

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

FORM 10-K

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

For the fiscal year ended November 29, 2025

OR

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

For the transition period from _____ to _____

Commission File No. 000-00209

BASSETT FURNITURE INDUSTRIES, INCORPORATED
(Exact name of registrant as specified in its charter)

VIRGINIA

(State or other jurisdiction of
incorporation or organization)

54-0135270

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

3525 FAIRYSTONE PARK HIGHWAY
BASSETT, VIRGINIA

(Address of principal executive offices)

24055

(Zip Code)

Registrant's telephone number, including area code 276/629-6000

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

Title of each class:	Trading Symbol	Name of each exchange on which registered
Common Stock (\$5.00 par value)	BSET	NASDAQ

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, and (2) has been subject to such filing requirements for at least the past 90 days. Yes No

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

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 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 12-b2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of May 31, 2025 was \$133,570,442.

The number of shares of the Registrant's common stock outstanding on January 28, 2026 was 8,654,370

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Bassett Furniture Industries, Incorporated definitive Proxy Statement for its 2026 Annual Meeting of Stockholders to be held March 11, 2026, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934 (the "Proxy Statement") are incorporated by reference into Part III of this Form 10-K.

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As used herein, unless the context otherwise requires, “Bassett,” the “Company,” “we,” “us” and “our” refer to Bassett Furniture Industries, Incorporated and its subsidiaries. References to 2025, 2024 and 2023 mean the fiscal years ended November 29, 2025, November 30, 2024 and November 25, 2023. Please note that fiscal 2024 contained 53 weeks while fiscal 2025 and 2023 each contained 52 weeks.

SAFE-HARBOR, FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations and business of Bassett Furniture Industries, Incorporated and subsidiaries. Such forward-looking statements are identified by use of forward-looking words such as “anticipates”, “believes”, “plans”, “estimates”, “expects”, “aimed” and “intends” or words or phrases of similar expression. These forward-looking statements involve certain risks and uncertainties. No assurance can be given that any such matters will be realized. Important factors, which should be read in conjunction with Item 1A “Risk Factors”, that could cause actual results to differ materially from those contemplated by such forward-looking statements include:

- fluctuations in the cost and availability of raw materials, fuel, labor, delivery costs and sourced products, including those which may result from supply chain disruptions and shortages and the imposition of new or increased duties, tariffs, retaliatory tariffs and trade limitations with respect to foreign-sourced products
- competitive conditions in the home furnishings industry
- overall retail traffic levels in stores and on the internet and consumer demand for home furnishings
- ability of our customers and consumers to obtain affordable credit due to increased interest rates
- the profitability of the stores (independent licensees and Company-owned retail stores) which may result in future store closings
- the risk of additional asset impairment charges arising from the ongoing efforts to consolidate our retail warehouses
- ability to implement our Company-owned retail strategies and realize the benefits from such strategies
- effectiveness and security of our information technology systems and possible disruptions due to cybersecurity threats, including any impacts from a network security incident; and the sufficiency of our insurance coverage, including cybersecurity insurance
- future tax legislation, or regulatory or judicial positions
- ability to efficiently manage the import supply chain to minimize business interruption
- concentration of domestic manufacturing, particularly of upholstery products, and the resulting exposure to business interruption from accidents, weather and other events and circumstances beyond our control

You should keep in mind that any forward-looking statement made by us in this report speaks only as of the date on which such forward-looking statement is made. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof, except as may be required by law. In light of these risks and uncertainties, you should keep in mind that the events described in any forward-looking statement made in this report might not occur.

PART I

ITEM 1. BUSINESS

(dollar amounts in thousands except per share data)

General

Bassett is a leading retailer, manufacturer and marketer of branded home furnishings. We were founded in 1902 and incorporated under the laws of Virginia in 1930. Our rich 123-year history has instilled the principles of quality, value, and integrity in everything we do, while simultaneously providing us with the expertise to respond to ever-changing consumer tastes and meet the demands of a global economy.

Approximately 60% of our wholesale sales arise from our network of 86 Company-owned and licensee-owned Bassett Home Furnishings (“BHF”) stores. Our store program is designed to provide a single source home furnishings retail store with a unique combination of stylish, quality furniture and accessories with a high level of customer service. The stores highlight our custom furniture design and manufacturing capabilities, free in-home or virtual design visits (“home makeovers”) and coordinated decorating accessories. Our philosophy is based on building strong long-term relationships with each customer. Salespeople are referred to as “Design Consultants” and are trained to evaluate customer needs and provide comprehensive solutions for their home decor. Until a rigorous training and design certification program is completed, Design Consultants are not authorized to perform in-home or virtual design services for our customers.

Bassett also has a significant traditional wholesale business with more than 1,000 open market accounts. Most of the open market sales are through Bassett Design Centers and Bassett Custom Studios which function as a store within a multi-line store featuring the Company’s custom furniture capabilities. The wholesale business, including the Lane Venture outdoor brand, also services general furniture stores and a growing number of interior design firms through a network of over 30 independent sales representatives who have stated geographical territories. These sales representatives are compensated based on a standard commission rate.

We consider our website to be the front door to our brand experience where customers can research our furniture and accessory offerings and subsequently buy online or engage with an in-store design consultant. We know that we are driving a significant percentage of the retail foot traffic to our store network and our open market customers through engagement with www.bassettfurniture.com. Digital outreach strategies have been the primary vehicle for brand advertising and customer acquisition. We began supplementing the digital outreach strategy with added direct mail and television late in 2024 and expect to continue with a balanced blend of both digital and traditional direct mail and television in 2026.

We introduced a new web platform late in 2023 that leverages world class features including enhanced customer research capabilities and streamlined navigation. Since the debut of the new site, we have seen increased engagement with the brand through a greater number of page views per customer along with more time spent on the site. We have also seen an increase in average order value that has resulted in increased e-commerce revenue. While traffic to the website decreased 8% during 2025, sales conversion rates increased 28% resulting in a 25% increase in total web sales. Although e-commerce sales continue to be small relative to in-store sales, we will continue to invest in ongoing improvements to the aesthetics and user experience on our website while not compromising on our in-store experience or the quality of our in-home makeover capabilities.

During the fourth quarter of fiscal 2022 we acquired Noa Home Inc. (“Noa Home”). A mid-priced e-commerce furniture retailer headquartered in Montreal, Canada, Noa Home had operations in Canada, Australia, Singapore and the United Kingdom. After nearly two years of operating losses, we concluded during the second quarter of 2024 that Noa Home was not likely to achieve profitability at any time in the foreseeable future and decided to cease operations by selling the inventory in an orderly fashion. As of the end of 2024, we had substantially completed the liquidation of Noa Home’s assets and liabilities. In the second quarter of 2024 we recognized non-cash charges totaling \$2,401 related to the impairment of certain long-lived assets of Noa Home and the establishment of a reserve against Noa Home’s remaining inventory at that time. Upon substantially completing the liquidation of Noa Home at the end of the fourth quarter of 2024, we recognized a charge of \$962 associated with the transfer of the cumulative translation losses out of accumulated other comprehensive income.

We have factories in Newton, North Carolina that manufacture both stationary and motion upholstered furniture for inside the home along with our outdoor furniture offerings. We have a factory in Martinsville, Virginia that assembles and finishes our custom bedroom and dining offerings. We also have a facility in Haleyville, Alabama where we manufacture aluminum frames for our outdoor furniture.

In addition to the furniture that we manufacture domestically, we source most of our formal bedroom and dining room furniture (casettegoods) and certain leather upholstery offerings from several foreign plants, primarily in Vietnam. Over 75% of our wholesale revenues are derived from products that are manufactured in the United States using a mix of domestic and globally sourced components and raw materials.

Operating Segments

We have strategically aligned our business into two reportable segments:

- Wholesale
- Retail—Company-owned stores

Wholesale Segment Overview

The wholesale segment is involved principally in the design, manufacturing and sourcing of furniture products that are distributed through our BHF store network (both Company-owned and licensee-owned stores) and various independent retailers. The wholesale furniture industry is very competitive and there are a large number of manufacturers both within and outside the United States who compete in the market on the basis of product quality, price, style, delivery and service. Additionally, many retailers source imported product directly, thus bypassing domestic furniture manufacturers and wholesale importers. We believe that we can be successful in the current competitive environment because our products represent excellent value combining attractive prices, quality and styling, prompt delivery, and superior service.

Wholesale shipments by category for the last three fiscal years, excluding intercompany sales to our retail segment, are summarized below:

	2025			2024*			2023					
	External	Intercompany	Total	External	Intercompany	Total	External	Intercompany	Total			
Bassett Custom Upholstery	\$ 76,923	\$ 59,391	\$136,314	63.5%	\$ 79,281	\$ 55,168	\$134,449	64.8%	\$ 89,005	\$ 66,363	\$155,368	62.4%
Bassett Leather	16,484	3,252	19,736	9.2%	15,705	1,920	17,625	8.5%	26,701	1,171	27,872	11.2%
Bassett Custom Wood	12,357	16,297	28,654	13.4%	13,735	15,932	29,667	14.3%	17,357	20,070	37,427	15.0%
Bassett Casegoods	12,835	17,075	29,910	13.9%	11,720	14,001	25,721	12.4%	12,329	15,915	28,244	11.3%
Total	\$118,599	\$ 96,015	\$214,614	100.0%	\$120,441	\$ 87,021	\$207,462	100.0%	\$145,392	\$ 103,519	\$248,911	100.0%

*53 weeks for fiscal 2024 as compared with 52 weeks for fiscal 2025 and 2023.

Approximately 23% of our 2025 wholesale sales were of imported product compared to 20% in 2024 and 22% in 2023. We define imported product as fully finished product that is sourced. Our domestic product includes certain products that contain components which were also sourced. We continue to believe that a blended strategy including domestically produced products primarily of a custom-order nature combined with sourcing of major collections provides the best value and quality of products to our customers.

The dollar value of our wholesale backlog, representing orders received but not yet shipped to the BHF store network or independent dealers, was \$19,519 at November 29, 2025 and \$21,750 at November 30, 2024.

We use lumber, fabric, leather, foam and other materials in the production of wood and upholstered furniture. These components are purchased from a variety of domestic and international suppliers and are widely available. The price and availability of foam, which is highly dependent on the cost of oil and available capacity of oil refineries, can be subject to significant volatility from time to time.

Retail Segment Overview – Company-Owned Retail Stores

The retail—Company-owned stores segment consists of 57 BHF stores that provide consumers with a friendly and casual environment for buying furniture and accessories. The retail furniture industry remains very competitive and includes local furniture stores, regional furniture retailers, national department and chain stores, single-vendor branded retailers and on-line retailers. As a whole, our store network which includes 29 licensee-owned stores in addition to the 57 BHF Company-owned stores, ranks in the top 40 in retail furniture sales in the United States. The following table shows the number of Company-owned stores by state at November 29, 2025:

State	Number of Stores	State	Number of Stores
Arizona	3	Nevada	1
Arkansas	1	New Jersey	2
California	1	New York	4
Connecticut	3	North Carolina	5
Delaware	1	Ohio	2
Florida	5	Oklahoma	1
Georgia	3	Pennsylvania	2
Kentucky	1	South Carolina	1
Maryland	3	Tennessee	1
Massachusetts	1	Texas	11
Missouri	1	Virginia	4
		Total	57

Net sales for our Company-owned retail stores by major product category for the last three fiscal years are summarized below:

	2025	2024*	2023
Bassett Custom Upholstery	\$ 117,231	54.1%	\$ 134,000
Bassett Leather	9,121	4.2%	1,951
Bassett Custom Wood	31,885	14.7%	36,732
Bassett Casegoods	29,218	13.5%	32,252
Accessories, mattresses & other (1)	29,226	13.5%	31,005
Total	\$ 216,681	100.0%	\$ 235,940
			100.0%

(1) Includes sales of goods other than Bassett-branded products, such as accessories and bedding, and also includes the sale of furniture protection plans.

*53 weeks for fiscal 2024 as compared with 52 weeks for fiscal 2025 and 2023.

We also continue to examine the performance of every one of our stores. Store traffic has been declining and the effect on our retail model has become increasingly challenging. We believe that on a market-by-market basis, there will be fewer stores in the future. We will continue to evaluate store-by-store performance as we seek the optimal store count in the markets in which we compete at retail. We closed one store in 2025 and expect to open two new stores in 2026. We are also planning to relocate one store within the same market in late 2026 or 2027.

Corporate and Other

In addition to the two reportable segments described above, we include our remaining business activities in a reconciling category known as Corporate and other. This category includes the shared costs of corporate functions such as treasury and finance, information technology, accounting, human resources, legal and others, including certain product development and marketing functions benefitting both wholesale and retail operations. We consider our corporate functions to be other business activities and have aggregated them with any of our operating segments that do not meet the requirements to be reportable segments. As of and for the periods ended November 29, 2025, November 30, 2024 and November 25, 2023, the only such operating segment included in Corporate and other was Noa Home, which was acquired on September 2, 2022. All sales reported in our Corporate and other category were attributable to Noa Home, which generated substantially all of its sales outside of the United States. During the second quarter of 2024 we concluded that Noa Home was not likely to achieve profitability in the foreseeable future and decided to cease operations by selling the inventory in an orderly fashion. As of the end of 2024, we had substantially completed the liquidation of Noa Home.

Trademarks

Our trademarks, including “Bassett” and the names of some of our marketing divisions, products and collections, are significant to the conduct of our business. This is important due to consumer recognition of the names and identification with our broad range of products. Certain of our trademarks are licensed to independent retailers for use in full store and store gallery presentations of our products. We also own copyrights that are important in the conduct of our business.

Government Regulations

We believe that we have materially complied with all federal, state and local standards regarding safety, health and pollution and environmental controls.

We may also be affected by laws and regulations of countries from which we source goods. Labor, environmental and other laws and regulations change over time, especially in the developing countries from which we source. Changes in these areas of regulation could negatively impact the cost and availability of sourced goods. The timing and extent to which these regulations could have an adverse effect on our financial position or results of operations is difficult to predict. In addition, the imposition of new or increased duties, tariffs, retaliatory tariffs and trade limitations with respect to foreign-sourced products could negatively impact the cost of such goods. While we currently do not believe that costs associated with such trade policies will have a material adverse effect on our financial position or future results of operations, changes to such policies in the future could negatively impact our financial position or future results of operations.

Human Capital

We employed 1,194 people as of November 29, 2025. Our associate count represents a decrease of 34 from a year ago, 29 due to headcount reductions in our manufacturing facilities in response to business conditions and 9 in our retail segment primarily attributable to the closure of a store location and the consolidation of several warehouses. Headcount by segment is as follows:

- 615 in the wholesale segment
- 444 in the retail segment
- 135 in the corporate segment

We approach our workplace culture by being ***Invested... In Each Other***, the tenets of which include fostering a workplace that promotes respect for each other, investing in our associates’ well-being, providing safe and comfortable work environments, offering opportunities to develop personally and professionally, being good stewards of the environment, and giving back to the communities in which we work and live. We believe that these investments are crucial to the success of our associates and our Company.

Focus Group Study

In 2025 we conducted a focus group study, facilitated by a third-party consultant, in our manufacturing facilities and our corporate office. Meeting in groups of 8-10, approximately 20% of our associates participated and shared their thoughts about the Company and their work environment. This information was provided to senior management by the consultant in location-specific summary reports. Based on opinions shared by the focus groups, we gained valuable insight into how we can improve our work environments and better communicate with our associates.

Workplace Respect

We value the diversity of our associates as an essential component in the way we do business. It continues to be Bassett’s policy to be equitable and impartial in our relations with our associates and to base all employment-related decisions upon valid, job-related factors, without regard to race, color, religion, national origin, age, sex, physical or mental disability, genetic information, veteran or other protected status.

We continue to maintain and enforce our policy prohibiting discrimination and harassment in our workplace. Our managers are trained in how to prevent, recognize and respond to possible inappropriate behavior. Associates have several available avenues for reporting concerns, including a confidential hotline. We promptly and carefully investigate each complaint of harassment or discrimination. More details about our commitment to preventing discrimination and harassment in our workplaces are available on our website.

Quality of Life

We continue to invest in the physical and mental well-being of our associates, their spouses and their children.

- Our benefits and wellness app, free to our associates and their dependents, assists with locating best-in-class, in terms of quality and cost, healthcare providers and facilities, along with free virtual exercise therapy for back and joint care.
- We offer several free online mental and behavioral health resources, with unlimited access to board-certified psychiatrists and licensed therapists.
- Our wellness programs, including onsite health clinics, personalized health coaching, mental health counseling, and incentivized healthy lifestyle choices, are designed to improve associate health and reduce healthcare costs for both the associate and the Company.
- We provide opportunities for our associates to meet with a certified financial planner for personalized retirement planning and budget counseling.
- We offer comprehensive benefit plans including Company-subsidized health insurance, 401(k) Plan with Company matching contributions, and paid time off. We believe our benefit plans are competitive and meet the needs of most of our associates.

Work Environment

Our investments in our facilities continue, which improve our associates' safety and comfort, and increase efficiency. These include:

- Continued installation of air quality control equipment at our Martinsville, VA facility.
- Roof replacement and a complete freight elevator refurbishment at our Central Warehouse in Bassett, VA.
- Installation of a new HVAC system at one of our upholstery manufacturing facilities in Newton, NC.
- Installation of a biometric (finger scan) building entry system at our Corporate Office to improve security.

Our comprehensive human resources, benefits, payroll and timekeeping system gives our associates the ability to view, and where applicable, update their personal information, benefits enrollments, pay history and time worked in real time.

Through our "Opportunities For Improvement" program, associates can submit an "OFI" about a job-related issue they've experienced or observed and a suggestion for improvement. Examples include concerns related to product quality, process improvement, safety and communication issues.

Professional Development

We offer opportunities to our associates for educational and skill development, including:

- Tuition reimbursement for associates who desire to further their education
- Online training for managers, with classes completed monthly
- Training for customer-facing associates designed to enhance the in-store and follow up experiences for our customers

Environmental and Civic Responsibility

Representing our commitment to sustainably sourced hardwoods, each Arbor Day since 2021, over 30 of our associates travel to central Ohio to take part in the planting of Appalachian hardwood seedlings. This event is hosted by our BenchMade supply partners, and over 220,000 trees have been planted to date – and counting. Additionally, we remain committed to our recycling efforts. Materials recycled in 2025 include:

	<u>Tons</u>		<u>Tons</u>	
Wood Dust	1,333		Fabric Scraps	177
Paper/Cardboard	162		Wood Pallets	148
Metal/Electronics	56		Finishing Materials	16
Plastic	36			
Foam	9,450 cubic feet			

In 2025, we partnered with the mission-driven team from Military Makeover with Montel® to design and furnish a home for a North Carolina veteran and his family. Additionally, we supported numerous other charitable and civic organizations with monetary and in-kind donations.

Major Customers

Our risk exposure related to our customers, consisting primarily of trade accounts receivable along with certain guarantees, net of recognized reserves, totaled approximately \$18,528 and \$18,281 at November 29, 2025 and November 30, 2024, respectively. At November 29, 2025 and November 30, 2024, approximately 41% and 43%, respectively, of the aggregate risk exposure, net of reserves, was attributable to five customers. In fiscal 2025, 2024 and 2023, no customer accounted for more than 10% of total consolidated net sales.

Available Information

We file our annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings with the Securities and Exchange Commission ("SEC") are available to the public at the SEC's website at www.sec.gov.

Through our website, www.bassettfurniture.com, we make available free of charge as soon as reasonably practicable after electronically filing or furnishing with the SEC, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments thereto.

ITEM 1A. RISK FACTORS

The following risk factors should be read carefully in connection with evaluating our business and the forward-looking information contained in this Annual Report on Form 10-K. The risk factors below represent what we believe are the known material risk factors with respect to us and our business. Any of the following risks could materially adversely affect our business, operations, industry, financial position or future financial results.

Risks Related to Our Retail Operations

We face a volatile retail environment and changing economic conditions that may further adversely affect consumer demand and spending.

Historically, the home furnishings industry has been subject to cyclical variations in the general economy and to uncertainty regarding future economic prospects. Should current economic conditions weaken, the current rate of housing starts continue to decline, or rising inflation persist, consumer confidence and demand for home furnishings could deteriorate which could adversely affect our business through its impact on the performance of our Company-owned stores, as well as our licensees and the ability of a number of them to meet their obligations to us.

Our retail stores face significant competition from national, regional and local retailers of home furnishings, including increasing on-line competition via the internet.

The retail market for home furnishings is highly fragmented and intensely competitive. We currently compete against a diverse group of retailers, including national department stores, regional or independent specialty stores, and dedicated franchises of furniture manufacturers. National mass merchants such as Costco also have limited product offerings. We also compete with retailers that market products through store catalogs and the internet. In addition, there are few barriers to entry into our current and contemplated markets, and new competitors may enter our current or future markets at any time. We have also seen increasing competition from retailers offering consumers the ability to purchase home furnishings via the internet for home delivery, and this trend is expected to continue. Our existing competitors or new entrants into our industry may use a number of different strategies to compete against us, including aggressive advertising, pricing and marketing, extension of credit to customers on terms more favorable than we offer, and expansion into markets where we currently operate. Competition from any of these sources could cause us to lose market share, revenues and customers, increase expenditures or reduce prices, any of which could have a material adverse effect on our results of operations.

Our licensee-owned stores may not be able to meet their obligations to us.

We have a significant amount of accounts receivable attributable to our network of licensee-owned stores. We also guarantee one lease each for two licensees. If these stores do not generate the necessary level of sales and profits, the licensees may not be able to fulfill their obligations to us resulting in additional bad debt expenses and real estate related losses.

Risks Related to Our Brand and Product Offerings

Failure to successfully anticipate or respond to changes in consumer tastes and trends in a timely manner could adversely impact our business, operating results and financial condition.

Sales of our furniture are dependent upon consumer acceptance of our designs, styles, quality and price. As with all retailers, our business is susceptible to changes in consumer tastes and trends. We attempt to monitor changes in consumer tastes and home design trends through attendance at international industry events and fashion shows, internal marketing research, and communication with our retailers and design consultants who provide valuable input on consumer tendencies. However, such tastes and trends can change rapidly and any delay or failure to anticipate or respond to changing consumer tastes and trends in a timely manner could adversely impact our business, operating results and financial condition.

In addition, certain suppliers may require extensive advance notice of our requirements in order to produce products in the quantities we desire. This long lead time may require us to place orders far in advance of the time when certain products will be offered for sale, thereby exposing us to risks relating to shifts in consumer demand and trends, and any downturn in the U.S. economy.

Our success depends upon our brand, marketing and advertising efforts and pricing strategies, and if we are not able to maintain and enhance our brand, or if we are not successful in these efforts and strategies, our business and operating results could be adversely affected.

Maintaining and enhancing our brand is critical to our ability to expand our base of customers and drive increased traffic at both Company-owned and licensee-owned stores and on our website. Digital outreach strategies have been the primary vehicle for brand advertising and customer acquisition. We began supplementing the digital outreach strategy with added direct mail and television late in 2024 and expect to continue with a balanced blend of both digital and traditional direct mail and television in 2026. We have also invested heavily in our website and e-commerce. We cannot provide assurance that our marketing, advertising and other efforts to promote and maintain awareness of our brand will not require us to incur substantial costs. If these efforts are unsuccessful or we incur substantial costs in connection with these efforts, our business, operating results and financial condition could be adversely affected.

Risks Related to Material Sourcing and Supply

Our use of foreign sources of production for a portion of our products exposes us to certain additional risks associated with international operations.

Our use of foreign sources for the supply of certain of our products exposes us to risks associated with overseas sourcing. These risks are related to government regulation, volatile ocean freight costs, delays in shipments, and extended lead time in ordering. The U.S. government as well as governments in the foreign countries where we source our products may change their laws, regulations and policies, including those related to tariffs and trade barriers, investments, taxation and exchange controls which could make it more difficult to service our customers resulting in an adverse effect on our earnings.

Fluctuations in the price, availability and quality of raw materials could result in increased costs or cause production delays which might result in a decline in sales, either of which could adversely impact our earnings.

We use various types of wood, foam, fibers, fabrics, leathers, and other raw materials in manufacturing our furniture. Certain of our raw materials, including fabrics, are purchased both abroad and domestically. Fluctuations in the price, availability and quality of raw materials could result in increased costs or a delay in manufacturing our products, which in turn could result in a delay in delivering products to our customers. For example, lumber prices fluctuate over time based on factors such as weather and demand, which in turn impact availability. There is no guarantee that we will be able to successfully pass along additional cost increases as they arise and rising inflation could have an adverse impact upon consumer demand for discretionary items such as home furnishings. Production delays or upward trends in raw material prices could result in lower sales or margins, thereby adversely impacting our earnings.

Risks Related to Electronic Data Processing and Digital Information

We rely extensively on computer systems to process transactions, summarize results and manage our business. Disruptions in both our primary and back-up systems could adversely affect our business and operating results.

Our primary and back-up computer systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, natural disasters and errors by employees. Though losses arising from some of these issues would be covered by insurance, interruptions of our critical business computer systems or failure of our back-up systems could reduce our sales or result in longer production times. If our critical business computer systems or back-up systems are damaged or cease to function properly, we may have to make a significant investment to repair or replace them. We have been a target of a cybersecurity attack in the past, and while such attack did not result in a material impact on our operations, business, customer relationships or reputation, we can provide no assurance that cybersecurity attacks or incidents in the future will not have a material adverse impact on our business.

We have previously and may continue in the future to incur costs resulting from security risks we face in connection with our electronic processing, storage and transmission of confidential information whether on computer systems maintained on our internal network or by third parties that may host certain of our systems. We may also incur reputational harm resulting from these security risks.

We accept electronic payment cards in our stores and also gather certain personal identifiable information in the processing of our retail sales transactions. We also store and process confidential information pertaining to our employees and other third parties on our networks. We may in the future become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information. In addition, if there were a disclosure of confidential information provided by, or concerning, our employees, customers or other third parties, including through inadvertent disclosure, unapproved dissemination, or unauthorized access, our reputation could be harmed, and we could be subject to civil or criminal liability and regulatory actions. Proceedings related to theft of credit or debit card information may be brought by payment card providers, banks and credit unions that issue cards, cardholders (either individually or as part of a class action lawsuit) and federal and state regulators. Any such proceedings could distract our management from running our business and cause us to incur significant unplanned losses and expenses. Consumer perception of our brand could also be negatively affected by these events, which could further adversely affect our results and prospects.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

The Company maintains an information security program designed in alignment with the ISO/IEC 27001 and ISO/IEC 27002 standards to address risks arising from cybersecurity threats. The program consists of documented policies, standards, and procedures that define the design, implementation, operation, and maintenance of security controls. The maturity and effectiveness of the information security program are evaluated biennially by an independent third party.

A risk assessment is conducted annually. The risk assessment along with risk-based analysis and judgment are used to select security controls to address risks. During this process, the following factors, among others, are considered: likelihood and severity of risk, impact on the Company and others if a risk materializes, feasibility and cost of controls, and impact of controls on operations and others. Specific controls used by the Company include, endpoint threat detection and response (EDR), identity and access management (IAM), multi-factor authentication (MFA), firewalls and intrusion detection and prevention systems, vulnerability and patch management, and ongoing employee information security awareness and training programs. An internal information security audit program is maintained to help ensure that these controls remain operational and effective.

Third-party security firms are used by the Company in different capacities to provide or operate some of these controls and technology systems. Third parties are also used to conduct assessments, such as vulnerability scans and penetration testing of the Company and its systems. The Company uses a variety of processes to address cybersecurity threats related to the use of third-party technology and services.

The Company has a written incident response plan ("IRP") and conducts tabletop exercises to enhance incident response preparedness. Disaster recovery plans are used to prepare for the potential for a disruption in technology we rely on. Employees undergo security awareness training, including phishing simulation training, when hired and periodically throughout the year.

The Company's executive leadership team meets regularly to address enterprise risks, and cybersecurity is a risk category addressed by that group. In addition to assessing major risks, management identifies and monitors such risks. At least annually, the Company's executive leadership reviews with the Board of Directors the major risks identified in the enterprise risk management process, as well as the steps identified to mitigate such risks. Each of the business and functional leaders responsible for the management of these identified risks also regularly discuss with the Board changes in assessment of these risks and mitigation plans.

The Company (or third parties it relies on) may not be able to fully, continuously, and effectively implement security controls as intended. As described above, we utilize a risk-based approach and judgment to determine the security controls to implement and it is possible we may not implement appropriate controls if we do not recognize or if we underestimate a particular risk. In addition, security controls, no matter how well designed or implemented, may only mitigate and not fully eliminate risks. And events, when detected by security tools or third parties, may not always be immediately understood or acted upon.

In fiscal 2024, the Company activated its incident response plan to address a cybersecurity incident that was resolved without material impact to the Company. The Company is not aware of any additional cybersecurity threats or incidents to date that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations or financial condition.

Additionally, in Item 1A Risk Factors under the heading of "Risks Related to Electronic Data Processing and Digital Information," forward-looking cybersecurity threats that could have a material impact on the Company are discussed. That section of Item 1A should be read in conjunction with this Item 1C.

Governance

The Chief Information Officer ("CIO") holds primary oversight responsibility for the team managing the development, operation, and maintenance of our information security program. This team also has responsibility to maintain and enhance the Company's written cyber security incident response plan, which identifies incident severity classifications and serves as a trigger for escalation for the response team.

With over 25 years of experience across diverse IT technologies, the CIO brings extensive expertise to the role. The CIO is also a member of the Company's executive leadership team, meeting regularly with the CEO, CFO, and other senior leaders. The CIO directly reports to the Board at least annually, addressing cybersecurity risks and strategy, and attends Board meetings to discuss cybersecurity matters as needed. The Audit Committee provides oversight of the information security program. The CIO reports to the Audit Committee annually on cybersecurity risks and related internal controls and attends quarterly meetings to provide updates and address any questions regarding cybersecurity and information technology systems.

ITEM 2. PROPERTIES

We own the following facilities, by segment:

Wholesale Segment:

<u>Facility</u>	<u>Location</u>
-----------------	-----------------

Bassett Wood Division	Martinsville, Virginia
Bassett Upholstery Division	Newton, North Carolina
Bassett Upholstery Division	Haleyville, Alabama
2 Warehouses	Bassett, Virginia

In general, these facilities are suitable and are considered to be adequate for the continuing operations involved. All facilities are in regular use and provide adequate capacity for our manufacturing and warehousing needs. In addition to the owned properties shown above, we lease facilities in Newton, North Carolina for the manufacturing of upholstered furniture and the manufacturing and warehousing operations of outdoor furniture.

Retail Segment:

Real estate associated with our retail segment consists of eight owned locations with an aggregate square footage of 203,465 and a net book value of approximately \$23,500,000. These stores are located as follows:

Concord, North Carolina	Greensboro, North Carolina
Greenville, South Carolina	Fredericksburg, Virginia
Houston, Texas	Louisville, Kentucky
Knoxville, Tennessee	Tampa, Florida

Of these locations, two are subject to land leases. Our remaining 49 store locations are leased from third parties. In addition to retail stores, we also lease ten locations for use as regional warehouses and home delivery distribution centers.

Corporate and Other:

We own our corporate office building, which includes an annex, located in Bassett, Virginia.

See Note 15 to the Consolidated Financial Statements included under Item 8 of this Annual Report for more information with respect to our operating lease obligations.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

John E. Bassett III, 67, has been with the Company since 1981 and served in various wood manufacturing and product sourcing capacities, including Vice President, Wood Manufacturing; Vice-President, Global Sourcing from 2001 to 2007 and Vice President, Wood in 2008. He was appointed Senior Vice President, Wood in 2009. In 2019, he was promoted to the position of Senior Vice President, Chief Operations Officer.

Bruce R. Cohenour, 67, has been with the Company since 2011, starting as Senior Vice President of Upholstery Merchandising. In 2013, he was promoted to Senior Vice President of Sales and Merchandising. In 2019, he was appointed Senior Vice President, Chief Sales Officer. Prior to joining Bassett, Mr. Cohenour was with Hooker Furniture Corp. from 2007 through 2010, last serving as President of the Case Goods Division.

J. Michael Daniel, 64, joined the Company in 2007 as Corporate Controller. From April 2009 through December 2009, he served as Corporate Controller and Interim Chief Financial Officer. In January 2010, he was appointed Vice President and Chief Accounting Officer. In January 2013, he was promoted to Senior Vice President and Chief Financial Officer. In 2019, he was also promoted to the position of Senior Vice President, Chief Financial and Administrative Officer.

Jay R. Hervey, Esq., 66, has served as the General Counsel, Vice President and Secretary for the Company since 1997.

Robert H. Spilman, Jr., 69, has been with the Company since 1984. Since 2000, he has served as Chief Executive Officer and President, and in 2016 also became the Chairman of the Board of Directors.

PART II

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

Market Information:

Bassett's common stock trades on the NASDAQ global select market system under the symbol "BSET." We had approximately 6,500 beneficial stockholders at January 28, 2026.

Issuer Purchases of Equity Securities:

We are authorized to repurchase Company stock under a plan which was originally announced in 1998. On March 9, 2022, the Board of Directors increased the remaining limit of the repurchase plan to \$40,000,000. The repurchase program does not include a specific timetable or price targets and may be suspended or terminated at any time. Shares may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of prevailing market conditions and other factors. The following table summarizes the stock repurchase activity for the three months ended November 29, 2025, and the approximate dollar value of shares that may yet be repurchased pursuant to our stock repurchase program:

Issuer Purchases of Equity Securities
(amounts in thousands, except share and per share data)

	Total Shares Purchased	Average Price Paid	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
August 31, 2025 - October 4, 2025	8,890	\$ 15.53	8,890	\$ 18,744
October 5 - November 1, 2025	17,199	\$ 15.34	17,199	\$ 18,480
November 2, 2025 - November 29, 2025	15,172	\$ 14.90	15,172	\$ 18,254

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Amounts in thousands except share and per share data)

Overview

Bassett is a leading retailer, manufacturer and marketer of branded home furnishings. We were founded in 1902 and incorporated under the laws of Virginia in 1930. Our rich 123-year history has instilled the principles of quality, value, and integrity in everything we do, while simultaneously providing us with the expertise to respond to ever-changing consumer tastes and meet the demands of a global economy.

Approximately 60% of our wholesale sales arise from our network of 86 Company-owned and licensee-owned Bassett Home Furnishings (“BHF”) stores. Our store program is designed to provide a single source home furnishings retail store with a unique combination of stylish, quality furniture and accessories with a high level of customer service. The stores highlight our custom furniture design and manufacturing capabilities, free in-home or virtual design visits (“home makeovers”) and coordinated decorating accessories. Our philosophy is based on building strong long-term relationships with each customer. Salespeople are referred to as “Design Consultants” and are trained to evaluate customer needs and provide comprehensive solutions for their home decor. Until a rigorous training and design certification program is completed, Design Consultants are not authorized to perform in-home or virtual design services for our customers.

Bassett also has a significant traditional wholesale business with more than 1,000 open market accounts. Most of the open market sales are through Bassett Design Centers and Bassett Custom Studios which function as a store within a multi-line store featuring the Company’s custom furniture capabilities. The wholesale business, including the Lane Venture outdoor brand, also services general furniture stores and a growing number of interior design firms through a network of over 30 independent sales representatives who have stated geographical territories. These sales representatives are compensated based on a standard commission rate.

We consider our website to be the front door to our brand experience where customers can research our furniture and accessory offerings and subsequently buy online or engage with an in-store design consultant. We know that we are driving a significant percentage of the retail foot traffic to our store network and our open market customers through engagement with www.bassettfurniture.com. Digital outreach strategies have been the primary vehicle for brand advertising and customer acquisition. We began supplementing the digital outreach strategy with added direct mail and television late in 2024 and expect to continue with a balanced blend of both digital and traditional direct mail and television in 2026.

We introduced a new web platform late in 2023 that leverages world class features including enhanced customer research capabilities and streamlined navigation. Since the debut of the new site, we have seen increased engagement with the brand through a greater number of page views per customer along with more time spent on the site. We have also seen an increase in average order value that has resulted in increased e-commerce revenue. While traffic to the website decreased 8% during 2025, sales conversion rates increased 28% resulting in a 25% increase in total web sales. Although e-commerce sales continue to be small relative to in-store sales, we will continue to invest in ongoing improvements to the aesthetics and user experience on our website while not compromising on our in-store experience or the quality of our in-home makeover capabilities.

During the fourth quarter of fiscal 2022 we acquired Noa Home Inc. (“Noa Home”). A mid-priced e-commerce furniture retailer headquartered in Montreal, Canada, Noa Home had operations in Canada, Australia, Singapore and the United Kingdom. After nearly two years of operating losses, we concluded during the second quarter of 2024 that Noa Home was not likely to achieve profitability at any time in the foreseeable future and decided to cease operations by selling the inventory in an orderly fashion. As of the end of 2024, we had substantially completed the liquidation of Noa Home’s assets and liabilities. In the second quarter of 2024 we recognized non-cash charges totaling \$2,401 related to the impairment of certain long-lived assets of Noa Home and the establishment of a reserve against Noa Home’s remaining inventory at that time. Upon substantially completing the liquidation of Noa Home at the end of the fourth quarter of 2024, we recognized a charge of \$962 associated with the transfer of the cumulative translation losses out of accumulated other comprehensive income.

We have factories in Newton, North Carolina that manufacture both stationary and motion upholstered furniture for inside the home along with our outdoor furniture offerings. We have a factory in Martinsville, Virginia that assembles and finishes our custom bedroom and dining offerings. We also have a facility in Haleyville, Alabama where we manufacture aluminum frames for our outdoor furniture.

In addition to the furniture that we manufacture domestically, we source most of our formal bedroom and dining room furniture (casegoods) and certain leather upholstery offerings from several foreign plants, primarily in Vietnam. Over 75% of our wholesale revenues are derived from products that are manufactured in the United States using a mix of domestic and globally sourced components and raw materials.

Analysis of Continuing Operations

The following discussion provides an analysis of our results of operations and reasons for material changes therein for fiscal year 2025 as compared to fiscal year 2024. For additional analysis of the fiscal year 2024 results as compared to fiscal year 2023, see “Analysis of Continuing Operations” in Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations in the Company’s 2024 Annual Report on Form 10-K, filed with the SEC on February 10, 2025.

Net sales revenue, cost of furniture and accessories sold, selling, general and administrative (“SG&A”) expense, other charges, and income from operations were as follows for the years ended November 29, 2025, November 30, 2024 and November 25, 2023:

	Comparative Change									
	2025		2024*		2023		2025 vs 2024		2024 vs 2023	
		Dollars		Percent		Dollars		Percent		
Net sales	\$ 335,280	100.0%	\$ 329,923	100.0%	\$ 390,136	100.0%	\$ 5,357	1.6%	\$ (60,213)	-15.4%
Cost of goods sold	146,598	43.7%	150,508	45.6%	183,648	47.1%	(3,910)	-2.6%	(33,140)	-18.0%
Gross profit	188,682	56.3%	179,415	54.4%	206,488	52.9%	9,267	5.2%	(27,073)	-13.1%
SG&A	180,357	53.8%	187,527	56.8%	205,227	52.6%	(7,170)	-3.8%	(17,700)	-8.6%
Asset impairment charges	498	0.1%	5,515	1.7%	-	0.0%	(5,017)	-91.0%	5,515	NM
Loss on contract abandonment	-	0.0%	1,240	0.4%	-	0.0%	(1,240)	-100.0%	1,240	NM
Loss upon realization of cumulative translation adjustment	-	0.0%	962	0.3%	-	0.0%	(962)	-100.0%	962	NM
Restructuring charges	-	0.0%	440	0.1%	-	0.0%	(440)	-100.0%	440	NM
Goodwill impairment charge	-	0.0%	-	0.0%	5,409	1.4%	-	NM	(5,409)	-100.0%
Gain on revaluation of contingent consideration	-	0.0%	-	0.0%	1,013	0.3%	-	NM	(1,013)	-100.0%
Income (loss) from continuing operations	\$ 7,827	2.5%	\$ (16,269)	-4.9%	\$ (3,135)	-0.8%	\$ 24,096	NM	\$ (13,134)	418.9%

*53 weeks for fiscal 2024 as compared with 52 weeks for fiscal 2023 and 2022.

Our consolidated net sales by segment were as follows:

	Comparative Change									
	2025		2024*		2023		2024 vs 2023		2023 vs 2022	
		Dollars		Percent		Dollars		Percent		
Sales Revenue										
Wholesale sales of furniture and accessories	\$ 214,614	\$ 207,462	\$ 248,911	\$ 7,152	3.4%	\$ (41,449)		-16.7%		
Less: Sales to retail segment	(96,015)	(87,021)	(103,519)	(8,994)	10.3%	16,498		-15.9%		
Wholesale sales to external customers	118,599	120,441	145,392	(1,842)	-1.5%	(24,951)		-17.2%		
Retail sales of furniture and accessories	216,681	204,563	235,940	12,118	5.9%	(31,377)		-13.3%		
Corporate & Other - Noa Home	-	4,919	8,804	(4,919)	-100.0%	(3,885)		-44.1%		
Consolidated net sales of furniture and accessories	\$ 335,280	\$ 329,923	\$ 390,136	\$ 5,357	1.6%	\$ (60,213)		-15.4%		

*53 weeks for fiscal 2024 as compared with 52 weeks for fiscal 2025 and 2023.

Total sales revenue for the year ended November 29, 2025, increased \$5,357 or approximately 1.6% from the prior year period primarily due to increases in delivered retail sales partially offset by decreases in wholesale shipments to the open market and lost sales from the closure of Noa Home at the end of fiscal 2024. Excluding the lost sales from Noa Home, total sales revenue increased 3.1%.

Gross margins for the year ended November 29, 2025 increased 190 basis points from 2024. Gross margins in the prior year were adversely impacted by increased inventory valuation charges of \$1,729 in the wholesale segment, \$472 in the retail segment and \$500 in the Noa Home operation, as well as \$609 of unproductive labor costs incurred during a temporary shutdown resulting from a cybersecurity incident. Excluding the above-mentioned additional inventory valuation charges and unproductive labor costs in 2024, gross margins would have increased 90 basis points primarily due to improved margins in the wholesale segment, partially offset by lower margins in the retail operations.

SG&A expenses as a percentage of sales for the year ended November 29, 2025 decreased 300 basis points reflecting benefits from the prior year restructuring plan and on-going cost containment activities coupled with greater leverage of fixed costs from higher sales levels.

During fiscal 2025, we recognized an asset impairment charge of \$498 related to an underperforming retail store expected to be closed in late fiscal 2026.

During fiscal 2024, we recognized charges of \$5,515 for asset impairments, \$1,240 resulting from a contract abandonment, \$962 from the realization of cumulative translation losses on Noa Home, and a restructuring charge for severance of \$440. See Note 14 to our consolidated financial statements for additional information regarding these charges.

Certain other items affecting comparability between fiscal 2025 and 2024 are discussed below in “Other Items Affecting Net Income (Loss)”.

Segment Information

We have strategically aligned our business into two reportable segments as defined in ASC 280, *Segment Reporting*, and as described below:

- **Wholesale.** The wholesale home furnishings segment is involved principally in the design, manufacture, sourcing, sale and distribution of furniture products to a network of Bassett stores (Company-owned and licensee-owned retail stores) and independent furniture retailers. Our wholesale segment includes our wood and upholstery operations, which includes Lane Venture.
- **Retail – Company-owned stores.** Our retail segment consists of Company-owned stores and includes the revenues, expenses, assets and liabilities and capital expenditures directly related to these stores and the Company-owned distribution network utilized to deliver products to our retail customers.

In addition to the two reportable segments described above, we include our remaining business activities and assets in a reconciling category known as Corporate and other. This category includes the shared costs of corporate functions such as treasury and finance, information technology, accounting, human resources, legal and others, including certain product development and marketing functions benefitting both wholesale and retail operations. In addition to property and equipment and various other assets associated with the shared corporate functions, the identifiable assets of Corporate and other include substantially all of our cash and our investments in CDs. We consider our corporate functions to be other business activities and have aggregated them with any of our operating segments that do not meet the requirements to be reportable segments. As of and for the periods ended November 29, 2025, November 30, 2024 and November 25, 2023, the only such operating segment included in Corporate and other is Noa Home, which was acquired on September 2, 2022. All sales reported in our Corporate and other category are attributable to Noa Home, which generated substantially all of its sales outside of the United States. During the second fiscal quarter of 2024 we concluded that Noa Home was not likely to achieve profitability in the foreseeable future and ceased operations as of the end of 2024 by selling the remaining inventory in an orderly fashion over the second half of fiscal 2024.

Inter-company net sales elimination represents the elimination of wholesale sales to our Company-owned stores. Inter-company income elimination includes the embedded wholesale profit in the Company-owned store inventory that has not been realized. These profits will be recorded when merchandise is delivered to the retail consumer. The inter-company income elimination also includes rent paid by our retail stores occupying Company-owned real estate.

Reconciliation of Segment Results to Consolidated Results of Operations

To supplement the segment financial measures prepared in accordance with GAAP, we also present gross profit by segment inclusive of the effects of intercompany sales by our wholesale segment to our retail segment. Because these intercompany transactions are not eliminated from our segment presentations and because we do not present gross profit as a measure of segment profitability in the accompanying condensed consolidated financial statements, the presentation of gross profit by segment is considered to be a non-GAAP financial measure. In addition, certain special gains or charges that are included in consolidated income (loss) before income taxes are not included in the measures of segment profitability. The reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and presented in accordance with GAAP is presented below along with the effects of various other intercompany eliminations on our consolidated results of operations.

Year Ended November 29, 2025

							GAAP Presentation	
	Non-GAAP Presentation			Corporate & Other	Eliminations	Special Items	Non-Operating	Consolidated
	Wholesale	Retail	Other					
Net sales	\$ 214,614	\$ 216,681	\$ -	\$ (96,015)(1)	\$ -	\$ -	\$ -	\$ 335,280
Cost of goods sold	138,883	103,205	-	(95,490)(2)	-	-	-	146,598
Gross profit	75,731	113,476	-	(525)(3)	-	-	-	188,682
SG&A expense	40,870	113,069	27,652	(1,234)(4)	-	-	-	180,357
Asset impairment charges	-	-	-	-	498(5)	-	-	498
Income (loss) from operations	34,861	407	(27,652)	709	498	-	-	7,827
Interest income	-	-	-	-	-	1,979	1,979	1,979
Interest expense	-	-	-	-	-	(52)	(52)	(52)
Other loss, net	-	-	-	-	-	(994)	(994)	(994)
Income (loss) before income taxes	\$ 34,861	\$ 407	\$ (27,652)	\$ 709	\$ 498	\$ 933	\$ 8,760	

Year Ended November 30, 2024

							GAAP Presentation	
	Non-GAAP Presentation			Corporate & Other	Eliminations	Special Items	Non-Operating	Consolidated
	Wholesale	Retail	Other					
Net sales	\$ 207,462	\$ 204,563	\$ 4,919	\$ (87,021)(1)	\$ -	\$ -	\$ -	\$ 329,923
Cost of goods sold	139,393	95,728	2,803	(87,416)(2)	-	-	-	150,508
Gross profit	68,069	108,835	2,116	395(3)	-	-	-	179,415
SG&A expense	42,712	115,439	30,572	(1,196)(4)	-	-	-	187,527
Asset impairment charges	-	-	-	-	5,515(6)	-	-	5,515
Loss on contract abandonment	-	-	-	-	1,240(7)	-	-	1,240
Loss upon realization of cumulative translation adjustment	-	-	-	-	962(8)	-	-	962
Restructuring charges	-	-	-	-	440(9)	-	-	440
Income (loss) from operations	25,357	(6,604)	(28,456)	1,591	8,157	-	-	(16,269)
Interest income	-	-	-	-	-	2,673	2,673	2,673
Interest expense	-	-	-	-	-	(30)	(30)	(30)
Other loss, net	-	-	-	-	-	(744)	(744)	(744)
Income (loss) before income taxes	\$ 25,357	\$ (6,604)	\$ (28,456)	\$ 1,591	\$ 8,157	\$ 1,899	\$ (14,370)	

	Non-GAAP Presentation						GAAP Presentation			
	Corporate			Special Items	Non-Operating	Consolidated				
	Wholesale	Retail	Other							
Net sales	\$ 248,911	\$ 235,940	\$ 8,804	\$ (103,519)(1)	\$ -	\$ -	\$ 390,136			
Cost of goods sold	171,394	111,769	4,002	(103,517)(2)	-	-	183,648			
Gross profit	77,517	124,171	4,802	(23)	-	-	206,488			
SG&A expense	46,818	124,707	34,728	(1,026)(4)	-	-	205,227			
Goodwill impairment charge					5,409(10)		5,409			
Gain on revaluation of contingent consideration	-	-	-	-	1,013(11)	-	1,013			
Income (loss) from operations	30,699	(536)	(29,926)	1,024	4,396		(3,135)			
Interest income	-	-	-	-	-	2,528	2,528			
Interest expense	-	-	-	-	-	(22)	(22)			
Other loss, net	-	-	-	-	-	(1,859)	(1,859)			
Income (loss) before income taxes	\$ 30,699	\$ (536)	\$ (29,926)	\$ 1,024	\$ 4,396	\$ 647	\$ (2,488)			

Notes to Segment Consolidation Table:

- (1) Represents the elimination of sales from our wholesale segment to our Company-owned BHF stores.
- (2) Represents the elimination of purchases by our Company-owned BHF stores from our wholesale segment.
- (3) Represents the change in the elimination of intercompany profit in inventory.
- (4) Represents the elimination of rent paid by our retail stores occupying Company-owned real estate.
- (5) Represents an asset impairment charge of \$498 in our retail segment.
- (6) Represents asset impairment charges of \$2,887 and \$727 in our retail and wholesale segments, respectively, a \$1,827 charge for the impairment of the Noa Home trade name intangible asset, and a \$74 charge for the impairment of Noa Home customized software.
- (7) Represents the charge for accruing the remaining minimum payments under a contract for logistical services in Riverside, CA which is no longer utilized.
- (8) Represents a charge for the realization of Noa Home's cumulative translation losses previously recorded in accumulated other comprehensive income due to the closure and substantially complete liquidation of that business.
- (9) Represents a charge for the accrual of severance pay due to restructuring.
- (10) Represents the charge for the full impairment of the goodwill associated with Noa Home.
- (11) Represents the gain resulting from the write-down of the contingent consideration payable on the acquisition of Noa Home.

Wholesale Segment

Net sales, gross profit, SG&A expense and operating income for our Wholesale Segment were as follows for the fiscal years ended November 29, 2025, November 30, 2024 and November 25, 2023:

	Comparative Change							
	2025		2024*		2023		2025 vs 2024	
							Dollars	Percent
Net sales	\$ 214,614	100.0%	\$ 207,462	100.0%	\$ 248,911	100.0%	\$ 7,152	3.4%
Gross profit (1)	75,731	35.3%	68,069	32.8%	77,517	31.1%	7,662	11.3%
SG&A	40,870	19.0%	42,712	20.6%	46,818	18.8%	(1,842)	-4.3%
Income from operations	\$ 34,861	16.2%	\$ 25,357	12.2%	\$ 30,699	12.3%	\$ 9,504	37.5%
							\$ (5,342)	-17.4%

(1) Gross profit at the segment level is considered a Non-GAAP financial measure due to the included effects of intercompany transactions. Refer to the reconciliation of segment results to consolidated results of operations presented above.

*53 weeks for fiscal 2024 as compared with 52 weeks for fiscal 2025 and 2023.

Wholesale shipments by category for the fiscal years ended November 29, 2025, November 30, 2024 and November 25, 2023 are summarized below:

	2025			2024*			2023					
	External	Intercompany	Total	External	Intercompany	Total	External	Intercompany	Total			
Bassett Custom Upholstery	\$ 76,923	\$ 59,391	\$136,314	63.5%	\$ 79,281	\$ 55,168	\$134,449	64.8%	\$ 89,005	\$ 66,363	\$155,368	62.4%
Bassett Leather	16,484	3,252	19,736	9.2%	15,705	1,920	17,625	8.5%	26,701	1,171	27,872	11.2%
Bassett Custom Wood	12,357	16,297	28,654	13.4%	13,735	15,932	29,667	14.3%	17,357	20,070	37,427	15.0%
Bassett Casegoods	12,835	17,075	29,910	13.9%	11,720	14,001	25,721	12.4%	12,329	15,915	28,244	11.3%
Total	\$118,599	\$ 96,015	\$214,614	100.0%	\$120,441	\$ 87,021	\$207,462	100.0%	\$145,392	\$ 103,519	\$248,911	100.0%

*53 weeks for fiscal 2024 as compared with 52 weeks for fiscal 2025 and 2023.

Fiscal 2025 as Compared to Fiscal 2024

Net sales for the year ended November 29, 2025 increased \$7,152 or 3.4% from fiscal 2024 due primarily to a 8.2% increase in shipments to our retail store network partially offset by a 2% decrease in shipments to the open market and a 9% decrease in Lane Venture shipments. Gross margins for the year ended November 29, 2025 increased 250 basis points over fiscal 2024 year. Excluding \$1,729 of increased inventory valuation charges in 2024 and \$609 of unproductive labor costs incurred during a temporary shutdown resulting from a cybersecurity incident in 2024, gross margins would have increased by 140 basis points due primarily to improved pricing strategies in both the upholstery and wood operations coupled with greater leverage of fixed costs from higher sales levels. SG&A expenses as a percentage of sales decreased 160 basis points primarily due to the benefit of cost reductions implemented during the second half of fiscal 2024 coupled with greater leverage of fixed costs from higher sales levels and lower bad debt costs.

The dollar value of our wholesale backlog, representing orders received but not yet shipped to the BHF store network or independent dealers, was \$19,519 at November 29, 2025 and \$21,750 at November 30, 2024.

Retail Segment – Company Owned Stores

Net sales, gross profit, SG&A expense, and operating income (loss) for our retail segment were as follows for the fiscal years ended November 29, 2025, November 30, 2024 and November 25, 2023:

	Comparative Change									
	2025		2024*		2025 vs 2024		2024 vs 2023			
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent		
Net sales	\$ 216,681	100.0%	\$ 204,563	100.0%	\$ 235,940	100.0%	\$ 12,118	5.9%	\$ (31,377)	-13.3%
Gross profit (1)	113,476	52.4%	108,835	53.2%	124,171	52.6%	4,641	4.3%	(15,336)	-12.4%
SG&A	113,069	52.2%	115,439	56.4%	124,707	52.9%	(2,370)	-2.1%	(9,268)	-7.4%
Income (loss) from operations	\$ 407	0.2%	\$ (6,604)	-3.2%	\$ (536)	-0.2%	\$ 7,011	-106.2%	\$ (6,068)	NM

(1) Gross profit at the segment level is considered a Non-GAAP financial measure due to the included effects of intercompany transactions. Refer to the reconciliation of segment results to consolidated results of operations presented above.

*53 weeks for fiscal 2024 as compared with 52 weeks for fiscal 2025 and 2023.

Retail sales by major product category for the fiscal years ended November 29, 2025, November 30, 2024 and November 25, 2023 were as follows:

	2025		2024*		2023	
Bassett Custom Upholstery	\$ 117,231	54.1%	\$ 111,943	54.7%	\$ 134,000	56.8%
Bassett Leather	9,121	4.2%	4,990	2.4%	1,951	0.8%
Bassett Custom Wood	31,885	14.7%	32,201	15.7%	36,732	15.6%
Bassett Casegoods	29,218	13.5%	26,179	12.8%	32,252	13.7%
Accessories, mattresses & other (1)	29,226	13.5%	29,250	14.3%	31,005	13.1%
Total	\$ 216,681	100.0%	\$ 204,563	100.0%	\$ 235,940	100.0%

(1) Includes the sale of goods other than Bassett-branded products, such as accessories and bedding, and also includes the sale of furniture protection plans.

*53 weeks for fiscal 2024 as compared with 52 weeks for fiscal 2025 and 2023.

Fiscal 2025 as Compared to Fiscal 2024

Net sales for the year ended November 29, 2025 increased \$12,118 or 5.9% from fiscal 2024. Written sales (the value of sales orders taken but not delivered) increased 1.2% from fiscal 2024. Gross margin for the year ended November 29, 2025 declined 80 basis points from fiscal 2024. Excluding the \$471 of additional inventory valuation charges in the prior year period, gross margins would have decreased by 100 basis points due to lower margins for both in-line and clearance goods as we have become more aggressive in cycling through unproductive inventory coupled with increased promotional activity. In addition, the Company-owned stores did not take a price increase related to the increase in tariff costs until January 2026. SG&A expenses as a percentage of sales for the year ended November 29, 2025 decreased 420 basis points primarily due to the benefit of cost reductions implemented during the second half of fiscal 2024, lower advertising and marketing costs, efficiency gains in our warehouse and delivery operation along with greater leverage of fixed costs due to higher sales levels.

Retail backlog at November 29, 2025 was \$34,402 compared to \$37,053 at November 30, 2024.

Corporate and Other

In addition to the two reportable segments discussed above, we include our remaining business activities and assets in a reconciling category known as Corporate and other, which includes the shared costs of various corporate functions along with any operating segments that do not meet the requirements to be reportable segments. Therefore, Noa Home is included within the Corporate and other reconciling category and accounts for all of the sales and gross profit within this reconciling category. Revenues, costs and expenses of Corporate and other for the fiscal years ended November 29, 2025, November 30, 2024 and November 25, 2023 are as follows:

	Comparative Change			
	2025 vs 2024		2024 vs 2023	
	Dollars	Percent	Dollars	Percent
Net sales	\$ -	0.0%	\$ 4,919	100.0%
Gross profit	-	0.0%	2,116	43.0%
SG&A	27,652	NM	30,572	621.5%
Income (loss) from operations	\$ (27,652)	NM	\$ (28,456)	-578.5%
			\$ (29,926)	-339.9%
			\$ 804	-2.8%
			\$ 1,470	-4.9%

*53 weeks for fiscal 2024 as compared with 52 weeks for fiscal 2025 and 2023.

Fiscal 2025 as Compared to Fiscal 2024

Sales and gross profit for the year ended November 29, 2025 declined from fiscal 2024 due to the closure and liquidation of Noa Home during fiscal 2024. The \$2,920 decrease in SG&A expenses from fiscal 2024 was primarily due to the closure of Noa Home and decreased corporate overhead spending from better expense management, including the benefit of cost reductions implemented during the second half of fiscal 2024, partially offset by increased incentive compensation.

Other Items Affecting Net Income (Loss)

Other items affecting net income (loss) for fiscal 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Interest income (1)	\$ 1,979	\$ 2,673	\$ 2,528
Interest expense (2)	(52)	(30)	(22)
Net periodic pension costs (3)	(260)	(430)	(496)
Net gains (cost) of company-owned life insurance	(84)	302	(572)
Other	(650)	(616)	(791)
 Total other income (loss), net	 \$ 933	 \$ 1,899	 \$ 647

- (1) Consists of interest income arising from our short-term investments and interest-bearing cash equivalents. The decrease in interest income for fiscal 2025 as compared with fiscal 2024 was due primarily to lower interest rates paid on certificates of deposit. See Note 3 to the Consolidated Financial Statements for additional information regarding our investments in certificates of deposit.
- (2) Interest expense is attributable to finance leases for trucks and computer and office equipment. See Note 15 to the Consolidated Financial Statements for additional information regarding our leases.
- (3) Represents the portion of net periodic pension costs not included in income from operations. See Note 10 to the Consolidated Financial Statements for additional information related to our defined benefit pension plans.

Provision for Income taxes

We recorded income tax expense (benefit) of \$2,660, \$(4,675) and \$683 for fiscal 2025, 2024 and 2023, respectively. Our effective tax rate of 30.4% for 2025 differs from the federal statutory rate of 21.0% primarily due to the effects of state income taxes and various permanent differences, capital loss carrybacks, provision to return adjustments and other charges. Our effective tax rate of 32.5% for 2024 differs from the federal statutory rate of 21.0% due to the increases in the valuation allowance placed on deferred tax assets resulting from pre-tax losses in foreign tax jurisdictions associated with Noa Home, the nondeductible impairment of the Noa Home tradename, the tax benefit recorded for the capital loss associated with the cumulative investment in Noa Home due to the shutdown of the operations, the effects of state income taxes, various permanent differences, provision to return adjustments and other charges.

We have net deferred tax assets of \$5,979 as of November 29, 2025, which, upon utilization, are expected to reduce our cash outlays for income taxes in future years. It will require approximately \$28,500 of future taxable income to utilize our net deferred tax assets. See Note 13 to the Consolidated Financial Statements for additional information regarding income taxes.

Liquidity and Capital Resources

We are committed to maintaining a strong balance sheet in order to weather difficult industry conditions, to allow us to take advantage of opportunities as market conditions improve, and to execute our long-term retail strategies.

Cash Flows

Cash provided by operations for the year ended November 29, 2025 was \$13,491 compared to cash provided by operations of \$4,050 for the year ended November 30, 2024, representing an increase of \$9,441 in cash flows from operations. This increase was primarily the result of improved operating income and changes in working capital due to the timing impact of expenditures as a result of an additional week in the first quarter of 2024.

Our overall cash position increased \$1,726 for fiscal 2025. We spent \$4,530 on purchases of property and equipment, \$6,939 in dividends and \$2,150 to repurchase shares under our existing stock repurchase program. As of November 29, 2025, \$18,254 remains available for future purchases under our stock repurchase plan. During the fourth quarter of fiscal 2025, a \$2,500 CD which had formerly been pledged as collateral against our merchant services agreement with a bank matured and was not reinvested. With cash and cash equivalents and short-term investments totaling \$59,240 on hand at November 29, 2025, expected future operating cash flows and the availability under our credit line noted below, we believe we have sufficient liquidity to fund operations for the foreseeable future.

Debt and Other Obligations

Bank Credit Facility

On May 15, 2024, we entered into the Eighth Amended and Restated Credit Agreement with our bank (the “Credit Facility”). This Credit Facility provides for a line of credit of up to \$25,000. At November 29, 2025, we had \$8,182 outstanding under standby letters of credit against our line. The line bears interest at the One-Month Term Secured Overnight Financing Rate (“One-Month Term SOFR”) plus 1.75% and is secured by our accounts receivable and inventory. Our bank charges a fee of 0.25% on the daily unused balance of the line, payable quarterly. Under the terms of the Credit Facility, Consolidated Minimum Tangible Net Worth (as defined in the Credit Facility) shall at no time be less than \$120,000. In addition, we must maintain the following financial covenants, measured quarterly on a rolling twelve-month basis and commencing as of the end of the first fiscal quarter after the first date that the used commitment (the sum of any outstanding advances plus standby letters of credit) equals or exceeds \$8,250:

- Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Facility) of not less than 1.2 times; and
- Consolidated Lease Adjusted Leverage to EBITDAR Ratio (as defined in the Credit Facility) not to exceed 3.35 times.

Since our used commitment was less than \$8,250 at November 29, 2025, we were not required to test the Consolidated Fixed Charge Coverage Ratio or the Consolidated Lease Adjusted Leverage to EBITDAR Ratio. However, had we been required to test those ratios, we would have been in full compliance. Consequently, our availability under the Credit Facility is currently \$16,818. As of November 29, 2025 the Credit Facility was scheduled to expire on January 31, 2027. Subsequent to November 29, 2025, the Credit Facility has been extended through January 31, 2029 under substantially the same terms.

Leases

We lease land and buildings that are used in the operation of our Company-owned retail stores as well as in the operation of certain of our licensee-owned stores, and we lease land and buildings at various locations throughout the continental United States for warehouse space used in our retail segment. We also lease trucks used in our wholesale and retail segments. The total future minimum lease payments for leases with terms in excess of one year at November 29, 2025 is \$105,045 the present value of which is \$89,392 and is included in our accompanying consolidated balance sheet at November 29, 2025. We were contingently liable under licensee lease obligation guarantees in the amount of \$4,148 at November 29, 2025. The remaining terms under these lease guarantees range from approximately one to five years. See Note 15 to our Consolidated Financial Statements for a schedule of future cash payments on our lease obligations and additional details regarding our leases and lease guarantees.

Post-Employment Benefits

We provide post-employment benefits to certain current and former executives and management level employees of the Company. Included among these benefits are two defined-benefit plans with a combined projected benefit obligation of \$6,990 at November 29, 2025. See Note 10 to our consolidated financial statements for a projection of future benefit payments under these plans from 2026 through 2035. We also have deferred compensation plans with a total liability of \$5,530 at November 29, 2025, the current portion of which is \$327. See Note 10 to our Consolidated Financial Statements for additional information regarding these plans.

Dividends and Share Repurchases

During fiscal 2025, we declared and paid four quarterly dividends totaling \$6,939, or \$0.80 per share. During fiscal 2025, we repurchased 142,121 shares of our stock for an aggregate of \$2,150 under our share repurchase program. The weighted-average effect of these share repurchases on basic earnings per share from continuing operations was less than \$0.01 per share. On March 9, 2022, our Board of Directors increased the remaining limit of the repurchase plan to \$40,000. The approximate dollar value that may yet be purchased pursuant to our stock repurchase program as of November 29, 2025 was \$18,254.

Capital Expenditures

We currently anticipate that total capital expenditures for fiscal 2026 will be between \$8 million and \$12 million, which will be used for tenant improvements on new retail stores and additional investments in information technology, including enhancements to our website. Our capital expenditure and working capital requirements in the foreseeable future may change depending on many factors, including but not limited to the overall performance of the store program, our rate of growth, our operating results and any adjustments in our operating plan needed in response to industry conditions, competition or unexpected events. We believe that our existing cash, together with cash from operations, will be sufficient to meet our capital expenditure and working capital requirements for the foreseeable future.

Fair Value Measurements

We account for items measured at fair value in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures*. ASC 820's valuation techniques are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect our market assumptions. ASC 820 classifies these inputs into the following hierarchy:

Level 1 Inputs— Quoted prices for identical instruments in active markets.

Level 2 Inputs— Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Inputs— Instruments with primarily unobservable value drivers.

We believe that the carrying amounts of our current assets and current liabilities approximate fair value due to the short-term nature of these items. Our primary non-recurring fair value estimates, typically involving the valuation of goodwill impairments (see Note 7 to the Consolidated Financial Statements) and asset impairments (see Note 14 to the Consolidated Financial Statements) have utilized Level 3 inputs.

Off-Balance Sheet Arrangements

We utilize stand-by letters of credit in the procurement of certain goods in the normal course of business. We lease land and buildings that are primarily used in the operation of our retail BHF stores and distribution facilities as well as certain manufacturing facilities in our upholstery operations. We have guaranteed certain lease obligations of licensee operators as part of our retail strategy. See Note 15 to the Consolidated Financial Statements, included in Item 8 of this Annual Report on Form 10-K, for further discussion of lease guarantees, including descriptions of the terms of such commitments and methods used to mitigate risks associated with these arrangements.

Contingencies

We are involved in various claims and litigation as well as environmental matters which arise in the normal course of business. Although the final outcome of these legal and environmental matters cannot be determined, based on the facts presently known, it is our opinion that the final resolution of these matters will not have a material adverse effect on our financial position or future results of operations.

Critical Accounting Estimates

Our consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") which requires that certain estimates and assumptions be made that affect the amounts and disclosures reported in those financial statements and the related accompanying notes. Actual results could differ from these estimates and assumptions. We use our best judgment in valuing these estimates and may, as warranted, solicit external advice. Estimates are based on current facts and circumstances, prior experience and other assumptions believed to be reasonable. The following critical accounting estimates, some of which are impacted significantly by judgments, assumptions and estimates, affect our consolidated financial statements.

Returns and Allowances — We record an estimate for returns and allowances as a reduction of revenue based on our historical return patterns. The estimate for returns and allowances was \$2,732, \$3,970 and \$4,883 at November 29, 2025, November 30, 2024 and November 25, 2023.

Allowance for credit losses - We maintain an allowance for credit losses for estimated losses resulting from the inability of our customers to make required payments. Our accounts receivable reserves were \$429 and \$1,097 at November 29, 2025 and November 30, 2024, respectively, representing 2.9% and 7.7% of our gross accounts receivable balances at those dates, respectively. The allowance for credit losses is based on a review of specifically identified customer accounts in addition to an overall aging analysis which is applied to accounts pooled on the basis of similar risk characteristics. Judgments are made with respect to the collectibility of accounts receivable within each pool based on historical experience, current payment practices and current economic trends. We have elected to use the practical expedient under ASC Topic 326 which allows us to assume that current conditions as of the balance sheet date do not change over the expected life of the receivables (see Recent Accounting Pronouncements below regarding the early adoption of ASU 2025-05). Although actual losses have not differed materially from our previous estimates, future losses could differ from our current estimates. Unforeseen events such as a licensee or customer bankruptcy filing could have a material impact on our results of operations.

Inventory Reserves - We estimate an inventory reserve for excess quantities and obsolete items based on specific identification and historical write-offs, taking into account future demand and market conditions. Our reserves for excess and obsolete inventory were \$6,027 and \$5,395 at November 29, 2025 and November 30, 2024, respectively, representing 8.9% of our inventories on a LIFO basis at both years. If actual demand or market conditions in the future are less favorable than those estimated, additional inventory write-downs may be required.

Goodwill – Goodwill represents the excess of the fair value of consideration given over the fair value of the tangible assets and liabilities and identifiable intangible assets of businesses acquired. The acquisition of assets and liabilities and the resulting goodwill is allocated to the respective reporting unit: Wood, Upholstery, Retail – Company-Owned Stores, and Noa Home. We review goodwill at the reporting unit level annually for impairment or more frequently if events or circumstances indicate that assets might be impaired.

In accordance with ASC Topic 350, *Intangibles – Goodwill & Other*, we first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test described in ASC Topic 350. The more likely than not threshold is defined as having a likelihood of more than 50 percent. If, after assessing the totality of events or circumstances, we determine that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the quantitative impairment test is unnecessary and our goodwill is considered to be unimpaired. However, if based on our qualitative assessment we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we will proceed with performing the quantitative evaluation process. For the annual test of goodwill performed as of the beginning of the fourth quarter of fiscal 2025, 2024 and 2023 we performed the qualitative assessment as described above with respect to our upholstery reporting unit and concluded that there was no impairment of goodwill. With respect to our former Noa Home reporting unit, for the annual test of goodwill as of the beginning of the fourth quarter of fiscal 2023 we proceeded to the quantitative test and concluded that the goodwill allocated to that reporting unit as of November 25, 2023 was fully impaired.

The quantitative evaluation compares the carrying value of each reporting unit that has goodwill with the estimated fair value of the respective reporting unit. Should the carrying value of a reporting unit be in excess of the estimated fair value of that reporting unit, a goodwill impairment charge will be recognized in the amount by which the reporting unit's carrying amount exceeds its fair value, but not to exceed the total goodwill assigned to the reporting unit. The determination of the fair value of our reporting units is based on a combination of a market approach, that considers benchmark company market multiples, an income approach, that utilizes discounted cash flows for each reporting unit and other Level 3 inputs as specified in the fair value hierarchy in ASC Topic 820, *Fair Value Measurements and Disclosure*, and, in the case of our retail reporting unit, a cost approach that utilizes estimates of net asset value. The cash flows used to determine fair value are dependent on a number of significant management assumptions such as our expectations of future performance and the expected future economic environment, which are partly based upon our historical experience. Our estimates are subject to change given the inherent uncertainty in predicting future results. Additionally, the discount rate and the terminal growth rate are based on our judgment of the rates that would be utilized by a hypothetical market participant. As part of the goodwill impairment testing, we also consider our market capitalization in assessing the reasonableness of the combined fair values estimated for our reporting units. While we believe such assumptions and estimates are reasonable, the actual results may differ materially from the projected amounts.

Other Intangible Assets – Intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized but are tested for impairment annually or between annual tests when an impairment indicator exists. The recoverability of indefinite-lived intangible assets is assessed by comparison of the carrying value of the asset to its estimated fair value. If we determine that the carrying value of the asset exceeds its estimated fair value, an impairment loss equal to the excess would be recorded. During fiscal 2024, as a result of our decision to cease operations at Noa Home, we recognized a charge of \$1,827 to fully impair the Noa Home trade name intangible asset. At November 29, 2025, our indefinite-lived intangible asset other than goodwill consisted of the trade name acquired in the acquisition of Lane Venture and had a carrying value of \$6,848.

Definite-lived intangible assets are amortized over their respective estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. We estimate the useful lives of our intangible assets and ratably amortize the value over the estimated useful lives of those assets. If the estimates of the useful lives should change, we will amortize the remaining book value over the remaining useful lives or, if an asset is deemed to be impaired, a write-down of the value of the asset may be required at such time. At November 29, 2025 our definite-lived intangible assets consist of customer relationships acquired in the acquisition of Lane Venture with a carrying value of \$62.

Impairment of Long-Lived Assets - We periodically evaluate whether events or circumstances have occurred that indicate long-lived assets may not be recoverable or that the remaining useful life may warrant revision. When such events or circumstances are present, we assess the recoverability of long-lived assets by determining whether the carrying value will be recovered through the expected undiscounted future cash flows resulting from the use of the asset. In the event the sum of the expected undiscounted future cash flows is less than the carrying value of the asset, an impairment loss equal to the excess of the asset's carrying value over its fair value is recorded. When analyzing our real estate properties for potential impairment, we consider such qualitative factors as our experience in leasing and selling real estate properties as well as specific site and local market characteristics. Upon the closure of a Bassett Home Furnishings store, we generally write off all tenant improvements which are only suitable for use in such a store. Right of use assets under operating leases are written down to their estimated fair value. Our estimates of the fair value of the impaired right of use assets include estimates of discounted cash flows based upon current market rents and other inputs which we consider to be Level 3 inputs as specified in the fair value hierarchy in ASC Topic 820, Fair Value Measurement and Disclosure.

Recent Accounting Pronouncements

See Note 2 to our Consolidated Financial Statements regarding the impact or potential impact of recent accounting pronouncements upon our financial position and results of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in the value of foreign currencies. Substantially all of our purchases outside of North America are denominated in U.S. dollars. Therefore, we believe that gains or losses resulting from changes in the value of foreign currencies relating to foreign purchases not denominated in U.S. dollars would not be material to our results from operations in fiscal 2025.

We are exposed to market risk from changes in the cost of raw materials used in our manufacturing processes, principally wood, woven fabric, and foam products. The cost of foam products, which are petroleum-based, is sensitive to changes in the prices of oil and refined petroleum materials.

We are also exposed to commodity price risk related to diesel fuel prices for fuel used in our retail segment for home delivery as well as through amounts we are charged for logistical services by our service providers. We manage our exposure to that risk primarily through the application of fuel surcharges to our customers.

We have potential exposure to market risk related to conditions in the commercial real estate market. Our retail real estate holdings of \$23,513 and \$24,127 at November 29, 2025 and November 30, 2024, respectively, for Company-owned stores, consisting of eight locations with a total of 203,465 square feet of space, could suffer significant impairment in value if we are forced to close additional stores and sell or lease the related properties during periods of weakness in certain markets. Additionally, if we are required to assume responsibility for payment under the lease obligations of \$4,148 and \$5,131 which we have guaranteed on behalf of licensees as of November 29, 2025 and November 30, 2024, respectively, we may not be able to secure sufficient sub-lease income in the current market to offset the payments required under the guarantees. We are also exposed to risk related to conditions in the commercial real estate rental market with respect to the right-of-use assets we carry on our balance sheet for leased retail store locations and warehouse facilities. At November 29, 2025, the unamortized balance of such right-of-use assets totaled \$77,180. Should we have to close or otherwise abandon one of these leased locations, we could incur additional impairment charges if rental market conditions do not support a fair value for the right of use asset in excess of its carrying value.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Bassett Furniture Industries, Incorporated and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Bassett Furniture Industries, Incorporated (a Virginia corporation) and subsidiaries (the “Company”) as of November 29, 2025, the related consolidated statement of operations, comprehensive income (loss), cash flows, and stockholders’ equity for the year ended November 29, 2025, and the related notes and financial statement schedule included under Item 15(a) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of November 29, 2025, and the results of its operations and its cash flows for the year ended November 29, 2025, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of November 29, 2025, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and our report dated February 5, 2026 expressed an unqualified opinion.

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 audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

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

/s/ Grant Thornton LLP

We have served as the Company’s auditor since 2025.
Charlotte, North Carolina
February 5, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Bassett Furniture Industries, Incorporated and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Bassett Furniture Industries, Incorporated and subsidiaries (the Company) as of November 30, 2024, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the two years in the period ended November 30, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at November 30, 2024, and the results of its operations and its cash flows for each of the two years in the period ended November 30, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the 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 financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We served as the Company's auditor from 2002 to 2024.
Richmond, Virginia
February 10, 2025

Consolidated Balance Sheets
Bassett Furniture Industries, Incorporated and Subsidiaries
November 29, 2025 and November 30, 2024
(In thousands, except share and per share data)

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 41,277	\$ 39,551
Short-term investments	17,963	20,360
Accounts receivable, net of allowance for credit losses of \$429 and \$1,097 as of November 29, 2025 and November 30, 2024, respectively	14,410	13,181
Inventories	61,790	54,965
Recoverable income taxes	2,878	4,240
Other current assets	7,224	9,242
Total current assets	<u>145,542</u>	<u>141,539</u>
Property and equipment, net	73,175	77,047
Other long-term assets		
Deferred income taxes, net	5,979	6,867
Goodwill	7,217	7,217
Intangible assets	6,910	6,968
Right of use assets under operating leases	76,727	93,624
Other	8,269	7,908
Total other long-term assets	<u>105,102</u>	<u>122,584</u>
Total assets	<u><u>\$ 323,819</u></u>	<u><u>\$ 341,170</u></u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 14,739	\$ 13,303
Accrued compensation and benefits	10,227	6,898
Customer deposits	24,969	25,742
Current portion of operating lease obligations	19,299	18,050
Other accrued liabilities	7,750	9,410
Total current liabilities	<u>76,984</u>	<u>73,403</u>
Long-term liabilities		
Post employment benefit obligations	11,379	10,882
Long-term portion of operating lease obligations	69,353	88,395
Other long-term liabilities	996	1,163
Total long-term liabilities	<u>81,728</u>	<u>100,440</u>
Commitments and Contingencies (Notes 15 and 16)		
Stockholders' equity		
Common stock, \$5 par value; 50,000,000 shares authorized; issued and outstanding: 8,651,054 at November 29, 2025 and 8,736,046 at November 30, 2024	43,256	43,681
Retained earnings	121,128	122,847
Additional paid-in-capital	-	6
Accumulated other comprehensive income	723	793
Total stockholders' equity	<u>165,107</u>	<u>167,327</u>
Total liabilities and stockholders' equity	<u><u>\$ 323,819</u></u>	<u><u>\$ 341,170</u></u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

Consolidated Statements of Operations
Bassett Furniture Industries, Incorporated and Subsidiaries
For the years ended November 29, 2025, November 30, 2024, and November 25, 2023
(In thousands, except per share data)

	2025	2024	2023
Net sales	\$ 335,280	\$ 329,923	\$ 390,136
Cost of goods sold	146,598	150,508	183,648
Gross profit	188,682	179,415	206,488
Selling, general and administrative expenses	180,357	187,527	205,227
Asset impairment charges	498	5,515	-
Loss on contract abandonment	-	1,240	-
Loss upon realization of cumulative translation adjustment	-	962	-
Restructuring charges	-	440	-
Goodwill impairment charge	-	-	5,409
Gain on revaluation of contingent consideration	-	-	1,013
Income (loss) from operations	7,827	(16,269)	(3,135)
Interest income	1,979	2,673	2,528
Interest expense	(52)	(30)	(22)
Other loss, net	<u>(994)</u>	<u>(744)</u>	<u>(1,859)</u>
Income (loss) before income taxes	8,760	(14,370)	(2,488)
Income tax expense (benefit)	<u>2,660</u>	<u>(4,675)</u>	<u>683</u>
Net income (loss)	<u><u>\$ 6,100</u></u>	<u><u>\$ (9,695)</u></u>	<u><u>\$ (3,171)</u></u>
Basic earnings (loss) per share:	<u><u>\$ 0.70</u></u>	<u><u>\$ (1.11)</u></u>	<u><u>\$ (0.36)</u></u>
Diluted earnings (loss) per share:	<u><u>\$ 0.70</u></u>	<u><u>\$ (1.11)</u></u>	<u><u>\$ (0.36)</u></u>
Regular dividends per share	<u><u>\$ 0.80</u></u>	<u><u>\$ 0.76</u></u>	<u><u>\$ 0.68</u></u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

Consolidated Statements of Comprehensive Income (Loss)
Bassett Furniture Industries, Incorporated and Subsidiaries
For the years ended November 29, 2025, November 30, 2024, and November 25, 2023
(In thousands)

	2025	2024	2023
Net income (loss)	\$ 6,100	\$ (9,695)	\$ (3,171)
Other comprehensive income (loss):			
Foreign currency translation adjustments	-	652	(378)
Income taxes related to foreign currency translation adjustments	-	(166)	96
Actuarial adjustment to			
Long Term Cash Awards (LTCA)	(17)	(117)	100
Amortization associated with LTCA	-	61	119
Income taxes related to LTCA	4	14	(59)
Actuarial adjustment to supplemental executive retirement defined benefit plan (SERP)	(12)	287	324
Amortization associated with SERP	(65)	(22)	-
Income taxes related to SERP	20	(68)	(100)
Other comprehensive income (loss), net of tax	<u>(70)</u>	<u>641</u>	<u>102</u>
Total comprehensive income (loss)	<u>\$ 6,030</u>	<u>\$ (9,054)</u>	<u>\$ (3,069)</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

Consolidated Statements of Cash Flows
Bassett Furniture Industries, Incorporated and Subsidiaries
For the years ended November 29, 2025, November 30, 2024, and November 25, 2023
(In thousands)

	2025	2024	2023
Operating activities:			
Net income (loss)	\$ 6,100	\$ (9,695)	\$ (3,171)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	8,801	9,918	10,141
Non-cash goodwill impairment charge	-	-	5,409
Gain on revaluation of contingent consideration	-	-	(1,013)
Asset impairment charges	498	5,515	-
Inventory valuation charges	2,389	5,001	4,626
Deferred income taxes	912	(2,442)	831
Other, net	1,308	2,284	2,036
Changes in operating assets and liabilities			
Accounts receivable	(1,229)	555	4,102
Inventories	(9,214)	3,016	17,869
Other current and long-term assets	3,380	(2,427)	1,773
Right of use assets under operating leases	17,114	17,254	18,680
Customer deposits	(773)	2,954	(13,175)
Accounts payable and accrued liabilities	2,713	(7,246)	(9,188)
Obligations under operating leases	(18,508)	(20,637)	(20,196)
Net cash provided by operating activities	13,491	4,050	18,724
Investing activities:			
Purchases of property and equipment	(4,530)	(5,211)	(17,489)
Proceeds from sales of property and equipment	-	-	500
Investment in certificates of deposit	(316)	(2,585)	(60)
Proceeds from the maturity of certificates of deposit	2,713	-	-
Proceeds from the disposition of discontinued operations	-	-	1,000
Other	(597)	(972)	(1,714)
Net cash used in investing activities	(2,730)	(8,768)	(17,763)
Financing activities:			
Cash dividends	(6,939)	(6,654)	(5,982)
Issuance of common stock	335	371	318
Repurchases of common stock	(2,150)	(1,420)	(4,176)
Taxes paid related to net share settlement of equity awards	(136)	(161)	(109)
Repayment of finance lease obligations	(145)	(253)	(278)
Net cash used in financing activities	(9,035)	(8,117)	(10,227)
Effect of exchange rate changes on cash and cash equivalents	-	(21)	48
Change in cash and cash equivalents	1,726	(12,856)	(9,218)
Cash and cash equivalents - beginning of year	39,551	52,407	61,625
Cash and cash equivalents - end of year	\$ 41,277	\$ 39,551	\$ 52,407

The accompanying notes to consolidated financial statements are an integral part of these statements.

Consolidated Statements of Stockholders' Equity
Bassett Furniture Industries, Incorporated and Subsidiaries
For the years ended November 29, 2025, November 30, 2024, and November 25, 2023
(In thousands, except share and per share data)

	Common Stock		Additional paid-in capital		Retained earnings		Accumulated other comprehensive income (loss)		Total
Shares	Amount		Shares		Amount		Amount		Amount
Balance, November 26, 2022									
8,951,839	\$ 44,759		-		\$ 150,800		\$ 50		\$ 195,609
Comprehensive income (loss)									
Net loss	-	-	-	-	(3,171)		-		(3,171)
Foreign currency translation adjustments, net of tax	-	-	-	-	-		(282)		(282)
Amortization of defined benefit plan costs, net of tax	-	-	-	-	-		68		68
Actuarial adjustments to defined benefit plans, net of tax	-	-	-	-	-		316		316
Regular dividends (\$0.68 per share)	-	-	-	-	(5,982)		-		(5,982)
Issuance of common stock	74,421	373	(55)		-		-		318
Purchase and retirement of common stock	(258,039)	(1,290)	(701)		(2,293)		-		(4,284)
Stock-based compensation	-	-	849		-		-		849
Balance, November 25, 2023	8,768,221	43,842	93		139,354		152		183,441
Comprehensive income (loss)									
Net loss	-	-	-	-	(9,695)		-		(9,695)
Foreign currency translation adjustments, net of tax	-	-	-	-	-		486		486
Amortization of defined benefit plan costs, net of tax	-	-	-	-	-		29		29
Actuarial adjustments to defined benefit plans, net of tax	-	-	-	-	-		126		126
Regular dividends (\$0.76 per share)	-	-	-	-	(6,654)		-		(6,654)
Issuance of common stock	79,490	397	(26)		-		-		371
Purchase and retirement of common stock	(111,665)	(558)	(865)		(158)		-		(1,581)
Stock-based compensation	-	-	804		-		-		804
Balance, November 30, 2024	8,736,046	43,681	6		122,847		793		167,327
Comprehensive income (loss)									
Net income	-	-	-	-	6,100		-		6,100
Amortization of defined benefit plan costs, net of tax	-	-	-	-	-		(48)		(48)
Actuarial adjustments to defined benefit plans, net of tax	-	-	-	-	-		(22)		(22)
Regular dividends (\$0.80 per share)	-	-	-	-	(6,939)		-		(6,939)
Issuance of common stock	66,964	335	-		-		-		335
Purchase and retirement of common stock	(151,956)	(760)	(645)		(880)		-		(2,285)
Stock-based compensation	-	-	639		-		-		639
Balance, November 29, 2025	8,651,054	\$ 43,256	\$ -		\$ 121,128		\$ 723		\$ 165,107

The accompanying notes to consolidated financial statements are an integral part of these statements.

1. Description of Business

Bassett Furniture Industries, Incorporated (together with its consolidated subsidiaries, "Bassett", "we", "our", the "Company") based in Bassett, Virginia, is a leading manufacturer, marketer and retailer of branded home furnishings. Bassett's full range of furniture products and accessories, designed to provide quality, style and value, are sold through an exclusive nation-wide network of 86 retail stores known as Bassett Home Furnishings (referred to as "BHF"). Of the 86 stores, the Company owns and operates 57 stores ("Company-owned retail stores") with the other 29 being independently owned ("licensee operated"). We also distribute our products through other multi-line furniture stores, many of which feature Bassett galleries or design centers. Products can also be purchased by the end consumer directly from our website.

In 2025 we sourced approximately 23% of our wholesale products from various foreign countries, with the remaining volume produced at our five domestic manufacturing facilities.

2. Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

Our fiscal year ends on the last Saturday in November, which periodically results in a 53-week year. Fiscal 2025 and 2023 each contained 52 weeks while fiscal 2024 contained 53 weeks. The Consolidated Financial Statements include the accounts of Bassett Furniture Industries, Incorporated and our subsidiaries, all of which are wholly owned.. All significant intercompany balances and transactions are eliminated in consolidation. The financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). Unless otherwise indicated, references in the Consolidated Financial Statements to fiscal 2025, 2024 and 2023 are to Bassett's fiscal years ended November 29, 2025, November 30, 2024 and November 25, 2023, respectively. References to the "ASC" included hereinafter refer to the Accounting Standards Codification established by the Financial Accounting Standards Board as the source of authoritative GAAP.

We analyzed our licensees under the requirements for variable interest entities ("VIEs"). All of these licensees operate as BHF stores and are furniture retailers. We sell furniture to these licensees, and in some cases have acted as a sublessor and made lease guarantees. We have recorded reserves for potential exposures related to these licensees. See Note 15 for disclosure of leases and lease guarantees. Based on financial projections and best available information, all licensees have sufficient equity to carry out their principal operating activities without subordinated financial support. Furthermore, we believe that the power to direct the activities that most significantly impact the licensees' operating performance continues to lie with the ownership of the licensee dealers. Our rights to assume control over or otherwise influence the licensees' significant activities only exist pursuant to our license and security agreements and are in the nature of protective rights as contemplated under ASC Topic 810. We completed our assessment for other potential VIEs and concluded that there were none. We will continue to reassess the status of potential VIEs including when facts and circumstances surrounding each potential VIE change.

On September 2, 2022, we acquired 100% of the capital stock of Noa Home Inc. ("Noa Home"), a mid-priced e-commerce furniture retailer headquartered in Montreal, Canada. Noa Home had operations in Canada, Australia, Singapore and the United Kingdom. Since acquisition, Noa Home was consolidated as a wholly-owned subsidiary. During the second quarter of fiscal 2024 we concluded that Noa Home was not likely to achieve profitability in the foreseeable future and decided to cease operations and sell the remaining inventory in an orderly manner. As of November 30, 2024 we had substantially completed the liquidation of Noa Home's assets and liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of the more significant estimates include allowances for credit losses, calculation of inventory reserves, the valuation of our reporting units for the purpose of testing the carrying value of goodwill, and the valuation of our right of use assets. We also utilize estimates in determining the valuation of income tax reserves, insurance reserves, and assumptions related to our post-employment benefit obligations. Actual results could differ from those estimates.

Revenue Recognition

ASC Topic 606, *Revenue from Contracts with Customers* (“ASC 606”), requires a company to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration the company expects to receive in exchange for those goods or services. For our wholesale and retail segments, revenue is recognized at a point in time when the risks and rewards of ownership and title to the product have transferred to the buyer.

At wholesale, transfer occurs and revenue is recognized upon the shipment of goods to independent dealers and licensee-owned BHF stores. We offer payment terms varying from 30 to 60 days for licensees and wholesale customers. Estimates for returns and allowances have been recorded as a reduction of revenue based on our historical return patterns. Our accounts receivable, net, which are associated with our wholesale segment, were \$14,410, \$13,181 and \$13,736 at November 29, 2025, November 30, 2024 and November 25, 2023, respectively. The contracts with our licensee store owners do not provide for any royalty or license fee to be paid to us.

At retail, transfer occurs and revenue is recognized upon delivery of goods to the customer. We typically collect a significant portion of the purchase price as a customer deposit upon order, with the balance typically collected upon delivery. These deposits are carried on our balance sheet as a current liability until delivery is fulfilled and amounted to \$24,969, \$25,742 and \$22,788 as of November 29, 2025, November 30, 2024 and November 25, 2023, respectively. Substantially all of the customer deposits held at November 30, 2024 related to performance obligations that were satisfied during fiscal 2025 and have therefore been recognized in revenue for the year ended November 29, 2025. Estimates for returns and allowances have been recorded as a reduction of revenue based on our historical return patterns. The estimate for returns and allowances was \$2,732, \$3,970 and \$4,883 at November 29, 2025, November 30, 2024 and November 25, 2023, respectively, and is included with other accrued liabilities in the accompanying balance sheets. Some accessories sold to our retail customers are shipped directly to the customer by third-party vendors who have the responsibility for the performance obligation with respect to those items. Because we are acting in the capacity of an agent for the vendor in these sales, we recognize the revenue net of the cost paid to the vendor. We also sell furniture protection plans to our retail customers on behalf of a third party which is responsible for the performance obligations under the plans. Revenue from the sale of these plans is recognized upon delivery of the goods net of amounts payable to the third-party service provider.

Sales commissions are expensed as part of selling, general and administrative expenses at the time revenue is recognized because the amortization period would have been one year or less. Sales commissions at wholesale are accrued upon the shipment of goods. Sales commissions at retail are accrued at the time a sale is written (i.e. – when the customer’s order is placed) and are carried as prepaid commissions in other current assets until the goods are delivered and revenue is recognized. At November 29, 2025, November 30, 2024 and November 25, 2023, our balance of prepaid commissions included in other current assets was \$2,662, \$2,928 and \$2,245, respectively.

For our accounting and reporting under ASC 606, we apply the following policy elections and practical expedients:

- We exclude from revenue amounts collected from customers for sales tax.
- We do not adjust the promised amount of consideration for the effects of a significant financing component since the period of time between transfer of our goods or services and the collection of consideration from the customer is less than one year.
- We do not disclose the value of unsatisfied performance obligations because the transfer of goods or services is made within one year of the placement of customer orders.

See Note 19 for disaggregated revenue information.

Cash Equivalents and Short-Term Investments

The Company considers cash on hand, demand deposits in banks and all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. Substantially all of our cash and cash equivalents are in excess of federal deposit insurance limits. Our short-term investments consist of certificates of deposit that have original maturities of twelve months or less but greater than three months and all placed with federally insured financial institutions and are within federal deposit insurance limits.

Accounts Receivable

Substantially all of our trade accounts receivable is due from customers located within the United States. We maintain an allowance for credit losses for estimated losses resulting from the inability of our customers to make required payments. The allowance for credit losses is based on a review of specifically identified accounts in addition to an overall aging analysis which is applied to accounts pooled on the basis of similar risk characteristics. Judgments are made with respect to the collectability of accounts receivable within each pool based on historical experience, current payment practices and current economic trends. Actual credit losses could differ from those estimates. We have elected to use the practical expedient under ASC Topic 326 which allows us to assume that current conditions as of the balance sheet date do not change over the expected life of the receivables (see Recent Accounting Pronouncements below regarding the early adoption of ASU 2025-05).

Concentrations of Credit Risk and Major Customers

Financial instruments that subject us to credit risk consist primarily of investments, accounts and financial guarantees. Investments are managed within established guidelines to mitigate risks. Accounts and notes receivable and financial guarantees subject us to credit risk partially due to the concentration of amounts due from and guaranteed on behalf of independent licensee customers. At November 29, 2025 and November 30, 2024, our aggregate exposure from receivables and guarantees related to customers consisted of the following:

	2025	2024
Accounts receivable, net of allowances (Note 4)	\$ 14,410	\$ 13,181
Contingent obligations under lease guarantees, less amounts recognized (Note 15)	4,118	5,100
Total credit risk exposure related to customers	\$ 18,528	\$ 18,281

At November 29, 2025 and November 30, 2024, approximately 41% and 43%, respectively, of the aggregate risk exposure, net of reserves, shown above was attributable to five customers. In fiscal 2025, 2024 and 2023, no customer accounted for more than 10% of total consolidated net sales.

We have no foreign manufacturing operations. We define export sales from our wholesale segment as sales to any country or territory other than the United States or its territories or possessions. Our wholesale export sales were approximately \$334, \$323, and \$406 in fiscal 2025, 2024, and 2023, respectively. All of our export sales are invoiced and settled in U.S. dollars.

Inventories

Inventories (finished goods, work in process, raw materials and retail merchandise) accounted for under the first-in, first out ("FIFO") method are stated at the lower of cost or net realizable value or, in the case of inventory accounted for under the last-in, first out ("LIFO") method, at the lower of cost or market. Cost is determined for domestic manufactured furniture inventories using the LIFO method because we believe this methodology provides better matching of revenue and expenses. The cost of imported inventories as well as Lane Venture and Bassett Outdoor product inventories are determined on a first-in, first-out ("FIFO") basis. Inventories accounted for under the LIFO method represented 46% and 50% of total inventory before reserves at November 29, 2025 and November 30, 2024, respectively. We estimate inventory reserves for excess quantities and obsolete items based on specific identification and historical write-offs, taking into account future demand and market conditions. If actual demand or market conditions in the future are less favorable than those estimated, additional inventory write-downs may be required.

Property and Equipment

Property and equipment is comprised of all land, buildings and leasehold improvements and machinery and equipment used in the manufacturing and warehousing of furniture, our Company-owned retail operations, our logistical services operations, and corporate administration. This property and equipment is stated at cost less accumulated depreciation. Depreciation is computed over the estimated useful lives of the respective assets utilizing the straight-line method. Buildings and improvements are generally depreciated over a period of 10 to 39 years. Machinery and equipment are generally depreciated over a period of 5 to 10 years. Leasehold improvements are amortized based on the underlying lease term, or the asset's estimated useful life, whichever is shorter.

Goodwill

Goodwill represents the excess of the fair value of consideration given over the fair value of the tangible assets and liabilities and identifiable intangible assets of businesses acquired. The acquisition of assets and liabilities and the resulting goodwill is allocated to the respective reporting unit: Wood, Upholstery, Retail or Noa Home. We review goodwill at the reporting unit level annually for impairment or more frequently if events or circumstances indicate that assets might be impaired.

In accordance with ASC Topic 350, *Intangibles – Goodwill & Other*, we first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test described in ASC Topic 350. The more likely than not threshold is defined as having a likelihood of more than 50 percent. If, after assessing the totality of events or circumstances, we determine that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the quantitative impairment test is unnecessary and our goodwill is considered to be unimpaired. However, if based on our qualitative assessment we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we will proceed with performing the quantitative evaluation process. For the annual test of goodwill performed as of the beginning of the fourth quarter of fiscal 2025, 2024 and 2023 we performed the qualitative assessment as described above with respect to our upholstery reporting unit and concluded that there was no impairment of goodwill. With respect to our former Noa Home reporting unit, for the annual test of goodwill as of the beginning of the fourth quarter of fiscal 2023 we proceeded to the quantitative test and concluded that the goodwill allocated to that reporting unit as of November 25, 2023 was fully impaired.

The quantitative evaluation compares the carrying value of each reporting unit that has goodwill with the estimated fair value of the respective reporting unit. Should the carrying value of a reporting unit be in excess of the estimated fair value of that reporting unit, a goodwill impairment charge will be recognized in the amount by which the reporting unit's carrying amount exceeds its fair value, but not to exceed the total goodwill assigned to the reporting unit. The determination of the fair value of our reporting units is based on a combination of a market approach, that considers benchmark company market multiples, an income approach, that utilizes discounted cash flows for each reporting unit and other Level 3 inputs as specified in the fair value hierarchy in ASC Topic 820, *Fair Value Measurements and Disclosure* (see Note 3), and, in the case of our retail reporting unit, a cost approach that utilizes estimates of net asset value. The cash flows used to determine fair value are dependent on a number of significant management assumptions such as our expectations of future performance and the expected future economic environment, which are partly based upon our historical experience. Our estimates are subject to change given the inherent uncertainty in predicting future results. Additionally, the discount rate and the terminal growth rate are based on our judgment of the rates that would be utilized by a hypothetical market participant. As part of the goodwill impairment testing, we also consider our market capitalization in assessing the reasonableness of the combined fair values estimated for our reporting units. While we believe such assumptions and estimates are reasonable, the actual results may differ materially from the projected amounts. See Note 7 for additional information regarding the results of our goodwill impairment test performed as of the beginning of the fourth quarter of fiscal 2023.

Leases

We account for leases in accordance with ASC Topic 842, *Leases*. The guidance requires lessees to recognize substantially all leases on their balance sheet as a right-of-use ("ROU") asset and a lease liability.

We lease land and buildings that are used in the operation of our Company-owned retail stores as well as in the operation of certain of our licensee-owned stores, and we lease land and buildings at various locations throughout the continental United States for warehouse space used in our retail segment. We also lease local delivery trucks used in our retail segment. We determine if a contract contains a lease at inception based on our right to control the use of an identified asset and our right to obtain substantially all of the economic benefits from the use of that identified asset. Our real estate lease terms range from one to 15 years and generally have renewal options of between five and 15 years. We assess these options to determine if we are reasonably certain of exercising these options based on all relevant economic and financial factors. Any options that meet this criteria are included in the lease term at lease commencement.

Most of our leases do not have an interest rate implicit in the lease. As a result, for purposes of measuring our ROU asset and lease liability, we determine our incremental borrowing rate by applying a spread above the U.S. Treasury borrowing rates which we believe approximates the rate we would get if borrowing on a collateralized basis based on information available at the commencement date. In the case an interest rate is implicit in a lease we will use that rate as the discount rate for that lease. Some of our leases contain variable rent payments based on a Consumer Price Index or percentage of sales. Due to the variable nature of these costs, they are not included in the measurement of the ROU asset and lease liability.

We have made an accounting policy election to not recognize ROU assets and lease liabilities on the balance sheet for those leases with initial terms of one year or less and instead such lease obligations will be expensed on a straight-line basis over the lease term.

See Note 15 for additional information regarding our leases.

Other Intangible Assets

Intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized but are tested for impairment annually or between annual tests when an impairment indicator exists. The recoverability of indefinite-lived intangible assets is assessed by comparison of the carrying value of the asset to its estimated fair value. If we determine that the carrying value of the asset exceeds its estimated fair value, an impairment loss equal to the excess would be recorded. During the second quarter of fiscal 2024, in conjunction with our decision to close Noa Home and cease operations by the end of fiscal 2024, we fully impaired the carrying value of the intangible asset for the Noa Home trade name.

Definite-lived intangible assets are amortized over their respective estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. We estimate the useful lives of our intangible assets and ratably amortize the value over the estimated useful lives of those assets. If the estimates of the useful lives should change, we will amortize the remaining book value over the remaining useful lives or, if an asset is deemed to be impaired, a write-down of the value of the asset may be required at such time.

Impairment of Long Lived Assets

We periodically evaluate whether events or circumstances have occurred that indicate long-lived assets may not be recoverable or that the remaining useful life may warrant revision. When such events or circumstances are present, we assess the recoverability of long-lived assets by determining whether the carrying value will be recovered through the expected undiscounted future cash flows resulting from the use and eventual disposition of the asset. In the event the sum of the expected undiscounted future cash flows is less than the carrying value of the asset, an impairment loss equal to the excess of the asset's carrying value over its fair value is recorded. Fair value is determined based on discounted cash flows or appraised values depending on the nature of the assets. The long-term nature of these assets requires the estimation of cash inflows and outflows several years into the future.

When analyzing our real estate properties for potential impairment, we consider such qualitative factors as our experience in leasing and selling real estate properties as well as specific site and local market characteristics. Upon the closure of a Bassett Home Furnishings store, we generally write off all tenant improvements which are only suitable for use in such a store. ROU assets under operating leases are written down to their estimated fair value. Our estimates of the fair value of the impaired ROU assets included estimates of discounted cash flows based upon current market rents and other inputs which we consider to be Level 3 inputs as specified in the fair value hierarchy in ASC Topic 820, *Fair Value Measurement and Disclosure* (see Note 3).

Income Taxes

We account for income taxes under the liability method which requires that we recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Despite our belief that our liability for unrecognized tax benefits is adequate, it is often difficult to predict the final outcome or the timing of the resolution of any particular tax matters. We may adjust these liabilities as relevant circumstances evolve, such as guidance from the relevant tax authority or our tax advisors, or resolution of issues in the courts. These adjustments are recognized as a component of income tax expense in the period in which they are identified.

We evaluate our deferred income tax assets to determine if valuation allowances are required or should be adjusted. A valuation allowance is established against our deferred tax assets based on consideration of all available evidence, both positive and negative, using a "more likely than not" standard. This assessment considers, among other matters, the nature, frequency and severity of recent losses, forecasts of future profitability, the duration of statutory carryforward or carryback periods, our experience with tax attributes expiring unused and tax planning alternatives. In making such judgments, significant weight is given to evidence that can be objectively verified. See Note 13 for additional information regarding our income taxes.

Shipping and Handling Costs

Costs incurred to deliver wholesale merchandise to customers are recorded in selling, general and administrative expense and totaled \$23,005, \$22,721, and \$26,125 for fiscal 2025, 2024 and 2023, respectively. Costs incurred to deliver retail merchandise to customers, including the cost of operating regional distribution warehouses, are also recorded in selling, general and administrative expense and totaled \$20,317, \$20,342, and \$23,399 for fiscal 2025, 2024 and 2023, respectively.

Advertising

Costs incurred for producing and distributing advertising and advertising materials are expensed when incurred and are included in selling, general and administrative expenses. Advertising costs totaled \$10,330, \$13,256, and \$19,106 in fiscal 2025, 2024, and 2023, respectively.

Insurance Reserves

We have self-funded insurance programs in place to cover workers' compensation and health insurance. These insurance programs are subject to various stop-loss limitations. We accrue estimated losses using historical loss experience. Although we believe that the insurance reserves are adequate, the reserve estimates are based on historical experience, which may not be indicative of current and future losses. We adjust insurance reserves, as needed, in the event that future loss experience differs from historical loss patterns.

Supplemental Cash Flow Information

Refer to the supplemental lease disclosures in Note 15 for cash flow impacts of leasing transactions during fiscal 2025, 2024 and 2023. At November 29, 2025 and November 30, 2024, \$34 and \$273, respectively, of our fiscal 2025 and 2024 purchases of property and equipment were unpaid and included in accounts payable in the accompanying balance sheets. Otherwise, there were no material non-cash investing or financing activities during fiscal 2025, 2024 or 2023.

Interest paid during fiscal 2025, 2024 and 2023 was \$36, \$21 and \$22, respectively.

See Note 13 for taxes paid net of refunds received.

Recent Accounting Pronouncements

Recently Adopted Pronouncements

Effective as of the beginning of fiscal 2025, we adopted Accounting Standards Update No. 2022-03 – Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, to clarify the guidance in Topic 820 when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security. The amendments in ASU 2022-03 clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. In addition, the amendments in ASU 2022-03 require certain additional disclosures related to investments in equity securities subject to contractual sale restrictions. As of and for the year ended November 29, 2025 we do not hold any investments in equity securities, therefore the adoption of this guidance did not have an impact upon our financial position or results of operations.

In July 2025, the FASB issued Accounting Standards Update 2025-05 – Financial Instruments – Credit Losses (Topic ASC 326) Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this ASU provide entities with a practical expedient they may elect to use when developing an estimate of expected credit losses on current accounts receivable and current contract asset balances arising from transactions accounted for under Topic ASC 606 – Revenue from Contracts with Customers. Under this practical expedient, entities may elect to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments in ASU 2025-05 become effective for fiscal years and for interim periods beginning after December 15, 2025, and early adoption is permitted. We have elected to adopt ASU 2025-05 beginning with the third quarter of fiscal 2025 and have elected to utilize the practical expedient provided therein. The adoption of this ASU as of June 1, 2025 did not have a material impact on our financial position or results of operations.

Effective November 29, 2025, we adopted Accounting Standards Update 2023-07 – Segment Reporting (Topic ASC 740) Improvements to Reportable Segment Disclosures. The ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this update require: that a public entity disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss (collectively referred to as the “significant expense principle”); and that a public entity disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition. The other segment items category is the difference between segment revenue less the segment expenses disclosed under the significant expense principle and each reported measure of segment profit or loss. The enhanced disclosures required by ASU 2023-07 are reflected in our segment disclosures in Note 18. The adoption of this guidance related solely to disclosures and did not have an impact upon our financial position or results of operations.

Recent Pronouncements Not Yet Adopted

In December 2023, the FASB issued Accounting Standards Update 2023-09 – Income Taxes (Topic ASC 740) Income Taxes. The ASU improves the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. The amendments in ASU 2023-09 will become effective for us as of the beginning of our 2026 fiscal year. We do not expect that this guidance will have a material impact upon our financial position and results of operations.

In November 2024, the FASB issued Accounting Standards Update 2024-03 – Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic ASC 220-40) Disaggregation of Income Statement Expenses. The amendments in this ASU require a public business entity to disclose specific information about certain costs and expenses in the notes to its financial statements for interim and annual reporting periods. The objective of the disclosure requirements is to provide disaggregated information about a public business entity's expenses to help investors (a) better understand the entity's performance, (b) better assess the entity's prospects for future cash flows, and (c) compare an entity's performance over time and with that of other entities. The amendments in ASU 2024-03 will become effective for us for our 2028 fiscal year and for interim periods beginning with our 2029 fiscal year. Early adoption is permitted. We do not expect that this guidance will have a material impact upon our financial position and results of operations.

3. Financial Instruments, Investments and Fair Value Measurements

Financial Instruments

Our financial instruments include cash and cash equivalents, short-term investments in certificates of deposit, accounts receivable, and accounts payable. Because of their short maturities, the carrying amounts of cash and cash equivalents, short-term investments in certificates of deposit, accounts receivable, and accounts payable approximate fair value.

Investments

Our short-term investments of \$17,963 and \$20,360 at November 29, 2025 and November 30, 2024 consisted of certificates of deposit (CDs) with original terms of six to twelve months, bearing interest at rates ranging from 2.01% to 4.21%. At November 29, 2025, the weighted average remaining time to maturity of the CDs was approximately three months and the weighted average yield of the CDs was approximately 4.0%. As the CDs mature, we expect to reinvest them in CDs of similar maturities of up to one year. Due to the nature of these investments and their relatively short maturities, the carrying amount of the short-term investments at November 29, 2025 and November 30, 2024 approximates their fair value.

Our investment in CDs at November 30, 2024 included one CD in the amount of \$2,500 which was placed with a financial institution that provided merchant services for our retail segment. This CD was pledged as security for the merchant services agreement. The CD, which was in excess of federal deposit insurance limits, had a six-month term which was renewed through October of 2025 and an interest rate of 2.0%. The requirement to maintain the pledge was waived prior to the maturity of the CD, therefore it was allowed to mature and the funds were returned to cash and cash equivalents.

Fair Value Measurement

The Company accounts for items measured at fair value in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures*. ASC 820's valuation techniques are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect our market assumptions. ASC 820 classifies these inputs into the following hierarchy:

Level 1 Inputs— Quoted prices for identical instruments in active markets.

Level 2 Inputs— Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Inputs— Instruments with primarily unobservable value drivers.

We believe that the carrying amounts of our current assets and current liabilities approximate fair value due to the short-term nature of these items. Our primary non-recurring fair value estimates typically involve the following: goodwill impairment testing (Note 7), which involves Level 3 inputs; and asset impairments (Note 14) which utilize Level 3 inputs.

4. Accounts Receivable

Accounts receivable consist of the following:

	November 29, 2025	November 30, 2024
Gross accounts receivable	\$ 14,839	\$ 14,278
Allowance for credit losses	(429)	(1,097)
Net accounts receivable	\$ 14,410	\$ 13,181

Activity in the allowance for credit losses was as follows:

	2025	2024	2023
Balance, beginning of the year	\$ 1,097	\$ 535	\$ 1,261
Additions (recoveries) charged to expense	(62)	624	219
Reductions to allowance, net	(606)	(62)	(945)
Balance, end of the year	\$ 429	\$ 1,097	\$ 535

Substantially all of the accounts receivable written off against the reserve during the year ended November 29, 2025 originated during fiscal 2024.

We believe that the carrying value of our net accounts receivable approximates fair value. The inputs into these fair value estimates reflect our market assumptions and are not observable. Consequently, the inputs are considered to be Level 3 as specified in the fair value hierarchy in ASC Topic 820, *Fair Value Measurements and Disclosures*. See Note 3.

5. Inventories

Inventories consist of the following:

	November 29, 2025	November 30, 2024
Wholesale finished goods	\$ 30,746	\$ 24,841
Work in process	544	519
Raw materials and supplies	16,040	14,921
Retail merchandise	32,503	31,744
Total inventories on first-in, first-out method	79,833	72,025
LIFO adjustment	(12,016)	(11,665)
Reserve for excess and obsolete inventory	(6,027)	(5,395)
\$ 61,790	\$ 54,965	

We source a significant amount of our wholesale product from other countries. During 2025, 2024 and 2023, purchases from our three largest vendors primarily located in Vietnam were \$15,108, \$11,689 and \$15,601 respectively.

We estimate an inventory reserve for excess quantities and obsolete items based on specific identification and historical write-offs, taking into account future demand, market conditions and the respective valuations at LIFO. The need for these reserves is primarily driven by the normal product life cycle. As products mature and sales volumes decline, we rationalize our product offerings to respond to consumer tastes and keep our product lines fresh. If actual demand or market conditions in the future are less favorable than those estimated, additional inventory write-downs may be required. In determining reserves, we calculate separate reserves on our wholesale and retail inventories. Our wholesale inventories tend to carry the majority of the reserves for excess quantities and obsolete inventory due to the nature of our distribution model. These wholesale reserves primarily represent design and style obsolescence. Typically, product is not shipped to our retail warehouses until a consumer has ordered and paid a deposit for the product. We do not typically hold retail inventory for stock purposes. Consequently, floor sample inventory and inventory for delivery to customers account for the majority of our inventory at retail. Retail reserves are based on accessory and clearance floor sample inventory in our stores and any inventory that is not associated with a specific customer order in our retail warehouses.

Activity in the reserves for excess quantities and obsolete inventory by segment are as follows:

	Wholesale Segment	Retail Segment	Total
Balance at November 26, 2022	\$ 4,103	\$ 1,064	\$ 5,167
Additions charged to expense	3,876	750	4,626
Write-offs	(3,834)	(776)	(4,610)
Balance at November 25, 2023	4,145	1,038	5,183
Additions charged to expense	4,284	717	5,001
Write-offs	(4,271)	(518)	(4,789)
Balance at November 30, 2024	4,158	1,237	5,395
Additions charged to expense	1,717	672	2,389
Write-offs	(1,290)	(467)	(1,757)
Balance at November 29, 2025	<u>\$ 4,585</u>	<u>\$ 1,442</u>	<u>\$ 6,027</u>

6. Property and Equipment, Net

Property and equipment consist of the following:

	November 29, 2025	November 30, 2024
Land	\$ 10,866	\$ 10,866
Buildings and leasehold improvements	122,688	124,305
Machinery and equipment	106,318	105,667
Property and equipment at cost	239,872	240,838
Less accumulated depreciation	(166,697)	(163,791)
Property and equipment, net	<u>\$ 73,175</u>	<u>\$ 77,047</u>

The net book value of our property and equipment by reportable segment is as follows:

	November 29, 2025	November 30, 2024
Wholesale	\$ 21,019	\$ 21,659
Retail	39,455	40,756
Corporate and other	12,701	14,632
Total property and equipment, net	<u>\$ 73,175</u>	<u>\$ 77,047</u>

Depreciation expense associated with the property and equipment shown above was included in income (loss) from operations in our consolidated statements of operations as follows:

	2025	2024	2023
Cost of goods sold (wholesale segment)	\$ 1,995	\$ 2,106	\$ 2,124
Selling, general and administrative expenses:			
Wholesale segment	265	261	274
Retail segment	3,884	4,849	5,502
Corporate and Other	2,599	2,644	2,184
Total included in selling, general and administrative expenses	6,748	7,754	7,960
Total depreciation expense included in income from operations	<u>\$ 8,743</u>	<u>\$ 9,860</u>	<u>\$ 10,084</u>

7. Goodwill

The carrying amount of goodwill in our balance sheets at both November 29, 2025 and November 30, 2024 is as follows:

	Recorded Value	Impairment Losses	Carrying Amount
Wholesale	\$ 9,188	\$ (1,971)	\$ 7,217
Retail	1,926	(1,926)	-
Corporate and other	5,409	(5,409)	-
Total goodwill	<u>\$ 16,523</u>	<u>\$ (9,306)</u>	<u>\$ 7,217</u>

Changes in the carrying amounts of goodwill by reportable segment during fiscal 2025, 2024 and 2023 were as follows:

	Wholesale	Retail	Corporate and Other	Total
Balance as of November 26, 2022	\$ 7,217	\$ -	\$ 5,554	\$ 12,771
Foreign currency translation adjustment	-	-	(145)	(145)
Full impairment of Noa Home goodwill	-	-	(5,409)	(5,409)
Balance as of November 25, 2023	7,217	-	-	7,217
No changes in fiscal 2024	-	-	-	-
Balance as of November 30, 2024	7,217	-	-	7,217
No changes in fiscal 2025	-	-	-	-
Balance as of November 29, 2025	<u>\$ 7,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,217</u>

We performed the annual tests for impairment of the carrying value of our goodwill as of the beginning of the fourth quarter of fiscal 2025, 2024 and 2023. Based on the initial qualitative analysis performed under ASC Topic 350, we concluded that it was not more likely than not that the carrying value of our upholstery reporting unit within our wholesale segment exceeded its fair value at November 29, 2025, November 30, 2024 and November 25, 2023. In fiscal 2023, due to the actual and expected future underperformance of our Noa Home reporting unit relative to management's original expectations, we performed a strategic review of the operations as of the beginning of the fourth quarter and concluded that Noa Home should exit the Australian market and focus more on the North American market. Coupled with the financial underperformance and the exit from Australia, we performed a quantitative test of the carrying value of the goodwill recognized as part of the 2022 acquisition of Noa Home and concluded that it was necessary to fully impair the carrying value of the Noa Home goodwill, resulting in a non-cash impairment charge of \$5,409 in fiscal 2023.

The determination of the fair value of our reporting units is based on a combination of a market approach, which considers benchmark company market multiples and comparable transactions occurring within the last two years and an income approach, which utilizes discounted cash flows for each reporting unit and other Level 3 inputs as specified in the fair value hierarchy in ASC Topic 820, *Fair Value Measurements and Disclosure* (see Note 3). The valuation of the Noa Home reporting unit was primarily based on the market approach due to significant uncertainty in the future cash flows of Noa Home. Under the income approach, we determine fair value based on the present value of the most recent cash flow projections for each reporting unit as of the date of the analysis and calculate a terminal value utilizing a terminal growth rate. The significant assumptions under this approach include, among others: income projections, which are dependent on future sales, new product introductions, customer behavior, competitor pricing, operating expenses, the discount rate, and the terminal growth rate. The cash flows used to determine fair value are dependent on a number of significant management assumptions such as our expectations of future performance and the expected future economic environment, which are partly based upon our historical experience. Our estimates are subject to change given the inherent uncertainty in predicting future results. Additionally, the discount rate and the terminal growth rate are based on our judgment of the rates that would be utilized by a hypothetical market participant. As part of the goodwill impairment testing, we also consider our market capitalization in assessing the reasonableness of the combined fair values estimated for our reporting units.

8. Intangible Assets, Net

Intangible assets at November 29, 2025 and November 30, 2024 consisted of the following:

	November 29, 2025	November 30, 2024
Intangibles subject to amortization:		
Customer relationships	\$ 512	\$ 512
Less accumulated amortization	<u>(450)</u>	<u>(392)</u>
Intangibles subject to amortization, net	62	120
Intangibles not subject to amortization:		
Trade names	6,848	6,848
Total intangible assets	\$ 6,910	\$ 6,968

The weighted average useful lives of our finite-lived intangible assets and remaining amortization periods as of November 29, 2025 are as follows:

	Useful Life in Years	Remaining Amortization Period in Years
Customer relationships	9	1.1

Our trade name intangible asset at November 29, 2025 and November 30, 2024 is associated with Lane Venture. Because it is our intention to maintain and grow this brand, it is considered to be an indefinite-lived intangible asset. The amortization expense associated with finite-lived intangible assets during fiscal 2025, 2024 and 2023 was \$58 each year and is included in selling, general and administrative expense in our consolidated statement of operations. All expense arising from the amortization of intangible assets is associated with our wholesale segment. Estimated future amortization expense for intangible assets that exist at November 29, 2025 is as follows:

Fiscal 2026	58
Fiscal 2027	4
Fiscal 2028	-
Fiscal 2029	-
Fiscal 2030	-
Total	\$ 62

9. Bank Credit Facility

On May 15, 2024, we entered into the Eighth Amended and Restated Credit Agreement with our bank (the “Credit Facility”). This Credit Facility provides for a line of credit of up to \$25,000. At November 29, 2025 and November 30, 2024, we had \$8,182 and \$6,013, respectively, outstanding under standby letters of credit against our line. The line bears interest at the One-Month Term Secured Overnight Financing Rate (“One-Month Term SOFR”) plus 1.75% and is secured by our accounts receivable (Note 4) and inventory (Note 5). Our bank charges a fee of 0.25% on the daily unused balance of the line, payable quarterly. Under the terms of the Credit Facility, Consolidated Minimum Tangible Net Worth (as defined in the Credit Facility) shall at no time be less than \$120,000. In addition, we must maintain the following financial covenants, measured quarterly on a rolling twelve-month basis and commencing as of the end of the first fiscal quarter after the first date that the used commitment (the sum of any outstanding advances plus standby letters of credit) equals or exceeds \$8,250:

- Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Facility) of not less than 1.2 times and
- Consolidated Lease Adjusted Leverage to EBITDAR Ratio (as defined in the Credit Facility) not to exceed 3.35 times.

Since our used commitment was less than \$8,250 at November 29, 2025, we were not required to test the Consolidated Fixed Charge Coverage Ratio or the Consolidated Lease Adjusted Leverage to EBITDAR Ratio. However, had we been required to test those ratios, we would have been in full compliance. Consequently, our availability under the Credit Facility is currently \$16,818. As of November 29, 2025, the Credit Facility was scheduled to expire on January 31, 2027. Subsequent to November 29, 2025, the Credit Facility has been extended through January 31, 2029 under substantially the same terms.

10. Post-Employment Benefit Obligations

Management Savings Plan

On May 1, 2017, our Board of Directors, upon the recommendation of the Organization, Compensation and Nominating Committee (the “Committee”), adopted the Bassett Furniture Industries, Incorporated Management Savings Plan (the “Plan”). The Plan is an unfunded, nonqualified deferred compensation plan maintained for the benefit of certain highly compensated or management level employees.

The Plan is an account-based plan under which (i) participants may defer voluntarily the payment of current compensation to future years (“participant deferrals”) and (ii) the Company may make annual awards to participants payable in future years (“Company contributions”). The Plan permits each participant to defer up to 75% of base salary and up to 100% of any incentive compensation or other bonus, which amounts would be credited to a deferral account established for the participant. Such deferrals will be fully vested at the time of the deferral. Participant deferrals will be indexed to one or more deemed investment alternatives chosen by the participant from a range of alternatives made available under the Plan. Each participant’s account will be adjusted to reflect gains and losses based on the performance of the selected investment alternatives. A participant may receive distributions from the Plan: (1) upon separation from service, in either a lump sum or annual installment payments over up to a 15 year period, as elected by the participant, (2) upon death or disability, in a lump sum, or (3) on a date or dates specified by the participant (“scheduled distributions”) with such scheduled payments made in either a lump sum or substantially equal annual installments over a period of up to five years, as elected by the participant. Participant contributions commenced during the third quarter of fiscal 2017. Company contributions will vest in full (1) on the third anniversary of the date such amounts are credited to the participant’s account, (2) the date that the participant reaches age 63 or (3) upon death or disability. Company contributions are subject to the same rules described above regarding the crediting of gains or losses from deemed investments and the timing of distributions. Expense associated with deferred compensation under the Plan was \$537, \$925 and \$46 for fiscal 2025, 2024 and 2023, respectively, and is included in selling, general and administrative expenses in the accompanying statements of operations. Our liability for Company contributions and participant deferrals at November 29, 2025 and November 30, 2024 was \$3,968 and \$3,486, respectively, and is included in post-employment benefit obligations in our consolidated balance sheets.

On May 2, 2017, we made Long Term Cash Awards (“LTC Awards”) totaling \$2,000 under the Plan to certain management employees in the amount of \$400 each. The LTC Awards vest in full on the first anniversary of the date of the award if the participant has reached age 63 by that time, or, if later, on the date the participant reaches age 63, provided in either instance that the participant is still employed by the Company at that time. If not previously vested, the awards will also vest immediately upon the death or disability of the participant prior to the participant’s separation from service. The awards will be payable in 10 equal annual installments following the participant’s death, disability or separation from service. We are accounting for the LTC Awards as a defined benefit pension plan. During fiscal 2024 and 2023, we invested \$343 and \$1,019 in life insurance policies covering all participants in the Plan. During fiscal 2025, we received a net refund of premiums paid of \$28. At November 29, 2025, these policies including those entered into prior to fiscal 2024, have a net death benefit of \$16,343 for which the Company is the sole beneficiary. These policies are intended to provide a potential source of funds to meet the obligations arising from the deferred compensation and LTC Awards under the Plan and serve as an economic hedge of the financial impact of changes in the liabilities. They are held in an irrevocable trust but are subject to claims of creditors in the event of the Company’s insolvency.

Supplemental Retirement Income Plan

We have an unfunded Supplemental Retirement Income Plan (the “Supplemental Plan”) that covers one current and certain former executives. Upon retirement, the Supplemental Plan provides for lifetime monthly payments in an amount equal to 65% of the participant’s final average compensation as defined in the Supplemental Plan, which is reduced by certain social security benefits to be received and other benefits provided by us. The Supplemental Plan also provides a death benefit that is calculated as (a) prior to retirement death, which pays the beneficiary 50% of final average annual compensation for a period of 120 months, or (b) post-retirement death, which pays the beneficiary 200% of final average compensation in a single payment. We own life insurance policies on these executives with a current net death benefit of \$1,542 at November 29, 2025. We expect that any death benefit payable out of the plan would be substantially offset by the proceeds received from our life insurance policy upon the death of the executive. Funding for the remaining cash flows is expected to be provided through operations. There are no benefits payable as a result of a termination of employment for any reason other than death or retirement, other than a change of control provision which provides for the immediate vesting and payment of the retirement benefit under the Supplemental Plan in the event of an employment termination resulting from a change of control.

Aggregated summarized information for the Supplemental Plan and the LTC Awards, measured as of the end of each year presented, is as follows:

	2025	2024
Change in Benefit Obligation:		
Projected benefit obligation at beginning of year	\$ 6,917	\$ 6,979
Service cost	15	13
Interest cost	325	391
Actuarial (gains) and losses	29	(170)
Benefits paid	(296)	(296)
Projected benefit obligation at end of year	<u><u>\$ 6,990</u></u>	<u><u>\$ 6,917</u></u>
Accumulated Benefit Obligation	<u><u>\$ 6,990</u></u>	<u><u>\$ 6,917</u></u>
Discount rate used to value the ending benefit obligations:	4.50%	5.00%
Amounts recognized in the consolidated balance sheet:		
Current liabilities	\$ 815	\$ 792
Noncurrent liabilities	6,175	6,125
Total amounts recognized	<u><u>\$ 6,990</u></u>	<u><u>\$ 6,917</u></u>
Amounts recognized in accumulated other comprehensive income before income tax effects:		
Actuarial gain	\$ (972)	\$ (1,066)
Net amount recognized	<u><u>\$ (972)</u></u>	<u><u>\$ (1,066)</u></u>
Total recognized in net periodic benefit cost and accumulated other comprehensive income:	<u><u>\$ 369</u></u>	<u><u>\$ 234</u></u>
	2025	2024
	2024	2023
Components of Net Periodic Pension Cost:		
Service cost	\$ 15	\$ 13
Interest cost	325	391
Amortization of prior service cost	-	61
Amortization of other loss	(65)	(22)
Net periodic pension cost	<u><u>\$ 275</u></u>	<u><u>\$ 443</u></u>
Assumptions used to determine net periodic pension cost:		
Discount rate	5.00%	5.92%
Increase in future compensation levels	3.00%	3.00%
	5.38%	3.00%
Estimated Future Benefit Payments (with mortality):		
Fiscal 2026	\$ 815	
Fiscal 2027	802	
Fiscal 2028	793	
Fiscal 2029	746	
Fiscal 2030	702	
Fiscal 2031 through 2035	2,800	

Of the \$972 net gain recognized in accumulated other comprehensive income at November 29, 2025, \$56 of amortization is expected to be recognized as a component of net periodic pension cost during fiscal 2026.

The components of net periodic pension cost other than the service cost component are included in other loss, net in our consolidated statements of operations.

Deferred Compensation Plan

We have an unfunded Deferred Compensation Plan that covers one current and certain former executives and provides for voluntary deferral of compensation. This plan has been frozen with no additional participants or benefits permitted. We recognized expense of \$108, \$79, and \$204 in fiscal 2025, 2024, and 2023, respectively, associated with the plan. Our liability under this plan was \$1,562 and \$1,568 as of November 29, 2025 and November 30, 2024, respectively. The non-current portion of this obligation is included in post-employment benefit obligations in our consolidated balance sheets, with the current portion included in accrued compensation and benefits.

The non-current portion of the obligations under our defined benefit and deferred compensation plans are included post employment benefit obligations in the accompanying balance sheets as follows:

	<u>November 29, 2025</u>	<u>November 30, 2024</u>
Defined benefit plans:		
Supplemental Plan	\$ 4,917	\$ 4,845
LTC Awards	<u>1,258</u>	<u>1,280</u>
 Total defined benefit plans	 6,175	 6,125
Deferred compensation plans:		
Management Savings Plan	3,968	3,486
Deferred Compensation Plan	<u>1,236</u>	<u>1,271</u>
 Total deferred compensation plans	 <u>5,204</u>	 <u>4,757</u>
 Post employment benefit obligations	 <u>\$ 11,379</u>	 <u>\$ 10,882</u>

The current portion of these post employment benefit obligations totalled \$1,142 and \$1,123 at November 29, 2025 and November 30, 2024, respectively, and is included in other accrued liabilities in the accompanying balance sheets.

Defined Contribution Plan

We have a qualified defined contribution plan (Employee Savings/Retirement Plan) that covers substantially all employees who elect to participate and have fulfilled the necessary service requirements. Employee contributions to the Plan are matched at the rate of 25% of up to 8% of gross pay, regardless of years of service. Expense for employer matching contributions was \$921, \$943 and \$998 during fiscal 2025, 2024 and 2023, respectively.

11. Accumulated Other Comprehensive Income

Accumulated other comprehensive income at November 29, 2025 and November 30, 2024 consisted of the following:

	<u>November 29, 2025</u>	<u>November 30, 2024</u>
Actuarial gains from defined benefit plans	\$ 972	\$ 1,066
Tax effects	<u>(249)</u>	<u>(273)</u>
Accumulated other comprehensive income	<u>\$ 723</u>	<u>\$ 793</u>

The activity in accumulated other comprehensive income for fiscal years 2025, 2024 and 2023, which is comprised of post-retirement benefit actuarial gains or losses related to our Supplemental Plan and LTC Awards as well as cumulative translation adjustments arising from our former investment in Noa Home, is as follows:

Balance at November 26, 2022	\$ 50
Actuarial gains	424
Net pension amortization reclassified from accumulated other comprehensive loss	119
Foreign currency translation adjustment	(378)
Tax effects	<u>(63)</u>
Balance at November 25, 2023	152
Actuarial gains	170
Net pension amortization reclassified from accumulated other comprehensive loss	39
Foreign currency translation adjustment (1)	652
Tax effects	<u>(220)</u>
Balance at November 30, 2024	793
Actuarial losses	(29)
Net pension amortization reclassified from accumulated other comprehensive loss	(65)
Tax effects	<u>24</u>
Balance at November 29, 2025	<u>\$ 723</u>

(1) Includes the transfer of \$962 of cumulative translation loss out of accumulated other comprehensive loss into the fiscal 2024 loss from operations upon the substantial completion of the liquidation of Noa Home (See Note 14).

12. Capital Stock and Stock Compensation

We account for our stock-based employee and director compensation plans in accordance with ASC Topic 718, *Compensation – Stock Compensation*. ASC 718 requires recognition of the cost of employee services received in exchange for an award of equity instruments in the financial statements over the period the employee is required to perform the services in exchange for the award (presumptively the vesting period) which we recognize on a straight-line basis. Compensation expense related to restricted stock and stock options included in selling, general and administrative expenses in our consolidated statements of operations for fiscal 2025, 2024 and 2023 was as follows:

	2025	2024	2023
Stock based compensation expense	\$ 639	\$ 804	\$ 849

Incentive Stock Compensation Plans

2021 Plan

On March 10, 2021, our shareholders approved the Bassett Furniture Industries, Incorporated 2021 Stock Incentive Plan (the “2021 Plan”). All present and future non-employee directors, key employees and outside consultants for the Company are eligible to receive incentive awards under the 2021 Plan. Our Organization, Compensation and Nominating Committee (the “OCN Committee”) selects eligible key employees and outside consultants to receive awards under the 2021 Plan in its discretion. Our Board of Directors or any committee designated by the Board of Directors selects eligible non-employee directors to receive awards under the 2021 Plan in its discretion. Five hundred thousand (500,000) shares of common stock are reserved for issuance under the 2021 Plan. Participants may receive the following types of incentive awards under the 2021 Plan: stock options, stock appreciation rights, payment shares, restricted stock, restricted stock units and performance shares. Stock options may be incentive stock options or non-qualified stock options. Stock appreciation rights may be granted in tandem with stock options or as a freestanding award. Non-employee directors and outside consultants are eligible to receive restricted stock and restricted stock units only. The full terms of the 2021 Plan have been filed as an exhibit to our Schedule 14A filed with the United States Securities and Exchange Commission on February 8, 2021.

We have elected to account for forfeitures as they occur. Compensation cost for awards with graded vesting schedules are accounted for on a straight-line basis.

Restricted Shares

Changes in the outstanding non-vested restricted shares during the year ended November 29, 2025 were as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Non-vested restricted shares outstanding at November 30, 2024	94,409	\$ 15.77
Granted	17,556	14.11
Vested	(47,409)	16.23
Forfeited	(3,100)	16.94
Non-vested restricted shares outstanding at November 29, 2025	<u>61,456</u>	<u>\$ 15.41</u>

During fiscal 2025, 47,409 restricted shares were vested and released, of which 29,300 shares had been granted to employees and 18,109 shares had been granted to directors. During fiscal 2025, 2024 and 2023, 9,835 shares, 10,360 shares and 5,985 shares, respectively, were withheld to cover withholding taxes of \$136, \$161 and \$109, respectively, arising from the vesting of restricted shares. During fiscal 2025, 2024 and 2023, excess tax benefits (deficiency) of \$(21), \$(9) and \$10, respectively, were recognized within income tax expense upon the release of vested shares.

Additional information regarding our outstanding non-vested restricted shares, which are all subject to service conditions, at November 29, 2025 is as follows:

Grant Date	Restricted Shares Outstanding	Share Value at Grant Date Per Share	Original Vesting Period (Years)	Remaining Restriction Period (Years)
January 11, 2023	13,900	17.55	3	0.1
October 29, 2024	30,000	14.11	3	1.9
March 12, 2025	<u>17,556</u>	15.95	1	0.3

Unrecognized compensation cost related to these non-vested restricted shares at November 29, 2025 is \$340, all of which is expected to be recognized in fiscal 2026 through fiscal 2027.

Employee Stock Purchase Plan

In March of 2017 we adopted and implemented the 2017 Employee Stock Purchase Plan (“2017 ESPP”) that allows eligible employees to purchase a limited number of shares of our stock at 85% of market value. Under the 2017 ESPP we sold 26,970, 30,436 and 28,063 shares to employees during fiscal 2025, 2024 and 2023, respectively, which resulted in an immaterial amount of compensation expense. There are 16,991 shares remaining available for sale under the 2017 ESPP at November 29, 2025.

13. Income Taxes

The components of the income tax provision from operations are as follows:

	2025	2024	2023
Current:			
Federal	\$ 1,538	\$ (1,962)	\$ (121)
State	210	(273)	(72)
Deferred:			
Federal	545	(1,781)	846
State	367	(659)	30
Total	<u>\$ 2,660</u>	<u>\$ (4,675)</u>	<u>\$ 683</u>

A reconciliation of the statutory federal income tax rate and the effective income tax rate, as a percentage of income before income taxes, is as follows:

	2025	2024	2023
Statutory federal income tax rate	21.0%	21.0%	21.0%
State income tax, net of federal benefit	5.2	5.4	3.8
Nondeductible goodwill, restructuring and other charges	6.2	(6.5)	(42.7)
Nontaxable gain on revaluation of contingent consideration	-	-	8.6
Capital loss carryback	(2.0)	15.9	-
Change in valuation allowance	-	(3.3)	(18.2)
Effective income tax rate	<u>30.4%</u>	<u>32.5%</u>	<u>(27.5)%</u>

Excess tax benefits (deficiencies) in the amount of \$(21), \$(9) and \$10 were recognized as a component of income tax expense during fiscal 2025, 2024 and 2023, respectively, resulting from the exercise of stock options and the release of restricted shares. The fiscal 2023 adjustment for impairment of non-deductible goodwill reflects the fact that there was no tax basis related to the impaired goodwill.

In July of 2025, new tax legislation was enacted under the One Big Beautiful Bill Act (the “Act”). While the Act includes a wide range of provisions that could impact our financial results in future periods, the passage of the Act did not have a material impact on our results of operations or financial condition in fiscal 2025.

The income tax effects of temporary differences and carryforwards, which give rise to significant portions of the deferred income tax assets and deferred income tax liabilities, are as follows:

	<u>November 29, 2025</u>	<u>November 30, 2024</u>
Deferred income tax assets:		
Trade accounts receivable	\$ 108	\$ 278
Inventories	4,070	3,867
Post employment benefit obligations	2,652	2,498
Federal net operating loss and credit carryforwards	-	1,107
State net operating loss carryforwards	374	621
Foreign net operating loss carryforwards	2,264	2,264
Operating lease liabilities	22,527	27,138
Other	1,142	1,182
Gross deferred income tax assets	33,137	38,955
Valuation allowance	(2,264)	(2,264)
Total deferred income tax assets	30,873	36,691
Deferred income tax liabilities:		
Property and equipment	3,443	4,200
Intangible assets	1,472	1,235
Operating lease assets	19,438	23,771
Prepaid expenses and other	541	618
Total deferred income tax liabilities	24,894	29,824
Net deferred income tax assets	\$ 5,979	\$ 6,867

We have foreign net operating loss carryforwards attributable to Noa Home of \$10,780 resulting in a deferred tax asset of \$2,264 upon which we have placed a full valuation allowance. As of November 29, 2025, we have no remaining federal net operating loss carryforwards and we have state net operating loss carryforwards totaling \$6,799 expiring in various years through 2044.

Income taxes paid, net of refunds received, during fiscal 2025 was \$379. Income tax refunds received, net of taxes paid, during fiscal 2024 and 2023 were \$658 and \$263, respectively.

We regularly evaluate, assess and adjust our accrued liabilities for unrecognized tax benefits in light of changing facts and circumstances, which could cause the effective tax rate to fluctuate from period to period. Our liabilities for uncertain tax positions are not material.

Significant judgment is required in evaluating the Company's federal and state tax positions and in the determination of its tax provision. Despite our belief that the liability for unrecognized tax benefits is adequate, it is often difficult to predict the final outcome or the timing of the resolution of any particular tax matter. We may adjust these liabilities as relevant circumstances evolve, such as guidance from the relevant tax authority, or resolution of issues in the courts. These adjustments are recognized as a component of income tax expense in the period in which they are identified. The Company also cannot predict when or if any other future tax payments related to these tax positions may occur.

We remain subject to examination for tax years 2022 through 2025 for all of our major tax jurisdictions.

14. Other Gains and Losses

Asset Impairment Charges

During fiscal 2025, we recognized a non-cash charge of \$498 for the impairment of a right-of-use asset at one underperforming retail store that is expected to be closed in fiscal 2026.

During fiscal 2024, we recognized non-cash charges for asset impairments totaling \$5,515 which consisted of the following:

- \$2,887 in our retail segment which included \$1,978 related to the impairment of leasehold improvements and \$750 from the impairment of right-of-use assets at certain underperforming retail stores, as well as \$159 for the impairment of right-of-use assets at certain warehouse locations resulting from the consolidation of our retail warehouses.
- \$727 for the impairment of plant and equipment in our wholesale segment related to the consolidation of our domestic wood production facilities.
- \$1,901 for the impairment of long-lived assets at Noa Home. During the second quarter we concluded that Noa Home was not likely to achieve profitability in the foreseeable future and decided to cease operations by selling the remaining inventory in an orderly fashion through the end of fiscal 2024. \$1,827 of these charges are for the full impairment of the Noa Home trade name intangible asset, and \$74 relates to the full impairment of customized software used in the Noa Home operations.

Our estimates of the fair value of the impaired right-of-use assets included estimates of discounted cash flows based upon current market rents and other inputs which we consider to be Level 3 inputs as specified in the fair value hierarchy in ASC Topic 820, Fair Value Measurement and Disclosure.

Loss on Contract Abandonment

During fiscal 2024, we recognized a charge of \$1,240 to accrue the remaining minimum charges payable under a contract for logistical services which our wholesale segment ceased utilizing during the third fiscal quarter of 2024. As of November 29, 2025, this liability has been settled with no remaining charges due.

Loss Upon Realization of Cumulative Translation Adjustment

In connection with the liquidation of the Noa Home business, we recognized a pre-tax charge of \$962 during the fourth quarter of fiscal 2024 for the realization of cumulative translation adjustments previously carried in accumulated other comprehensive loss.

Restructuring Charges

In the fourth quarter of fiscal 2024 we recognized a restructuring charge of \$440 representing accrued severance pay for certain affected employees. Of this charge, \$190 was incurred by our retail segment, \$83 by our wholesale segment, and \$167 was charged to corporate and other. At November 30, 2024, \$432 of the accrual remained in other current liabilities, all of which was paid out by the end of the second quarter of fiscal 2025.

Goodwill Impairment Charge

See Note 7 regarding the \$5,409 non-cash charge during fiscal 2023 to impair goodwill associated with Noa Home.

Gain on Revaluation of Contingent Consideration

Per the terms of the agreement by which we acquired Noa Home during fiscal 2022, the Noa Home co-founders also had the opportunity to receive additional cash payments totaling approximately C\$1,330 per year for the three fiscal years following the year of acquisition based on established increases in net revenues and achieving certain internal EBITDA goals. Subsequent to the acquisition date, the parties concluded that the targets originally set forth by which the Noa Home co-founders were to earn the contingent consideration would likely not be met within the initially anticipated time frame. Therefore, during fiscal 2022 we agreed to replace the contingent consideration with two fixed payments of C\$200 each, the first of which was paid in June of 2023 with the second paid in December of 2024. As a result of the write-down of the contingent consideration payable that was recognized at the acquisition date, we recorded a gain of \$1,013 during fiscal 2023.

15. Leases and Lease Guarantees

Leases

See "Leases" under Note 2 for a discussion of our accounting policies and elections under ASC Topic 842.

Supplemental balance sheet information related to our leases as of November 29, 2025 and November 30, 2024 is as follows:

	<u>November 29, 2025</u>	<u>November 30, 2024</u>
Operating leases:		
Right of use assets	\$ 76,727	\$ 93,624
Lease liabilities, short-term	19,299	18,050
Lease liabilities, long-term	69,353	88,395
Finance leases:		
Right of use assets (1)	\$ 696	\$ 263
Lease liabilities, short-term (2)	230	122
Lease liabilities, long-term (3)	510	153

- (1) Included in property & equipment, net in our consolidated balance sheet.
- (2) Included in other current liabilities and accrued expenses in our consolidated balance sheet.
- (3) Included in other long-term liabilities and accrued expenses in our consolidated balance sheet.

Our right-of-use assets under operating leases by segment as of November 29, 2025 and November 30, 2024 are as follows:

	<u>November 29, 2025</u>	<u>November 30, 2024</u>
Wholesale	\$ 5,013	\$ 6,861
Retail	71,714	86,763
Total right of use assets	\$ 76,727	\$ 93,624

The components of our lease cost for 2025, 2024 and 2023 were as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Lease cost:			
Operating lease cost	\$ 23,375	\$ 24,065	\$ 24,287
Financing lease cost:			
Amortization of right-of-use assets	176	235	278
Interest on lease liabilities	33	20	22
Short-term lease cost	167	326	401
Variable lease cost (net of abatements received)	58	138	260
Sublease income	<u>(1,011)</u>	<u>(801)</u>	<u>(1,093)</u>
Total lease cost	\$ 22,798	\$ 23,983	\$ 24,155

Supplemental lease disclosures as of November 29, 2025, November 30, 2024 and November 25, 2023 and for the fiscal years then ended are as follows:

	<u>Operating</u>	<u>Financing</u>
For the year ended November 25, 2023:		
Cash paid for amounts included in the measurements of lease liabilities	26,854	301
Lease liabilities arising from new right-of-use assets	21,921	-
For the year ended November 30, 2024:		
Cash paid for amounts included in the measurements of lease liabilities	26,558	287
Lease liabilities arising from new right-of-use assets	11,050	197
For the year ended November 29, 2025:		
Cash paid for amounts included in the measurements of lease liabilities	26,142	178
Lease liabilities arising from new right-of-use assets	770	609
As of November 25, 2023:		
Weighted average remaining lease terms (years)	5.5	1.4
Weighted average discount rates	5.78%	4.72%
As of November 30, 2024:		
Weighted average remaining lease terms (years)	5.6	3.1
Weighted average discount rates	6.28%	6.56%
As of November 29, 2025:		
Weighted average remaining lease terms (years)	5.0	3.2
Weighted average discount rates	6.51%	7.37%

Future payments under our leases and the present value of the obligations as of November 29, 2025 are as follows:

	<u>Operating</u>	<u>Leases</u>	<u>Financing Leases</u>
Fiscal 2026	\$ 24,364	\$ 276	
Fiscal 2027	22,929	272	
Fiscal 2028	20,141	190	
Fiscal 2029	13,586	83	
Fiscal 2030	9,626	5	
Thereafter	13,573	-	
Total lease payments	104,219	826	
Less: interest	15,567	86	
Total lease obligations	\$ 88,652	\$ 740	

We sublease a small number of our leased locations to certain of our licensees for operation as BHF network stores. The terms of these leases generally match those of the lease we have with the lessor. In addition, we sublease space in certain closed store and warehouse locations that are still under lease. Minimum future lease payments due to us under these subleases are as follows:

Fiscal 2026	\$ 810
Fiscal 2027	245
Fiscal 2028	-
Fiscal 2029	-
Fiscal 2030	-
Thereafter	-
Total minimum future rental income	\$ 1,055

Lease Commitments

At November 29, 2025, we had commitments for three leases of real property which are expected to commence during fiscal 2026. Together, these leases call for total annual rents averaging approximately \$1,105 per year for an initial term of ten years. All three leases have two five-year renewal options.

Guarantees

As part of the strategy for our store program, we have guaranteed certain lease obligations of licensee operators. The remaining term under these lease guarantees extends for six years. We were contingently liable under licensee lease obligation guarantees in the amount of \$4,148 and \$5,131 at November 29, 2025 and November 30, 2024, respectively.

In the event of default by an independent dealer under the guaranteed lease, we believe that the risk of loss is mitigated through a combination of options that include, but are not limited to, arranging for a replacement dealer, liquidating the collateral, and pursuing payment under the personal guarantees of the independent dealer. The proceeds of the above options are estimated to cover the maximum amount of our future payments under the guarantee obligations, net of reserves. The fair value of lease guarantees (an estimate of the cost to the Company to perform on these guarantees) at November 29, 2025 and November 30, 2024, were not material.

16. Contingencies

We are involved in various claims and actions which arise in the normal course of business. Although the final outcome of these matters cannot be determined, based on the facts presently known, it is our opinion that the final resolution of these matters will not have a material adverse effect on our financial position or future results of operations.

17. Earnings (Loss) Per Share

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

	2025	2024	2023
Earnings (loss) per share			
Numerator:			
Net income (loss)	\$ 6,100	\$ (9,695)	\$ (3,171)
Denominator:			
Denominator for basic income per share - weighted average shares	8,657,989	8,733,215	8,784,759
Effect of dilutive securities*	33,553	-	-
Denominator for diluted income per share — weighted average shares and assumed conversions	8,691,542	8,733,215	8,784,759
Basic income (loss) per share	\$ 0.70	\$ (1.11)	\$ (0.36)
Diluted income (loss) per share	\$ 0.70	\$ (1.11)	\$ (0.36)

*Due to the net loss in 2024 and 2023, the potentially dilutive securities would have been anti-dilutive and are therefore excluded.

For fiscal 2025, 2024 and 2023, the following potentially dilutive shares were excluded from the computations as their effect was anti-dilutive:

	2025	2024	2023
Unvested restricted shares	-	94,409	92,313

18. Segment Information

We report segment information consistent with the way our chief operating decision maker (the “CODM”), a single individual who serves as our Board Chair, President and Chief Executive Officer, evaluates the operating results and performance of the Company. We have strategically aligned our business into two reportable segments as defined in ASC 280, *Segment Reporting*, and as described below:

- **Wholesale.** The wholesale home furnishings segment is involved principally in the design, manufacture, sourcing, sale and distribution of furniture products to a network of Bassett stores (Company-owned and licensee-owned retail stores) and independent furniture retailers. Our wholesale segment includes our wood and upholstery operations, which includes Lane Venture.
- **Retail – Company-owned stores.** Our retail segment consists of Company-owned stores and includes the revenues, expenses, assets and liabilities and capital expenditures directly related to these stores and the Company-owned distribution network utilized to deliver products to our retail customers.

In addition to the two reportable segments described above, we include our remaining business activities and assets in a reconciling category known as Corporate and other. This category includes the shared costs of corporate functions such as treasury and finance, information technology, accounting, human resources, legal and others, including certain product development and marketing functions benefitting both wholesale and retail operations. In addition to property and equipment and various other assets associated with the shared corporate functions, the identifiable assets of Corporate and other include substantially all of our cash and our investments in CDs. We consider our corporate functions to be other business activities and have aggregated them with any of our operating segments that do not meet the requirements to be reportable segments. As of and for the periods ended November 29, 2025, November 30, 2024 and November 25, 2023, the only such operating segment included in Corporate and other is Noa Home, which was acquired on September 2, 2022. All sales reported in our Corporate and other category are attributable to Noa Home, which generated substantially all of its sales outside of the United States. During the second fiscal quarter of 2024 we concluded that Noa Home was not likely to achieve profitability in the foreseeable future and ceased operations as of November 30, 2024 after selling the remaining inventory in an orderly fashion over the second half of fiscal 2024.

Inter-segment net sales and cost of goods sold eliminations represent the elimination of wholesale sales to our Company-owned stores. Inter-segment gross profit elimination represents the change in the embedded wholesale profit in the Company-owned store inventory that has not been realized. These profits are recorded when merchandise is delivered to the retail consumer. The inter-segment SG&A expense elimination includes rent charged to our retail stores occupying Company-owned real estate.

For the purpose of evaluating segment performance and allocating resources, our CODM uses a measure of income (loss) from operations excluding special items. These excluded items include such things as asset impairment charges, restructuring charges, and other unusual or infrequent gains and losses which management does not expect to recur on a regular routine basis (see Note 14, Other Gains and Losses, for further discussion of these items). The CODM assesses performance by regularly reviewing each segment's significant expense categories which include total cost of goods sold and total SG&A expenses. If these significant expense categories deviate from expected results, the CODM will delegate to his direct reports the task of investigating the underlying causes and, when necessary, making recommendations for remedial action to the CODM for his consideration and approval.

The following table presents segment results of operations for each of the last three fiscal years:

	Year Ended November 29, 2025					
	Wholesale	Retail	Corporate & Other	Intersegment Eliminations	Consolidated	
Net sales to external customers	\$ 118,599	\$ 216,681	\$ -	\$ -	\$ 335,280	
Intersegment sales	96,015	-	-	(96,015)	-	
Total net sales	214,614	216,681	-	(96,015)	335,280	
Cost of goods sold	138,883	103,205	-	(95,490)	146,598	
SG&A expense	40,870	113,069	27,652	(1,234)	180,357	
Income (loss) from operations excluding special items	\$ 34,861	\$ 407	\$ (27,652)	\$ 709	8,325	
Asset impairment charges					498	
Income (loss) from operations					7,827	
Interest income					1,979	
Interest expense					(52)	
Other loss, net					(994)	
Income before income taxes					\$ 8,760	
	Year Ended November 30, 2024					
	Wholesale	Retail	Corporate & Other	Intersegment Eliminations	Consolidated	
Net sales to external customers	\$ 120,441	\$ 204,563	\$ 4,919	\$ -	\$ 329,923	
Intersegment sales	87,021	-	-	(87,021)	-	
Total net sales	207,462	204,563	4,919	(87,021)	329,923	
Cost of goods sold	139,393	95,728	2,803	(87,416)	150,508	
SG&A expense	42,712	115,439	30,572	(1,196)	187,527	
Income (loss) from operations excluding special items	\$ 25,357	\$ (6,604)	\$ (28,456)	\$ 1,591	(8,112)	
Asset impairment charges					5,515	
Loss on contract abandonment					1,240	
Loss upon realization of cumulative translation adjustment					962	
Restructuring charges					440	
Income (loss) from operations					(16,269)	
Interest income					2,673	
Interest expense					(30)	
Other loss, net					(744)	
Loss before income taxes					\$ (14,370)	
	Year Ended November 25, 2023					
	Wholesale	Retail	Corporate & Other	Intersegment Eliminations	Consolidated	
Net sales to external customers	\$ 145,392	\$ 235,940	\$ 8,804	\$ -	\$ 390,136	
Intersegment sales	103,519	-	-	(103,519)	-	
Total net sales	248,911	235,940	8,804	(103,519)	390,136	
Cost of goods sold	171,394	111,769	4,002	(103,517)	183,648	
SG&A expense	46,818	124,707	34,728	(1,026)	205,227	
Income (loss) from operations excluding special items	\$ 30,699	\$ (536)	\$ (29,926)	\$ 1,024	1,261	
Goodwill impairment charge					5,409	
Gain on revaluation of contingent consideration					1,013	
Income (loss) from operations					(3,135)	
Interest income					2,528	
Interest expense					(22)	
Other loss, net					(1,859)	
Loss before income taxes					\$ (2,488)	

Additional information reported by segment is as follows:

	2025	2024	2023
Depreciation and Amortization			
Wholesale	\$ 2,317	\$ 2,424	\$ 2,455
Retail	3,884	4,850	5,502
Corporate and other	2,600	2,644	2,184
Consolidated	<u>\$ 8,801</u>	<u>\$ 9,918</u>	<u>\$ 10,141</u>
Capital Expenditures			
Wholesale	\$ 1,607	\$ 1,108	\$ 2,295
Retail	2,222	2,759	9,877
Corporate and other	701	1,344	5,317
Consolidated	<u>\$ 4,530</u>	<u>\$ 5,211</u>	<u>\$ 17,489</u>
Identifiable Assets			
Wholesale	\$ 92,805	\$ 88,533	\$ 99,004
Retail	140,507	158,084	166,604
Corporate and Other	90,507	94,553	104,816
Consolidated	<u>\$ 323,819</u>	<u>\$ 341,170</u>	<u>\$ 370,424</u>

See Note 19 for disaggregated revenue information regarding sales of furniture and accessories by product type for the wholesale and retail segments.

19. Revenue Recognition

Disaggregated revenue information for sales of furniture and accessories by product category for fiscal years 2025, 2024 and 2023, excluding intercompany transactions between our segments, is as follows:

	2025				2024				2023			
	Corporate & Other			Total	Corporate & Other (2)			Total	Corporate & Other (2)			Total
	Wholesale	Retail	Other		Wholesale	Retail	Other (2)		Wholesale	Retail	Other (2)	
Bassett Custom Upholstery	\$ 76,923	\$ 117,231	\$ -	\$ 194,154	\$ 79,281	\$ 111,943	\$ -	\$ 191,224	\$ 89,005	\$ 134,000	\$ -	\$ 223,005
Bassett Leather	16,484	9,121	-	25,605	15,705	4,990	-	20,695	26,701	1,951	-	28,652
Bassett Custom Wood	12,357	31,885	-	44,242	13,735	32,201	-	45,936	17,357	36,732	-	54,089
Bassett Casegoods	12,835	29,218	-	42,053	11,720	26,179	-	37,899	12,329	32,252	-	44,581
Accessories, mattresses and other (1)	-	29,226	-	29,226	-	29,250	4,919	34,169	-	31,005	8,804	39,809
Consolidated Furniture and Accessories revenue	\$ 118,599	\$ 216,681	\$ -	\$ 335,280	\$ 120,441	\$ 204,563	\$ 4,919	\$ 329,923	\$ 145,392	\$ 235,940	\$ 8,804	\$ 390,136

- (1) Includes the sale of goods other than Bassett-branded products, such as accessories and bedding, and also includes the sale of furniture protection plans.
- (2) For fiscal 2023 and 2024, Corporate and other reconciling category includes the sales of Noa Home, which was acquired on September 2, 2022 and closed at the end of fiscal 2024 following the decision in the second quarter of fiscal 2024 to cease operations and liquidate the remaining inventory.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this Annual Report on Form 10-K, our principal executive officer and principal financial officer have evaluated the effectiveness of our “disclosure controls and procedures” (“Disclosure Controls”). Disclosure Controls, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed under the Exchange Act, such as this Annual Report, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure Controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Our management, including the CEO and CFO, does not expect that our Disclosure Controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based upon their controls evaluation, our CEO and CFO have concluded that our Disclosure Controls are effective at a reasonable assurance level.

We are responsible for establishing and maintaining adequate internal control over financial reporting in accordance with Exchange Act Rule 13a-15. With the participation of our CEO and CFO, our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of November 29, 2025 based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of November 29, 2025, based on those criteria. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Grant Thornton LLP, the Company’s independent registered public accounting firm, has issued an attestation report on the effectiveness of the Company’s internal control over financial reporting.

Changes in internal control over financial reporting.

There have been no changes in our internal controls over financial reporting during our fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Bassett Furniture Industries, Incorporated and Subsidiaries

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Bassett Furniture Industries, Incorporated (a Virginia corporation) and subsidiaries (the "Company") as of November 29, 2025, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 29, 2025, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended November 29, 2025, and our report dated February 5, 2026 expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Grant Thornton LLP

Charlotte, North Carolina
February 5, 2026

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable

PART III**ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT**

The information to be contained in the Proxy Statement under the captions “Election of Directors” and “Board and Board Committee Information,” is incorporated herein by reference thereto. Please see section entitled “Information about our Executive Officers” in Item 4B of Part I of this report for information concerning executive officers.

The Registrant has a code of ethics that applies to all of its employees, officers and directors. The code of ethics is available on the Registrant’s website at www.bassettfurniture.com and the Registrant will post any amendments to, or waivers, from, the code of ethics relating to directors and officers on that website.

We have adopted an insider trading policy governing the purchase, sale, and other dispositions of the registrant's securities by directors, senior management, and employees. A copy of the insider trading policy is filed as an exhibit to this Annual Report.

ITEM 11. EXECUTIVE COMPENSATION

The information to be contained in the Proxy Statement under the captions “Compensation Discussion and Analysis,” “Executive Compensation,” “Pay versus Performance” and “Director Compensation” is incorporated herein by reference thereto.

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

The information to be contained in the Proxy Statement under the headings “Principal Stockholders and Holdings of Management” and “Equity Compensation Plan Information” is incorporated herein by reference thereto.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information to be contained in the Proxy Statement under the captions “Board and Board Committee Information” and “Other Transactions” is incorporated herein by reference thereto.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information to be contained in the Proxy Statement under the caption “Ratification of Selection of Independent Registered Public Accounting Firm” is incorporated herein by reference thereto.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) (1) Bassett Furniture Industries, Incorporated and Subsidiaries Audited Consolidated Financial Statements for the years ended November 29, 2025, November 30, 2024 and November 25, 2023; Report of Grant Thornton LLP, Independent Registered Public Accounting Firm (PCAOB ID 248) for the year ended November 29, 2025; Report of Ernst & Young LLP, Independent Registered Public Accounting Firm (PCAOB ID 42) for the years ended November 30, 2024 and November 25, 2023; Report of Grant Thornton LLP, Independent Registered Public Accounting Firm, on Internal Control Over Financial Reporting (PCAOB ID 248).

(2) Financial Statement Schedule:

Schedule II- Analysis of Valuation and Qualifying Accounts for the years ended November 29, 2025, November 30, 2024 and November 25, 2023

(3) Listing of Exhibits

- 3A. Articles of Incorporation as amended are incorporated herein by reference to Form 10-Q for the fiscal quarter ended February 28, 1994.
- 3B. [By-laws as amended to date are incorporated herein by reference to Exhibit 3.1 to Form 8-K filed with the SEC on January 16, 2024.](#)
- 4A. [Eighth Amended and Restated Credit Agreement with Truist Bank dated May 15, 2024 is incorporated herein by reference to Exhibit 10 to Form 10-Q filed with the SEC on July 11, 2024.](#) Registrant hereby agrees to furnish the SEC, upon request, other instruments defining the rights of holders of long-term debt of the Registrant.
- 4B. [First Amendment to Eighth Amended and Restated Credit Agreement with Truist Bank dated January 9, 2026.](#)
- 4C. [Description of Capital Stock is incorporated herein by reference to Form 10-K for the fiscal year ended November 30, 2019, filed January 23, 2020.](#)
- 10A. [Asset Purchase Agreement dated January 31, 2022 by and among Bassett Furniture Industries, Incorporated, Zenith Freight Lines, LLC and J.B. Hunt Transport, Inc. is incorporated herein by reference to Exhibit 2.1 to Form 8-K filed with the SEC on February 1, 2022.](#)
- *10B. [Bassett Executive Deferred Compensation Plan is incorporated herein by reference to Form 10-K for the fiscal year ended November 30, 1997.](#)
- *10C. [Bassett Supplemental Retirement Income Plan is incorporated herein by reference to Form 10-K for the fiscal year ended November 30, 1997.](#)
- *10K. [Bassett Furniture Industries, Incorporated 2021 Stock Incentive Plan incorporated by reference to Schedule 14A filed on February 8, 2021](#)
- *10L. [Form of Performance Share Award Agreement, Restricted Stock Award Agreement and Stock Option Award Agreement under the Bassett Furniture Industries, Incorporated 2021 Stock Incentive Plan is incorporated herein by reference to Exhibit 10.L to Form 10-K filed with the SEC on January 31, 2022.](#)
- *10M. [Schedule of Terms for Employment Continuity Agreements with Certain Executive Officers is incorporated herein by reference to Exhibit 10M to Form 10-K filed with the SEC on January 31, 2022.](#)
- *10N. [Restated Supplemental Retirement Income Plan, effective May 1, 2014, is incorporated herein by reference to Form 10-Q for the quarterly period ended May 31, 2014.](#)
- *10O. [Bassett Furniture Industries, Incorporated Management Savings Plan incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on May 5, 2017.](#)

*10P. [Form of Long Term Cash Award under Bassett Furniture Industries, Incorporated Management Savings Plan incorporated by reference to Exhibit 10.2 to Form 8-K filed with the SEC on May 5, 2017.](#)

*10Q. [Form of Indemnity Agreement incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on October 18, 2022.](#)

19. [Insider Trading Policy, incorporated by reference to Exhibit 19 to Form 10-K filed with the SEC on February 10, 2025.](#)

21. [List of subsidiaries of the Registrant](#)

23A. [Consent of Independent Registered Public Accounting Firm \(Grant Thornton LLP\)](#)

23B. [Consent of Independent Registered Public Accounting Firm, \(Ernst & Young LLP\)](#)

31A. [Certification of Robert H. Spilman, Jr., President and Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

31B. [Certification of J. Michael Daniel, Senior Vice President and Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

32A. [Certification of Robert H. Spilman, Jr., President and Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

32B. [Certification of J. Michael Daniel, Senior Vice President and Chief Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

97. [Bassett Furniture Industries, Incorporated, Clawback Policy, incorporated by reference to Exhibit 97 to Form 10-K filed with the SEC on February 10, 2025.](#)

101.INS XBRL Instance

101.SCHXBRL Taxonomy Extension Schema

101.CALXBRL Taxonomy Extension Calculation

101.DEF XBRL Taxonomy Extension Definition

101.LABXBRL Taxonomy Extension Labels

101.PRE XBRL Taxonomy Extension Presentation

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Management contract or compensatory plan or arrangement of the Company.

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.

BASSETT FURNITURE INDUSTRIES, INCORPORATED (Registrant)

By: /s/ Robert H. Spilman, Jr. Date: February 5, 2026
Robert H. Spilman, Jr.
President and Chief Executive Officer
(Principal Executive Officer)
Director, Chairman of the Board of Directors

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.

By: /s/ Emma S. Battle Date: February 5, 2026
Emma S. Battle
Director

By: /s/ John R. Belk Date: February 5, 2026
John R. Belk
Director

By: /s/ Kristina K. Cashman Date: February 5, 2026
Kristina K. Cashman
Director

By: /s/ James E. Goergen Date: February 5, 2026
James E. Goergen
Director

By: /s/ Virginia W. Hamlet Date: February 5, 2026
Virginia W. Hamlet
Director

By: /s/ J. Walter McDowell Date: February 5, 2026
J. Walter McDowell
Director

By: /s/ William C. Wampler, Jr. Date: February 5, 2026
William C. Wampler, Jr.
Director

By: /s/ William C. Warden, Jr. Date: February 5, 2026
William C. Warden, Jr.
Director, Lead Independent Director

By: /s/ J. Michael Daniel Date: February 5, 2026
J. Michael Daniel
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Bassett Furniture Industries, Incorporated

Schedule II

Analysis of Valuation and Qualifying Accounts For the Years Ended November 29, 2025, November 30, 2024 and November 25, 2023 (amounts in thousands)

	Balance Beginning of Period	Additions Charged to Cost and Expenses	Deductions (1)	Other	Balance End of Period
For the Year Ended November 25, 2023:					
Reserve deducted from assets to which it applies					
Allowance for credit losses	\$ 1,261	\$ 219	\$ (945)	\$ -	\$ 535
Income tax valuation allowance	\$ 1,339	\$ 452	\$ -	\$ -	\$ 1,791
For the Year Ended November 30, 2024:					
Reserve deducted from assets to which it applies					
Allowance for credit losses	\$ 535	\$ 624	\$ (62)	\$ -	\$ 1,097
Income tax valuation allowance	\$ 1,791	\$ 473	\$ -	\$ -	\$ 2,264
For the Year Ended November 29, 2025:					
Reserve deducted from assets to which it applies					
Allowance for credit losses	\$ 1,097	\$ (62)	\$ (606)	\$ -	\$ 429
Income tax valuation allowance	\$ 2,264	\$ -	\$ -	\$ -	\$ 2,264

(1) Deductions are for the purpose for which the reserve was created.

FIRST AMENDMENT TO EIGHTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIRST AMENDMENT TO EIGHTH AMENDED AND RESTATED CREDIT AGREEMENT (this “Amendment”) is dated as of this 9th day of January, 2026, by and among **BASSETT FURNITURE INDUSTRIES, INCORPORATED** (“Borrower”), **BASSETT FURNITURE INDUSTRIES OF NORTH CAROLINA, LLC, BASSETT DIRECT STORES, LLC, BASSETT DIRECT NC, LLC, BASSETT DIRECT SC, LLC** (collectively, the “Guarantors”) and **TRUIST BANK** (the “Bank”).

The Borrower, the Guarantors and the Bank are parties to that certain Eighth Amended and Restated Credit Agreement dated as of May 15, 2024 (as it may hereafter be amended, restated, supplemented or otherwise modified, the “Agreement”). Subject to the terms and conditions contained in the Agreement, the Bank agreed to make Advances (as defined in the Agreement) to the Borrower before the Termination Date (as defined in the Agreement) in an aggregate principal amount at any one time outstanding not to exceed \$25,000,000.00. The Borrower and the Guarantors have requested that the Bank amend certain of the covenants in the Agreement, and to make certain other modifications to the Agreement, and the Bank is willing to do so upon the terms and conditions contained herein.

Accordingly, the Borrower, the Guarantors and the Bank hereby agree as follows:

1. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

2. The definition of “Termination Date” contained in Section 1.01 of the Agreement is hereby deleted in its entirety, and the following new definition is inserted in its place:

“Termination Date” means January 31, 2029.

3. The Loan Parties hereby represent and warrant to the Bank (which representations and warranties shall survive the execution and delivery of this Amendment) that:

(a) Each is in compliance with all of the terms, covenants and conditions of the Agreement, as amended by this Amendment, and each of the other Loan Documents.

(b) There exists no Default or Event of Default under the Agreement, as amended by this Amendment, and no event has occurred or condition exists which, with the giving of notice or lapse of time, or both, would constitute a Default or an Event of Default or a default or an event of default under any of the Loan Documents.

(c) The representations and warranties contained in Article IV of the Agreement are, except to the extent that they relate solely to an earlier date, true with the same effect as though such representations and warranties had been made on the date of this Amendment.

(d) The execution, delivery and performance by each Loan Party of this Amendment (A) (i) are within each Loan Party's organizational powers, (ii) have been duly authorized by all necessary organizational action, (iii) require no action by or in respect of, or filing with, any governmental body, agency or official, (iv) do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation, articles of organization, operating agreement or by-laws of any Loan Party or of any agreement, judgment, injunction, order, decree or other instrument binding upon any Loan Party or any of its Subsidiaries, (v) do not result in the creation or imposition of any Lien on any asset of any of the Loan Parties or any of their respective Subsidiaries and (B) are the legal, binding, valid and enforceable obligations of each Loan Party enforceable in accordance with its terms, provided that the enforceability hereof is subject to general principles of equity and to bankruptcy, insolvency and similar laws affecting the enforcement of creditors' rights generally.

(e) There is no action, suit or proceeding pending, or to the knowledge of any of the Loan Parties threatened, against or affecting any of the Loan Parties or any of their respective Subsidiaries before any court or arbitrator or any governmental body, agency or official which could have a Material Adverse Effect or which in any manner draws into question the validity or enforceability of, or could impair the ability of any of the Loan Parties to perform their respective obligations under, this Amendment or any of the other Loan Documents.

4. The Bank's agreement to enter into this Amendment is subject to the following conditions precedent:

(a) Each of the Loan Parties shall have executed and delivered to the Bank this Amendment.

(b) The Bank shall have received searches of the Uniform Commercial Code filings in the jurisdiction of incorporation or formation of each Loan Party and each jurisdiction where any Collateral is located or where a filing would need to be made in order to perfect the Bank's security interest in the Collateral, copies of the financing statements on file in such jurisdictions and evidence that no Liens exist other than Liens permitted by Section 5.14 of the Agreement.

(c) The Borrower shall have executed and delivered to the Bank a wire terms and conditions in form and substance reasonably satisfactory to the Bank.

(d) The Borrower shall have delivered to the Bank a certificate of the Secretary of State of each Loan Party's state of organization as to the good standing of such Loan Party.

(e) The Loan Parties shall have paid to the Bank the legal fees and expenses described in Section 11 hereof.

(f) The Loan Parties shall have executed and delivered, or caused to be executed and delivered, to the Bank such other and further documents, certificates, opinions and other papers as the Bank shall request, all in form and substance reasonably satisfactory to the Bank.

5. Except as expressly amended hereby, the terms of the Agreement shall remain in full force and effect in all respects, and each of the Loan Parties hereby affirms, confirms and reaffirms its respective obligations under the Agreement, as amended by this Amendment, and each of the other Loan Documents to the extent it is a party thereto. Each of the Loan Parties hereby acknowledges and agrees that nothing contained in this Amendment shall be deemed to constitute a waiver or release by the Bank of (i) any Default or Event of Default that may now or hereafter exist under the Agreement, as amended by this Amendment, or any default or event of default that may now or hereafter exist under any of the other Loan Documents or (ii) the Bank's right to exercise any and all rights and remedies under the Agreement and/or any of the other Loan Documents, all of which rights and remedies are hereby expressly reserved. Each of the Loan Parties, for itself and its successors and assigns, hereby waives and releases the Bank and each of the Bank's successors and assigns, from any claim, cause of action, defense, counterclaim, setoff or recoupment of any kind or nature that it may assert against the Bank arising from or in connection with the Agreement, as amended by this Amendment, or any of the other Loan Documents or the transactions contemplated thereby or hereby that exists on the date hereof or arises from facts or actions occurring prior hereto or on the date hereof. Nothing contained in this Amendment or any of the other Loan Documents shall be construed to constitute a novation with respect to any of the obligations described in the Agreement or any of the other Loan Documents.

6. Each of the Guarantors hereby acknowledges that it has unconditionally guaranteed the full and prompt payment of all indebtedness, obligations and liabilities of the Borrower to the Bank pursuant to the terms of Article IX of the Agreement. Each of the Guarantors hereby agrees that (i) the execution and delivery of this Amendment and the documents executed in connection herewith do not and shall not in any respect affect or impair any of its obligations, covenants or agreements under Article IX of the Agreement, (ii) each reference in Article IX of the Agreement to the term, "Agreement," shall be deemed to be a reference to the Agreement, as amended by this Amendment or as hereafter amended, restated, supplemented or otherwise modified from time to time and (iii) all of its obligations, covenants and agreements under Article IX of the Agreement are hereby expressly affirmed, confirmed and reaffirmed.

7. All references to the Agreement in any of the Loan Documents, or any other documents or instruments that refer to the Agreement, shall be deemed to be references to the Agreement as amended by this Amendment.

8. This Amendment shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia.

9. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Amendment or any other Loan Document by facsimile transmission or by electronic mail in pdf form shall be as effective as a manually executed counterpart hereof or thereof.

10. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. None of the Loan Parties shall have the right to assign any of its rights or obligations under or delegate any of its duties under the Agreement, as amended by this Amendment, or any of the other Loan Documents.

11. The Loan Parties hereby agree, jointly and severally, that they will pay on demand all out-of-pocket expenses incurred by the Bank in connection with the preparation of this Amendment and any other related documents, including but not limited to the fees and disbursements of counsel for the Bank.

12. This Amendment represents the final agreement between the Loan Parties and the Bank with respect to the subject matter hereof, and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between or among the parties.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, under seal, by their respective duly authorized officers, managers or members, as applicable, as of the day and year first above written.

BASSETT FURNITURE INDUSTRIES, INCORPORATED

[Corporate Seal]

By: /s/ J. MICHAEL DANIEL (SEAL)
Name: J. Michael Daniel
Title: Senior Vice President, Chief Financial
and
Administrative Officer

[Corporate Seal]

By: /s/ JAY R. HERVEY (SEAL)
Name: Jay R. Hervey
Title: Vice President, General Counsel and Secretary

**BASSETT FURNITURE INDUSTRIES OF NORTH
CAROLINA, LLC**

[Corporate Seal]

By: Bassett Furniture Industries, Incorporated
Its sole Member and Manager

By: /s/ J. MICHAEL DANIEL (SEAL)
Name: J. Michael Daniel
Title: Senior Vice President, Chief
Financial
and Administrative Officer

[Corporate Seal]

By: /s/ JAY R. HERVEY (SEAL)
Name: Jay R. Hervey
Title: Vice President, General Counsel and Secretary

[Executions Continue on Following Pages]

BASSETT DIRECT STORES, LLC

[Corporate Seal]

By: Bassett Furniture Industries, Incorporated
Its sole Member and Manager

By:/s/ J. MICHAEL DANIEL (SEAL)

Name: J. Michael Daniel
Title: Senior Vice President, Chief
Financial
and Administrative Officer

By:/s/ JAY R. HERVEY (SEAL)

Name: Jay R. Hervey
Title: Vice President, General Counsel and Secretary

BASSETT DIRECT NC, LLC

[Corporate Seal]

By: Bassett Direct Stores, LLC
Its sole Member and Manager

By: Bassett Furniture Industries, Incorporated
Its sole Member and Manager

By:/s/ J. MICHAEL DANIEL (SEAL)

Name: J. Michael Daniel
Title: Senior Vice President, Chief
Financial
and Administrative Officer

By:/s/ JAY R. HERVEY (SEAL)

Name: Jay R. Hervey
Title: Vice President, General Counsel and Secretary

[Executions Continue on Following Pages]

BASSETT DIRECT SC, LLC

[Corporate Seal]

By: Bassett Direct Stores, LLC
Its sole Member and Manager

By: Bassett Furniture Industries, Incorporated
Its sole Member and Manager

By:/s/ J. MICHAEL DANIEL (SEAL)

Name: J. Michael Daniel
Title: Senior Vice President, Chief
Financial
and Administrative Officer

By:/s/ JAY R. HERVEY (SEAL)

Name: Jay R. Hervey
Title: Vice President, General Counsel and Secretary

[Executions Continue on Following Page]

TRUIST BANK

By:/s/ JOHN WOFFORD _____ (SEAL)
Name: John Wofford
Title: Authorized Officer

EXHIBIT 21 - LIST OF SUBSIDIARIES*

- (a) Bassett Furniture Industries of North Carolina, LLC (North Carolina limited liability company)
- (b) The E.B. Malone Corporation (Delaware corporation)
- (c) Bassett Direct Stores, LLC (Virginia limited liability company)
- (d) Bassett Direct NC, LLC (Virginia limited liability company)
- (e) Bassett Direct SC, LLC (Virginia limited liability company)
- (f) LRG Furniture, LLC (Virginia limited liability company)
- (g) BFD-Atlanta, LLC (Virginia limited liability company)
- (h) BD Boston, LLC (Virginia limited liability company)
- (i) BDU NY, LLC (Virginia limited liability company)
- (j) 9473-8408 Quebec Inc.
- (k) Noa Home, Inc.
- (l) Noa Australia Pty Ltd.
- (m) Noa Home Singapore Pte Ltd.
- (n) Noa Home UK Limited
- (o) JMD Tampa, LLC

*All subsidiaries are wholly-owned unless otherwise noted.

Consent of Independent Registered Public Accounting Firm

We have issued our reports dated February 5, 2026, with respect to the consolidated financial statements and schedule and internal control over financial reporting included in the Annual Report of Bassett Furniture Industries, Incorporated and Subsidiaries on Form 10-K for the year ended November 29, 2025. We consent to the incorporation by reference of said reports in the Registration Statements of Bassett Furniture Industries, Incorporated and Subsidiaries on Forms S-8 (File Nos. 333-217072 and 333-254104).

/s/ Grant Thornton LLP

Charlotte, North Carolina
February 5, 2026

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No 333-217072) pertaining to the Bassett Furniture Industries, Incorporated 2017 Employee Stock Purchase Plan , and
- (2) Registration Statement (Form S-8 No 333-254104) pertaining to the Bassett Furniture Industries, Incorporated 2021 Stock Incentive Plan

of our report dated February 10, 2025 with respect to the consolidated financial statements and schedule of Bassett Furniture Industries, Incorporated and Subsidiaries included in this Annual Report (Form 10-K) of Bassett Furniture Industries, Incorporated and Subsidiaries for the year ended November 30, 2024.

/s/ Ernst & Young LLP
Richmond, Virginia
February 5, 2026

CERTIFICATIONS

I, Robert H. Spilman, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended November 29, 2025 of Bassett Furniture Industries, Incorporated;
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.

February 5, 2026

/s/Robert H. Spilman, Jr.
Robert H. Spilman, Jr.
President and Chief Executive Officer

CERTIFICATIONS

I, J. Michael Daniel, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended November 29, 2025 of Bassett Furniture Industries, Incorporated;
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.

February 5, 2026

/s/ J. Michael Daniel

J. Michael Daniel

Senior Vice President and Chief Financial Officer

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 of Bassett Furniture Industries, Incorporated (the "Company") on Form 10-K for the period ended November 29, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert H. Spilman, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Sections 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.

February 5, 2026

/s/ Robert H. Spilman, Jr.

Robert H. Spilman, Jr.
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Bassett Furniture Industries, Incorporated and will be retained by Bassett Furniture Industries, Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

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 of Bassett Furniture Industries, Incorporated (the "Company") on Form 10-K for the period ended November 29, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Michael Daniel, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Sections 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.

February 5, 2026

/s/ J. Michael Daniel

J. Michael Daniel
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Bassett Furniture Industries, Incorporated and will be retained by Bassett Furniture Industries, Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.