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敏捷控股
NIMBLE HOLDINGS

NIMBLE HOLDINGS COMPANY LIMITED

敏捷控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock code: 186)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)

Please refer to the attached announcement (Form 10-Q: Quarterly Report for the quarterly period ended 30 September 2026) filed by Emerson Radio Corp., a 72.4% owned subsidiary of Nimble Holdings Company Limited, having its shares listed on the NYSE American of the United States of America (formerly NYSE MKT of the United States of America), on 16 November 2026.

By order of the Board
Nimble Holdings Company Limited
Tan Bingzhao
Chairman

Hong Kong, 17 November 2026

As at the date of this announcement, the board comprises five executive directors, namely, Mr. Tan Bingzhao , Mr. Deng Xiangping, Mr. Yan Guohao, Mrs. Liang Minling and Mr. Hu Desheng; and four independent non-executive directors, namely, Dr. Lin Jinying, Dr. Lu Zhenghua , Dr. Ye Hengqing and Dr. Chen Yuanzhi.

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 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 001-07731

EMERSON RADIO CORP.
(Exact name of registrant as specified in its charter)

Delaware	**22-3285224**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
959 Route 46 East, Suite 210, Parsippany, NJ	**07054**
(Address of principal executive offices)	**(Zip code)**

(973) 428-2000
(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 $.01 per share	**MSN**	**NYSE American**

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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

Large accelerated filer ☐ Accelerated filer ☐

Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

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

Indicate the number of shares outstanding of common stock as of November 16, 2026: 21,042,652.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

EMERSON RADIO CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Net revenues:				
Net product sales	$ 1,547	$ 1,127	$ 2,476	$ 2,716
Licensing revenue	125	88	250	174
Net revenues	1,672	1,215	2,726	2,890
Costs and expenses:				
Cost of sales	1,676	1,216	2,210	2,880
Selling, general and administrative expenses	1,239	1,195	2,445	2,515
Total cost of sales and SG&A	2,915	2,411	4,655	5,395
Operating loss	(1,243)	(1,196)	(1,929)	(2,505)
Other income:				
Interest income, net	93	153	213	322
(Loss) before income taxes	(1,150)	(1,043)	(1,716)	(2,183)
Provision for income tax expense	—	—	—	—
Net (loss)	$ (1,150)	$ (1,043)	$ (1,716)	$ (2,183)
Basic (loss) per share	$ (0.05)	$ (0.05)	$ (0.08)	$ (0.10)
Diluted (loss) per share	$ (0.05)	$ (0.05)	$ (0.08)	$ (0.10)
Weighted average shares outstanding				
Basic	21,042,652	21,042,652	21,042,652	21,042,652
Diluted	21,042,652	21,042,652	21,042,652	21,042,652

The accompanying notes are an integral part of the condensed consolidated financial statements.

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EMERSON RADIO CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	September 30, 2026	March 31, 2026
ASSETS	(Unaudited)	
Current Assets:		
Cash and cash equivalents	$ 484	$ 9,194
Short term investments	9,933	3,138
Accounts receivable, net	1,218	1,293
Licensing receivable	106	106
Inventory	4,763	4,128
Prepaid purchases	59	74
Prepaid expenses and other current assets	346	194
Total Current Assets	16,909	18,127
Non-Current Assets:		
Property and equipment, net	98	129
Right-of-use asset-operating leases	224	300
Right-of-use asset-finance leases	4	4
Other assets	86	76
Total Non-Current Assets	412	509
Total Assets	$ 17,321	$ 18,636
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and other current liabilities	1,591	1,111
Due to affiliate	1	1
Short-term operating lease liability	161	162
Short-term finance lease liability	1	1
Income tax payable, current portion	6	5
Total Current Liabilities	1,760	1,280
Non-Current Liabilities:		
Long-term operating lease liability	80	158
Long-term finance lease liability	3	4
Total Non-Current Liabilities	83	162
Total Liabilities	$ 1,843	$ 1,442
Shareholders' Equity:		
Series A Preferred shares — 10,000,000 shares authorized; 3,677 shares issued and outstanding; liquidation preference of $3,677,000	3,310	3,310
Common shares — $0.01 par value, 75,000,000 shares authorized; 52,965,797 shares issued at September 30, 2026 and March 31, 2026, respectively; 21,042,652 shares outstanding at September 30, 2026 and March 31, 2026, respectively	529	529
Additional paid-in capital	79,792	79,792
Accumulated deficit	(34,952)	(33,236)
Treasury stock, at cost (31,923,145 shares at September 30, 2026 and March 31, 2026, respectively)	(33,201)	(33,201)
Total Shareholders' Equity	15,478	17,194
Total Liabilities and Shareholders' Equity	$ 17,321	$ 18,636

The accompanying notes are an integral part of the condensed consolidated financial statements.

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EMERSON RADIO CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Six Months Ended September 30,	
	2026	2025
	(In thousands)	
Cash Flows from Operating Activities:		
Net (loss)	$ (1,716)	$ (2,183)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Non-cash lease expense	76	70
Depreciation and amortization	31	41
Non-cash reserve charges	(64)	(33)
Changes in assets and liabilities:		
Accounts receivable	139	329
Inventory	(635)	(73)
Prepaid purchases	15	35
Prepaid expenses and other current assets	(152)	(115)
Other assets	(10)	—
Accounts payable and other current liabilities	480	170
Short term lease liability	(1)	17
Long term lease liability	(78)	(78)
Income taxes payable	1	(668)
Deferred revenue	—	(64)
Net cash (used in) operating activities	(1,914)	(2,552)
Cash Flows From Investing Activities:		
Proceeds from sale of short-term investments	1,000	2,323
Purchases of short-term investments	(7,795)	—
Net cash (used in) provided by investing activities	(6,795)	2,323
Cash Flows from Financing Activities:		
Long term finance lease liability	(1)	(1)
Net cash (used in) financing activities	(1)	(1)
Net (decrease) in cash and cash equivalents	(8,710)	(230)
Cash and cash equivalents at beginning of the period	9,194	1,186
Cash and cash equivalents at end of the period	$ 484	$ 956
Supplemental disclosure of non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ —	$ —
Right-of-use assets obtained in exchange for new finance lease liabilities	$ —	$ —
Supplemental disclosures:		
Cash paid for:		
Interest	$ 10	$ 7
Income taxes	$ 8	$ 676

The accompanying notes are an integral part of the condensed consolidated financial statements.

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EMERSON RADIO CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(In thousands, except share data)

	Preferred Stock		Common Stock		Additional			Total
	Number of Shares	Preferred Value	Number of Shares	Par Value	Paid-In Capital	Accumulated Deficit	Treasury Stock	Shareholders' Equity
Balance — March 31, 2026	3,677	$ 3,310	52,965,797	$ 529	$ 79,792	$ (33,236)	$ (33,201)	$ 17,194
Net loss	—	—	—	—	—	(566)	—	(566)
Balance — June 30, 2026	3,677	$ 3,310	52,965,797	$ 529	$ 79,792	$ (33,802)	$ (33,201)	$ 16,628
Net loss	—	—	—	—	—	(1,150)	—	(1,150)
Balance — September 30, 2026	3,677	$ 3,310	52,965,797	$ 529	$ 79,792	$ (34,952)	$ (33,201)	$ 15,478

	Preferred Stock		Common Stock		Additional			Total
	Number of Shares	Preferred Value	Number of Shares	Par Value	Paid-In Capital	Accumulated Deficit	Treasury Stock	Shareholders' Equity
Balance — March 31, 2025	3,677	$ 3,310	52,965,797	$ 529	$ 79,792	$ (28,936)	$ (33,201)	$ 21,494
Net loss	—	—	—	—	—	(1,140)	—	(1,140)
Balance — June 30, 2025	3,677	$ 3,310	52,965,797	$ 529	$ 79,792	$ (30,076)	$ (33,201)	$ 20,354
Net loss	—	—	—	—	—	(1,043)	—	(1,043)
Balance — September 30, 2025	3,677	$ 3,310	52,965,797	$ 529	$ 79,792	$ (31,119)	$ (33,201)	$ 19,311

The accompanying notes are an integral part of the condensed consolidated financial statements.

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EMERSON RADIO CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The unaudited condensed consolidated financial statements include the accounts of Emerson Radio Corp. and its subsidiaries (“Emerson” or the “Company”). The Company designs, sources, imports and markets certain houseware and consumer electronic products, and licenses the Company’s trademarks for a variety of products.

Basis of Presentation

The unaudited condensed consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary to present a fair statement of the Company’s condensed consolidated financial position as of September 30, 2026 and the results of operations for the three and six month periods ended September 30, 2026 and September 30, 2025. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary in order to make the unaudited condensed consolidated financial statements not misleading have been included. All significant intercompany accounts and transactions have been eliminated in consolidation. The preparation of the unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes; actual results could materially differ from those estimates. The unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and accordingly do not include all of the disclosures normally made in the Company’s annual consolidated financial statements. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the fiscal year ended March 31, 2026 (“fiscal 2026”), included in the Company’s Annual Report on Form 10-K for fiscal 2026.

The results of operations for the three and six month periods ended September 30, 2026 are not necessarily indicative of the results of operations that may be expected for any other condensed interim period or for the full year ending March 31, 2027.

Tariff Recovery

On February 20, 2026, the U.S. Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act ("IEEPA") were unlawful. Following the launch of U.S. Customs and Border Protection’s Consolidated Administration and Processing of Entries (“CAPE”) process, the Company submitted claims seeking approximately $568,000 of refunds of previously paid IEEPA tariffs through the CAPE system. The Company has elected to apply a gain contingency model in accordance with Accounting Standards Codification ("ASC") 450-30, “*Gain Contingencies*” to account for recoveries of previously paid IEEPA tariffs. Under this model, a gain contingency is not recognized in the financial statements until the gain is realized or realizable. Any recovery, when recognized, is reflected as a reduction of cost of goods sold for amounts related to goods already sold, or as a reduction of inventory to the extent the related goods remain on hand.

In June 2026, the Company received refund payments from U.S. Customs and Border Protection totaling approximately $568,000, including interest, in connection with various adjudicated claims, and the related recovery has been recognized. The Company recorded approximately $548,000 of the recovery as a reduction of cost of sales and approximately $20,000 in interest income within our condensed consolidated statement of operations.

Recent Accounting Pronouncements

The following Accounting Standards Updates (“ASUs”) were issued by the Financial Accounting Standards Board (“FASB”) which relate to or could relate to the Company as concerns the Company’s normal ongoing operations or the industry in which the Company operates.

Accounting Standards Update 2024-03 Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): "Disaggregation of Income Statement Expenses” (Issued November 2024)

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.” This ASU requires public business entities to disclose, for interim and annual reporting periods, additional information about certain income statement expense categories. The requirements are effective for fiscal years beginning after December 15, 2026, and for

interim periods beginning after December 15, 2027. Entities are permitted to apply either the prospective or retrospective transition methods. The Company is currently evaluating the impact that the adoption of this ASU will have on its consolidated financial statements.

Segment Reporting

The Company operates as one reportable segment under ASC 280, *Segment Reporting*. The chief operating decision maker regularly reviews the financial information of the Company at a consolidated level in determining how to allocate resources and in assessing performance.

Revenue Recognition

Distribution of Products

Sales to customers and related cost of sales are primarily recognized at the point in time when control of goods transfers to the customer. The Company recognizes revenue at the time title passes to the customer as this is when the Company satisfies its performance obligation under the contracts with its customers. Control is considered to be transferred when the customer has the ability to direct the use of and obtain substantially all of the remaining benefits of that good. Under the Direct Import Program, title passes in the country of origin when the goods are passed over the rail of the customer's vessel. Under the Domestic Program, title passes primarily at the time of shipment. Estimates for future expected returns are based upon historical return rates and netted against revenues.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods. Revenue is recorded net of customer discounts, promotional allowances, volume rebates and similar charges. When the Company offers the right to return product, historical experience is utilized to establish a liability for the estimate of expected returns. Sales and other tax amounts collected from customers for remittance to governmental authorities are excluded from revenue.

Management must make estimates of potential future product returns related to current period product revenue. Management analyzes historical returns, current economic trends and changes in customer demand for the Company's products when evaluating the adequacy of the reserve for sales returns. Management judgments and estimates must be made and used in connection with establishing the sales return reserves in any accounting period. Additional reserves may be required if actual sales returns increase above the historical return rates. Conversely, the sales return reserve could be decreased if the actual return rates are less than the historical return rates, which were used to establish the reserve.

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Sales allowances, marketing support programs, promotions and other volume-based incentives which are provided to retailers and distributors are accounted for on an accrual basis as a reduction to net revenues in the period in which the related sales are recognized in accordance with ASC 606, Revenue from Contracts with Customers ("ASC 606").

At the time of sale, the Company reduces recognized gross revenue by allowances to cover, in addition to estimated sales returns as required by ASC 606, (i) sales incentives offered to customers that meet the criteria for accrual and (ii) an estimated amount to recognize additional non-offered deductions it anticipates and can reasonably estimate will be taken by customers, which it does not expect to recover. Accruals for the estimated amount of future non-offered deductions are required to be made as contra-revenue items, because that percentage of shipped revenue fails to meet the collectability criteria within ASC 606.

If additional marketing support programs, promotions and other volume-based incentives are required to promote the Company's products subsequent to the initial sale, then additional reserves may be required and are accrued for when such support is offered.

The Company offers limited warranties for its consumer electronics, comparable to those offered to consumers by the Company's competitors in the United States. Such warranties typically consist of a one year period for microwaves and refrigerators and a 90 day period for audio products, under which the Company pays for labor and parts, or offers a new or similar unit in exchange for a non-performing unit. The Company estimates its warranty reserve based on sales and its historical warranty claim rates.

Licensing: In addition to the distribution of products, the Company grants licenses for the right to access the Company's intellectual property, specifically the Company's trademarks, for a stated term for the manufacture and/or sale of consumer electronics and other products under agreements which require payment of either (i) a non-refundable minimum guaranteed royalty or, (ii) the greater of (a) the actual royalties due (based on a contractual calculation, normally comprised of actual product sales by the licensee multiplied by a stated royalty rate, or "Sales Royalties") or (b) a minimum guaranteed royalty amount. In the case of the foregoing clause (i), such amounts are recognized as revenue on a straight-line basis over the term of the license agreement. In the case of the foregoing clause (ii), Sales Royalties in excess of guaranteed minimums are accounted for as variable fees and are not recognized as revenue until the Company has ascertained that the licensee's sales of products have exceeded the guaranteed minimum. In effect, the Company recognizes the greater of Sales Royalties earned to date or the straight-line amount of minimum guaranteed royalties to date. In the case where a royalty is paid to the Company in advance, the royalty payment is initially recorded as a liability and recognized as revenue as the royalties are deemed to be earned according to the principles outlined above. As of September 30, 2026 and March 31, 2026, the Company had no deferred revenue recorded on its condensed consolidated balance sheets. As of September 30, 2025, the Company recorded deferred revenue of approximately $32,000 as compared to approximately $96,000 as of March 31, 2025 on its condensed consolidated balance sheets. All of the deferred revenue for the periods presented are related to licensing revenue.

Disaggregation of Revenue

Disaggregation of revenue (in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Net revenues by type:				
Net product sales	$ 1,547	$ 1,127	$ 2,476	$ 2,716
Licensing revenue	125	88	250	174
Total:	1,672	1,215	2,726	2,890
Net revenues by customers: (over 10%)				
Amazon.com	$ 635	$ 680	$ 1,128	$ 880
Fred Meyer	321	—	412	439
Costco	—	137	—	—
Variety Wholesalers	—	—	—	459
Walmart	—	115	—	—
Total:	$ 956	$ 932	$ 1,540	$ 1,778

Accounts Receivable, net

The Company extends credit based upon evaluations of a customer's financial condition and provides for any anticipated credit losses in the Company's financial statements based upon management's estimates and ongoing reviews of recorded allowances. Credit is extended for periods between 30 and 150 days, on a net basis. If the financial condition of a customer

deteriorates, resulting in an impairment of that customer's ability to make payments, additional reserves may be required. Conversely, reserves are reduced to reflect credit and collection improvements. Receivables are written off once they are considered uncollectible. The accounts receivable balance on a net basis was approximately $1,218,000 as of September 30, 2026 as compared to approximately $1,293,000 as of March 31, 2026 and approximately $1,499,000 as of March 31, 2025. As of September 30, 2026, Amazon.com ("Amazon") accounted for approximately 44%, Fred Meyer Inc. ("Fred Meyer") accounted for approximately 32% and Costco Wholesale Corporation ("Costco") accounted for approximately 11% of the Company's total trade accounts receivable, net of specific reserves. As of March 31, 2026, Amazon accounted for approximately 64% and Fred Meyer accounted for approximately 20% of the Company's total trade accounts receivable, net of specific reserves. No other customer accounted for more than 10% of the Company's total trade accounts receivable, net of specific reserves, as of September 30, 2026 or March 31, 2026.

Accounts receivable balances:

	As of September 30, 2026	As of March 31, 2026	As of March 31, 2025
Trade receivables	$ 1,221	$ 1,300	$ 2,606
Allowance for credit losses	(3)	(7)	(1,107)
Accounts receivable, net	$ 1,218	$ 1,293	$ 1,499

Accounts receivables deemed uncollectible are charged against the allowance for credit losses when identified:

	As of September 30,	
	2026	2025
Opening balance	$ (7)	$ (1,107)
Reserve adjustment	4	(6)
Allowance for credit losses	$ (3)	$ (1,113)

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NOTE 2 — EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except share and per share amounts). Weighted average shares reflects the exclusion of shares held in treasury.

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net (loss)	$ (1,150)	$ (1,043)	$ (1,716)	$ (2,183)
Denominator:				
Denominator for basic and diluted loss per share — weighted average shares	21,042,652	21,042,652	21,042,652	21,042,652
Net (loss) per share:				
Basic and diluted (loss) per share	$ (0.05)	$ (0.05)	$ (0.08)	$ (0.10)

NOTE 3 — SHAREHOLDERS' EQUITY

Outstanding capital stock at September 30, 2026 consisted of common stock and Series A preferred stock. The Series A preferred stock is non-voting, has no dividend preferences and has not been convertible since March 31, 2002; however, it retains a liquidation preference.

At September 30, 2026, the Company had no options, warrants or other potentially dilutive securities outstanding.

NOTE 4 — INVENTORY

Inventories, which consist primarily of finished goods, are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. As of September 30, 2026 and March 31, 2026, inventories consisted of the following (in thousands):

	September 30, 2026	March 31, 2026
Finished goods	$ 4,763	$ 4,128

NOTE 5 — INCOME TAXES

As of September 30, 2026, the Company had approximately $26.0 million of U.S. federal net operating loss ("NOL") carry forwards. These losses do not expire but are limited to utilization of 80% of taxable income in any one year. At September 30, 2026, the Company had approximately $26.9 million of U.S. state NOL carry forwards. The tax benefits related to these state NOL carry forwards and future deductible temporary differences are recorded to the extent management believes it is more likely than not that such benefits will be realized.

The income of foreign subsidiaries before taxes was approximately $107,000 for the three month period ended September 30, 2026 as compared to income of foreign subsidiaries before taxes of approximately $165,000 for the three month period ended September 30, 2025. The income of foreign subsidiaries before taxes was approximately $220,000 for the six month period ended September 30, 2026 as compared to income of foreign subsidiaries before taxes of approximately $344,000 for the six month period ended September 30, 2025.

The Company analyzed the future reasonability of recognizing its deferred tax assets at September 30, 2026. As a result, the Company concluded that a 100% valuation allowance of approximately $7,770,000 would be recorded against the assets.

The Company recorded income tax expense of nil for each of the three and six month periods ended September 30, 2026 and September 30, 2025. The Company incurred non-income based state taxes of nil and approximately $9,000 during the three and six month periods ended September 30, 2026, respectively, and nil and approximately $9,000 during the corresponding periods ended September 30, 2025 respectively. Following the adoption of ASU 2019-12 "Income Taxes (Topic 740) – Simplifying the Accounting for Income Taxes" during fiscal 2022, these non-income based state taxes are reported within selling, general and administrative expenses.

The Company is subject to examination and assessment by tax authorities in numerous jurisdictions. As of September 30, 2026, the Company's open tax years for examination for U.S. federal tax are 2018-2025, and for U.S. states' tax are 2016-2025. Based on the outcome of tax examinations or due to the expiration of statutes of limitations, it is reasonably possible that the unrecognized tax benefits related to uncertain tax positions taken in previously filed returns may be different from the liabilities that have been recorded for these unrecognized tax benefits. As a result, the Company may be subject to additional tax expense.

As of September 30, 2026, the Company is asserting under ASC 740-30 that all of the unremitted earnings of its foreign subsidiaries are indefinitely invested. The Company evaluates this assertion each period based on a number of factors, including the operating plans, budgets, and forecasts for both the Company and its foreign subsidiaries; the long-term and short-term financial requirements in the U.S. and in each foreign jurisdiction; and the tax consequences of any decision to repatriate earnings of foreign subsidiaries to the U.S.

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NOTE 6 — RELATED PARTY TRANSACTIONS

From time to time, Emerson engages in business transactions with its controlling shareholder, Nimble Holdings Company Limited (“Nimble”), formerly known as The Grande Holdings Limited (“Grande”), and one or more of Nimble’s direct and indirect subsidiaries, or with entities related to the Company’s Chief Executive Officer. Set forth below is a summary of such transactions.

Controlling Shareholder

S&T International Distribution Limited (“S&T”), which is a wholly owned subsidiary of Grande N.A.K.S. Ltd., which is a wholly owned subsidiary of Nimble, collectively have, based on a Schedule 13D/A filed with the SEC on February 15, 2019, the shared power to vote and direct the disposition of 15,243,283 shares, or approximately 72.4%, of the Company’s outstanding common stock as of September 30, 2026. Accordingly, the Company is a “controlled company” as defined in Section 801(a) of the NYSE American Company Guide.

Related Party Transactions

Charges of rental and utility fees on office space in Hong Kong

During the three and six month periods ended September 30, 2026, the Company was billed approximately $32,000 and $65,000, respectively, for rental and utility fees from Vigers Appraisal and Consulting Ltd (“VACL”), which is a company related to the Company’s Chairman of the Board of Directors ("Chairman"). As of September 30, 2026 the Company owed approximately $1,000 to VACL related to these charges. During the three and six month periods ended September 30, 2025, the Company was billed approximately $33,000 and $65,000, respectively, for rental and utility fees from VACL, which is a company related to the Company's Chairman. As of September 30, 2025 the Company owed approximately $1,000 to VACL related to these charges.

NOTE 7 — SHORT TERM DEPOSITS AND INVESTMENTS

As of September 30, 2026 and March 31, 2026, the Company held approximately $60,000 and approximately $9.1 million, respectively, in short term deposits. These short term deposits had maturity dates of 90 days or less and are classified as cash equivalents.

As of September 30, 2026 and March 31, 2026, the Company also held approximately $9.9 million and approximately $3.1 million, respectively, in short term investments which had maturity dates greater than 90 days and are classified as short term investments.

Under ASC 820 *Fair Value Measurement,* the carrying amounts of the Company’s financial instruments, such as cash, short term deposits and short term investments approximate fair values due to the short-term nature of these instruments and are classified under the fair value hierarchy of Level 1.

NOTE 8 — CONCENTRATION RISK

Customer Concentration

For the three month period ended September 30, 2026, the Company’s two largest customers accounted for approximately 57% of the Company’s net revenues, of which Amazon accounted for approximately 38% and Fred Meyer accounted for approximately 19%. No other customer accounted for greater than 10% of the Company's net revenues during the period.

For the six month period ended September 30, 2026, the Company’s two largest customers accounted for approximately 56% of the Company’s net revenues, of which Amazon accounted for approximately 41% and Fred Meyer accounted for approximately 15%. No other customer accounted for greater than 10% of the Company's net revenues during the period.

For the three month period ended September 30, 2025, the Company’s three largest customers accounted for approximately 77% of the Company’s net revenues, of which Amazon accounted for approximately 56%, Costco accounted for approximately 11% and Walmart accounted for approximately 10%. No other customer accounted for greater than 10% of the Company's net revenues during the period.

For the six month period ended September 30, 2025, the Company’s three largest customers accounted for approximately 62% of the Company’s net revenues, of which Amazon accounted for approximately 31%, Variety Wholesalers Inc. ("Variety") accounted for approximately 16% and Fred Meyer accounted for approximately 15%. No other customer accounted for greater than 10% of the Company's net revenues during the period.

A significant decline in net sales to any of the Company’s key customers would have a material adverse effect on the Company’s business, financial condition and results of operation.

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Product Concentration

For the three and six month periods ended September 30, 2026, the Company's gross product sales included microwave ovens, which generated approximately 60% and 58%, respectively, of the Company's gross product sales and audio products, which generated approximately 32% and 30%, respectively, of the Company's gross product sales. No other products accounted for greater than 10% of the Company's gross product sales during the period.

For the three and six month periods ended September 30, 2025, the Company's gross product sales included microwave ovens, which generated approximately 63% and 76%, respectively, of the Company's gross product sales and audio products, which generated approximately 27% and 18%, respectively, of the Company's gross product sales. No other products accounted for greater than 10% of the Company's gross product sales during the period.

Concentrations of Credit Risk

As of September 30, 2026, the Company's top three customers accounted for approximately 44%, 32% and 11%, respectively, of the Company's total trade accounts receivable, net of specific reserves. No other customers accounted for greater than 10% of the Company's total trade accounts receivable, net of specific reserves, as of such date. As of March 31, 2026, the Company's top two customers accounted for approximately 64% and 20%, respectively, of the Company's total trade accounts receivable, net of specific reserves. No other customers accounted for greater than 10% of the Company's total trade accounts receivable, net of specific reserves, as of such date. The Company periodically performs credit evaluations of its customers but generally does not require collateral, and the Company provides for any anticipated credit losses in the financial statements based upon management's estimates and ongoing reviews of recorded allowances. The allowance for credit losses on the Company's total trade accounts receivable balances was approximately $3,000 as of September 30, 2026 and approximately $7,000 as of March 31, 2026. Due to the high concentration of the Company's net trade accounts receivables among just three customers, any significant failure by one of these customers to pay the Company the amounts owing against these receivables would result in a material adverse effect on the Company's business, financial condition and results of operations.

The Company maintains its cash accounts with major U.S. and foreign financial institutions. The Company's cash balances on deposit in the U.S. as of September 30, 2026 and March 31, 2026 were insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per qualifying bank account in accordance with FDIC rules. The Company's cash and cash equivalents balances in excess of these FDIC-insured limits were approximately $0.2 million and approximately $9.1 million at September 30, 2026 and March 31, 2026, respectively. The Company also has short term deposits and investments in foreign financial institutions which are not FDIC insured of approximately $10.0 million and approximately $3.1 million as of September 30, 2026 and March 31, 2026, respectively.

Supplier Concentration

During the three month period ended September 30, 2026, the Company procured 99% of its products for resale from its four largest factory suppliers, of which approximately 46% was supplied by its largest supplier and approximately 21%, 20% and 12%, respectively, was supplied by the other three suppliers. During the three month period ended September 30, 2025, the Company procured approximately 100% of its products for resale from its three largest factory suppliers, of which approximately 46% was supplied by its largest supplier and approximately 27% and 27%, respectively, was supplied by the other two suppliers. No other suppliers accounted for greater than 10% for either the three month period ended September 30, 2026 or September 30, 2025.

During the six month period ended September 30, 2026, the Company procured 90% of its products for resale from its four largest factory suppliers, of which approximately 31% was supplied by its largest supplier and approximately 29% 18% and 12%, respectively, was supplied by the other three suppliers. During the six month period ended September 30, 2025, the Company procured approximately 93% of its products for resale from its three largest factory suppliers, of which approximately 41% was supplied by its largest supplier and approximately 30% and 22%, respectively, was supplied by the other two suppliers. No other suppliers accounted for greater than 10% for either the six month period ended September 30, 2026 or September 30, 2025.

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NOTE 9 — LEASES

The Company leases office space in the U.S. and in Hong Kong as well as a copier in the U.S. These leases have remaining non-cancellable lease terms of 11 to 33 months. The Company has elected not to separate lease and non-lease components for all leased assets. The Company did not identify any events or conditions during the quarter ended September 30, 2026 to indicate that a reassessment or re-measurement of the Company's existing leases was required.

As of September 30, 2026, the Company's current operating lease liabilities and finance lease liabilities were approximately $161,000 and $1,000, respectively and its non-current operating lease liabilities and finance lease liabilities were approximately $80,000 and $3,000, respectively. The Company's operating and finance lease right-of-use asset balances are presented in non-current assets. The net balance of the Company's operating and finance lease right-of-use assets as of September 30, 2026 was approximately $224,000 and $4,000, respectively.

As disclosed in "Note 6 - Related Party Transactions", the Company's Hong Kong office space is being leased from VACL, which is a company related to the Company's Chairman. As of September 30, 2026, the current operating liability of this lease is approximately $105,000 and its non-current liability is nil. Its right-of-use asset value is approximately $105,000, as of September 30, 2026.

The components of lease costs, which were included in operating expenses in the Company's unaudited condensed consolidated statements of operations, were as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)		(in thousands)	
Lease cost				
Operating lease cost	$ 45	$ 45	$ 90	$ 90
The supplemental cash flow information related to leases are as follows:				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	46	37	92	83
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	—	—	—	—
Finance leases	—	—	—	—

Information relating to the lease term and discount rate are as follows:

	As of September 30, 2026	As of September 30, 2025
Weighted average remaining lease term (in months)		
Operating leases	19.8	30.2
Finance leases	32.2	44.2
Weighted average discount rate		
Operating leases	10.36%	10.38%
Finance leases	10.50%	10.50%

As of September 30, 2026 the maturities of lease liabilities were as follows:

(in thousands)	Operating Leases	Finance Leases
2027	$ 93	$ 1
2028	117	2
2029	51	2
2030	—	—
2031	—	—
Thereafter	—	—

Total lease payments	$ 261	$ 5
Less: Imputed interest	(20)	(1)
Total	$ 241	$ 4

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NOTE 10 —LEGAL PROCEEDINGS

On October 10, 2023, the U.S. District Court for the District of Delaware granted final judgment in favor of the Company in its trademark infringement lawsuit against air conditioning and heating products provider Emerson Quiet Kool and wholesaler Home Easy (the “defendants”). Among other things, the court order issues an injunction and directs the US Patent and Trademark Office to cancel the defendants’ existing and proposed "Emerson Quiet Kool" trademarks and prohibits defendants from registering or applying to register, or using the same mark or any other mark or name containing the word "Emerson" going forward. The total judgment awarded to the Company has increased from approximately $6.5 million to approximately $10.4 million, inclusive of disgorgement of wrongful profits, attorney's fees and enhanced damages. The aggregate award to the Company also includes the $4.1 million of advanced deposits previously paid to the Company. The $4.1 million of advanced deposits was reduced by approximately $1 million of incurred legal fees. The remaining balance of $3.1 million was released by the Company to other income during the quarter ended September 30, 2023. Like any judgement, there is no guarantee that the Company will be able to collect the entire judgement or if it is able to collect, how soon it will be able to do so. The defendants have filed separate bankruptcy petitions in the U.S. Bankruptcy Court for the District of New Jersey, and there is no guarantee that those bankruptcy proceedings will not have any effect on the ability of the Company to collect the judgement. In addition, in connection with those bankruptcy proceedings, the Chapter 7 trustee of Home Easy has filed a complaint seeking the return of the $4.1 million of advanced deposits previously paid to the Company and the outcome of such litigation remains uncertain. The Company is not currently a party to any other legal proceedings other than litigation matters, in most cases involving ordinary and routine claims incidental to its business. Management cannot estimate with certainty the Company’s ultimate legal and financial liability with respect to such pending litigation matters. However, management believes, based on its examination of such matters, that the Company’s ultimate liability will not have a material adverse effect on the Company’s financial position, results of operations or cash flows.

NOTE 11 — SEGMENT INFORMATION

The Company currently operates as one segment which includes two revenue types, product sales and licensing revenue. While the Company discloses product sales and licensing revenue separately, management does not consider these to be separate segments, as all Emerson branded product is sold though similar sales channels and to similar customers. Management's determination for the allocation of resources is not analyzed by revenue streams, but as a single business unit. The determination of a single business segment is consistent with the consolidated financial information provided to the Company's Chief Operating Decision Maker ("CODM"). The Company's CODMs are the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer who review and evaluate consolidated net income for purposes of assessing performance, allocating resources, making operating decisions and for its planning and forecasting processes. Segment expenses are provided to the CODM on the same basis as disclosed in the condensed Consolidated Statements of Operations. The CODM does not evaluate performance nor does it allocate resources based on segment assets and therefore such information is not presented in the notes to the financial statements.

NOTE 12 — SUBSEQUENT EVENTS

As of the filing date of this Form 10-Q, there were no subsequent events identified to disclose.

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Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.

The following discussion of the Company's operations and financial condition should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

In the following discussions, most percentages and dollar amounts have been rounded to aid presentation. Accordingly, all amounts are approximations.

Forward-Looking Information

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections.

Forward-looking statements include statements with respect to the Company's beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond the Company's control, and which may cause the Company's actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

All statements other than statements of historical fact are statements that could be forward-looking statements. The reader can identify these forward-looking statements through the Company's use of words such as "may," "will," "can," "anticipate," "assume," "should," "indicate," "would," "believe," "contemplate," "expect," "seek," "estimate," "continue," "plan," "project," "predict," "could," "intend," "target," "potential," or the negative or plural of those terms and other similar words and expressions of the future. These forward-looking statements may not be realized due to a variety of factors, including, without limitation:

- the Company's ability to generate sufficient revenue to achieve and maintain profitability;
- the Company's ability to obtain new customers and retain key existing customers, including the Company's ability to maintain purchase volumes of the Company's products by its key customers;
- the Company's ability to obtain new licensees and distribution relationships and maintain relationships with its existing licensees and distributors;
- the Company's ability to resist price increases from its suppliers or pass through such increases to its customers;
- changes in consumer spending for retail products, such as the Company's products;
- the Company's ability to maintain effective internal controls or compliance by its personnel with such internal controls;
- the Company's ability to successfully manage its operating cash flows to fund its operations;
- the Company's ability to anticipate market trends, enhance existing products or achieve market acceptance of new products;
- the Company's ability to accurately forecast consumer demand and adequately manage inventory;
- the Company's dependence on a limited number of suppliers for its components and raw materials;
- the Company's dependence on third party manufacturers to manufacture and deliver its products;
- increases in shipping costs for the Company's products or other service issues with the Company's third-party shippers;
- the Company's dependence on a third party logistics provider for the storage and distribution of its products in the United States;
- the ability of third party sales representatives to adequately promote, market and sell the Company's products;

- the Company's ability to maintain, protect and enhance its intellectual property;
- the effects of competition;
- the Company's ability to distribute its products in a timely fashion, including as the result of labor disputes and public health threats and social unrest;
- evolving cybersecurity threats to the Company's information technology systems or those of its customers or suppliers;
- changes in foreign laws and regulations and changes in the political and economic conditions in the foreign countries in which the Company operates;
- changes in accounting policies, rules and practices;
- changes in tax rules and regulations or interpretations;
- changes in U.S. and foreign trade regulations and tariffs, including actual and potential increases of tariffs on goods imported into the U.S., and uncertainty regarding the same;

- limited access to financing or increased cost of financing;
- the effects of currency fluctuations between the U.S. dollar and Chinese renminbi and increases in costs of production in China; and
- the other factors listed under “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2026 and other filings with the Securities and Exchange Commission ("SEC").

All forward-looking statements are expressly qualified in their entirety by this cautionary notice. The reader is cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this report or the date of the document incorporated by reference into this report. Except as required by law, the Company has no obligation, and expressly disclaims any obligation, to update, revise or correct any of the forward-looking statements, whether as a result of new information, future events or otherwise. The Company has expressed its expectations, beliefs and projections in good faith and it believes it has a reasonable basis for them. However, the Company cannot assure the reader that its expectations, beliefs or projections will result or be achieved or accomplished.

Results of Operations

The following table summarizes certain financial information for the three and six month periods ended September 30, 2026 and September 30, 2025 (in thousands):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net product sales	$ 1,547	$ 1,127	$ 2,476	$ 2,716
Licensing revenue	125	88	250	174
Net revenues	**1,672**	**1,215**	**2,726**	**2,890**
Cost of sales	1,676	1,216	2,210	2,880
Selling, general and administrative expenses	1,239	1,195	2,445	2,515
Operating loss	**(1,243)**	**(1,196)**	**(1,929)**	**(2,505)**
Interest income, net	93	153	213	322
(Loss) before income taxes	**(1,150)**	**(1,043)**	**(1,716)**	**(2,183)**
Provision for income taxes	—	—	—	—
Net (loss)	$ **(1,150)**	$ **(1,043)**	$ **(1,716)**	$ **(2,183)**

Net product sales — Net product sales for the three month period ended September 30, 2026 were approximately $1.5 million as compared to approximately $1.1 million for the three month period ended September 30, 2025, an increase of approximately $0.4 million, or 37.3%. The Company’s net product sales during the three month period ended September 30, 2026 were highly concentrated among its two largest customers – Amazon and Fred Meyer – comprising in the aggregate approximately 62% of the Company’s total net product sales during the period. The Company’s net product sales during the three month period ended September 30, 2025, were highly concentrated among its three largest customers – Amazon, Costco and Walmart – comprising in the aggregate approximately 83% of the Company’s total net product sales during the period.

Net product sales for the six month period ended September 30, 2026 were approximately $2.5 million as compared to approximately $2.7 million for the six month period ended September 30, 2025, a decrease of approximately $0.2 million, or 8.8%. The Company’s net product sales during the six month period ended September 30, 2026 were highly concentrated among its two largest customers – Amazon and Fred Meyer – comprising in the aggregate approximately 62% of the Company’s total net product sales during the period. The Company’s net product sales during the six month period ended September 30, 2025, were highly concentrated among its three largest customers – Amazon, Variety Wholesalers Inc. ("Variety") and Fred Meyer – comprising in the aggregate approximately 65% of the Company’s total net product sales during the period.

Net product sales are comprised primarily of the sales of houseware and audio products which bear the Emerson® brand name. Net product sales may be periodically impacted by adjustments made to the Company’s sales allowance and marketing support accrual to record unanticipated customer deductions from accounts receivable or to reduce the accrual by any amounts which were accrued in the past but not taken by customers through deductions from accounts receivable within a certain time period. In the aggregate, these adjustments had the effect of increasing net product sales and operating income by nil for each of the three and six month periods ended September 30, 2026 and September 30, 2025. The major elements which contributed to the overall decrease in net product sales were as follows:

i) Houseware products: Net sales of houseware products increased approximately $0.2 million, or 26.0%, to approximately $1.0 million for the three month period ended September 30, 2026 as

compared to approximately $0.8 million for the three month period ended September 30, 2025, driven by increased net sales of microwave ovens. Net sales of houseware products decreased approximately $0.6 million, or 25.5%, to approximately $1.6 million for the six month period ended September 30, 2026 as compared to approximately $2.2 million for the six month period ended September 30, 2025, driven by decreased net sales of microwave ovens.

ii) Audio products: Net sales of audio products increased approximately $0.2 million, or 65.3%, to approximately $0.5 million for the three month period ended September 30, 2026 as compared to approximately $0.3 million for the three month period ended September 30, 2025, driven by increased net sales of clock radios. Net sales of audio products increased approximately $0.3 million, or 67.5%, to approximately $0.8 million for the six month period ended September 30, 2026 as compared to approximately $0.5 million for the six month period ended September 30, 2025, driven by increased net sales of clock radios.

Business operations — The Company expects to continue to expand its existing distribution channels and to develop and promote new products with retailers in the U.S, Canada and Mexico. The Company is also continuing to invest in products and marketing activities to expand its sales through internet and ecommerce channels. These efforts require investments in appropriate human resources, media marketing and development of products in various categories in addition to the traditional home appliances and audio products on which the Company has historically focused. The Company also is continuing its efforts to identify strategic courses of action related to its licensing activities, including seeking new licensing relationships. The Company has engaged each of Leveraged Marketing Corporation of America and Global Licensing Services Pte Limited as an agent to assist in identifying and procuring potential licensees.

Emerson’s success is dependent on its ability to anticipate and respond to changing consumer demands and trends in a timely manner, as well as expanding into new markets and sourcing new products that are profitable to the Company. Geo-political factors may also affect the Company’s operations and demand for the Company’s products, which are subject to customs requirements and to tariffs and quotas set by governments through mutual agreements and bilateral actions. The Company expects that U.S. tariffs on categories of products that the Company imports from China, and China’s retaliatory tariffs on certain goods imported from the United States, as well as modifications to international trade policy, will continue to affect its product costs going forward. If the Company's mitigation efforts are unsuccessful, the combination of tariffs will result in significantly increased annualized costs to the Company as all of the Company's products are currently manufactured by suppliers in China. Although the Company is monitoring the trade and political environment and working to mitigate the possible effects of tariffs with its suppliers as well as its customers through pricing and sourcing strategies, certain of the Company's key customers have refused to accept price increases from imposed tariffs and the Company cannot be certain how other customers and competitors will react to any future actions that may be taken. In addition, heightened tensions between the United States and China over Hong Kong and any resulting retaliatory policies may affect the Company's operations in Hong Kong. Although the Company received a one-time tariff refund of approximately $568,000 in the three month period ended June 30, 2026, at this time it is unable to quantify effects on its future costs arising from the existing or potential new tariffs, which are expected to increase the Company’s inventory costs and associated costs of sales as tariffs are incurred. Although some costs may be passed through to the Company’s customers as product price increases in the future, if the Company is unable to successfully pass through the additional costs or otherwise mitigate the effects of these tariffs, or if the higher prices reduce demand for the Company’s products, it will have a negative effect on the Company’s product sales and gross margins.

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In light of the adverse macroeconomic conditions domestically and internationally, the Company has implemented certain cost-reduction actions intended to reduce expenditures. However, the economic environment remains uncertain and demand for the Company's products remains competitive and requires actions to continue carefully managing inventory. Accordingly, current results and financial condition discussed herein may not be indicative of future operating results and trends.

For more information on risks associated with the Company's operations, please see the risk factors within Part I, Item 1A, "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended March 31, 2026.

Legal Proceedings — On October 10, 2023, the U.S. District Court for the District of Delaware granted final judgment in favor of the Company in its trademark infringement lawsuit against air conditioning and heating products provider Emerson Quiet Kool and wholesaler Home Easy (the "defendants"). Among other things, the court order issues an injunction and directs the US Patent and Trademark Office to cancel the defendants' existing and proposed "Emerson Quiet Kool" trademarks and prohibits defendants from registering or applying to register, or using the same mark or any other mark or name containing the word "Emerson" going forward. The total judgment awarded to the Company has increased from approximately $6.5 million to approximately $10.4 million, inclusive of disgorgement of wrongful profits, attorney's fees and enhanced damages. The aggregate award to the Company also includes the $4.1 million of advanced deposits previously paid to the Company. The $4.1 million of advanced deposits was reduced by approximately $1 million of incurred legal fees. The remaining balance of $3.1 million was released by the Company to other income during the quarter ended September 30, 2023. Like any judgement, there is no guarantee that the Company will be able to collect the entire judgement or if it is able to collect, how soon it will be able to do so. The defendants have filed separate bankruptcy petitions in the U.S. Bankruptcy Court for the District of New Jersey, and there is no guarantee that those bankruptcy proceedings will not have any effect on the ability of the Company to collect the judgement. In addition, in connection with those bankruptcy proceedings, the Chapter 7 trustee of Home Easy has filed a complaint seeking the return of the $4.1 million of advanced deposits previously paid to the Company and the outcome of such litigation remains uncertain. The Company is not currently a party to any other legal proceedings other than litigation matters, in most cases involving ordinary and routine claims incidental to its business. Management cannot estimate with certainty the Company's ultimate legal and financial liability with respect to such pending litigation matters. However, management believes, based on its examination of such matters, that the Company's ultimate liability will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

Licensing revenue — Licensing revenue for the three month period ended September 30, 2026 was approximately $125,000 as compared to approximately $88,000 for the three month period ended September 30, 2025, an increase of approximately $37,000, or 42.1%. The increase was primarily due to the escalation in annual minimum royalties of one of the Company's licensees.

Licensing revenue for the six month period ended September 30, 2026 was approximately $250,000 as compared to approximately $174,000 for the six month period ended September 30, 2025, an increase of approximately $76,000, or 43.7%. The increase was primarily due to the escalation in annual minimum royalties of one of the Company's licensees.

Net revenues — Net revenues were approximately $1.7 million for the three month period ended September 30, 2026 as compared to approximately $1.2 million for the three month period ended September 30, 2025, an increase of approximately $0.5 million, or 37.6%. The increase in net revenues can be attributed primarily to the increase in net product sales.

Net revenues were approximately $2.7 million for the six month period ended September 30, 2026 as compared to approximately $2.9 million for the six month period ended September 30, 2025, a decrease of approximately $0.2 million, or 5.7%. The decrease in net revenues can be attributed primarily to the decrease in net product sales.

Cost of sales — Cost of sales increased approximately $0.5 million, or 37.8%, to approximately $1.7 million for the three month period ended September 30, 2026 as compared to approximately $1.2 million for the three month period ended September 30, 2025. The increase in absolute terms for the three month period ended September 30, 2026 as compared to the three month period ended September 30, 2025 was primarily related to the increase in net product sales.

Cost of sales decreased approximately $0.7 million, or 23.3%, to approximately $2.2 million for the six month period ended September 30, 2026 as compared to approximately $2.9 million for the six month period ended September 30, 2025. The decrease in absolute terms for the six month period ended September 30, 2026 as compared to the six month period ended September 30, 2025 was primarily related to the reduction in net product sales of approximately $240,000 and a one-time tariff refund of approximately $548,000 recorded as a reduction in cost of sales in June 2026.

Selling, general and administrative expenses ("S,G&A") — S,G&A was approximately $1.2 million for the three month period ended September 30, 2026 as compared to $1.2 million for the three month period ended September 30, 2025, an increase of approximately $44,000 or 3.7%. S,G&A, as a percentage of net revenues, was approximately 74.1% for the three month period ended September 30, 2026 as compared to approximately 98.4% for the three month period ended September 30, 2025. The increase in S,G&A for the three month period ended September 30, 2026 as compared to the three month

period ended September 30, 2025 was primarily driven by an increase in advertising costs of approximately $42,000 and an increase in commission expense of approximately $18,000, partially offset by a decrease in travel and entertainment expenses of approximately $12,000. Advertising costs for the three month period ended September 30, 2026 were approximately $55,000 as compared to approximately $13,000 for the three month period ended September 30, 2025. Commissions for the three month period ended September 30, 2026 were approximately $47,000 as compared to approximately $29,000 for the three month period ended September 30, 2025. Travel and entertainment expense for the three month period ended September 30, 2026 was approximately $3,000 as compared to approximately $15,000 for the three month period ended September 30, 2025.

S,G&A was approximately $2.4 million for the six month period ended September 30, 2026 as compared to $2.5 million for the six month period ended September 30, 2025, a decrease of approximately $70,000 or 2.8%. S,G&A, as a percentage of net revenues, was approximately 89.7% for the six month period ended September 30, 2026 as compared to approximately 87.0% for the six month period ended September 30, 2025. The decrease in S,G&A for the six month period ended September 30, 2026 as compared to the six month period ended September 30, 2025 was primarily driven by a decrease in compensation costs of approximately $134,000 and a decrease in insurance expense of approximately $33,000, partially offset by an increase in legal fees of approximately $59,000, an increase in information technology costs of approximately $20,000 and an increase in commission expense of approximately $16,000. Compensation costs for the six month period ended September 30, 2026 were approximately $1,281,000 as compared to approximately $1,415,000 for the six month period ended September 30, 2025. Insurance expense for the six month period ended September 30, 2026 was approximately $198,000 as compared to approximately $231,000 for the six month period ended September 30, 2025. Legal fees for the six month period ended September 30, 2026 were approximately $195,000 as compared to approximately $136,000 for the six month period ended September 30, 2025. Information technology costs for the six month period ended September 30, 2026 were approximately $95,000 as compared to approximately $75,000 for the six month period ended September 30, 2025. Commission expense for the six month period ended September 30, 2026 was approximately $77,000 as compared to approximately $61,000 for the six month period ended September 30, 2025.

Interest income, net — For the three month period ended September 30, 2026, interest income, net, was approximately $93,000 as compared to approximately $153,000 for the three month period ended September 30, 2025, a decrease of approximately $60,000. The decrease was primarily due to lower levels of cash invested on the Company's short term investments.

For the six month period ended September 30, 2026, interest income, net, was approximately $213,000, which included approximately $20,000 of interest from the IEEPA tariff recovery, as compared to approximately $322,000 for the six month period ended September 30, 2025, a decrease of approximately $109,000. The decrease was primarily due to lower levels of cash invested on the Company's short term investments.

Provision for income taxes — The Company recorded income tax expense of nil for each of the three month periods ended September 30, 2026 and September 30, 2025. The Company recorded income tax expense of nil for each of the six month periods ended September 30, 2026 and September 30, 2025. The Company under the adoption of ASU 2019-12 "Income Taxes (Topic 740) – Simplifying the Accounting for Income Taxes" incurred non-income based state taxes of approximately $9,000 for each of the six month periods ended September 30, 2026 and September 30, 2025, which are now reported as S,G&A. See "Note 5 – Income Taxes".

Although the Company generated a net loss during the six months ended September 30, 2026, it is unable to realize an income tax benefit until the Company can demonstrate the ability to generate net income on a sustained basis. Therefore, the Company is obligated to record a 100% valuation allowance against the deferred tax assets.

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Net loss — As a result of the foregoing factors, the Company realized a net loss of approximately $1,150,000 for the three month period ended September 30, 2026 as compared to a net loss of approximately $1,043,000 for the three month period ended September 30, 2025.

As a result of the foregoing factors, the Company realized a net loss of approximately $1,716,000 for the six month period ended September 30, 2026 as compared to a net loss of approximately $2,183,000 for the six month period ended September 30, 2025.

Liquidity and Capital Resources

As of September 30, 2026, the Company had cash and cash equivalents of approximately $0.5 million as compared to approximately $9.2 million at March 31, 2026. Cash and cash equivalents includes short term deposits of approximately $60,000 as of September 30, 2026 compared to approximately $9.1 million as of March 31, 2026. Working capital decreased to approximately $15.1 million at September 30, 2026 as compared to approximately $16.8 million at March 31, 2026. The decrease in cash and cash equivalents of approximately $8.7 million was due to the increase in short term investments of approximately $6.8 million, the net loss generated during the period of approximately $1.7 million, the increase in inventory of approximately $0.6 million and the increase in prepaid expenses and other current assets of approximately $0.1 million, partially offset by an increase in accounts payable and other current liabilities of approximately $0.5 million.

Cash Flows

Net cash used by operating activities was approximately $1.9 million for the six month period ended September 30, 2026, resulting from the loss generated during the period of approximately $1.7 million, an increase in inventory of approximately $0.6 million and an increase in prepaid expenses and other current assets of approximately $0.1 million, partially offset by an increase in accounts payable and other current liabilities of approximately $0.5 million.

Net cash used by investing activities was approximately $6.8 million for the six month period ended September 30, 2026 due to purchases of short-term investments of approximately $7.8 million, partially offset by redemptions of short-term investments of approximately $1.0 million.

Net cash used by financing activities was approximately $1,000 for the six month period ended September 30, 2026.

Sources and Uses of Funds

The Company's principal existing sources of cash are generated from operations and its existing short-term deposits and investments. The Company believes that its existing cash balance and sources of cash will be sufficient to support existing operations over the next 12 months.

Off-Balance Sheet Arrangements

As of September 30, 2026, the Company did not have any off-balance sheet arrangements as defined under the rules of the SEC.

Recent Accounting Pronouncements

The following ASUs were issued by the FASB which relate to or could relate to the Company as concerns the Company's normal ongoing operations or the industry in which the Company operates.

Accounting Standards Update 2024-03 Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): "Disaggregation of Income Statement Expenses" (Issued November 2024)

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." This ASU requires public business entities to disclose, for interim and annual reporting periods, additional information about certain income statement expense categories. The requirements are effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Entities are permitted to apply either the prospective or retrospective transition methods. The Company is currently evaluating the impact that the adoption of this ASU will have on its consolidated financial statements.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

(a) *Disclosure controls and procedures*

The Company maintains disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d — 15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in its Exchange Act reports 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 management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Due to the inherent limitations of control systems, not all misstatements may be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The Company's controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met.

The Company's management, with the participation of our Chief Executive Officer and Chief Financial Officer, concluded that disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of September 30, 2026, are effective to provide reasonable assurance that information required to be disclosed in the reports that the Company 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 management, including the Company's principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) *Changes in Internal Controls Over Financial Reporting*

There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is, and from time to time may become, involved in legal proceedings, in most cases involving ordinary and routine claims incidental to its business. Management cannot estimate with certainty the Company's ultimate legal and financial liability with respect to any such pending litigation matters. However, management believes, based on its examination of such matters, that the Company is not currently involved in any legal proceedings that, if determined adversely to the Company, would have a material adverse effect on the Company's financial position, results of operations or cash flows. Information relating to our ongoing legal proceedings is described in Note 10 to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

There have been no material changes to the risk factors contained in Part I, Item 1A, "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended March 31, 2026.

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

None

Item 3. Defaults Upon Senior Securities.

(a) None
(b) None

Item 4. Mine Safety Disclosure.

Not applicable.

Item 5. Other Information.

(a) None
(b) None
(c) *Trading arrangements*

During the three months ended September 30, 2026, none of our directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Regulation S-K Item 408 for the purchase or sale of our securities.

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Item 6. Exhibits.

3.1	Certificate of Incorporation of Emerson Radio Corp. (incorporated by reference to Exhibit (3) (a) of Emerson's Registration Statement on Form S-1, Registration No. 33-53621, declared effective by the SEC on August 9, 1994) (filed in paper format).
3.1.1	Certificate of Designation for Series A Preferred Stock (incorporated by reference to Exhibit (3) (b) of Emerson's Registration Statement on Form S-1, Registration No. 33-53621, declared effective by the SEC on August 9, 1994) (filed in paper format).
3.1.2	Amendment dated February 14, 1996 to the Certificate of Incorporation of Emerson Radio Corp. (incorporated by reference to Exhibit (3) (a) of Emerson's Quarterly Report on Form 10-Q for the quarter ended December 31, 1995).
3.2	By-Laws of Emerson Radio Corp. (incorporated by reference to Exhibit 3.1 of Emerson's Quarterly Report on Form 10-Q for the quarter ended December 31, 2007).
3.2.1	Amendment, dated September 7, 2011, to the By-Laws of Emerson Radio Corp. (incorporated by reference to Exhibit 3.2 of Emerson's Current Report on Form 8-K filed on September 7, 2011).
3.2.2	Amendment, dated June 22, 2020, to the By-Laws of Emerson Radio Corp. (incorporated by reference to Exhibit 3.1 of Emerson's Current Report on Form 8-K filed on June 24, 2020).
31.1	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32	Certification of the Company's Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)

* filed herewith
** furnished herewith

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SIGNATURES

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

EMERSON RADIO CORP.
(Registrant)

/s/ Christopher W. Ho
Christopher W. Ho
Chief Executive Officer
(Principal Executive Officer)

Date: November 16, 2026

/s/ Richard Li
Richard Li
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: November 16, 2026