equal to eighteen (18) months of the highest annual Base Salary in effect during the twenty-four (24) months immediately preceding termination, less payroll deductions and withholdings as reasonably determined by the Company, will be paid to the Executive in installment payments over an eighteen (18) month period in the form of salary continuation in accordance with the Company's normal payroll practices, subject to Section 5(e), as follows:

(I) a payment on the sixtieth (60th) day following the Executive's termination of employment equal to the amount of salary continuation payments accruing during the sixty (60) day period following the Executive's termination of employment; and

(II) regularly scheduled payroll payments for the balance of the salary continuation period.

(ii) A pro rata portion of the bonus that the Executive otherwise would have earned under the Company's bonus plan for the fiscal year during which the Executive's termination of employment occurs, with such pro rata portion based on the number of complete months during the fiscal year that the Executive was employed with the Company, less payroll deductions and withholdings as reasonably determined by the Company, provided such bonus shall be paid on the ninetieth (90th) day following the later of: (a) the Executive's termination of employment; and (b) the end of the fiscal year during which the Executive's employment is terminated.

(iii) For eighteen (18) months following the Executive's termination of employment (the "Benefits Continuation Period"), the Company shall continue to provide the Executive and his eligible dependents with medical, dental, vision, worldwide supplemental and other insurance benefits that are substantially the same as those the Executive and his dependents had at the time of termination, including the benefits established under Section 3(e) of this Agreement, at the same cost to the Executive as an active employee would pay for the same level of coverage. The Company may provide such benefits directly, by paying or reimbursing premiums for continuation coverage (including under COBRA, where available), or by reimbursing the Executive for the reasonable cost of obtaining substantially equivalent individual coverage, in each case as the Company reasonably determines. Such benefits shall end early if the Executive becomes eligible for comparable group health coverage from a subsequent employer, and the Executive shall promptly notify the Company of such eligibility. If the Company determines that providing such benefits would result in a violation of, or penalties under, applicable law, the Company may instead pay the Executive a taxable monthly amount equal to the Company's cost of providing such benefits for the balance of the Benefits Continuation Period.

(iv) Continued vesting of that portion of the Company stock options held by the Executive as of the date of termination and scheduled to vest during the eighteen (18) month period following the date of the Executive's termination of employment in accordance with the original vesting schedule and exercisable until the earliest of: (i) the date that is eighteen (18) months following the Executive's termination of employment, (ii) the original expiration date of such stock options, and (iii) the tenth (10th) anniversary of the grant date of such options..

Notwithstanding the foregoing, the Board may decide in its sole discretion to make the cash payments provided for in Section 5(d)(i) in shares of Company common stock.

Within ten (10) business days after the Executive's termination of employment the Company will provide the Executive with a Separation Agreement and Release, in substantially the form as provided in Exhibit B attached to this Agreement. As a condition to receiving the payments and benefits under this Section 5(d), the Executive must, within twenty-one (21) days following receipt of the Separation Agreement and Release, sign such Separation Agreement and Release, not revoke the Release, and such Release must become effective and irrevocable within sixty (60) days of the termination of Executive's employment with the Company and satisfy the other conditions in Section 3.E. of the Separation Agreement and Release. No amounts will be paid pursuant to this Section 5(d) if the Executive does not sign such Separation Agreement and Release within the twenty-one (21) day period or revokes the Release or such Release does not become effective and irrevocable within sixty (60) days of the termination of Executive's employment with the Company. If the Company fails to deliver the Separation Agreement and Release within the ten (10) business day period described above, the twenty-one (21) day and sixty (60) day periods described in this Section 5(d) shall each be extended by the number of days of such delay; provided that in no event shall the Release be required to become effective later than ninety (90) days following the Executive's termination of employment, and any payment delayed as a result shall be made in accordance with Section 5(e). For the avoidance of doubt, the execution or effectiveness of the Separation Agreement and Release shall not be a condition to receiving any accrued compensation, vested equity rights, employee benefits, expense reimbursements, or other amounts payable under Section 5(c), nor shall it apply to payments or benefits arising under Sections 5(a) or 5(b) of this Agreement. The Separation Agreement and Release shall not reduce, waive, or otherwise adversely affect any rights expressly preserved under this Agreement.

The payments and benefits to be provided to the Executive as set forth in this Section 5(d) are in lieu of any and all benefits otherwise provided under any other agreement with the Executive or under any severance pay or change in control policy, plan or program maintained from time to time by the Company for its employees.

(e) Code Section 409A. The Company and the Executive intend that this Agreement and the benefits provided under this Agreement will comply, in form and operation with the requirements of Code Section 409A or the requirements of an exception to Code Section 409A and this Agreement will be construed and administered in a manner that is consistent with and gives effect to such intent. If, at the time of the Executive's termination of employment, the Executive is a "specified employee" within the meaning of Code Section 409A, then any payment of an amount that is deferred compensation under Code Section 409A that is payable on account of a separation from service shall be suspended and not made until the first day of the calendar month following the end of the six (6) month period following the Executive's termination of employment. If any payment subject to Code Section 409A is contingent on the delivery of a release and could occur in either of two calendar years, the payment will occur in the later year. For purposes of the limitations under Code Section 409A, each payment under this Agreement shall be treated as a separate payment. In no event may the Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement.

6. PROTECTION OF THE COMPANY INTERESTS.

The Parties agree that the terms and conditions of the Confidential Information, Inventions Assignment, and Non-Solicitation Agreement (attached as Exhibit A to this Agreement) will apply throughout the Executive's term of employment with the Company, and will continue to apply thereafter even if the Executive's employment is terminated, regardless of the reason for or timing of the termination, and the termination of this Agreement. If the Executive violates the Executive's obligations under this Agreement or any executed exhibit hereto (including the Executive's obligations under any executed version of the Separation Agreement and Release and the Confidential Information, Inventions Assignment, and Non-Solicitation Agreement), the Executive will not be entitled to the compensation and benefits described in Sections 5(d) and must repay the Company for any such amounts the Executive has received.

7. CONFLICT OF INTEREST.

The Executive agrees not to engage in any conduct which might result in, or create the appearance of, using the Executive's position for private gain, or otherwise create a conflict of interest or the appearance of a conflict of interest with the Company. Such conduct includes without limitation having an undisclosed financial interest in any vendor or supplier of the Company, accepting payments of any kind or gifts other than of a nominal value from vendors, customers or suppliers, or having an undisclosed relationship with a family member or other individual who is employed by any entity in active or potential competition with the Company, and which creates a conflict of interest. While still employed at the Company, the Executive must not establish, operate, participate in, advise, or assist to establish, in any manner whatsoever, any business which could or would be in competition with the Company's business, and the Executive must not take any preliminary or preparatory steps toward establishing or operating such a business. Notwithstanding the foregoing, the Executive may own less than two percent (2%) of any class of stock or security of any company which competes with the Company listed on a national securities exchange.

8. RETURN OF COMPANY PROPERTY.

As soon as reasonably practicable after the date that the Executive's employment with the Company ends, or at any prior time at the Company's request, the Executive will deliver to the Company all documents, electronic and other data, manuals, pricing lists, notes, writings, customer and product lists, identification cards, access cards, keys, credit cards, computer programs and all other documents or tangible materials whatsoever, including all copies or duplicates, concerning any part of the Company's activities or concerning any activities as a Company employee. The Executive acknowledges and agrees that all such documents and tangible materials, and copies or duplicates thereof, including the Executive's own notes, are the Company's property which is only entrusted to the Executive on a temporary basis. After returning these documents, data, and other property, the Executive will immediately permanently delete from any electronic media in the Executive's possession, custody, or control (such as computers, cell phones, hand-held devices, back-up devices, zip drives, MP3 players, PDAs, etc.) or to which the Executive has access (such as remote e-mail exchange servers, back-up servers, off-site storage, etc.), all Company documents or electronically stored images, and other data or data compilations stored in any medium from which such information can be obtained. The Executive also agrees to provide the Company with list of any documents that the Executive created or is otherwise aware that are password-protected and the password(s) necessary to access such password-protected documents.

9. MISCELLANEOUS.

(a) Clawback Forfeiture and Recoupment. Any amounts paid to the Executive under this Agreement will be subject to the Company's applicable clawback policy in effect from time to time and any required clawback or forfeiture provisions required under applicable law.

(b) Compliance with Policies and Procedures. The Executive agrees to comply in all respects with the Company's policies and procedures applicable to the Executive as such policies and procedures are amended from time to time, including without limitation the Company's insider trading policy, Code of Business Conduct and Ethics, and Foreign Corrupt Practices Act Anti-Bribery Code of Compliance.

(c) Assignment and Transfer. The Company's rights and obligations under this Agreement may be assigned by the Company without the consent of the Executive. This Agreement will be binding upon and inure to the benefit of, and be enforceable by, the successors, legal representatives, and assigns of the Company. The Executive's rights and obligations under this Agreement will not be transferable by the Executive by assignment or otherwise, and any purported assignment or transfer thereof will be void.

(d) Severability. In the event that any of the provisions of this Agreement, or the application of any such provisions to the Executive or the Company with respect to obligations hereunder, is held to be unlawful or unenforceable by any court, then the remaining portions of this Agreement will remain in full force and effect and will not be invalidated or impaired in any manner.

(e) Non-Waiver. Neither any course of dealing nor any failure or neglect of either Party in any instance to exercise any right, power or privilege under this Agreement or law will constitute a waiver of any other right, power or privilege or of the same right, power or privilege in any other instance. All waivers by either Party must be contained in a written instrument signed by the party to be charged and, in the case of the Company, by its duly authorized officer.

(f) Entire Agreement. This Agreement (including the Exhibits), together with that certain labor contract between the Executive and Zerust Integrity Solutions Trading, LLC, a wholly owned subsidiary of the Company, contains the entire agreement between the Executive and the Company with respect to the subject matter of this Agreement, and supersedes any and all prior agreements and understandings, oral or written, between the Executive and the Company with respect to the subject matter of this Agreement.

(g) Amendments. This Agreement may be amended only by an agreement in writing signed by both the Executive and the Chair of the Company's Board of Directors or the Chair of the Compensation Committee of the Board of Directors.

(h) Governing Law and Venue. This Agreement will be governed by the laws of the State of Minnesota, without regard to its conflicts-of-laws principles and except to the extent expressly provided otherwise herein (inclusive of the Exhibits). The Executive hereby agrees to submit to personal jurisdiction in the State of Minnesota and agrees that any action relating to this Agreement or otherwise to the Executive's employment with the Company must be venued exclusively in Anoka County District Court or the United States District Court for the District of Minnesota.

(i) Notices. All notices and other communications required or permitted under this Agreement shall be in writing and hand-delivered, sent by registered or certified first-class mail, postage prepaid, or sent by commercial overnight delivery service, and in each case also, sent by electronic mail. Notices shall be effective (a) upon delivery if hand-delivered, (b) three (3) days after mailing if mailed, or (c) one (1) day after delivery to a commercial overnight delivery service, and, in each case, shall also be sent by electronic mail. Notices shall be sent, in each case, to the addresses stated at the beginning of this Agreement and, for electronic mail, to the following addresses: if to the Executive to [Personal information redacted]; and if to the Company to [Personal information redacted]. These addresses, including electronic mail addresses, may be changed at any time by like notice.

(j) Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, and such counterparts will together constitute but one agreement. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the date first above written.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

By: /s/ Matthew C. Wolsfeld

Name: Matthew C. Wolsfeld

Title: Chief Financial Officer

Date: November 19, 2026

EXECUTIVE

/s/ Gautam Ramdas
Gautam Ramdas

Date: November 17, 2026

EXHIBIT A

CONFIDENTIAL INFORMATION, INVENTIONS ASSIGNMENT, AND NON-SOLICITATION AGREEMENT

This Agreement (together with Attachment A hereto, this "Agreement") is entered into on this 19th day of November, 2026, but effective as of the 4th day of September, 2026, and is made by and between **NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION**, a Delaware corporation, on behalf of itself, its subsidiaries and affiliates (collectively, the "Company"), with its principal place of business at 4201 Woodland Road, Circle Pines, MN 55014, and **GAUTAM RAMDAS**, a citizen of the United States of America currently residing at [Personal information redacted] (the "Executive") (hereafter collectively referred to as the "Parties").

RECITALS

WHEREAS, the Company is in the business of developing and marketing corrosion mitigation and environmentally beneficial products and services in over sixty-five (65) countries either directly or via a network of subsidiaries, joint ventures, independent distributors, and agents.

WHEREAS, the Company has expended considerable time, effort and resources in the development of its trade secrets, confidential information, and customer goodwill, and in the recruitment and training of its workforce. The success of the Company is dependent in large measure on the preservation of its trade secrets, confidential information, customer goodwill and workforce.

WHEREAS, the Executive will be performing services for the Company in a confidential capacity and, as the Company's Chief Executive Officer, will be entrusted by the Company with its valuable assets including proprietary information, trade secrets, customer goodwill and its workforce. The Executive recognizes the importance of protecting these Company assets.

WHEREAS, the Company requires the Executive to agree and the Executive hereby does agree, in exchange for his promotion to Chief Executive Officer and increased compensation and benefits in connection with that promotion, together with the promise of continued at-will employment with the Company and benefits provided to the Executive under his Executive Employment Agreement, dated November 19, 2026, but effective as of September 4, 2026 (the "Executive Employment Agreement"), to reasonable restrictions on the Executive's activities during and for a reasonable period of time after the Executive's termination of employment, for the purpose of ensuring the preservation and protection of the Company's assets, including its intellectual property, confidential information, trade secrets, physical assets, customer goodwill and its highly trained workforce.

WHEREAS, the Executive acknowledges and understands that this is an enforceable contract that the Executive must read and sign as a condition of his promotion and continuing employment with the Company. The Executive understands that this Agreement applies regardless of whether there are any changes in the Executive's job duties, job title, and location of work or division assignment.

NOW THEREFORE, in consideration of the Executive's continued at-will employment with the Company and other benefits provided to the Executive under the Executive Employment Agreement, the sufficiency of which is hereby acknowledged, the Executive and the Company agree as follows.

1. DEFINITIONS.

The following definitions apply to this Agreement:

(a) "Company Product" means any product, product under development, product line, service, technology or product concept that the Company has investigated, studied, conceived, designed, developed (or is under development), manufactured, marketed, sold, or regarding which the Company has conducted or acquired research and development prior to or during the term of the Executive's employment with the Company.

(b) "Conflicting Product" means any product, product line, technology, product concept or service that is the same or similar, competes with, may be substituted for, replaces, resembles, performs any of the same or similar functions, is used or intended to be used for any of the same purposes as a Company Product.

(c) "Invention" means any invention, discovery, improvement, technology, process, idea, design, concept, patent application, prototype, software code, documentation or work of authorship, whether or not in writing or reduced to practice and whether or not patentable or copyrightable, made, authored or conceived by the Executive whether by the Executive's individual efforts or in connection with the efforts of others, and that (i) relates in any way to the Company's business, products or processes, past, present, anticipated or under development, or (ii) results in any way from the Executive's employment by the Company, or (iii) uses the Company's equipment, supplies, facilities, trade secrets, or confidential information.

(d) "Trade Secret" means information that the Company uses in its business and that is the subject of reasonable efforts by the Company to maintain its secrecy, including without limitation, any formula, pattern, compilation, program, device, method, technique, process, concept, design, or idea that derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(e) "Confidential Information" means any proprietary, confidential or competitively sensitive information and materials that are the property of or relate to the Company and which derives independent economic value from not being generally known or ascertainable by proper means but which does not constitute one or more Trade Secrets as described above, including without limitation:

(i) inventions, designs, discoveries, works of authorship, improvements or ideas whether or not patentable or copyrightable, methods, processes, techniques, shop practices, formulae, compounds, or compositions developed or otherwise possessed by Company;

(ii) the subject matter of Company's patents, design patents, copyrights, operating instructions and other industrial property to the extent that such information is unavailable to the public and/or is in incomplete stages of design or research and development;

(iii) the identity of the Company's past, present and prospective customers, suppliers or business contacts, and all documents, information and materials that concern or relate to such customers, suppliers or business contacts;

(iv) organizational and operational information such as marketing information, sales information, advertising information, techniques, strategies, business plans, product development information, delivery schedules, market research, forecasts, personnel and salary data, methods of operation, financial data, statements and projections, pricing information, costs, sales, budgets, profits and merger, acquisition, expansion or divestiture information;

(v) technical information, including that relating to manufacturing processes, product preparation, presentation, packaging, delivery methods, quality control measures and processes, product specifications, improvements, discoveries, developments, designs, inventions, and other proprietary processes;

(vi) information disclosed to the Executive as part of any training process; and

(vii) any document marked "Confidential," or any information which the Executive has been told is confidential or which the Executive might reasonably expect Company would regard as confidential, or any information which has been given Company in confidence by customers, suppliers or other persons.

2. COMPLIANCE WITH PRIOR AGREEMENTS AND DUTIES.

The Executive represents and warrants to the Company that the Executive is not currently subject to a non-competition, confidentiality or other such agreement with a former employer which prohibits or restricts the Executive from working for the Company, or performing the services which the Company would like the Executive to perform. Further, the Executive represents and warrants to the Company that the Executive has not brought and will not bring to the Company any proprietary information, customer lists, trade secrets, confidential information, or any other property which belongs to any of the Executive's former employers. The Executive agrees and understands that the Company does not want the Executive to utilize any such confidential or proprietary information, trade secrets, or property on the Company's behalf. The Executive further agrees and understands that any misrepresentation, including, but not limited to a misrepresentation that the Executive is not subject to a non-competition, confidentiality or other such agreement with a former employer which prohibits or restricting the Executive from working for the Company, may result in the termination of the Executive's employment with the Company, regardless of when the Company discovers such misrepresentation.

3. PROTECTION OF TRADE SECRETS AND CONFIDENTIAL INFORMATION.

(a) Disclosure and Use Restrictions. The Executive agrees to hold the Company's Trade Secrets and Confidential Information in the strictest confidence during the Executive's employment with the Company and to the fullest extent permitted by law after the Executive's employment relationship with the Company is voluntarily or involuntarily terminated. To this end:

(i) the Executive will not make or permit copies to be made of Trade Secrets and Confidential Information, except as necessary to carry out the Executive's duties for the Company;

(ii) the Executive will not disclose any Trade Secret or Confidential Information to any person except other Company employees with a need to know the information;

(iii) the Executive will take all reasonable precautions to prevent the inadvertent disclosure of Trade Secrets and Confidential Information to any unauthorized person; and

(iv) the Executive will acknowledge that the Company is the owner of the Company's Trade Secrets and Confidential Information and agrees not to contest any such ownership rights of the Company, either during or after the Executive's employment with the Company.

(b) Permitted Disclosures.

(i) Permitted Disclosures. Nothing in this Agreement prohibits or restricts the Executive (or Executive's attorney) from filing a charge or complaint with the Securities and Exchange Commission ("SEC") or any other securities regulatory agency or authority, the Occupational Safety and Health Administration ("OSHA"), any other self-regulatory organization, the National Labor Relations Board ("NLRB"), the Equal Employment Opportunity Commission ("EEOC"), or any other federal or state regulatory authority ("Government Agencies"). The Executive further understands that this Agreement does not limit the Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies without notice to the Company. This Agreement does not limit the Executive's right to receive an award for information provided to any Government Agencies.

(ii) Defend Trade Secrets Act Notice. Pursuant to the Defend Trade Secrets Act of 2016, Executive understands that Executive may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document that is filed in a lawsuit or other proceeding, if such filing is made under seal. In the event Executive files a lawsuit or other proceeding against the Company alleging that the Company retaliated against Executive because of Executive's disclosure, Executive may disclose the relevant trade secret to Executive's attorney and may use the trade secret in the proceeding if (X) Executive files any document containing the trade secret under seal, and (Y) Executive does not otherwise disclose the trade secret except pursuant to court order.

4. ASSIGNMENT OF INVENTIONS.

(a) Assignment of Inventions. During the period of employment and for the six (6) months thereafter, the Executive will promptly and fully disclose to the Company, and will hold in trust for the Company's sole right and benefit, any Invention that the Executive makes, conceives or reduces to practice, or causes to made, conceived or reduced to practice, either alone or in conjunction with others, whether made during the working hours of the Company or on the Executive's own time. The Executive will: (i) assign and hereby does assigns to the Company all of the Executive's right, title and interest in and to all such Inventions, any applications for patents, copyrights or any other registration of intellectual property in any country covering or relating to any such Invention, and any patents, copyrights or other intellectual property registration granted to the Executive or the Company; and (ii) acknowledge and deliver promptly to the Company any written instruments, and perform any other acts necessary in the Company's opinion to preserve property rights in any Invention against forfeiture, abandonment or loss, to obtain and maintain letters patent and/or copyrights or other registration of any intellectual property rights on any such Invention, and to vest the entire right and title to the Invention and related intellectual property in the Company. The Executive agrees to perform promptly (without charge to the Company but at the expense of the Company) all such acts as may be necessary in the Company's opinion to preserve all patents and/or copyrights or other intellectual property covering the Inventions and to enable the Company to obtain the sole right, title and interest in all such Inventions, including without limitation the execution of assignments or patent prosecution documentation and appearing as a witness in any action brought in connection with this Agreement.

(b) Exceptions. The Parties agree that this Section 4 does not apply to any Invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on the Executive's own time, and that does not: (i) relate directly to the Company's business or to the Company's actual or demonstrably anticipated research or development, or (ii) result from any work the Executive performed for the Company. All inventions that the Executive has already conceived or reduced to practice that the Executive claims to be excluded from the scope of this Agreement are listed on Attachment A (if none, write "none"). The Executive represents that, except as disclosed on Attachment A to this Agreement, as of the date of this Agreement, the Executive has no rights under and will make no claims against the Company with respect to any inventions, discoveries, improvements, ideas or works of authorship which would be Inventions if made, conceived, authored or acquired by the Executive during the term of this Agreement.

(c) Acknowledgement. The Executive acknowledges that any documents, drawings, computer software or other work of authorship prepared by the Executive within the scope of the Executive's employment is a "work made for hire" under U.S. copyright laws (17 U.S.C. § 101 (1976)), and that, accordingly, the Company exclusively owns all copyright rights in such works of authorship. For purposes of this Agreement, "scope of employment" means the work of authorship (i) relates to any subject matter pertaining to the Executive's employment; (ii) relates to or is directly or indirectly connected with the existing or reasonably foreseeable business, products, projects or Trade Secrets or Confidential Information of the Company; or (iii) involves the use of any time, material or facility of the Company.

Note. Pursuant to Minnesota Statute § 181.78, this Section 4 does not apply to an Invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on the Executive's own time, and (i) which does not relate (I) directly to the business of the Company or (II) to the Company's actual or demonstrably anticipated research or development, or (ii) which does not result from any work performed by the Executive for the Company.

(d) Presumption. In the event of any dispute, arbitration or litigation concerning whether an invention, improvement or discovery made or conceived by the Executive is the property of the Company, such invention, improvement or discovery will be presumed the property of the Company and the Executive will bear the burden of establishing otherwise.

5. NO CUSTOMER SOLICITATION.

During the Executive's employment with the Company and for a period of two (2) years after that employment ends, regardless of reason, whether voluntary by the Executive or involuntary:

(a) the Executive will not, directly or indirectly, alone or with another person or entity, solicit business from or have any business-related contact with any customer of the Company or any potential Company customer with whom or with which the Executive personally had contact during the last twenty-four (24) months of the Executive's employment with the Company, if such solicitation or contact relates to or is made in connection with a Conflicting Product (including the research or development of a product that would be a Conflicting Product); and

(b) the Executive will not interfere with or impair the Company's relationship with any of its employees, customers, vendors or suppliers.

By signing this Agreement, the Executive acknowledges and agrees that should his employment with the Company end, the restrictions on the Executive's activities referenced in this Agreement will not prevent the Executive from earning a living.

6. NON-INTERFERENCE WITH COMPANY EMPLOYEES.

The Executive will not, either during the Executive's employment with the Company or for a period of two (2) years after that employment with the Company ends, directly or indirectly, solicit, induce, recruit, or cause another person in the employ of the Company (on the date the Executive's employment with the Company ends) to terminate employment with the Company. If during this two (2) year period the Executive is approached by one of the Company's employees or former employees regarding potential employment at a new employer, the Executive will inform the employee or former employee of the non-solicitation obligation described above and refrain from engaging in any communication with the employee or former employee regarding potential employment, consultation or contract opportunities.

7. E-MAIL MESSAGES/INTERNET USAGE.

The Executive acknowledges that all e-mail messages that the Executive produces, sends or receives while at Company facilities or using Company equipment are the property of the Company. The Executive also understands that the Company may monitor and inspect all such messages and may also monitor and control the communications that the Executive initiates or receives through the Internet while at Company facilities and while using Company equipment in any location. The Executive acknowledges that the Executive has no right to or expectation of privacy in such communications. The Executive agrees to cooperate with the Company in its implementation of such security and control measures as it may implement from time to time with respect to e-mail and Internet communications and shall take all reasonable precautions to ensure that the confidentiality of any such communications containing Trade Secret and Confidential Information is maintained. The Executive also agrees that the Internet may not be used for the transmission or intentional reception of obscene, scandalous, offensive or otherwise inappropriate materials, and that the Executive will comply with Company policies regarding appropriate use of the Internet and e-mail.

8. REMEDIES.

The Executive understands that in the event of a violation of any provision of this Agreement, the Company has the right to seek injunctive relief, in addition to any other remedies provided by law including actual, incidental and consequential damages, without the requirement of posting bond. The Executive also agrees that the Company will be entitled to an accounting, and to the repayment of all profits, compensation, commissions, fees, royalties, or other financial rewards which the Executive or any other entity or person may realize as a result of the Executive's violations of this Agreement. The Executive will reimburse the Company for all costs, expenses or damages that it incurs as a result of any violation by the Executive of any provision of this Agreement, including court costs, litigation expenses, and reasonable attorneys' fees.

9. MISCELLANEOUS.

(a) Successors and Assigns**.** The promises in this Agreement benefit the Company and also its subsidiaries and affiliates and any successor or assignee of the Company's business or operations.

(b) Governing Law and Venue**.** This Agreement will be governed by the laws of the State of Minnesota, without regard to its conflicts-of-laws principles. The Executive hereby agrees to submit to personal jurisdiction in the State of Minnesota and agrees that any action relating to this Agreement or otherwise to the Executive's employment with the Company must be venued exclusively in Anoka County District Court or the United States District Court for the District of Minnesota.

(c) Severability**.** If any portion of this Agreement is adjudicated to be invalid or unenforceable, the remaining provisions shall not be affected thereby, and a court of competent jurisdiction shall have the power to blue-line (amend, modify or delete) that portion thus adjudicated to be invalid or unenforceable.

(d) Survival**.** The Executive's obligations under Sections 3, 4, 5, 6, 8 and 9 will survive the termination of this Agreement.

(e) Entire Agreement; Amendment. This Agreement, together with the Executive Employment Agreement, is the entire agreement of the Parties relating to its subject matter and supersedes all previous and contemporaneous discussions, agreements, writings and understandings concerning the matters referenced in this Agreement. This Agreement may be amended only by an agreement in writing signed by both the Executive and the Chair of the Company's Board of Directors or the Chair of the Compensation Committee of the Board of Directors.

(f) Acknowledgments. The Executive acknowledges that the Company has advised the Executive to seek counsel regarding this Agreement, that the Executive is an employee "at will" (meaning that either the Executive or the Company may terminate the Executive's employment, at any time and for any reason not prohibited by law), that the Executive has not executed this Agreement in reliance upon any representation or promise except those contained in this Agreement and the Executive Employment Agreement, and that the Executive has read and understands this Agreement and agrees to all its terms and conditions. EXECUTIVE FURTHER SPECIFICALLY ACKNOWLEDGES THAT HE HAS BEEN GIVEN 14 DAYS TO REVIEW AND CONSIDER THIS AGREEMENT BEFORE SIGNING IT.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the date first above written.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

By:_____

Name:_____

Title:_____

Date:_____

EXECUTIVE

_____

Gautam Ramdas

Date:_____

ATTACHMENT A

Disclosure of Prior Inventions

All Inventions that the Executive has already conceived or reduced to practice and that the Executive claims to be excluded from the scope of the Agreement are listed below (if none, write "none"):

None.

EXECUTIVE

Gautam Ramdas

Date:

EXHIBIT B

FORM OF SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION AND RELEASE AGREEMENT (this "Agreement") is made by and between **Gautam Ramdas**, on behalf of himself, his agents, heirs, executors, administrators, attorneys, and successors (the "Executive"), and **Northern Technologies International Corporation** and any affiliates or related corporations, delegates, benefit plans and plan administrators, their Board members, subsidiaries, successors and assigns, present or former officers, directors, shareholders, agents, assigns, employees, insurers, and attorneys, whether in their individual or official capacities, (collectively referred to as "NTIC" or "Employer") (hereafter collectively referred to as the "Parties").

WHEREAS, the Parties have executed that certain Executive Employment Agreement, dated November 19, 2026, but effective as of September 4, 2026 (the "Executive Employment Agreement"), pursuant to which Executive is obligated to execute a separation agreement and release as a condition of receiving any severance benefits (any capitalized terms not defined in this Agreement shall have the meaning provided in the Executive Employment Agreement);

WHEREAS, recognizing that termination of employment often implicates personal transition and potential legal issues, NTIC is willing to provide the Executive with additional benefits to ease Executive's transition in exchange for a full and final release of claims; and

WHEREAS, the Executive's employment with NTIC is terminating [by NTIC without Cause pursuant to Section 4(d)] [by the Executive for Good Reason pursuant to Section 4(f)] of the Executive Employment Agreement, such termination entitles the Executive to the payments and benefits described in Section 5(d) of the Executive Employment Agreement, and such termination shall not be construed as a resignation by the Executive without Good Reason.

IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

1. **Separation Date**. Effective _____, the Executive's employment with and by NTIC is terminated (such effective date, the "Separation Date").

2. **Termination Payments**. Regardless of whether the Executive executes this Agreement, NTIC will make the following Separation Payments to the Executive:

   A. Payment for all time worked, if any, through the Separation Date, together with accrued but unused PTO/vacation, in the ordinary course of Employer's payroll process on the first scheduled payday following the Separation Date, or earlier if required by applicable law.

   B. Business expenses incurred by the Executive through the Separation Date in the course of employment and pursuant to NTIC's expense reimbursement policies and procedures in effect as of the Separation Date (the "Reimbursement Policy"). Any expense reimbursements will be made in accordance with the Reimbursement Policy.

3. **Separation Benefit**. The Executive and NTIC have agreed that NTIC will provide the Executive with the following separation benefit as consideration for the Executive's execution of this Agreement, including the release of claims set forth in Section 4 and the Post-Employment Obligations set forth in Section 11 of this Agreement. Upon expiration of any applicable revocation periods, as described below, and in the absence of the Executive's actual or attempted revocation of this Agreement, and after satisfaction of the Conditions (as defined below), NTIC will provide the Executive with the following "Consideration":

A. Severance: NTIC shall provide the Executive with the total gross amount of _____ Dollars (USD $_____) representing eighteen (18) months of Executive's highest annual Base Salary in effect during the twenty-four (24) months immediately preceding the Separation Date, less required payroll deductions and withholdings ("Severance"), which will be paid pursuant to the terms of the Executive Employment Agreement and in accordance with Employer's standard payroll processes, subject to the satisfaction of the Conditions described in paragraph E below. Notwithstanding the foregoing, the Board may decide in its sole discretion to make the Severance payment provided for herein in shares of Company common stock.

B. Benefits Continuation: For eighteen (18) months following the Executive's termination of employment (the "Benefits Continuation Period"), the Company shall continue to provide the Executive and his eligible dependents with medical, dental, vision, worldwide supplemental and other insurance benefits that are substantially the same as those the Executive and his dependents had at the time of termination, including the benefits established under Section 3(e) of the Executive Employment Agreement, at the same cost to the Executive as an active employee would pay for the same level of coverage. The Company may provide such benefits directly, by paying or reimbursing premiums for continuation coverage (including under COBRA, where available), or by reimbursing the Executive for the reasonable cost of obtaining substantially equivalent individual coverage, in each case as the Company reasonably determines. Such benefits shall end early if the Executive becomes eligible for comparable group health coverage from a subsequent employer, and the Executive shall promptly notify the Company of such eligibility. If the Company determines that providing such benefits would result in a violation of, or penalties under, applicable law, the Company may instead pay the Executive a taxable monthly amount equal to the Company's cost of providing such benefits for the balance of the Benefits Continuation Period.

C. Bonus. Notwithstanding any provision of NTIC's bonus plan requiring that the Executive remain employed through the end of the fiscal year or the date of payment, NTIC shall pay the Executive a pro rata portion of the bonus that the Executive otherwise would have earned under NTIC's bonus plan for the fiscal year during which the Executive's termination of employment occurs, based on actual performance for such fiscal year and the number of complete months during such fiscal year that the Executive was employed with NTIC, less payroll deductions and withholdings as reasonably determined by NTIC ("Severance Bonus"); provided such bonus shall be paid on the ninetieth (90th) day following the later of: (a) the Executive's termination of employment; and (b) the end of the fiscal year during which the Executive's employment is terminated.

D. Options. Executive acknowledges and agrees that all stock options to purchase NTIC common stock which have been granted to Executive and remain outstanding as of the Separation Date ("Options") are and shall continue to be governed exclusively by the terms of the applicable equity plans, grant notices, and option agreements, except as expressly modified herein. As additional Consideration, until the earliest of: (a) the date that is eighteen (18) months following the Separation Date; (b) the original expiration date of the pertinent Options; and (c) the tenth (10th) anniversary of the grant date of the pertinent Options ("Extended Option Period"):

(i) the Options shall continue to vest following the Separation Date, but otherwise according to any schedules in effect as of the Separation Date; and

(ii) the post-termination exercise period for the Options shall be extended through the Extended Option Period.

E. Conditions. NTIC's obligation to provide the Consideration is conditioned upon satisfaction of all of the following "Conditions":

(i) The Executive having provided NTIC with an original executed Agreement and any applicable revocation or rescission periods having expired such that the Agreement is effective and irrevocable within sixty (60) days of the Separation Date;

(ii) The Executive's return of all of NTIC's property pursuant to Section 10 of this Agreement; and

(iii) The Executive having executed all documents and taken all actions necessary to effectuate the Executive's resignation as an officer and director of NTIC.

F. UAE Matters. The Parties acknowledge that a portion of the Executive's compensation has been paid in UAE Dirham by Zerust Integrity Solutions Trading, LLC ("Zerust UAE") under the Executive's labor contract with Zerust UAE. NTIC shall cause Zerust UAE to (i) terminate such labor contract effective as of the Separation Date; (ii) pay the Executive any mandatory statutory end-of-service gratuity and other mandatory entitlements under applicable UAE law, in accordance with such law; and (iii) timely complete, at no cost to the Executive, all actions reasonably required to cancel the Executive's UAE work permit and residence visa sponsorship, including providing a reasonable grace period consistent with applicable UAE law. Any payments under this Section 3.F shall be coordinated with payments under this Agreement to avoid duplication of the same underlying entitlement, consistent with Section 3(a)(v) of the Executive Employment Agreement, but shall not reduce the Severance.

NTIC makes no representations or warranties to the Executive regarding the tax treatment to the Executive of the payment[s] provided under this Agreement. The Executive is solely responsible for all federal, state, and local income and any other taxes with respect to the amounts described in Paragraphs 2 and 3.

The Parties agree that the Executive has no further rights under any other employment, severance, separation, retention, exit incentive, employment termination, or similar plan, policy, program or practice with NTIC and the consideration described above has been negotiated and agreed upon between NTIC and Executive. The Parties further agree that the Consideration set forth in this Agreement is over and above anything owed to the Executive by law or contract, or under the policies of NTIC, and it is provided to the Executive in exchange for, and specifically contingent upon, the Executive entering into and not revoking this Agreement.

Notwithstanding the foregoing or anything to the contrary in this Agreement (including Sections 4 and 15), nothing in this Agreement shall waive, release, reduce or otherwise adversely affect: (i) the Executive's rights under Section 2 of this Agreement or Section 5(c) of the Executive Employment Agreement; (ii) the Executive's rights with respect to vested equity awards, or the Options as modified by Section 3.D; (iii) any mandatory statutory end-of-service gratuity or other mandatory entitlement under applicable UAE law, as preserved by Section 3(a)(v) of the Executive Employment Agreement; (iv) the Executive's rights under the Indemnification Agreement and any directors' and officers' liability insurance; or (v) any other right expressly preserved under the Executive Employment Agreement

4. **Executive's Release**. The Executive hereby releases and forever discharges NTIC, any related corporations, predecessors, successors, joint ventures or affiliates, and their past, present and future Board members, subsidiaries, successors and assigns, present or former officers, directors, shareholders, agents, assigns, employees, members and attorneys, whether in their individual or official capacities, (collectively the "Releasees") from all claims, injuries and causes of action, whether the Executive currently has knowledge of such claims and causes of action, arising, or which may have arisen, out of or in connection with the Executive's employment or termination of employment with the Company, including but not limited to claims, demands or actions arising under the Age Discrimination in Employment Act of 1967 ("ADEA"), the Older Workers Benefit Protection Act of 1990 ("OWBPA"), Title VII of the Civil Rights Act of 1964 ("Title VII"), the Americans with Disabilities Act ("ADA"), the Family and Medical Leave Act ("FMLA"), the Employee Retirement Income Security Act of 1978 ("ERISA"), the Equal Pay Act ("EPA"), the Fair Labor Standards Act, the Worker Adjustment Retraining and Notification Act ("WARN"), Uniformed Services Employment and Reemployment Rights Act ("USERRA") 38 U.S.C. § 4301, et seq., the Minnesota Human Rights Act, the Minnesota Paid Family and Medical Leave Law, Minn. Stat. § 363A.01, et seq., Minn. Stat. Chapter 177 to the extent allowed by applicable state law; Minn. Stat. Chapter 181 including but not limited to the Minnesota Whistleblower Act, Minn. Stat. § 181.931, et seq. and Minn. Stat. §§ 181.950 et seq., claims under Minn. Stat. § 176.82; and all other Minnesota or other federal, state, local or foreign statute, law, rule, regulation, ordinance or order, all as amended regarding employment, wages, compensation for employment, termination of employment, or discrimination or harassment in employment on the basis of age, gender, race, religion, disability, national origin, citizenship, sexual orientation, pregnancy disability, genetic information or any other protected characteristic, and the common law of any state. Executive further understands that this release of claims extends to, but is not limited to, all claims which he may have as of the date of this Agreement against the Releasees based upon any state or local statute or regulation, ordinance, order, rule, manual, bonus plan, letter, compensation policy, employee handbook, any claim of stock, partnership, membership, economic interest or other ownership in NTIC or the Releasees and all other common law claims including, but not limited to, claims for breach of contract, promissory estoppel, fraud, wrongful discharge, defamation, or any other theory, whether legal or equitable.

5. **Waiver of Rights to Additional Recovery.** The Executive waives any right the Executive may have to any form of monetary recovery or compensation from any legal, administrative or other charge, claim, complaint, or action which has been, is or may be filed by the Executive or on the Executive's behalf based on the Executive's employment with, or separation of employment from, NTIC. The Executive understands that this Agreement does not require the Executive to refrain from filing, to request dismissal or to request withdrawal of any charges, grievances, petitions, or complaints that the Executive may have against NTIC before the EEOC or other civil rights enforcement agency; provided, however, that the Executive disclaims and waives any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding. Notwithstanding the foregoing, nothing in this Agreement waives, limits, or otherwise affects the Executive's right to receive an award, bounty, or other payment from any Government Agency for information provided to such Government Agency, including any award under Section 21F of the Securities Exchange Act of 1934, as amended, or any other whistleblower award program.

6. **Exclusions from Release.** The release set forth in Section 4 does not include the Executive's rights, if any, to claim the following: (i) unemployment insurance benefits; (ii) any claim for workers' compensation benefits related to any injury that the Executive has sustained in the course of employment; (iii) claims for vested post-termination benefits under any 401(k) or similar retirement benefit plan; (iv) the Executive's rights under COBRA; (v) the Executive's right to assert claims that are based on events occurring after this Agreement becomes effective; (vi) any other rights or claims which cannot be released by law; and (vii) the Executive's right to receive an award from any Government Agency for information provided to such Government Agency, including any award under Section 21F of the Securities Exchange Act of 1934. In addition, the release set forth in Section 4 does not include the Executive's rights to enforce the terms of the Executive Employment Agreement dated as of November 19, 2026 but effective as of September 4, 2026 between Employer and the Executive, which survive the termination of the Executive's employment with Employer and any right to defense, indemnification or contribution, whether pursuant to the Indemnification Agreement, NTIC's certificate of incorporation or bylaws, or contract, applicable law or otherwise for claims brought against the Executive in Executive's capacity as an officer, director, employee or agent of NTIC.

Nothing in this Agreement interferes with the Executive's right to file or maintain a charge with the Equal Employment Opportunity Commission or other local civil rights enforcement agency, or participate in any manner in an EEOC or other such agency investigation or proceeding. Except as provided in Section 9(h), the Executive understands, however, that the Executive is waiving the right to recover individual relief including, but not limited to, back pay, front pay, reinstatement, attorneys' fees, and/or punitive damages, in any administrative or legal action whether brought by the EEOC or other civil rights enforcement agency, the Executive, or any other party.

7. **Confirmation of No Claims, Etc.** Subject in all respects to Section 9, and except as otherwise previously reported by the Executive in accordance with Employer's policies and procedures or as set forth on a schedule delivered by the Executive to the Chair of the Board prior to the Executive's execution of this Agreement, the Executive represents that, as of the date the Executive signs this Agreement: (i) the Executive has not filed or caused to be filed any lawsuit or arbitration against Employer or any Releasee in any court or arbitral forum; and (ii) to the Executive's actual knowledge, the Executive is not aware of any conduct or activities by Employer, or by any of its officers, directors or employees acting in such capacity, that the Executive reasonably believes constitutes a material violation of Employer's Code of Business Conduct and Ethics, the Sarbanes-Oxley Act of 2002, or any other applicable law, in each case that the Executive has not previously reported to Employer's Board of Directors, Audit Committee, legal counsel, or other appropriate personnel in accordance with Employer's policies and procedures. The Executive is not required to, and nothing in this Section 7 shall be construed to require the Executive to, disclose to Employer or any Releasee, or to represent or confirm that the Executive has not made, any report, complaint, communication, or disclosure to, or any participation in any investigation or proceeding conducted by, any Government Agency, or any other activity protected under Section 9. No inaccuracy in the representation in clause (ii) above shall constitute a breach of this Agreement unless the Executive had actual knowledge of such inaccuracy and acted in bad faith.

8. **Non-Disparagement**. The Executive agrees that the Executive will not, directly or indirectly, engage in any conduct or make any statement that is reckless or maliciously untrue regarding the Employer, its products and/or services, or the Employer's officers, directors, managers, and employees (as related to their professional reputations).

9. **Exclusions and Limitations**. The Parties agree that nothing in this Agreement, including Sections 4, 5, 6, 7, 8, 10, 11 and 12, prohibits them or may be read to prohibit them from:

(a) filing a charge with an administrative agency, including the National Labor Relations Board and/or participating in a charge filed by another individual or agency, or participating or testifying in an agency investigation;

(b) exercising protected rights under Section 7 of the National Labor Relations Act, if applicable, where employees may, among other things, communicate through any means with any person or entity to discuss wages and terms and conditions of employment and/or exercise any other rights to engage in activity protected under Section 7 of the National Labor Relations Act;

(c) reporting any good faith allegation of unlawful employment practices to any appropriate federal, State, or local government agency enforcing discrimination laws;

(d) reporting any good faith allegation of criminal conduct to any appropriate federal, State, or local official;

(e) participating in a proceeding with any appropriate federal, State, or local government agency enforcing discrimination laws;

(f) making any truthful statements or disclosures required by law, regulation, or legal process;

(g) requesting or receiving confidential legal advice regarding this Agreement or otherwise;

(h) filing a charge or complaint with, communicating with, providing documents or other information to, or otherwise participating in any investigation or proceeding conducted by, the Securities and Exchange Commission ("SEC"), the Occupational Safety and Health Administration, the National Labor Relations Board, the Equal Employment Opportunity Commission, any other securities regulatory agency, self-regulatory organization, or any other federal, state, or local governmental agency or commission (each, a "Government Agency"), in each case without notice to or the approval of NTIC, or receiving an award for information provided to any Government Agency, including any award under Section 21F of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder; and

(i) making disclosures that are protected under the whistleblower provisions of applicable law, including the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act, or disclosing trade secrets in the manner permitted by the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1833(b).

Nothing in Section 7 or any other provision of this Agreement shall be construed to require the Executive to disclose to NTIC, or to represent that the Executive has not made, any communication with or report to a Government Agency, and the representations in Section 7 are qualified in their entirety by this Section 9. NTIC shall not take any action, including enforcing or threatening to enforce any confidentiality or other provision of this Agreement, to impede the Executive from communicating directly with the SEC or any other Government Agency about a possible violation of law, in accordance with SEC Rule 21F-17.

10. **Return of Property**. The Executive agrees to return to NTIC all documents, data, and other property, including, but not limited to, keys, access cards, computers, servers, discs, fax machines, cell phones, reports, manuals, records, product samples, correspondence and/or other documents or materials related to NTIC's business that the Executive has compiled, generated or received while working for NTIC, including all copies, samples, computer data, disks, passwords, or records of such material, if any, in his possession or control ("NTIC Property") as soon as reasonably practicable after the Separation Date but not later than the end of the ten (10) business days following the Separation Date. After returning NTIC Property, the Executive will permanently delete from any electronic media in Executive's possession, custody, or control (such as computers, cell phones, hand-held devices, back-up devices, zip drives, PDAs, etc.) or to which the Executive has access (such as remote e-mail exchange servers, back-up servers, off-site storage, etc.), all documents or electronically stored images of NTIC, including writings, drawings, graphs, charts, sound recordings, images, and other data or data compilations stored in any medium from which such information can be obtained. The Executive also agrees to provide NTIC with a list of any documents that the Executive created or is otherwise aware that are password-protected and the password(s) necessary to access such documents. The Executive may return NTIC Property by delivering it to NTIC's Circle Pines office, to NTIC's Dubai office, or by such other reasonable method as NTIC may direct, in each case at NTIC's expense.

11. **Post-Employment Obligations.** The Executive remains bound by and must comply with the post-employment obligations set forth in that certain Executive Employment Agreement dated as of November 19, 2026, but effective as of September 4, 2026 between Employer and the Executive and that certain Confidential Information, Inventions Assignment, and Non-Solicitation Agreement dated as of November 19, 2026, but effective as of September 4, 2026 ("CIIA") between the Executive and the Employer (collectively, the "Post-Employment Obligations"). Further, the Executive agrees that the Executive will not disclose or use any of Employer's confidential, proprietary, and/or trade secret information for any purpose except as authorized by Employer or required by law. In the event the Executive is found to have violated this Section, the Executive shall forfeit and/or repay to NTIC all Consideration provided pursuant to this Agreement and, in addition to all other forms of legal and equitable relief, including all damages available under applicable law resulting from the Executive's violation of this Section. The Executive acknowledges that the foregoing promise is an essential and material term of this Agreement and that, without such promise by the Executive, NTIC would not have entered into this Agreement.

12. **Agreement to Cooperate in Investigations and Litigation**. The Executive agrees that the Executive will be available upon reasonable notice from NTIC, with or without a subpoena, to be interviewed, review documents or things, give depositions, testify, or engage in other reasonable activities, with respect to matters and/or disputes concerning which the Executive has or may have knowledge as a result of or in connection with the Executive's employment. NTIC shall use reasonable efforts to schedule such cooperation so as not to unreasonably interfere with the Executive's subsequent employment or personal commitments, and shall reimburse the Executive for reasonable out-of-pocket expenses (including reasonable travel expenses and, where the Executive's interests may reasonably be adverse to NTIC's, reasonable fees of independent counsel) incurred in providing such cooperation. In performing the Executive's obligations under this paragraph to testify or otherwise provide information, the Executive will honestly, truthfully, forthrightly, and completely provide the information requested. The Executive will comply with this Agreement upon notice from NTIC that NTIC or its attorneys believe that the Executive's compliance will assist in the resolution of an investigation or the prosecution or defense of claims.

13. **Right to Revoke.** The Executive has been advised that this Agreement must be executed by the Executive **no earlier than the Separation Date and no later than twenty-one (21) days after receipt of this Agreement**. The Executive acknowledges and agrees that any changes to this Agreement from the time it was first offered to the Executive, whether material or immaterial, do not restart the running of the twenty-one (21) day period. The Executive understands that insofar as the release in Section 4 relates to the Executive's rights under the Age Discrimination in Employment Act ("ADEA"), it shall not become effective or enforceable until seven (7) days after the Executive signs it. The Executive further understands that insofar as the release in Section 4 relates to the Executive's rights under the Minnesota Human Rights Act ("MHRA") and Minnesota Paid Family and Medical Leave Law ("MPL"), it shall not become effective or enforceable until fifteen days after the Executive signs it. The Executive understands that the Executive has the right to revoke the release in this Agreement, insofar as it extends to the Executive's claims, if any, under the ADEA, by written notice of such revocation to NTIC within seven (7) calendar days following the Executive signing this Agreement. The Executive understands that the Executive has the right to revoke the release in this Agreement insofar as it extends to the Executive's claims, if any, under the MHRA and MPL, by written notice to NTIC within fifteen (15) calendar days of the Executive signing this Agreement. Any such revocation must be in writing and delivered to NTIC in accordance with the notice provisions of Section 9(i) of the Executive Employment Agreement (including by electronic mail to [Personal information redacted], and addressed to the Chief Financial Officer, Northern Technologies International Corporation, 4201 Woodland Road, Circle Pines, MN 55014, with a copy to the Chair of the Board; provided that a revocation sent by mail shall be timely if postmarked within the applicable revocation period. The Executive understands that the benefits that the Executive is receiving under this Agreement set forth in Section 3 are contingent upon the Executive agreement to be bound by all of the terms of this Agreement. Accordingly, if the Executive decides to revoke this Agreement as to the Executive's claims under the ADEA, MHRA, or MPL, the Executive will not be entitled to the benefits set forth in Section 3 of this Agreement.

14. **Section 409A**. This Agreement and the benefits provided under this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), including the exceptions thereto, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A, either as separation pay due on account of an involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide dispute shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A (i) each payment provided under this Agreement, if any, shall be treated as a separate payment, and (ii) any payments to be made on account of a termination of employment shall only be made upon a "separation from service" as defined under Section 409A. Notwithstanding the foregoing, NTIC makes no representations that the payment and benefit provided under this Agreement comply with Section 409A or an exemption thereto, and in no event shall NTIC be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

15. **Merger and Amendments.** Except for those terms of that certain Executive Employment Agreement dated as of November 19, 2026, but effective as of September 4, 2026 between Employer and the Executive and that certain Confidential Information, Inventions Assignment, and Non-Solicitation Agreement dated as of November 19, 2026, but effective as of September 4, 2026 between the Executive and NTIC describing the Executive's obligations that continue beyond the termination of employment, which terms are incorporated herein and continue in full force and effect together with all rights of the Executive preserved under Section 3 of this Agreement, this Agreement supersedes all prior oral or written, expressed or implied, agreements and communications between the Executive and NTIC. The Executive understands that this Agreement cannot be changed unless it is done in writing and signed by both NTIC and the Executive.

16. **Non-Admissions.** The Parties expressly deny any and all liability or wrongdoing and agree that nothing in this Agreement shall be deemed to represent any concession or admission of such liability or wrongdoing or any waiver of any defense.

17. **Full and Complete Defense.** It is specifically agreed that in the event of any legal proceeding against NTIC concerning any claim released herein, this Agreement shall serve as a full and complete defense to any such proceeding.

18. **Legal Counsel and Fees.** The Parties to this Agreement agree to bear their own respective costs and attorneys' fees, if any.

19. **No Assignment.** The Executive warrants and represents that the Executive has not assigned or transferred in any manner, or purported to assign or transfer in any manner, to any person or entity, any claim or interest that is the subject of this Agreement.

20. **Beneficiaries, Successors and Assigns.** The Parties agree that any NTIC successor or assignee is a beneficiary of this Agreement and may rely on and enforce this Agreement to secure or defend its rights hereunder. NTIC agrees that its promises in this Agreement shall be binding on any successor or assignee of NTIC's business or operations.

21. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original. All such counterparts may be evidenced by facsimile and each such facsimile shall be deemed an original, shall be binding upon the Parties for all purposes herein, and, together with any other counterpart, shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

22. **Governing Law and Venue.** This Agreement will be governed by the laws of the State of Minnesota, without regard to its conflicts-of-laws principles. The Executive hereby agrees to submit to personal jurisdiction in the State of Minnesota and agrees that any action relating to this Agreement or otherwise to the Executive's employment with the Company must be venued exclusively in Anoka County District Court or the United States District Court for the District of Minnesota.

23. **Invalidity/Severability.** In case any one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired.

24. **Release Effective Date.** The effective date of this Agreement shall be the sixteenth (16th) day after the Executive has executed the Agreement with no revocation by the Executive ("Release Effective Date").

25. **Executive Acknowledgements.**

BY SIGNING THIS GENERAL RELEASE, THE EXECUTIVE REPRESENTS AND AGREES AS FOLLOWS:

A. I have read it carefully;

B. I understand all of its terms and know that I am giving up important rights, including but not limited to, rights under the Age Discrimination in Employment Act of 1967, as amended;

C. I voluntarily consent to everything in it;

D. I have been advised to consult with an attorney before executing it and I have done so or, after careful reading and consideration I have chosen not to do so of my own volition;

E. I have signed this Agreement knowingly and voluntarily;

F. I have had at least 21 days from the date of my receipt of this Agreement to consider it;

G. The changes to the Agreement since I first received it either are not material or were made at my request;

H. I agree that the provisions of this Agreement may not be amended, waived, changed or modified except by an instrument in writing signed by an authorized representative of NTIC and by me; and

I. In agreeing to sign this Agreement, I have not relied on any statements or explanations made by NTIC, its agents or attorneys except what is contained in this Agreement.

[Remainder of page intentionally left blank; signature page follows]

EXECUTIVE

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

_____

Executive Signature

By:_____

Gautam Ramdas

Its:_____

Exhibit 10.15

CONFIDENTIAL INFORMATION, INVENTIONS ASSIGNMENT, AND NON-SOLICITATION AGREEMENT

This Agreement (together with Attachment A hereto, this "Agreement") is entered into on this 19th day of November, 2026, but effective as of the 4th day of September, 2026, and is made by and between **NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION**, a Delaware corporation, on behalf of itself, its subsidiaries and affiliates (collectively, the "Company"), with its principal place of business at 4201 Woodland Road, Circle Pines, MN 55014, and **GAUTAM RAMDAS**, a citizen of the United States of America currently residing at [Personal information redacted] (the "Executive") (hereafter collectively referred to as the "Parties").

RECITALS

WHEREAS, the Company is in the business of developing and marketing corrosion mitigation and environmentally beneficial products and services in over sixty-five (65) countries either directly or via a network of subsidiaries, joint ventures, independent distributors, and agents.

WHEREAS, the Company has expended considerable time, effort and resources in the development of its trade secrets, confidential information, and customer goodwill, and in the recruitment and training of its workforce. The success of the Company is dependent in large measure on the preservation of its trade secrets, confidential information, customer goodwill and workforce.

WHEREAS, the Executive will be performing services for the Company in a confidential capacity and, as the Company's Chief Executive Officer, will be entrusted by the Company with its valuable assets including proprietary information, trade secrets, customer goodwill and its workforce. The Executive recognizes the importance of protecting these Company assets.

WHEREAS, the Company requires the Executive to agree and the Executive hereby does agree, in exchange for his promotion to Chief Executive Officer and increased compensation and benefits in connection with that promotion, together with the promise of continued at-will employment with the Company and benefits provided to the Executive under his Executive Employment Agreement, dated November 19, 2026, but effective as of September 4, 2026 (the "Executive Employment Agreement"), to reasonable restrictions on the Executive's activities during and for a reasonable period of time after the Executive's termination of employment, for the purpose of ensuring the preservation and protection of the Company's assets, including its intellectual property, confidential information, trade secrets, physical assets, customer goodwill and its highly trained workforce.

WHEREAS, the Executive acknowledges and understands that this is an enforceable contract that the Executive must read and sign as a condition of his promotion and continuing employment with the Company. The Executive understands that this Agreement applies regardless of whether there are any changes in the Executive's job duties, job title, and location of work or division assignment.

NOW THEREFORE, in consideration of the Executive's continued at-will employment with the Company and other benefits provided to the Executive under the Executive Employment Agreement, the sufficiency of which is hereby acknowledged, the Executive and the Company agree as follows.

1. DEFINITIONS.

The following definitions apply to this Agreement:

(a) "Company Product" means any product, product under development, product line, service, technology or product concept that the Company has investigated, studied, conceived, designed, developed (or is under development), manufactured, marketed, sold, or regarding which the Company has conducted or acquired research and development prior to or during the term of the Executive's employment with the Company.

(b) "Conflicting Product" means any product, product line, technology, product concept or service that is the same or similar, competes with, may be substituted for, replaces, resembles, performs any of the same or similar functions, is used or intended to be used for any of the same purposes as a Company Product.

(c) "Invention" means any invention, discovery, improvement, technology, process, idea, design, concept, patent application, prototype, software code, documentation or work of authorship, whether or not in writing or reduced to practice and whether or not patentable or copyrightable, made, authored or conceived by the Executive whether by the Executive's individual efforts or in connection with the efforts of others, and that (i) relates in any way to the Company's business, products or processes, past, present, anticipated or under development, or (ii) results in any way from the Executive's employment by the Company, or (iii) uses the Company's equipment, supplies, facilities, trade secrets, or confidential information.

(d) "Trade Secret" means information that the Company uses in its business and that is the subject of reasonable efforts by the Company to maintain its secrecy, including without limitation, any formula, pattern, compilation, program, device, method, technique, process, concept, design, or idea that derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(e) "Confidential Information" means any proprietary, confidential or competitively sensitive information and materials that are the property of or relate to the Company and which derives independent economic value from not being generally known or ascertainable by proper means but which does not constitute one or more Trade Secrets as described above, including without limitation:

(i) inventions, designs, discoveries, works of authorship, improvements or ideas whether or not patentable or copyrightable, methods, processes, techniques, shop practices, formulae, compounds, or compositions developed or otherwise possessed by Company;

(ii) the subject matter of Company's patents, design patents, copyrights, operating instructions and other industrial property to the extent that such information is unavailable to the public and/or is in incomplete stages of design or research and development;

(iii) the identity of the Company's past, present and prospective customers, suppliers or business contacts, and all documents, information and materials that concern or relate to such customers, suppliers or business contacts;

(iv) organizational and operational information such as marketing information, sales information, advertising information, techniques, strategies, business plans, product development information, delivery schedules, market research, forecasts, personnel and salary data, methods of operation, financial data, statements and projections, pricing information, costs, sales, budgets, profits and merger, acquisition, expansion or divestiture information;

(v) technical information, including that relating to manufacturing processes, product preparation, presentation, packaging, delivery methods, quality control measures and processes, product specifications, improvements, discoveries, developments, designs, inventions, and other proprietary processes;

(vi) information disclosed to the Executive as part of any training process; and

(vii) any document marked "Confidential," or any information which the Executive has been told is confidential or which the Executive might reasonably expect Company would regard as confidential, or any information which has been given Company in confidence by customers, suppliers or other persons.

2. COMPLIANCE WITH PRIOR AGREEMENTS AND DUTIES.

The Executive represents and warrants to the Company that the Executive is not currently subject to a non-competition, confidentiality or other such agreement with a former employer which prohibits or restricts the Executive from working for the Company, or performing the services which the Company would like the Executive to perform. Further, the Executive represents and warrants to the Company that the Executive has not brought and will not bring to the Company any proprietary information, customer lists, trade secrets, confidential information, or any other property which belongs to any of the Executive's former employers. The Executive agrees and understands that the Company does not want the Executive to utilize any such confidential or proprietary information, trade secrets, or property on the Company's behalf. The Executive further agrees and understands that any misrepresentation, including, but not limited to a misrepresentation that the Executive is not subject to a non-competition, confidentiality or other such agreement with a former employer which prohibits or restricting the Executive from working for the Company, may result in the termination of the Executive's employment with the Company, regardless of when the Company discovers such misrepresentation.

3. PROTECTION OF TRADE SECRETS AND CONFIDENTIAL INFORMATION.

(a) Disclosure and Use Restrictions. The Executive agrees to hold the Company's Trade Secrets and Confidential Information in the strictest confidence during the Executive's employment with the Company and to the fullest extent permitted by law after the Executive's employment relationship with the Company is voluntarily or involuntarily terminated. To this end:

(i) the Executive will not make or permit copies to be made of Trade Secrets and Confidential Information, except as necessary to carry out the Executive's duties for the Company;

(ii) the Executive will not disclose any Trade Secret or Confidential Information to any person except other Company employees with a need to know the information;

(iii) the Executive will take all reasonable precautions to prevent the inadvertent disclosure of Trade Secrets and Confidential Information to any unauthorized person; and

(iv) the Executive will acknowledge that the Company is the owner of the Company's Trade Secrets and Confidential Information and agrees not to contest any such ownership rights of the Company, either during or after the Executive's employment with the Company.

(b) Permitted Disclosures.

(i) Permitted Disclosures. Nothing in this Agreement prohibits or restricts the Executive (or Executive's attorney) from filing a charge or complaint with the Securities and Exchange Commission ("SEC") or any other securities regulatory agency or authority, the Occupational Safety and Health Administration ("OSHA"), any other self-regulatory organization, the National Labor Relations Board ("NLRB"), the Equal Employment Opportunity Commission ("EEOC"), or any other federal or state regulatory authority ("Government Agencies"). The Executive further understands that this Agreement does not limit the Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies without notice to the Company. This Agreement does not limit the Executive's right to receive an award for information provided to any Government Agencies.

(ii) Defend Trade Secrets Act Notice. Pursuant to the Defend Trade Secrets Act of 2016, Executive understands that Executive may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document that is filed in a lawsuit or other proceeding, if such filing is made under seal. In the event Executive files a lawsuit or other proceeding against the Company alleging that the Company retaliated against Executive because of Executive's disclosure, Executive may disclose the relevant trade secret to Executive's attorney and may use the trade secret in the proceeding if (X) Executive files any document containing the trade secret under seal, and (Y) Executive does not otherwise disclose the trade secret except pursuant to court order.

4. ASSIGNMENT OF INVENTIONS.

(a) Assignment of Inventions. During the period of employment and for the six (6) months thereafter, the Executive will promptly and fully disclose to the Company, and will hold in trust for the Company's sole right and benefit, any Invention that the Executive makes, conceives or reduces to practice, or causes to made, conceived or reduced to practice, either alone or in conjunction with others, whether made during the working hours of the Company or on the Executive's own time. The Executive will: (i) assign and hereby does assigns to the Company all of the Executive's right, title and interest in and to all such Inventions, any applications for patents, copyrights or any other registration of intellectual property in any country covering or relating to any such Invention, and any patents, copyrights or other intellectual property registration granted to the Executive or the Company; and (ii) acknowledge and deliver promptly to the Company any written instruments, and perform any other acts necessary in the Company's opinion to preserve property rights in any Invention against forfeiture, abandonment or loss, to obtain and maintain letters patent and/or copyrights or other registration of any intellectual property rights on any such Invention, and to vest the entire right and title to the Invention and related intellectual property in the Company. The Executive agrees to perform promptly (without charge to the Company but at the expense of the Company) all such acts as may be necessary in the Company's opinion to preserve all patents and/or copyrights or other intellectual property covering the Inventions and to enable the Company to obtain the sole right, title and interest in all such Inventions, including without limitation the execution of assignments or patent prosecution documentation and appearing as a witness in any action brought in connection with this Agreement.

(b) Exceptions. The Parties agree that this Section 4 does not apply to any Invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on the Executive's own time, and that does not: (i) relate directly to the Company's business or to the Company's actual or demonstrably anticipated research or development, or (ii) result from any work the Executive performed for the Company. All inventions that the Executive has already conceived or reduced to practice that the Executive claims to be excluded from the scope of this Agreement are listed on Attachment A (if none, write "none"). The Executive represents that, except as disclosed on Attachment A to this Agreement, as of the date of this Agreement, the Executive has no rights under and will make no claims against the Company with respect to any inventions, discoveries, improvements, ideas or works of authorship which would be Inventions if made, conceived, authored or acquired by the Executive during the term of this Agreement.

(c) Acknowledgement. The Executive acknowledges that any documents, drawings, computer software or other work of authorship prepared by the Executive within the scope of the Executive's employment is a "work made for hire" under U.S. copyright laws (17 U.S.C. § 101 (1976)), and that, accordingly, the Company exclusively owns all copyright rights in such works of authorship. For purposes of this Agreement, "scope of employment" means the work of authorship (i) relates to any subject matter pertaining to the Executive's employment; (ii) relates to or is directly or indirectly connected with the existing or reasonably foreseeable business, products, projects or Trade Secrets or Confidential Information of the Company; or (iii) involves the use of any time, material or facility of the Company.

Note. Pursuant to Minnesota Statute § 181.78, this Section 4 does not apply to an Invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on the Executive's own time, and (i) which does not relate (I) directly to the business of the Company or (II) to the Company's actual or demonstrably anticipated research or development, or (ii) which does not result from any work performed by the Executive for the Company.

(d) Presumption. In the event of any dispute, arbitration or litigation concerning whether an invention, improvement or discovery made or conceived by the Executive is the property of the Company, such invention, improvement or discovery will be presumed the property of the Company and the Executive will bear the burden of establishing otherwise.

5. NO CUSTOMER SOLICITATION.

During the Executive's employment with the Company and for a period of two (2) years after that employment ends, regardless of reason, whether voluntary by the Executive or involuntary:

(a) the Executive will not, directly or indirectly, alone or with another person or entity, solicit business from or have any business-related contact with any customer of the Company or any potential Company customer with whom or with which the Executive personally had contact during the last twenty-four (24) months of the Executive's employment with the Company, if such solicitation or contact relates to or is made in connection with a Conflicting Product (including the research or development of a product that would be a Conflicting Product); and

(b) the Executive will not interfere with or impair the Company's relationship with any of its employees, customers, vendors or suppliers.

By signing this Agreement, the Executive acknowledges and agrees that should his employment with the Company end, the restrictions on the Executive's activities referenced in this Agreement will not prevent the Executive from earning a living.

6. NON-INTERFERENCE WITH COMPANY EMPLOYEES.

The Executive will not, either during the Executive's employment with the Company or for a period of two (2) years after that employment with the Company ends, directly or indirectly, solicit, induce, recruit, or cause another person in the employ of the Company (on the date the Executive's employment with the Company ends) to terminate employment with the Company. If during this two (2) year period the Executive is approached by one of the Company's employees or former employees regarding potential employment at a new employer, the Executive will inform the employee or former employee of the non-solicitation obligation described above and refrain from engaging in any communication with the employee or former employee regarding potential employment, consultation or contract opportunities.

7. E-MAIL MESSAGES/INTERNET USAGE.

The Executive acknowledges that all e-mail messages that the Executive produces, sends or receives while at Company facilities or using Company equipment are the property of the Company. The Executive also understands that the Company may monitor and inspect all such messages and may also monitor and control the communications that the Executive initiates or receives through the Internet while at Company facilities and while using Company equipment in any location. The Executive acknowledges that the Executive has no right to or expectation of privacy in such communications. The Executive agrees to cooperate with the Company in its implementation of such security and control measures as it may implement from time to time with respect to e-mail and Internet communications and shall take all reasonable precautions to ensure that the confidentiality of any such communications containing Trade Secret and Confidential Information is maintained. The Executive also agrees that the Internet may not be used for the transmission or intentional reception of obscene, scandalous, offensive or otherwise inappropriate materials, and that the Executive will comply with Company policies regarding appropriate use of the Internet and e-mail.

8. REMEDIES.

The Executive understands that in the event of a violation of any provision of this Agreement, the Company has the right to seek injunctive relief, in addition to any other remedies provided by law including actual, incidental and consequential damages, without the requirement of posting bond. The Executive also agrees that the Company will be entitled to an accounting, and to the repayment of all profits, compensation, commissions, fees, royalties, or other financial rewards which the Executive or any other entity or person may realize as a result of the Executive's violations of this Agreement. The Executive will reimburse the Company for all costs, expenses or damages that it incurs as a result of any violation by the Executive of any provision of this Agreement, including court costs, litigation expenses, and reasonable attorneys' fees.

9. MISCELLANEOUS.

(a) Successors and Assigns**.** The promises in this Agreement benefit the Company and also its subsidiaries and affiliates and any successor or assignee of the Company's business or operations.

(b) Governing Law and Venue**.** This Agreement will be governed by the laws of the State of Minnesota, without regard to its conflicts-of-laws principles. The Executive hereby agrees to submit to personal jurisdiction in the State of Minnesota and agrees that any action relating to this Agreement or otherwise to the Executive's employment with the Company must be venued exclusively in Anoka County District Court or the United States District Court for the District of Minnesota.

(c) Severability**.** If any portion of this Agreement is adjudicated to be invalid or unenforceable, the remaining provisions shall not be affected thereby, and a court of competent jurisdiction shall have the power to blue-line (amend, modify or delete) that portion thus adjudicated to be invalid or unenforceable.

(d) Survival**.** The Executive's obligations under Sections 3, 4, 5, 6, 8 and 9 will survive the termination of this Agreement.

(e) Entire Agreement; Amendment. This Agreement, together with the Executive Employment Agreement, is the entire agreement of the Parties relating to its subject matter and supersedes all previous and contemporaneous discussions, agreements, writings and understandings concerning the matters referenced in this Agreement. This Agreement may be amended only by an agreement in writing signed by both the Executive and the Chair of the Company's Board of Directors or the Chair of the Compensation Committee of the Board of Directors.

(f) Acknowledgments. The Executive acknowledges that the Company has advised the Executive to seek counsel regarding this Agreement, that the Executive is an employee "at will" (meaning that either the Executive or the Company may terminate the Executive's employment, at any time and for any reason not prohibited by law), that the Executive has not executed this Agreement in reliance upon any representation or promise except those contained in this Agreement and the Executive Employment Agreement, and that the Executive has read and understands this Agreement and agrees to all its terms and conditions. EXECUTIVE FURTHER SPECIFICALLY ACKNOWLEDGES THAT HE HAS BEEN GIVEN 14 DAYS TO REVIEW AND CONSIDER THIS AGREEMENT BEFORE SIGNING IT.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the date first above written.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION	**EXECUTIVE**
By: /s/ Matthew C. Wolsfeld	/s/ Gautam Ramdas **Gautam Ramdas**
Name: Matthew C. Wolsfeld	Date: November 17, 2026
Title: Chief Financial Officer	
Date: November 19, 2026	

ATTACHMENT A

Disclosure of Prior Inventions

All Inventions that the Executive has already conceived or reduced to practice and that the Executive claims to be excluded from the scope of the Agreement are listed below (if none, write "none"):

None.

EXECUTIVE

/s/ Gautam Ramdas
Gautam Ramdas

Date: November 17, 2026

Exhibit 10.16

Execution Version

TRANSITION EMPLOYMENT AGREEMENT

This Transition Employment Agreement (together with the Exhibits hereto, this "Agreement") is entered into on this 19th day of November, 2026, but effective as of the 4th day of September, 2026, and is made by and between **NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION**, a Delaware corporation (the "Company"), with its principal place of business at 4201 Woodland Road, Circle Pines, MN 55014, and **G. PATRICK LYNCH**, an individual residing at [Personal information redacted] (the "Employee") (hereafter collectively referred to as the "Parties").

RECITALS

WHEREAS, the Parties have previously entered into an Employment Agreement dated as of November 18, 2011, pursuant to which the Employee served as the Company's President and Chief Executive Officer until September 4, 2026 (the "Prior Employment Agreement");

WHEREAS, in connection with the election by the Company's Board of Directors (the "Board") of a new President and Chief Executive Officer (the "CEO") to succeed the Employee in such position and the Employee's subsequent appointment by the Board as Chairman of the Board, in each case effective as of September 4, 2026 (the "Effective Date"), the Parties wish to agree to terms of the Employee's continued at-will employment as Chairman of the Board and as a strategic advisory employee of the Company on the terms set forth in this Agreement, which Agreement is intended to supersede and replace in its entirety the Prior Employment Agreement except as expressly provided herein;

WHEREAS, the Parties wish to define the terms of the new employment relationship, including compensation terms applicable as of the Effective Date and forward, and in a manner that will continue to protect the Company's business and other interests, protect the relevant interests of the Company, and protect the Employee in the event the Employee's employment is terminated and to define the essential terms of the Employee's employment and post-employment obligations; and

WHEREAS, the Parties have previously entered into that certain Confidential Information, Inventions Assignment, Noncompetition and Non-Solicitation Agreement dated as of November 18, 2011 ("CIIA"), a true and correct copy of which executed CIIA is attached as Exhibit A to this Agreement, and the Parties expressly affirm the terms and validity of the CIIA and agree that it will continue in full force and effect, without regard to the status of the Prior Employment Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the Employee each intending to be legally bound, agree as set forth in this Agreement.

1. EMPLOYMENT.

Subject to all of the terms and conditions of this Agreement, the Company agrees to continue to employ the Employee on an at-will basis as a non-officer employee providing the Company certain strategic advisory services and other duties and responsibilities, as described on Exhibit B attached hereto, and as may be subsequently agreed upon between the Employee and the Company, reporting to the CEO and the Board, and the Employee agrees to devote his full time and best efforts to, and make the best use of the Employee's energy, knowledge and training in advancing, the Company's interests. As a non-officer employee of the Company, the Employee does not have the power and authority to enter into contracts or otherwise bind the Company or any of its subsidiaries. In addition, the Employee shall continue to serve as Chairman of the Board so long as the Employee remains as a member of the Board and desires to serve in such capacity and so long as a majority of the Board members who are "independent directors" under the Listing Rules of the Nasdaq Stock Market continue to believe that the Employee serving as Chairman of the Board is in the best interests of the Company, the Board, and the stockholders. The Employee will not render to others, services of any kind for compensation, or engage in any other business activity that would materially interfere with the performance of the Employee's duties as a full time employee of the Company under this Agreement; provided, however, that nothing in this Agreement will prevent the Employee from serving on the board of directors or the board of trustees of any charitable or not-for-profit organization and, subject to the written approval of the Board or a committee thereof, to serve on the board of directors or an advisory board, of any other business organization.

2. AT-WILL EMPLOYMENT.

The Employee is employed by the Company on an at-will basis, meaning that, subject to the terms and conditions stated herein, either the Company or the Employee may terminate the Employee's employment at any time, with or without notice, for any reason not prohibited by law.

3. COMPENSATION.

(a) Base Salary; No Additional Director Compensation. So long as the Employee remains an employee of the Company, the Employee will receive an annualized base salary of $150,000, subject to change in the Board's sole discretion (the "Base Salary"). The Base Salary will be payable in accordance with the Company's normal payroll practices as are in effect from time to time. So long as the Employee remains an employee of the Company and receives a Base Salary under this Agreement, the Employee will not receive any additional or separate compensation from the Company in consideration for his service on the Board and as Chairman of the Board.

(b) No Future Annual Bonus. While the Company agrees to pay the Employee any earned bonus for fiscal 2026 performance no later than ninety (90) days after the end of the fiscal year end so long as the Employee remains an employee of the Company as of such payment date, the Employee will not be eligible to receive any future annual bonus under the Company's annual bonus plan.

(c) No Additional Equity Grants. The Employee will not be eligible to receive any additional stock option or other equity grants under the Company's stockholder-approved stock incentive plan or otherwise. The Parties understand, acknowledge and agree that the Employee will continue to retain his existing Company equity grants, which will continue to be governed by the respective award agreements and the stock incentive plans under which such equity grants have been granted.

(d) Vacation/PTO. Paid vacation or other Company-provided paid time off ("PTO") will continue to be provided to the Employee in accordance with Company's policies and procedures, as such policies and procedures are in effect from time to time, except as such policies and procedures contradict or are modified by the terms of this Agreement, which shall control.

(e) Benefits and Perquisites. The Employee will continue to be entitled to participate in the Company's benefit plans and programs, and receive the benefits and perquisites generally provided to full-time, salaried employees of the Company. Such benefits and perquisites may be modified or discontinued at the sole discretion of the Board.

(f) Reimbursement of Business Expenses. The Company will continue to reimburse the Employee for all reasonable out-of-pocket business expenses incurred by the Employee on behalf of the Company, provided that the Employee properly accounts to the Company for all such expenses in accordance with the rules and regulations of the Internal Revenue Service under the Internal Revenue Code of 1986, as amended (the "Code"), and in accordance with the Company's standard policies and procedures relating to reimbursement of business expenses incurred by its employees.

(g) Tax Withholding. All payments made under this Section 3, Section 5 or under any other provision of this Agreement, will be subject to applicable tax withholding as required by law.

4. TERMINATION OF EMPLOYMENT.

The Employee's at-will employment may be terminated at any time as described in this Section 4.

(a) Death. The Employee's employment will terminate automatically upon the Employee's death.

(b) Total Disability. The Company or the Employee may terminate the Employee's employment with the Company at any time after the "Total Disability" of the Employee. For purposes of this Agreement, the Total Disability of the Employee will occur on the earlier of the date the Employee: (i) becomes entitled to receive disability benefits under the Company's long-term disability plan, if any; or (ii) is unable to perform the essential functions of the Employee's position, as contemplated by this Agreement, due to a physical or mental incapacity or impairment, for more than an aggregate of one hundred eighty (180) days during any continuous twelve (12) month period. If the Employee is a qualified person with a disability under the Americans With Disabilities Act or the Minnesota Human Rights Act, (or any other applicable statute), the Company will make reasonable accommodations to the known physical or mental limitations of the Employee, including but not limited to consideration of whether extending the 180-day period would constitute a reasonable accommodation. Termination of the Employee's employment due to Total Disability will not affect the Employee's rights, if any, under the Company's long-term disability plan.

(c) With Cause. The Company may terminate the Employee's employment at any time, with "Cause," upon written notice to the Employee. "Cause" means:

(i) the Employee's material breach of any of the Employee's material obligations under this Agreement, or the Employee's willful and continued failure or refusal to perform his duties, responsibilities and obligations as an employee of the Company, for reasons other than Total Disability, to the satisfaction of the CEO and the Board;

(ii) the Employee's commission of an act of dishonesty, fraud, embezzlement, misappropriation, or intentional and deliberate injury or material breach of fiduciary duty, or material breach of the duty of loyalty related to or against the Company or its business, or any unlawful or criminal activity of a serious nature involving any felony, or conviction by a court of competent jurisdiction of, or pleading guilty or nolo contendere to, any felony or any crime involving moral turpitude; or

(iii) the existence of any court order or settlement agreement prohibiting the Employee's continued employment with the Company.

A material breach or other breach of duty will not constitute "Cause" under clause (i) above of this Section 4(c) unless the Company gives written notice to the Employee of the existence of such act or breach, and the Employee fails to cure, to the Board's satisfaction, the act or breach within thirty (30) days after the notification.

(d) Without Cause. The Company may terminate the Employee's employment at any time, without Cause, upon prior written notice to the Employee. The Company may, in its sole discretion, opt not to have the Employee provide active employment services during some or all of the notice period, and place the Employee on a paid leave of absence for some or all of the notice period.

(e) Resignation. The Employee may, upon prior written notice to the Company, terminate the Employee's employment at any time and for any reason. Upon receiving such notice, the Company may, in its sole discretion, opt not to have the Employee provide active employment services during some or all of the notice period, and place the Employee on a paid leave of absence for some or all of the notice period. If the Company exercises this option, it shall not convert the resignation to a termination by the Company.

(f) Termination of Employment. The term "termination of employment" when used in this Agreement, means a termination of the Employee's employment relationship with the Company and all its affiliates (within the meaning of Code Section 409A) or such other change in the Employee's employment relationship with the Company and all of its affiliates that would be considered a "separation from service" under Code Section 409A. The Employee's employment relationship will be treated as remaining intact while the Employee is on a military leave, a sick leave or other bona fide leave of absence (pursuant to which there is a reasonable expectation that the Employee will return to perform services for the Company or an affiliate) but only if the period of such leave does not exceed six (6) months, or if longer, so long as the Employee retains a right to reemployment by the Company or an affiliate under applicable statute or by contract. In all cases, the Employee's termination of employment must constitute a "separation from service" under Code Section 409A and any "separation from service" under Code Section 409A will be treated as a termination of employment.

(g) Resignation as Director/Officer. Immediately upon termination of the Employee's employment with the Company for any reason, the Employee will resign as Chairman of the Board of the Company and from any and all positions then held as a director or officer of the Company and of any subsidiary, parent or affiliated entity of the Company. Notwithstanding the generality of the foregoing and for the avoidance of doubt, immediately upon a termination of the Employee's employment with the Company for any reason, the Employee will resign as a member of the Board and as Chairman of the Board. The Employee will execute any and all resignations or other documentation reasonably required by the Company to effect such resignations.

5. PAYMENTS AND BENEFITS UPON TERMINATION OF EMPLOYMENT.

(a) Termination of Employment Other Than For Cause. Subject to the terms and conditions described below, if the Employee's employment is terminated for any reason other than for Cause, including as a result of the death of the Employee, due to the Total Disability of the Employee, a resignation by the Employee, or a termination by the Company without Cause, then the Employee will be entitled to receive a lump sum payment of $667,000 (the "Severance Payment") payable at the Board's election in shares of Company common stock or cash, within sixty (60) days of the termination of the Employee's employment provided the Release referred to below is effective and irrevocable within that time period. The Severance Payment will be in addition to any accrued payments and benefits to which the Employee will be entitled to receive, including (i) the Employee's Base Salary, prorated through the date of termination; (ii) any unpaid expense reimbursement; and (iii) the Employee's other accrued and vested benefits, if any, under any of the Company's other employee benefit plans (*e.g.*, 401(k) plan), subject to the terms and conditions of such plans. Any paid vacation or PTO awarded to Employee and unused at the time of separation from employment, for any reason, will be forfeited and not paid out as cash to Employee. The treatment of the Employee's Company equity awards upon a termination of the Employee's employment will be governed under the terms of the award agreements and the stock incentive plan under which the equity awards were granted.

If the Employee's employment is terminated for any reason other than for Cause or as a result of the death of the Employee, including any such other reason being due to the Total Disability of the Employee, a resignation by the Employee, or a termination by the Company without Cause, then within ten (10) business days after the termination of the Employee's employment, the Company will provide the Employee with an execution copy of a Separation and Release Agreement, in substantially the form as provided in Exhibit C attached to this Agreement. As a condition to receiving the Severance Payment under this Section 5(a), the Employee must, by the later of the separation date or twenty-one (21) days following receipt of the Separation and Release Agreement, sign the Separation and Release Agreement; not revoke the Release; and such Release must become effective and irrevocable within sixty (60) days of the termination of Employee's employment with the Company. The Severance Payment will not be paid pursuant to this Section 5(a) if the Employee does not sign the Separation and Release Agreement within the twenty-one (21) day period or revokes the Release or such Release does not become effective and irrevocable within sixty (60) days of the termination of Employee's employment with the Company.

The payments and benefits to be provided to the Employee as set forth in this Section 5(a) are in lieu of any and all benefits otherwise provided under any other agreement with the Employee or under any severance pay or change in control policy, plan or program maintained from time to time by the Company for its employees. The Parties agree that the failure of the Board to re-elect the Employee, or the Employee's removal or resignation, as Chairman of the Board of the Company will not constitute a termination without Cause and will not entitle the Employee to the Severance Payment as set forth herein.

(b) Termination by the Company For Cause. If the Company terminates the Employee's employment for Cause, regardless of the date of termination, the Employee will be paid (i) the Employee's Base Salary, prorated through the date of termination; (ii) any unpaid expense reimbursement; and (iii) the Employee's other accrued and vested benefits, if any, under any of the Company's other employee benefit plans (*e.g.*, 401(k) plan), subject to the terms and conditions of such plans. Any paid vacation or PTO awarded to Employee and unused at the time of separation from employment, for any reason, will be forfeited and not paid out as cash to Employee.

(c) Code Section 409A. The Company and the Employee intend that this Agreement and the benefits provided under this Agreement will comply, in form and operation with the requirements of Code Section 409A or the requirements of an exception to Code Section 409A and this Agreement will be construed and administered in a manner that is consistent with and gives effect to such intent. If, at the time of the Employee's termination of employment, the Employee is a "specified employee" within the meaning of Code Section 409A, then any payment of an amount that is deferred compensation under Code Section 409A that is payable on account of a separation from service shall be suspended and not made until the first day of the calendar month following the end of the six (6) month period following the Employee's termination of employment. If any payment subject to Code Section 409A is contingent on the delivery of a release and could occur in either of two calendar years, the payment will occur in the later year. For purposes of the limitations under Code Section 409A, each payment under this Agreement shall be treated as a separate payment. In no event may the Employee, directly or indirectly, designate the calendar year of any payment to be made under this Agreement.

6. PROTECTION OF THE COMPANY INTERESTS.

The Parties agree that the terms and conditions of the Confidential Information, Inventions Assignment, Noncompetition and Non-Solicitation Agreement, dated as of November 18, 2011, as previously entered into by the Parties and attached to this Agreement as Exhibit A, will continue to remain in effect and apply throughout Employee's term of employment with the Company, and will continue to apply thereafter even if the Employee's employment is terminated, regardless of the reason for or timing of the termination, and the termination of this Agreement. If the Employee violates his obligations under the Separation and Release Agreement or the Confidential Information, Inventions Assignment, Noncompetition and Non-Solicitation Agreement, the Employee is not entitled to receive the Severance Payment described in Section 5(a) and must repay the Company for any such amounts the Employee has received.

7. CONFLICT OF INTEREST.

The Employee agrees not to engage in any conduct which might result in, or create the appearance of using the Employee's position for, private gain, or otherwise create a conflict of interest or the appearance of a conflict of interest with the Company. Such conduct includes without limitation having an undisclosed financial interest in any vendor or supplier of the Company, accepting payments of any kind or gifts other than of a nominal value from vendors, customers or suppliers, or having an undisclosed relationship with a family member or other individual who is employed by any entity in active or potential competition with the Company, and which creates a conflict of interest. While still employed at the Company, the Employee must not establish, operate, participate in advise or assist to establish in any manner whatsoever any business, which could or would be in competition with the Company's business, and the Employee must not take any preliminary or preparatory steps toward establishing or operating such a business. Notwithstanding the foregoing, the Employee may own less than two percent (2%) of any class of stock or security of any company which competes with the Company listed on a national securities exchange.

8. RETURN OF COMPANY PROPERTY.

On the date that the Employee's employment with the Company ends, or at any prior time at the Company's request, the Employee will deliver to the Company all documents, electronic and other data, manuals, pricing lists, notes, writings, customer and product lists, identification cards, access cards, keys, credit cards, computer programs and all other documents or tangible materials whatsoever, including all copies or duplicates, concerning any part of the Company's activities or concerning any activities as a Company employee. The Employee acknowledges and agrees that all such documents and tangible materials, and copies or duplicates thereof, including the Employee's own notes, are the Company's property which is only entrusted to the Employee on a temporary basis. After returning these documents, data, and other property, the Employee will immediately permanently delete from any electronic media in the Employee's possession, custody, or control (such as computers, cell phones, hand-held devices, back-up devices, zip drives, MP3 players, PDAs, etc.) or to which the Employee has access (such as remote e-mail exchange servers, back-up servers, off-site storage, etc.), all Company documents or electronically stored images, and other data or data compilations stored in any medium from which such information can be obtained. The Employee also agrees to provide the Company with list of any documents that the Employee created or is otherwise aware that are password-protected and the password(s) necessary to access such password-protected documents.

9. MISCELLANEOUS.

(a) Clawback Forfeiture and Recoupment. Any amounts paid to the Employee under this Agreement will be subject to the Company's applicable clawback policy in effect from time to time and any required clawback or forfeiture provisions required under applicable law.

(b) Compliance with Policies and Procedures. The Employee agrees to comply in all respects with the Company's policies and procedures applicable to the Employee as such policies and procedures are amended from time to time, including without limitation the Company's insider trading policy, code of ethics and Foreign Corrupt Practices Act Anti-Bribery Code of Compliance.

(c) Assignment and Transfer. The Company's rights and obligations under this Agreement may be assigned by the Company without the consent of the Employee. This Agreement will be binding upon and inure to the benefit of, and be enforceable by, the successors, legal representatives, and assigns of the Company. The Employee's rights and obligations under this Agreement will not be transferable by the Employee by assignment or otherwise, and any purported assignment or transfer thereof will be void.

(d) Severability. In the event that any of the provisions of this Agreement, or the application of any such provisions to the Employee or the Company with respect to obligations hereunder, is held to be unlawful or unenforceable by any court, then the remaining portions of this Agreement will remain in full force and effect and will not be invalidated or impaired in any manner.

(e) Non-Waiver. Neither any course of dealing nor any failure or neglect of either party in any instance to exercise any right, power or privilege under this Agreement or law will constitute a waiver of any other right, power or privilege or of the same right, power or privilege in any other instance. All waivers by either Party must be contained in a written instrument signed by the party to be charged and, in the case of the Company, by its duly authorized officer.

(f) Entire Agreement. This Agreement (including the Exhibits) contains the entire agreement between the Employee and the Company with respect to the subject matter of this Agreement, and supersedes any and all prior agreements and understandings, oral or written, between the Employee and the Company with respect to the subject matter of this Agreement, including without limitation the Prior Employment Agreement, but expressly excluding the CIIA.

(g) Amendments. This Agreement may be amended only by an agreement in writing manually signed by the Employee and an authorized representative of the Company (other than the Employee).

(h) Governing Law and Venue. This Agreement will be governed by the laws of the State of Minnesota. The Employee hereby agrees to submit to personal jurisdiction in the State of Minnesota and agrees that any action relating to this Agreement or otherwise to the Employee's employment with the Company must be venued exclusively in Anoka County District Court or the United States District Court for the District of Minnesota.

(i) Notices. All notices and other communications required or permitted under this Agreement shall be in writing and hand-delivered or sent by registered or certified first-class mail, postage prepaid, and shall be effective upon delivery if hand-delivered, three (3) days after mailing if mailed or one (1) day after delivery to a commercial overnight delivery service, in each case to the addresses stated at the beginning of this Agreement. These addresses may be changed at any time by like notice.

(j) Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, and such counterparts will together constitute but one agreement. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Company and the Employee have executed this Agreement as of the date first above written.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

By: /s/ Matthew C. Wolsfeld

Name: Matthew C. Wolsfeld

Title: Chief Financial Officer

Date: November 19, 2026

EMPLOYEE

/s/ G. Patrick Lynch
G. Patrick Lynch

Date: November 18, 2026

Exhibit A

[Executed Confidentiality, Etc. Agreement]

Exhibit B

Duties and Responsibilities of the Employee

- Transition of management of joint venture relationship to the Company’s President and Chief Executive Officer
- Consult with management on relevant matters, given Employee’s extensive historical knowledge of the Company's contracts and relationships.

Exhibit C

FORM OF SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION AND RELEASE AGREEMENT (this "Agreement") is made by and between **G. Patrick Lynch**, on behalf of himself, his agents, heirs, executors, administrators, attorneys, and successors (the "Employee"), and **Northern Technologies International Corporation** and any affiliates or related corporations, delegates, benefit plans and plan administrators, their respective board members, subsidiaries, successors and assigns, present or former officers, directors, shareholders, agents, assigns, employees, insurers, and attorneys, whether in their individual or official capacities, (collectively referred to as "NTIC" or "Employer") (hereafter collectively referred to as the "Parties").

WHEREAS, recognizing that termination of employment often implicates personal transition and potential legal issues, NTIC is willing to provide the Employee with additional benefits to ease Employee's transition in exchange for a full and final release of claims; and

WHEREAS, NTIC and the Employee mutually agree to conclude the employment relationship between them subject to the following terms and conditions.

IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

1. **Separation Date**. Effective _____, the Employee's employment with and by NTIC is terminated (such effective date, the "Separation Date").

2. **Separation Payments**. Regardless of whether the Employee executes this Agreement, NTIC will make the following Separation Payments to the Employee:

   A. Payment for all time worked, if any, through the Separation Date, in the ordinary course of Employer's payroll process on the first scheduled payday following the Separation Date, or earlier if required by applicable law.

   B. Business expenses incurred by the Employee through the Separation Date in the course of employment and pursuant to NTIC's expense reimbursement policies and procedures in effect as of the Separation Date (the "Reimbursement Policy"). Any expense reimbursements will be made in accordance with the Reimbursement Policy.

3. **Separation Benefit**. The Employee and NTIC have agreed that NTIC will provide the Employee with the following separation benefit as consideration for the Employee's execution of this Agreement, including the release of claims set forth in Section 4 and the Post-Employment Obligations set forth in Section 11 of this Agreement. Upon expiration of any applicable revocation periods, as described below, and in the absence of the Employee's actual or attempted revocation of this Agreement, and after satisfaction of the Conditions (as defined below), NTIC will provide the Employee with the following "Consideration":

A. Severance: NTIC shall provide the Employee with the total gross amount of Six Hundred Sixty-Seven Thousand Dollars ($667,000.00), less required payroll deductions and withholdings ("Severance"), which will be paid as a lump sum within sixty (60) days of the Separation Date subject to the conditions provided below in Section 3(B) of this Agreement and payable at the election of the Board of Directors of NTIC in shares of NTIC common stock or cash.

B. Conditions. NTIC's obligation to provide the Consideration is conditioned upon satisfaction of all of the following "Conditions":

(i) The Employee having provided NTIC with an original executed Agreement and any applicable revocation or rescission periods having expired such that the Agreement is effective and irrevocable within sixty (60) days of the Separation Date;

(ii) The Employee's return of all of NTIC's property pursuant to Section 10 of this Agreement; and

(iii) The Employee having executed all documents and taken all actions necessary to effectuate the Employee's resignation as an employee, Chairman of the Board and director of NTIC.

NTIC makes no representations or warranties to the Employee regarding the tax treatment to the Employee of the payment(s) provided under this Agreement. The Employee is solely responsible for all federal, state, and local income and any other taxes with respect to the amounts described in Paragraphs 2 and 3.

The Parties agree that the Employee has no further rights under any other employment, severance, separation, retention, exit incentive, employment termination, or similar plan, policy, program or practice with NTIC and the consideration described above has been negotiated and agreed upon between NTIC and Employee. The Parties further agree that the Consideration set forth in this Agreement is over and above anything owed to the Employee by law or contract, or under the policies of NTIC, and it is provided to the Employee in exchange for, and specifically contingent upon, the Employee entering into and not revoking this Agreement.

4. **Employee's Release**. The Employee hereby releases and forever discharges NTIC, any related corporations, predecessors, successors, joint ventures or affiliates, and their past, present and future board members, subsidiaries, successors and assigns, present or former officers, directors, shareholders, agents, assigns, employees, members and attorneys, whether in their individual or official capacities, (collectively the "Releasees") from all claims, injuries and causes of action, whether the Employee currently has knowledge of such claims and causes of action, arising, or which may have arisen, out of or in connection with the Employee's employment or termination of employment with NTIC, including but not limited to claims, demands or actions arising under the Age Discrimination in Employment Act of 1967 ("ADEA"), the Older Workers Benefit Protection Act of 1990 ("OWBPA"), Title VII of the Civil Rights Act of 1964 ("Title VII"), the Americans with Disabilities Act ("ADA"), the Family and Medical Leave Act ("FMLA"), the Employee Retirement Income Security Act of 1978 ("ERISA"), the Equal Pay Act ("EPA"), the Fair Labor Standards Act, the Worker Adjustment Retraining and Notification Act ("WARN"), Uniformed Services Employment and Reemployment Rights Act ("USERRA") 38 U.S.C. § 4301, et seq., the Minnesota Human Rights Act, the Minnesota Paid Family and Medical Leave Law, Minn. Stat. § 363A.01, et seq., Minn. Stat. Chapter 177 to the extent allowed by applicable state law; Minn. Stat. Chapter 181 including but not limited to the Minnesota Whistleblower Act, Minn. Stat. § 181.931, et seq. and Minn. Stat. §§ 181.950 et seq., claims under Minn. Stat. § 176.82, and all other Minnesota or other federal, state, local or foreign statute, law, rule, regulation, ordinance or order, all as amended regarding employment, wages, compensation for employment, termination of employment, or discrimination or harassment in employment on the basis of age, gender, race, religion, disability, national origin, citizenship, sexual orientation, pregnancy disability, genetic information or any other protected characteristic, and the common law of any state. Employee further understands that this release of claims extends to, but is not limited to, all claims which he may have as of the date of this Agreement against the Releasees based upon any state or local statute or regulation, ordinance, order, rule, manual, bonus plan, letter, compensation policy, employee handbook, any claim of stock, partnership, membership, economic interest or other ownership in NTIC or the Releasees and all other common law claims including, but not limited to, claims for breach of contract, promissory estoppel, fraud, wrongful discharge, defamation, or any other theory, whether legal or equitable.

5. **Waiver of Rights to Additional Recovery.** The Employee waives any right the Employee may have to any form of monetary recovery or compensation from any legal, administrative or other charge, claim, complaint, or action which has been, is or may be filed by the Employee or on the Employee's behalf based on the Employee's employment with, or separation of employment from, NTIC. The Employee understands that this Agreement does not require the Employee to refrain from filing, to request dismissal or to request withdrawal of any charges, grievances, petitions, or complaints that the Employee may have against NTIC before the EEOC or other civil rights enforcement agency; provided, however, that the Employee disclaims and waives any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding.

6. **Exclusions from Release.** The release set forth in Section 4 does not include the Employee's rights, if any, to claim the following: (i) unemployment insurance benefits; (ii) any claim for workers' compensation benefits related to any injury that the Employee has sustained in the course of employment; (iii) claims for vested post-termination benefits under any 401(k) or similar retirement benefit plan; (iv) the Employee's rights to continued coverage under the Employer's group medical plan, group dental plan and/or group vision plan pursuant to Code Section 4980B; (v) the Employee's right to assert claims that are based on events occurring after this Agreement becomes effective; and (vi) any other right which cannot be released by law. In addition, the release set forth in Section 4 does not include the Employee's rights to enforce the terms of the Transition Employment Agreement dated as of November __, 2026, but effective as of September 4, 2026 between Employer and the Employee which survive the termination of the Employee's employment with Employer and any right to defense, indemnification or contribution, whether pursuant to NTIC's certificate of incorporation or bylaws, or contract, applicable law or otherwise for claims brought against the Employee in Employee's capacity as an officer, director, employee or agent of NTIC.

Nothing in this Agreement interferes with the Employee's right to file or maintain a charge with the Equal Employment Opportunity Commission or other local civil rights enforcement agency, or participate in any manner in an EEOC or other such agency investigation or proceeding. The Employee understands, however, that the Employee is waiving the right to recover individual relief including, but not limited to, back pay, front pay, reinstatement, attorneys' fees, and/or punitive damages, in any administrative or legal action whether brought by the EEOC or other civil rights enforcement agency, the Employee, or any other party.

7. **Confirmation of No Claims, Etc.** To the fullest extent permitted by law and except as otherwise previously reported by the Employee in accordance with Employer's policies and procedures, the Employee represents and affirms that (i) the Employee has not initiated, filed or caused to be initiated or filed on the Employee's behalf any claim for relief against the Employer and, to the best of the Employee's knowledge and belief, no outstanding claims for relief have been initiated, filed or asserted against Employer or any Releasee on the Employee's behalf regarding any conduct or activities that the Employee believes would be improper, unethical or illegal under Employer's policies, procedures, or any applicable law, including but not limited to any violation of the Sarbanes-Oxley Act or any federal, state, city and/or municipal statute or ordinance; and (ii) has no knowledge of any conduct or activities that the Employee believes would be improper, unethical or illegal under Employer's Code of Business Conduct and Ethics or any applicable law, including but not limited to any violation of the Sarbanes-Oxley Act or any federal, state, city and/or municipal statute or ordinance. The Employee also agrees and acknowledges that the Employee has advised Employer of all facts or circumstances that the Employee believes may constitute a violation of Employer's legal obligations, including but not limited to any violation of the Sarbanes-Oxley Act or any other legal obligations, that Employer has resolved those issues to the Employee's satisfaction, and the Employee is satisfied that the Employer did not violate any of its legal obligations.

8. **Non-Disparagement**. The Employee agrees that the Employee will not, directly or indirectly, engage in any conduct or make any statement that is reckless or maliciously untrue regarding the Employer, its products and/or services, and the Employer's officers, directors, managers, and employees (as related to their professional reputations).

9. **Exclusions and Limitations**. The Parties agree that nothing in this Agreement, including Section 7, prohibits them or may be read to prohibit them from:

(a) filing a charge with an administrative agency, including the National Labor Relations Board and/or participating in a charge filed by another individual or agency, or participating or testifying in an agency investigation;

(b) exercising protected rights under Section 7 of the National Labor Relations Act, if applicable, where employees may, among other things, communicate through any means with any person or entity to discuss wages and terms and conditions of employment and/or exercise any other rights to engage in activity protected under Section 7 of the National Labor Relations Act;

(c) reporting any good faith allegation of unlawful employment practices to any appropriate federal, State, or local government agency enforcing discrimination laws;

(d) reporting any good faith allegation of criminal conduct to any appropriate federal, State, or local official;

(e) participating in a proceeding with any appropriate federal, State, or local government agency enforcing discrimination laws;

(f) making any truthful statements or disclosures required by law, regulation, or legal process; and

(g) requesting or receiving confidential legal advice regarding this Agreement or otherwise.

10. **Return of Property**. The Employee agrees to return to NTIC all documents, data, and other property, including, but not limited to, keys, access cards, computers, servers, discs, fax machines, cell phones, reports, manuals, records, product samples, correspondence and/or other documents or materials related to NTIC's business that the Employee has compiled, generated or received while working for NTIC, including all copies, samples, computer data, disks, passwords, or records of such material, if any, in his possession or control ("NTIC Property") not later than the end of the next business day following the Separation Date. After returning NTIC Property, the Employee will permanently delete from any electronic media in Employee's possession, custody, or control (such as computers, cell phones, hand-held devices, back-up devices, zip drives, PDAs, etc.) or to which the Employee has access (such as remote e-mail exchange servers, back-up servers, off-site storage, etc.), all documents or electronically stored images of NTIC, including writings, drawings, graphs, charts, sound recordings, images, and other data or data compilations stored in any medium from which such information can be obtained. The Employee also agrees to provide NTIC with a list of any documents that the Employee created or is otherwise aware that are password-protected and the password(s) necessary to access such documents. NTIC will not be obligated to issue the Employee any severance payments until all NTIC Property that are under the Employee's control are returned to the Employer's Circle Pines office.

11. **Post-Employment Obligations.** The Employee remains bound by and must comply with the post-employment obligations set forth in that Transition Employment Agreement dated as of November __, 2026, but effective as of September 4, 2026 between Employer and the Employee and that certain Confidential Information, Inventions Assignment, Noncompetition and Non-Solicitation Agreement dated as of November 18, 2011 ("CIIA") between the Employee and the Employer (collectively, the "Post-Employment Obligations"). Further, the Employee agrees that the Employee will not disclose or use any of Employer's confidential, proprietary, and/or trade secret information for any purpose except as authorized by Employer or required by law. In the event the Employee is found to have violated this Section, the Employee shall forfeit and/or repay to NTIC all Consideration provided pursuant to this Agreement and, in addition to all other forms of legal and equitable relief, including all damages available under applicable law resulting from the Employee's violation of this Section. The Employee acknowledges that the foregoing promise is an essential and material term of this Agreement and that, without such promise by the Employee, NTIC would not have entered into this Agreement.

12. **Agreement to Cooperate in Investigations and Litigation**. The Employee agrees that the Employee will be available upon reasonable notice from NTIC, with or without a subpoena, to be interviewed, review documents or things, give depositions, testify, or engage in other reasonable activities, with respect to matters and/or disputes concerning which the Employee has or may have knowledge as a result of or in connection with the Employee's employment. In performing the Employee's obligations under this paragraph to testify or otherwise provide information, the Employee will honestly, truthfully, forthrightly, and completely provide the information requested. The Employee will comply with this Agreement upon notice from NTIC that NTIC or its attorneys believe that the Employee's compliance will assist in the resolution of an investigation or the prosecution or defense of claims. The Employee understands and agrees that NTIC's obligations under this Agreement, including without limitation, NTIC's obligations under Section 3 of this Agreement, are contingent upon the Employee cooperating with NTIC in investigations and litigation.

13. **Right to Revoke.** The Employee has been advised that this Agreement must be executed by the Employee **no earlier than the Separation Date, and no later than the later of either (i) twenty-one (21) days after receipt of the execution copy of this Agreement or (ii) the Separation Date**. The Employee acknowledges and agrees that any changes to this Agreement from the time it was first offered to the Employee, whether material or immaterial, do not restart the running of the twenty-one (21) calendar day period. The Employee understands that insofar as the release in Section 4 relates to the Employee's rights under the Age Discrimination in Employment Act ("ADEA"), it shall not become effective or enforceable until seven (7) calendar days after the Employee signs it. The Employee further understands that insofar as the release in Section 4 relates to the Employee's rights under the Minnesota Human Rights Act ("MHRA") and Minnesota Paid Family and Medical Leave Law ("MPL"), it shall not become effective or enforceable until fifteen days after the Employee signs it. The Employee understands that the Employee has the right to revoke the release in this Agreement, insofar as it extends to the Employee's claims, if any, under the ADEA, by written notice of such revocation to NTIC within seven (7) calendar days following the Employee signing this Agreement. The Employee understands that the Employee has the right to revoke the release in this Agreement insofar as it extends to the Employee's claims, if any, under the MHRA and MPL, by written notice to NTIC within fifteen (15) calendar days of the Employee signing this Agreement. Any such revocation must be in writing and hand-delivered to NTIC or, if sent by mail, postmarked within the applicable revocation period, sent by certified mail, return receipt requested, and addressed to Chief Financial Officer, Northern Technologies International Corporation, 4201 Woodland Road, Circle Pines, MN 55014. The Employee understands that the benefits that the Employee is receiving under this Agreement set forth in Section 3 are contingent upon the Employee agreement to be bound by all of the terms of this Agreement. Accordingly, if the Employee decides to revoke this Agreement as to the Employee's claims under the ADEA, MHRA, or MPL, the Employee will not be entitled to the benefits set forth in Section 3 of this Agreement.

14. **Section 409A**. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A), including the exceptions thereto, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A, either as separation pay due on account of an involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide legal dispute shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A (i) each payment provided under this Agreement, if any, shall be treated as a separate payment, and (ii) any payments to be made on account of a termination of employment shall only be made upon a "separation from service" as defined under Section 409A. Notwithstanding the foregoing, NTIC makes no representations that the payment and benefit provided under this Agreement comply with Section 409A or an exemption thereto, and in no event shall NTIC be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A.

15. **Merger and Amendments.** Except for those terms of: (a) that certain Transition Employment Agreement dated as of November __, 2026, but effective as of September 4, 2026 between Employer and the Employee; (b) that certain Confidential Information, Inventions Assignment, Noncompetition and Non-Solicitation Agreement dated as of November 18, 2011 between the Employee and NTIC; (c) the award agreements representing equity awards of NTIC received by the Employee; and (d) an indemnification agreement between NTIC and the Employee, in each case describing the Employee's obligations that continue beyond the termination of employment, which terms are incorporated herein and continue in full force and effect, this Agreement supersedes all prior oral or written, expressed or implied, agreements and communications between the Employee and NTIC. The Employee understands that this Agreement cannot be changed unless it is done in writing and signed by both NTIC and the Employee.

16. **Non-Admissions.** The Parties expressly deny any and all liability or wrongdoing and agree that nothing in this Agreement shall be deemed to represent any concession or admission of such liability or wrongdoing or any waiver of any defense.

17. **Full and Complete Defense.** It is specifically agreed that in the event of any legal proceeding against NTIC concerning any claim released herein, this Agreement shall serve as a full and complete defense to any such proceeding.

18. **Legal Counsel and Fees.** The Parties to this Agreement agree to bear their own respective costs and attorneys' fees, if any.

19. **No Assignment.** The Employee warrants and represents that the Employee has not assigned or transferred in any manner, or purported to assign or transfer in any manner, to any person or entity, any claim or interest that is the subject of this Agreement.

20. **Beneficiaries, Successors and Assigns.** The Parties agree that any NTIC successor or assignee is a beneficiary of this Agreement and may rely on and enforce this Agreement to secure or defend its rights hereunder. NTIC agrees that its promises in this Agreement shall be binding on any successor or assignee of NTIC's business or operations.

21. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original. All such counterparts may be evidenced by facsimile and each such facsimile shall be deemed an original, shall be binding upon the Parties for all purposes herein, and, together with any other counterpart, shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

22. **Governing Law and Venue.** This Agreement will be governed by the laws of the State of Minnesota. The Employee hereby agrees to submit to personal jurisdiction in the State of Minnesota and agrees that any action relating to this Agreement or otherwise to the Employee's employment with the Employer must be venued exclusively in Anoka County District Court or the United States District Court for the District of Minnesota.

23. **Invalidity/Severability.** In case any one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired.

24. **Effective Date.** The effective date of this Agreement shall be the sixteenth (16th) calendar day after the Employee has executed the Agreement with no revocation by the Employee ("Effective Date").

25. **Employee Acknowledgements.**

BY SIGNING THIS GENERAL RELEASE, THE EMPLOYEE REPRESENTS AND AGREES AS FOLLOWS:

A. I have read it carefully;

B. I understand all of its terms and know that I am giving up important rights, including but not limited to, rights under the Age Discrimination in Employment Act of 1967, as amended;

C. I voluntarily consent to everything in it;

D. I have been advised to consult with an attorney before executing it and I have done so or, after careful reading and consideration I have chosen not to do so of my own volition;

E. I have signed this Agreement knowingly and voluntarily;

F. I have had at least 21 days from the date of my receipt of this Agreement to consider it;

G. The changes to the Agreement since I first received it either are not material or were made at my request;

H. I agree that the provisions of this Agreement may not be amended, waived, changed or modified except by an instrument in writing signed by an authorized representative of NTIC and by me; and

I. In agreeing to sign this Agreement, I have not relied on any statements or explanations made by NTIC, its agents or attorneys except what is contained in this Agreement.

[Remainder of page intentionally left blank; signature page follows]

EMPLOYEE

Employee Signature

G. Patrick Lynch

Dated:

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

By: _____

Its: _____

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary	State or Other Jurisdiction of Incorporation or Organization	Ownership Interest	Names Under Which Subsidiary Does Business
HNTI Limited	India	100%	Same
Natur-Tec India Private Limited	India	75%	Same
Natur Tec Lanka (Pvt) Ltd	Sri Lanka(1)	75%	Same
Northern Technologies Holding Company, LLC	Minnesota	100%	Same
NTI ASEAN LLC	Nevada	60%	Same
NTIC Europe GmbH	Germany	100%	Same
NTIC (Shanghai) Co., Ltd.	China	100%	Same
ZERUST-EXCOR MEXICO, S. de R.L. de C.V	Mexico	100%	Same
Zerust Integrity Solutions Trading LLC	United Arab Emirates	100%	Same
Zerust Prevenção de Corrosão S.A.	Brazil	85%	
Zerust Singapore Pte Ltd	Singapore(2)	60%	Same
Zerust Taiwan Co. Ltd	Taiwan(3)	60%	Same
Zerust Vietnam Co. Ltd	Vietnam(3)	60%	Same

(1) Natur Tec Lanka (Pvt) Ltd. is 100% owned by Natur-Tec India Private Limited and, therefore, indirectly owned by Northern Technologies International Corporation.

(2) Zerust Singapore Pte Ltd is 100% owned by NTI Asean LLC and, therefore, indirectly owned by Northern Technologies International Corporation.

(3) Zerust Vietnam Co. Ltd and Zerust Taiwan Co. Ltd are 100% owned by Zerust Singapore Pte Ltd and, therefore, indirectly owned by Northern Technologies International Corporation.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-8 (File No. 333-140244, 333-140245, 333-171828, 333-229391, 333-252197 and 333-276642) of Northern Technologies International Corporation and Subsidiaries of our report dated November 17, 2026, relating to the consolidated financial statements, which appears in this annual report on Form 10-K for the year ended August 31, 2026.

/s/ Baker Tilly US, LLP

Minneapolis, Minnesota
November 19, 2026

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Gautam Ramdas, certify that:

1. I have reviewed this annual report on Form 10-K of Northern Technologies International 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 19, 2026

/s/ Gautam Ramdas
Gautam Ramdas
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew C. Wolsfeld, certify that:

1. I have reviewed this annual report on Form 10-K of Northern Technologies International 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 19, 2026

/s/ Matthew C. Wolsfeld
Matthew C. Wolsfeld
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

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 Annual Report on Form 10-K of Northern Technologies International Corporation (the "Company") for the fiscal year ended August 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gautam Ramdas, 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, to the best of my knowledge and belief:

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.

/s/ Gautam Ramdas
Gautam Ramdas
President and Chief Executive Officer
(principal executive officer)

Circle Pines, Minnesota
November 19, 2026

Exhibit 32.2

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 Annual Report on Form 10-K of Northern Technologies International Corporation (the "Company") for the fiscal year ended August 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew C. Wolsfeld, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

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.

/s/ Matthew C. Wolsfeld
Matthew C. Wolsfeld
Chief Financial Officer
(principal financial officer)

Circle Pines, Minnesota
November 19, 2026